POLYCAB INDIA LIMITED

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POLYCAB
Connection Zindagi Ka

Date: June 29, 2021

To
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai – 400 001

To
Listing Department
National Stock Exchange of India Limited
C-1, G-Block, Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Code: 542652 Scrip Symbol: Polycab
ISIN:- INE455K01017

Dear Sir / Madam

Sub: Submission of Annual Report for the financial year 2020-21 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

With reference to the captioned subject, we are submitting herewith the 25th Annual Report of the Company along with First Integrated Report and Notice of Annual General Meeting (AGM) for the financial year 2020-21, which is being sent to the shareholders by electronic mode.

The 25th Annual General Meeting of the Company will be held on Wednesday, July 21, 2021 at 9.00 a.m. through Video Conferencing/ Other Audio Visual means (VC/OAVM).

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management And Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members with the remote e-voting facility to cast their votes electronically on the resolutions mentioned in the AGM Notice, using the electronic voting platform provided by National Securities Depository Limited (NSDL). The voting rights of Members shall be in proportion to the shares held by them, as on the cut-off date i.e. Thursday, July 15, 2021.

The remote e-voting period commences on Sunday, July 18, 2021 at 9.00 a.m. and ends on Tuesday, July 20, 2021 at 5.00 p.m. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the members participating in AGM through VC/OAVM, who have not already cast their vote by remote e-voting shall be able to exercise their rights in the meeting.

The Annual Report containing the AGM Notice is also uploaded on the Company's website viz. www.polycab.com.

Kindly take the same on your record.

Thanking you

Yours Faithfully
For Polycab India Limited

Manita

Manita Carmen A Gonsalves
Company Secretary and Compliance Officer
Membership No. A18321

Leaping to tomorrow

Integrated Annual Report 2020-21

FY21 highlights

Financial

Revenue
₹89,265 mn

EBITDA
₹11,668 mn

PAT
₹8,859 mn

EBITDA margin
13.1%

PAT margin
9.9%

ROCE
22.3%

Non-financial

Environment

Energy from renewable resources
10%

Water recycled
62.7 mn liters

Reduction in CO_2 emission
10,250+ tonnes

Total renewable energy capacity
10.1 MW

Social

CSR expenditure
₹160 mn

Training hours
37,000+

Governance

50%
Independent Directors

Zero
Tolerance on Sexual Harassment

Leaping to Tomorrow

Leaping to Tomorrow is not merely our story for the year. It has layers of context and connotations within our business. It is the vision that helped us emerge as leaders of the game. The focus that keeps us connected to our aspirations. The philosophy that influences our decision-making.

Reaching a brighter tomorrow firstly requires calibrating our strengths intrinsically. At Polycab, this belief has propelled us to undertake holistic measures towards fortifying the core. Strengthening manufacturing excellence with technological upgradation, expansion of our product portfolio, distribution network and accelerating our branding initiatives, besides optimisation of costs helped us stay ahead of the curve. Project Leap is our thought-through strategy for a truly sure-footed leap into the future. With Project Udaan, a unique cost optimisation initiative, our aim is to future-proof the business from market volatilities, buffers and unforeseen cost surges.

With an unyielding focus on enhancing our R&D capabilities across the production process, as well as delivering superior quality, our offerings have become indispensable in our consumers' day to day life. Technology has remained our mainstay in bringing more advanced solutions to address contemporary needs. Hohm, our IoT based smart home collection is a step in that direction. We are leaping to seize new possibilities and expand reach with an unprecedented eagerness. In this, our people and the growing network of distributors, dealers and influencers, are our greatest enablers.

Welcome to Polycab's first Integrated Annual Report

FY21 marks a significant milestone in the corporate reporting practice of Polycab India Limited (Polycab), with us embarking on our integrated reporting <IR> journey. This Report has been prepared to provide relevant information to our stakeholders on our financial and non-financial performance, governance, material risks and opportunities, strategy and future prospects, along with management perspective.

Scope of reporting

Reporting period

The Report provides material information relating to the Company between April 1, 2020 and March 31, 2021.

Reporting boundary

This Report covers information pertaining, but not limited to, the manufacturing plants and the office premises of Polycab and its material subsidiaries.

Financial and non-financial reporting

The Report extends beyond financial reporting and includes discussions on the non-financial aspects, including Environmental, Social and Governance (ESG) aspects, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Materiality

To integrate the expectations of stakeholders within the activities of the organisation and satisfy the requirements of stakeholders, Polycab launched a process during FY21 to engage in materiality analysis to identify the most significant topics for the business. Our material topics are those that matter most to our key stakeholders and impact our ability to create value.

*Read more on our material topics and our approach to materiality on **Page 30***

Our capitals

Our ability to create long-term value is dependent on various forms of capitals available to us (inputs), how effectively deploy them (value-accretive activities), our impact on them and the value we deliver to our stakeholders (outputs and outcomes).

Target audience

This Report is primarily intended on addressing information requirements that are due to our financial capital providers (our equity shareholders and prospective investors). We have made efforts to present information on our value creation model in a relevant and comprehensive manner for other key stakeholders, including our customers, regulators, employees, and the community.

Frameworks, guidelines and standards

The Report has been prepared in accordance with the principles and guidelines of the:

- International <IR> framework of the International Integrated Reporting Council (IIRC)
- United Nations Sustainable Development Goals (UN SDGs)
- The Companies Act, 2013 (and the rules made thereunder)
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, (SEBI LODR) 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

SUSTAINABLE DEVELOPMENT GOALS   INTEGRATED REPORTING <IR>

Board responsibility statement

The Board acknowledges its responsibility to ensure the veracity of this Integrated Annual Report. It has accordingly applied its collective mind to developing it and believes the Report addresses all relevant material issues and presents an integrated performance of the Company and its impact in a fair and accurate manner.

Feedback

We welcome feedback on our Report, to ensure that we continue to disclose information that is relevant to stakeholder decision-making. Please refer queries or suggestions to investor.relations@polycab.com

Report Navigation

To aid navigation and to indicate cross-referencing, the following icons have been used through the report.

Financial capital PG 46

Human capital PG 56

Manufactured capital PG 50

Social and relationship capital PG 60

Intellectual capital PG 54

Natural capital PG 66

World-class Products

PG 6

Amidst the upheaval, we continued to remain nimble with unwavering focus on business execution.

PG 18

Aim to achieve industry leading growth

Project Leap PG 34

Polycab in brief

Polycab India Limited (Polycab) is a strong brand name in Indian electricals space. We are an integrated manufacturer and supplier of wires, cables, and fast-moving electrical goods (FMEG). Our strong backward integrated processes ensure consistent supply of quality raw materials while in-house research and development capabilities help us earn national and international certifications. Our strategic presence in Engineering, Procurement and Construction (EPC) supports our core business aspirations. Confluence of these competencies' paves way for long-term profitable growth.

Vision

We will create a great place to work at by inspiring our people to continuously innovate and bring greater value to our customers and environment, thereby enhancing stakeholder value.

Mission

Enhance and strengthen our leadership position in wires and cables, Continue to invest in technology to improve operational efficiencies, customer satisfaction, and sales and strengthen brand recognition.

Values

We believe that we will demonstrate by focusing on company objectives and the needs of our customers and respect people for what they are and their well-being as well as recognise each other efforts and contribution.

Commitment

We will demonstrate commitment by focussing on company objectives and the needs of our customers.

Respect

We respect people for what they are and their well-being as well as recognise each other's efforts and contribution.

Empowerment

We will be accountable for all our actions and take complete ownership of consequences and at the same time we will trust and empower our people to deliver results.

Teamwork

A young and dynamic work environment filled with innovation and ideas that lead or are leading to strong relationships, and mutual respect.

Transparency

We are upfront, visible, and consistent in our actions. We treat everyone equally and are guided by the intent of doing what is right.

We started our journey in 1964 as a 200 sq ft trading firm named 'Sind Electric Stores' in Lohar Chawl, Mumbai. Today, we are the largest manufacturer of wires and cables in India and a well-footed FMEG player.

Key differentiators

- Expansive distribution network
- Robust manufacturing with backward integration and in-house R&D capabilities
- Diverse offerings with global certifications
- Strong brand recall and consumer connect
- Highly experienced management
- Fundamentally strong with healthy net cash position

Quick facts

Wires and cables

#1 Manufacturer of Wires and cables in India

Industry leader with 20-22% share of organised market

Fast-moving electrical goods (FMEG)

One of the fastest growing FMEG player

Diverse portfolio including the IoT-based smart range - Hohm

Copper + Other (EPC and subsidiaries)

Turnkey solutions for prestigious electrical and digital infra projects

Backward integration to ensure quality control and steadily growing margins

A bouquet of differentiated products

Our world-class range of in-house manufactured wires, cables and FMEG offerings have varying applications across major industries and cater to evolving market trends.

Wires

- House wires
- Green wires - HR-FR-LSH-LF*
- Industrial flexible wires
- speaker wires

Leading manufacturers of state-of-the-art wires and cables

- 0.20KV – 220KV range
- 11,000+ SKUs

20-22%
Market share in organised Indian wires and cables

Double-digit
Growth in wires business

Leading exporter
Of wires and cables in India

Cables

- EHV cables
- Fire survival cables
- Optical fibre cables (OFC)
- Jelly filled telephone cables
- High voltage cables
- LAN cables
- Power and control cables
- Instrumentation cables
- Co-axial cables
- Solar cables
- Railway signalling cables
- Other cables, such as CCTV, festoon, submersible cables

Industry-wise applications

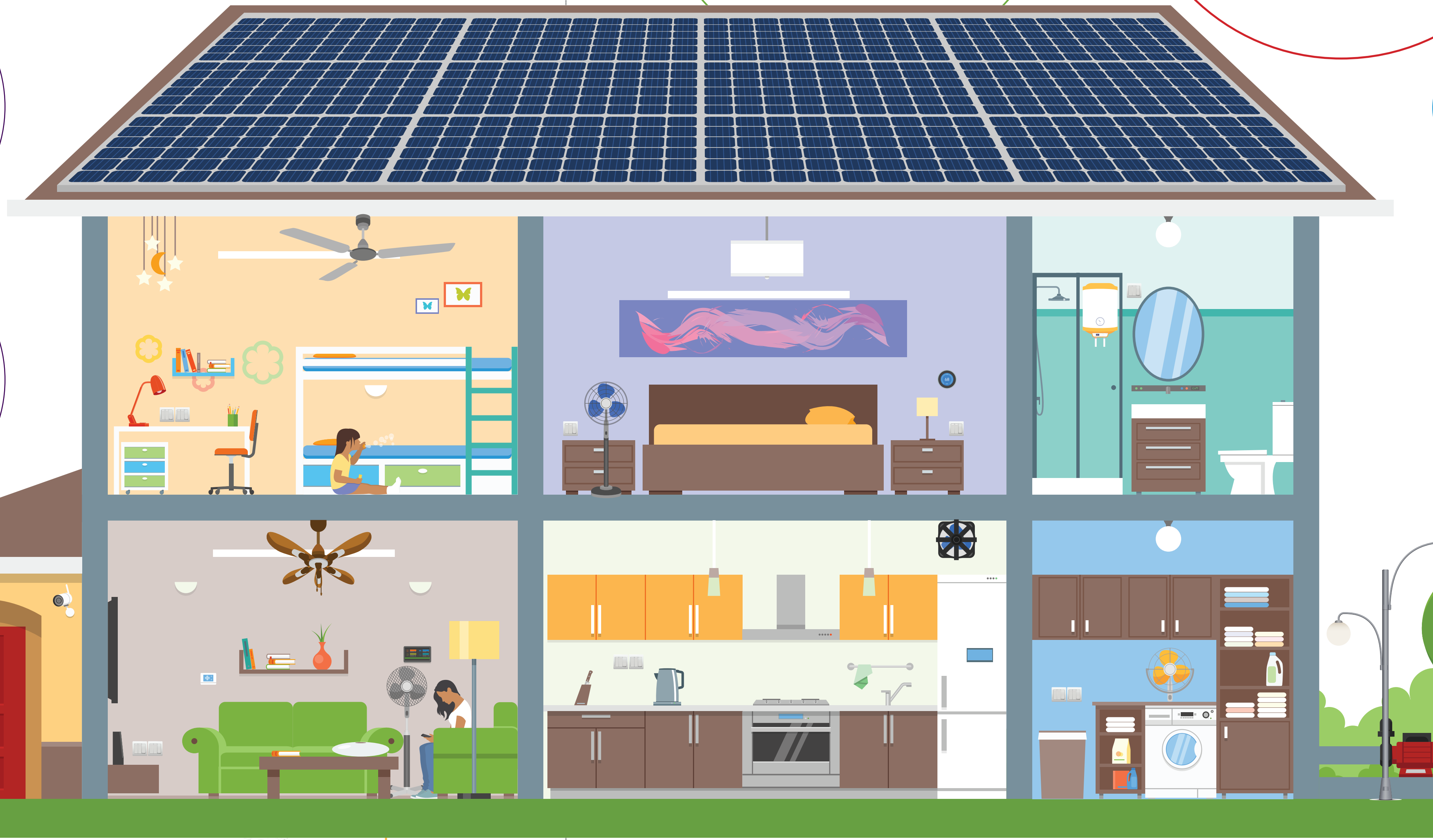
- Chemicals
- Consumer durables
- Defence
- Energy
- Infrastructure
- Manufacturing
- Metals
- Oil & Gas
- Real estate
- Technology
- Telecom
- Transport

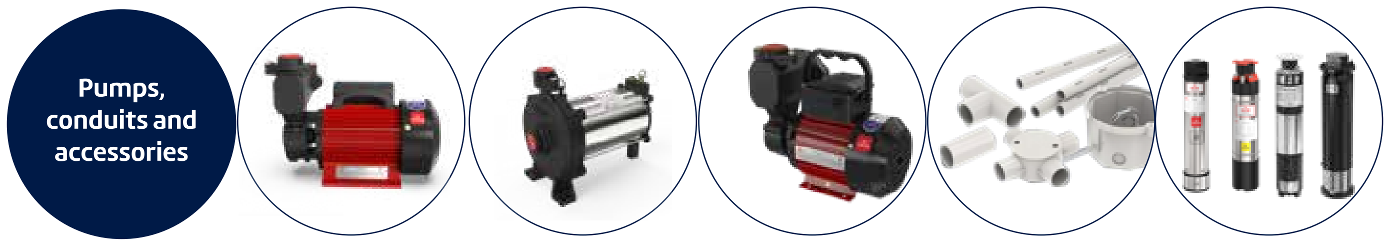
* High Insulation Resistance - Flame Retardant - Low Smoke and Halogen - Lead Free

A bouquet of differentiated products Contd...

Fast moving electrical goods (FMEG)

We are making rapid and decisive strides in the FMEG segment backed by an innovative product portfolio, with over 5,000 SKUs. Our FMEG product suite includes:





₹10+bn
FMEG Sales

11.5%
FMEG contribution to revenues

100+
SKUs of fans launched in the past 18 months

Global presence

We have an expansive manufacturing presence in India and a global operational presence, owing to world-class offerings and a growth-focused mindset.

Corporate and manufacturing presence.

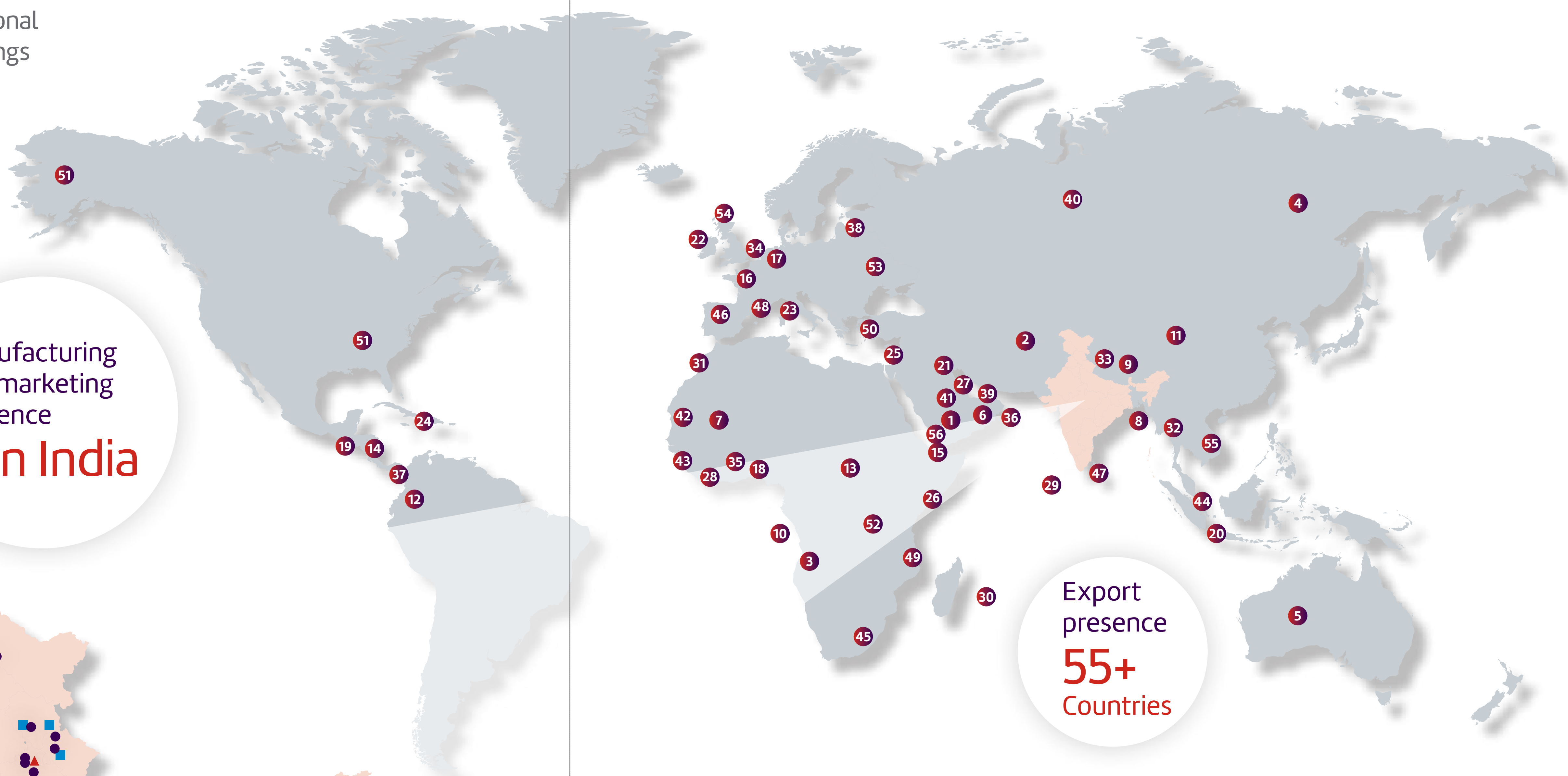
Manufacturing facilities
23

Warehouses and Depots
52

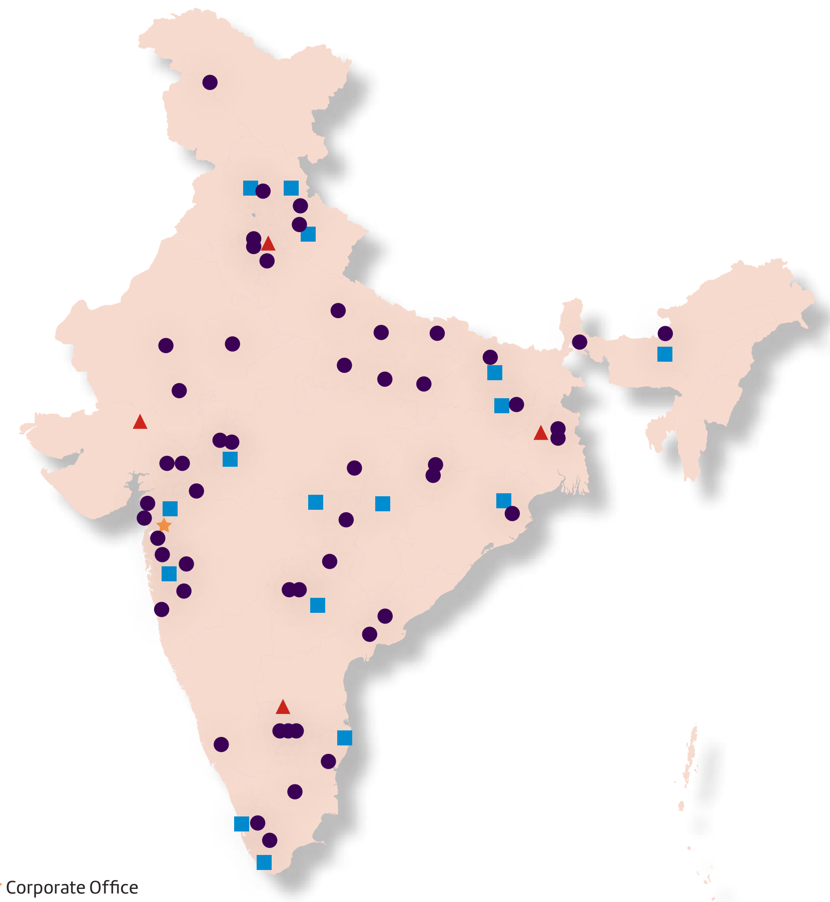
Corporate office
1

Regional offices
4

Local offices
16



Manufacturing and marketing presence
Pan India



Branch Offices

Guwahati
Patna
Ranchi
Bhubaneshwar
Secunderabad
KOCHI
Thiruvananthapuram
Chennai
Mohali (Punjab)
Dehradun
Indore
Raipur
Pune
Nagpur
Nashik
Roorkee

Export presence
55+
Countries

Country

1. Abu Dhabi	16. France	31. Morocco	46. Spain
2. Afghanistan	17. Germany	32. Myanmar	47. Sri Lanka
3. Angola	18. Ghana	33. Nepal	48. Switzerland
4. Armenia	19. Honduras	34. Netherlands	49. Tanzania
5. Australia	20. Indonesia	35. Nigeria	50. Turkey
6. Bahrain	21. Iraq	36. Oman	51. USA
7. Bamako	22. Ireland	37. Panama	52. Uganda
8. Bangladesh	23. Italy	38. Poland	53. Ukraine
9. Bhutan	24. Jamaica	39. Qatar	54. United Kingdom
10. Chile	25. Jordan	40. Russia	55. Vietnam
11. China	26. Kenya	41. Saudi Arabia	56. Yemen
12. Colombia	27. Kuwait	42. Senegal	
13. Congo	28. Liberia	43. Sierra Leone	
14. Costa Rica	29. Maldives	44. Singapore	
15. Ethiopia	30. Mauritius	45. South Africa	

● Country
Note: Map not to scale

Opportunity landscape

At Polycab, we maintain a strong oversight over economic and industry developments and megatrends that shape our opportunity landscape. Even as uncertainties regarding the path of COVID-19 persist, we can state with reasonable confidence that our external environment is highly conducive for exponential growth in the medium-to-long term, complementing our strategic objectives and organisational vision.

Consumption

1.2x
Increase in working age population

Infrastructure & Industrial Capex

34.5%
Budgetary allocation to infra projects

Policy reforms

will boost production by

Over $500 bn
in the next 5 years

Emerging trends

1,72,136
Gram Panchayats laid with OFC

Consumption

Demographic dividend

India's young population will be a key catalyst to realising the explosion in the consumer space. According to the Economic Survey 2019-20, **~62% of India's population belongs to the 15-60 age bracket** (the majority of which are of the income earning category). This section of the population has been growing faster than the dependent population, as India entered its golden period of reaping demographic dividend.

Working-age population to increase by 1.2x (1.0 billion or ~68% of total population) between 2015 to 2030.

Source: daijiworld.com/

Rising disposable incomes

The story of India's demographic dividend directly results in rising disposable incomes, as the youth becomes more educated and demand higher for their services. Similarly, India is home to a rising middle class, with **nearly 140 million households** expected to be ushered into the segment. This sets the stage for India's consumption story, which is unfolding now.

Per capita income set to rise to $4,279 by 2030, reaching upper middle income country threshold.

Source: National Infrastructure Pipeline

Nuclearisation

With rising urbanisation, increase in number of working women, better job prospects and nuclearisation of families are on the rise. This translates into **increasing consumer demand,** and enhances the demand for more housing and associated needs.

Metropolitan cities in India to increase from 46 in 2011 to 68 in 2030.

Source: National Infrastructure Pipeline

68
Metropolitan cities by 2030

Changing consumer behaviour

Now more than ever, consumer behaviours are being shaped by factors beyond price. Today's consumers purchase brands that set a statement and personify a purpose. Brands and branded products are now mainstream, with global and Indian brands seeking customer attention. Products manufactured with the background of **social good or environmental stewardship are gaining strong prominence.**

79% of consumers are changing their purchase preferences based on social responsibility, inclusiveness, or environmental impact

(Source: Capgemini Research Institute)

Opportunity landscape Contd.

Infrastructure & Industrial CAPEX

NIP & Budget allocation

In 2019, the Union Government announced the National Infrastructure Pipeline, with a proposed outlay of ₹ 102 lakh crore to execute over 7,000 projects, over a five-year period. This significant push from the government has increased India's overall potential by manifold, and has presented direct and indirect players in the **infrastructure value-chain with a momentous opportunity**. Electricals industry is a beneficiary of this, as growth in infrastructure will drive derived demand for wires, cables and other electrical products such as lights, switchgears, and so on.

Higher allocation to the extent of 34.5% in Union Budget 2021 to infrastructure development projects, as compared to last year.

Electrification

One of the key drivers of development through which, every inhabited village of India stands electrified today. Various state and central government policies continue to place emphasis on affordable and accessible electricity, and the electrification drives are expected to gain further momentum. **The National Electricity Policy (NEP) 2021 focuses on quality power and accelerated investments** through PPP in electricity distribution.

New concepts such as micro grids in remote areas, real-time power market and investment in pump hydro generation introduced by NEP.

Private CAPEX

Even as private capex was delayed with the onset of the COVID-19 pandemic, a pickup in investments in Q3 FY21 was led by 102% rise, while Q4 witnessed 40.58% growth in fresh investment in manufacturing investments. As per BofA Securities, **India is at the cusp of a multi-year capex cycle**, and an 8% private ordering growth can be expected in FY 2022.

FY21 witnessed growth in the total project contracts awarded, with 27% growth in Q3, while Q4 witnessed 40.58% growth in manufacturing investments. vis-à-vis previous quarters, indicating pickup in overall capital expenditure.

Source: projectstoday.com

Urbanisation, Smart cities, housing for all

With the building of smart cities and foreign and domestic investments, **urbanisation in India is progressing at a never-before scale**. This is complemented by the Union Government's ambitious 'Housing for All' scheme, which is expected to culminate in 2022, with a support for a total of 1.1 crore houses under PMAY (U) and 2.1 crore under PMAY (G).

The UN highlights that India's urban population size will nearly double between 2018 and 2050, from 461 to 877 million.

877 mn
Indian urban population by 2050

Policy Reforms

Production-linked Incentive Scheme

In April 2020, the Union Government announced the production-linked incentive (PLI) scheme, aimed at achieving large-scale electronics manufacturing in India. ₹1.97 lakh crore were earmarked for PLI during Budget 2020-21 for next 5 years, which will **boost production by over $500 billion in the next 5 years**.

PLI Scheme for White Goods (Air Conditioners and LED Lights) manufacturers in India is expected to create complete component ecosystem in India and make India an integral part of the global supply chains.

State-level policies and incentives

In our key operational markets, the respective **state governments have announced several schemes to garner investments and support local manufacturing**. This includes the Maharashtra New Industrial Policy (MNIP), 2019 which expects to attain a manufacturing growth of 12-13% per annum. Similarly, the Gujarat Industrial Policy (GIP) 2020 is expected create a highly enabling environment for industries, including single-window processes.

MNIP, 2019 is expected to attract investments worth ₹10 lakh crore and employment opportunities for 40 lakh people by FY24. GIP, 2020 will provide capital subsidies ranging from 10-25% of term loan amount and interest subsidy from 5-7% of the loan amount.

A conducive tax system

With the ushering in of the Goods and Services Tax (GST) regime, **formal players across industries have been assured a level-playing field**. With rapid development of online businesses, formalisation is receiving more thrust than ever before.

While GST has been around for over three years, it has brought several structural changes to the business scenario such as elimination of cascading tax effect, higher registration threshold, simple and online procedure, lesser number of compliances and regulation of unorganised sector.

Export reforms

Conducive export policies announced by the government include:

- Remission of Duties and Taxes on Export Products Scheme (RoDTEP)
- **Ease of doing business enhanced with digitalisation**, including measures such as Duty exemption authorisations, and e-transfer of duty credit scrips, among others.

The government has announced several initiatives for exporters such as tax refund scheme, enhanced credit scheme, Nirvik (Niryat Rin Vikas Yojana) scheme for enhanced insurance cover and reduced premium for small exporters to boost export performance.

Global Wires and Cables market and export prospects

The wires and cables market size globally is estimated at $140-150 billion in 2020, which is expected to grow in mid single digits.

The global growth drivers for the industry include rising urbanisation, industrialisation and growing infrastructure. Additionally, increasing investments in smart upgrading of power transmission and distribution systems, smart grid development and accelerated demand for internet connectivity increased digitalisation on account of COVID-19 are expected to drive market growth.

These factors augur well for higher demand from export markets. Additionally, support from government initiatives has led to a conducive environment for us.

$140-150 billion
Global Wires and Cables Market

Opportunity landscape Contd.

Emerging trends

Digitalisation

Digitalisation is increasingly bringing major transformation in businesses. The transformation is being witnessed across the board, from products, processes and people, to customer centricity, governance and social projects. **The Union Government is also laying emphasis on digital infrastructure initiatives** with programmes such as Digital India, Bharatnet, leading to higher demand for internet connectivity, new age technologies such as 5G, FTTH and so on. These trends play a significant role in the growth of electrical industry, as their growth is sector agnostic.

Bharatnet is the world's largest rural broadband connectivity programme, aimed at connecting all the 2.5 lakh Gram Panchayats (GP) across India. As of June 2021, Length of OFC Laid was 5,24,686 km. and Number of GPs where optical fibre cable (OFC) Laid was 1,72,941.

Bharatnet
World's largest rural broadband connectivity programme

Rising renewable energy prospects

Globally, there has been a **rising trend for adoption of renewable energy**. The Paris agreement, which set a goal of reducing global warming to below 2° Celsius compared to pre-industrialisation levels, is the source of environmental commitment by nations. China has announced net zero emissions by 2060, whereas Japan, South Korea, and European Union have announced net zero emissions by 2050. India will have the biggest share of energy demand growth at 25% over the next two decades.

By 2040, India is likely to become the second-largest growth market for renewable energy. Solar PV annual additions could increase ~40% in three years, reaching 150 gigawatts (GW) by 2022. Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyaan (PM KUSUM) will boost demand for Solar energy equipment to a great extent.

150GW
Solar PV by 2022

Electric mobility

Electric transport infrastructure has been boosted with 100% electrification of existing railway network, mass rapid transit system and availability of public charging infrastructure for Electric Vehicles (EVs). The government has set a **target of 70% of all commercial cars, 30% of private cars, 40% of buses and 80% of two wheelers and three wheelers to be electric-only by 31st March, 2030.**

Global electric car registrations grew by 41% in 2020, despite of the pandemic. ~3 million electric cars were sold globally and Europe overtook China as world's largest EV market for the first time.

IoT and Industry 4.0

Industry 4.0 refers to the leveraging of cyber physical domains, in association with latest technologies such as Artificial Intelligence (AI), Internet of Things (IoT), cloud computing, Augmented Reality (AR), 3D printing, etc. to enhance productivity. **By digitalising the shop-floor, MSME manufacturers can receive various immediate and long term benefits** such as instant analysis of production status, error eliminations. Industry 4.0 are likely to boost demand for green wires, solar and technologically-advanced electric equipment.

Samarth Udyog Bharat 4.0 is an Industry 4.0 initiative of the Government of India under the Ministry of Heavy Industry & Public Enterprises and it includes manufacturers, vendors and customers as the main participants.

Our response

We at Polycab, are cognisant of these opportunities and have undertaken various efforts, leveraging our strengths, which also play an important role in planning our future strategies.

Our response to the evolving opportunity landscape:

- **Robust manufacturing with backward integration and in-house R&D capabilities**
- **Focus on high-quality premium range to fulfil ambitions of young India**
- **Robust strategies to meet growing demand**
- **Enhanced distribution presence**
- **Boost export performance with Industry-leading certifications**
- **Rapid product innovation**
- **Green range and energy-efficient products in both wires and cables and FMEG segments**
- **Higher focus on automation, digitisation and optimisation**
- **Accelerated advertising and promotional efforts to enhance the brand reach and recall**
- **Expansion of Polycab Galleria to boost demand from FMEG customers and upcountry retailers**
- **Partnering with distinguished customers to participate in large-scale projects**
- **Right product mix to accelerate market presence and enhancing bottom line**

Message from the Chairman and Managing Director

Dear shareholders,

On this 25th year of Polycab as structured organisation, it gives me immense pleasure to place before you the first Integrated Annual Report of Polycab India Limited for FY 2020-21. This is a decisive step towards improving transparency, ensuring sustainability, and promoting inclusive growth. I believe realigning our principals towards progressing across multiple capitals of our business model will lead to tremendous value creation for all stakeholders, while cementing our market leadership position.

COVID-19 response

With initiation of our business continuity plan last year, we started prioritising safety and well-being of our employees, partners, and customers. This year our corporate social responsibility initiatives reached even deeper and farther. We proactively supported communities across India, either directly or by partnering with government, local administrations, or NGO partners with monetary aid or through distribution drives, which included ration kits, essentials such as masks, sanitisers and medicines. These efforts were well recognised by the local administration and the communities. On the operations front, all our factories, offices and warehouses have been operational in compliance with local guidelines and following global best practices. We continue to stand with the community fight the pandemic on a front foot.

Performance review

The year saw our team working from home and we leveraged this as an opportunity to strengthen our skillsets with more focused training sessions. We played to our core strengths -manufacturing, distribution, innovation and technology, to sustain our leadership in the wires and cables segment, while strengthening our consumer electricals business.

We worked on developing new ranges of consumer-centric products, based on our deep understanding of the market and launched new products across categories. Our manufacturing excellence was bolstered through process improvements, investments in capacity building, deployment of cutting-edge technology and automation, including data analytics and artificial intelligence driven tools. A robust R&D backbone and seamless backend integration for quality raw materials, strengthened our brand position and enabled us to stay ahead of the curve.

We grew our market reach in the Tier-II and Tier-III cities and continued with our branding initiatives during the year to improve brand connect. Our experience centers were redesigned as Polycab Galleria to engage more meaningfully with customers and influencers and strengthen our presence in the consumer electricals segment.

Amidst the upheaval, we continued to remain nimble with unwavering focus on business execution. As a result, our revenue increased from ₹88.3 billion in FY20 to ₹89.3 billion in FY21, despite pandemic-induced disruptions. Economic contractions witnessed in the first half of the year put our antifragility to the test. It was not until the latter half that India began its upward trajectory. Consumer and market sentiments improved as crucial indicators, such as the infra investments, GST revenues, IIP, PMI, building materials consumption, among others began to indicate an economic rebound.

Our core wires and cables business was supported by distribution expansion, portfolio augmentation, higher realisation and favourable macro environment in second half. Our efforts to become a premium global player is progressing well. Normalised exports portfolio saw strong traction during the year. Our swelling portfolio of global quality certifications along with product approvals from large multinational organisations proves our commitment to quality, consistency, and creditability. A sharp rebound in global demand for commodities coupled with supply side interruptions led to record surges in input prices. This was largely mitigated through calibrated price escalations, hedging mechanisms and better production planning. We received multiple product approvals for our inhouse manufactured high end cables used in sectors such as defence, railways and automobiles. We are the first Company in India to receive Automotive Research Association of India (ARAI) test certificates on ISO 16942 cables for electric vehicle (EV) applications. We worked as a project implementation agency (PIA) with BharatNet's Phase-II and received several awards and accolades.

Consumer electricals vertical continued its strong momentum, withstanding all disruptions. The year was marked with impressive broad-based growth and market share gains across categories. At ₹10.3 billion in revenue the business achieved a major milestone. Within the fans category we emerged leader in few geographical clusters. Lighting business posted strong industry leading growth over last year despite tough market conditions and input cost inflation. Our strategic interventions to unlock synergies helped revive growth in categories like switches and switchgears. A focused programme is underway to develop premium and value-added products which resonates better to market trends. Augmenting our brand architecture, we launched a new brand Hohm from the house of Polycab. It is a premium IoT based FMEG portfolio which will cater to evolving needs of consumers in this digital age. All of Hohm products are made in India and most of them are manufactured inhouse. Hohm is a significant step in our journey of innovation and transforming Polycab into an aspirational brand.

Profitable growth has been our core agenda. Strategic interventions in terms of pricing, cost optimisation and enhanced portfolio mix helped mitigate sharp surge in input costs and improve operating profitability during the year. Our Financial position was stronger than ever with net cash position of over ₹9 billion as of year end.

Outlook

We are encouraged by the government's continued efforts to calibrate our health infrastructure and ongoing progress on the vaccination front. Initiatives like Atmanirbhar Bharat, National Infrastructure Pipeline and the recently introduced production linked incentives (PLIs) to bolster domestic manufacturing augurs well wires and cables industry. Favourable developments on account of policy reforms, normal monsoons, easing of liquidity position, reduction of interest rates and boosting entrepreneurship with initiatives for MSMEs strengthen the case for India becoming a $5 trillion economy. These structural developments offer tremendous growth potential, and we intend to work relentlessly, leverage our core competencies and stay ahead of the curve.

Leaping growth

During the year we flagged off a strategic cost optimisation initiative - Project Udaan. We are quite optimistic that it will help us build a lean cost structure, which is sustainable while institutionalising new ways of working. While the implementation is still underway and benefits will accrue over the next two years, I am happy to report that we have identified and are unlocking significant value already.

We also initiated Project Shikhar to strengthen our engagement with key influencers i.e. Retailers, Electricians & Small contractors. This programme seeks to expand our retail reach in 300 high potential cities across India, over the next two years. We intend to reach to over half of all the retailers directly in these cities and drive 3x sales from these markets. Our 'Experts Program' emphasis on inclusive growth by imparting personal and professional skills to participants along with monetary incentives.

Our extensive focus on digitalisation and creating a robust IT infrastructure has helped us improve cross functional operating efficiencies and transform customer experience. Our online multiplatform dealer portal now generates over 70% of our domestic products business. We are also digitalising and integrating our supply chain including warehouses and logistics using RFID, GPRS, sensors and scanners. Document management process is being made intuitive with intelligent workflows across the organisation. We have meticulously aligned individual goals with company goals through an upgraded robust performance management system.

Lastly, we have embarked on a five-year transformational journey. By FY26 we aspire to cross ₹200 billion in sales with significant market share improvement across categories. I believe we are at an inflection point of our organisation's growth trajectory and the next five years will be driven by customer-centricity, future-ready organisation structure, digital transformation, and a sharp focus on Environment, Sustainability and Governance. We are dedicated to using our resources in a responsible manner. Our endeavour to serve the communities, have a positive impact on environment and ensuring corporate governance form an integral part of our business.

Gratified by your support

Before I conclude, I take this opportunity to thank the Board for effectively steering the Company in these unprecedented times. I am grateful to the leadership team and our employees for their relentless efforts and contributions towards upholding business continuity and enabling growth. To our stakeholders including our partners, suppliers, customers, consumers, influencers, bankers, government authorities and to you, our shareholders, I express my gratitude for reposing your faith in us. Let us together make a difference and scale new heights of progress in the impending year.

Warmly,

Inder T. Jaisinghani
Chairman & Managing Director

1st in India
to receive ARAI test certificates on ISO 16942 cables for EV applications

₹200 bn
Sales by FY26

Quick Q&A with the CFO

Q: FY21 was challenging but how has the business performed overall?

A: It has been a capricious year starting with severe impact of pandemic and lockdown followed by strong demand uptick in second half and again losing some sentimental momentum due to second wave. Without going deeper into each business, as it will be already detailed in MD&A section of this report, I will probably share few key highlights of the year. Firstly, I would like to acknowledge all the great work done by Polycabians amidst challenges across professional and personal fronts. They continue perform at a high level while adopting a nimble approach to seize all opportunities regardless of business environment. As a result, we were able record a better FY21, surpassing last years sales, despite loss of business in first quarter. Market share gains were prominent across business segments. B2C product portfolio, which predominantly includes housing wires and FMEG categories, continued to witness strong traction during the year on the back of distribution expansion, strategic interventions, calibrated pricing actions and higher realisations. Consequently, its contribution to over business on a standalone basis, increased from 32.6% in FY20 to 40.2% in FY21. FMEG business entered the ₹10 billion club. We also introduced a new brand "Hohm", from the house of Polycab. It comprises of a premium IOT based FMEG portfolio which will cater to evolving needs of consumers in this digital age. Hohm is a significant step in our journey of innovation and transforming Polycab into an aspirational brand. Our increased focus on exports led to 67% YoY growth in normalised exports portfolio during the year. Our special high end cables business also saw healthy progress in terms of sales and approvals. These cables are largely being imported in India however our ability to indigenously manufacture them showcases our R&D and innovation capabilities. Institutional business witnessed a challenging year overall, however year exit rebound seems promising. From a number's perspective, wires and cables revenue declined by 3% YoY while FMEG revenue increased by 24% YoY. On a five-year scale, our wires and cables business have recorded healthy market share gains while FMEG has recorded a market leading 37% CAGR.

Q: Any colour on returns profile, working capital and financial position?

A: We have seen a steady improvement in profitability over the past few years. Even in FY21 our EBITDA grew 3% YoY with 30bps YoY improvement in margin. This was despite adverse operating leverage seen in first quarter and sharp run up in prices of key inputs like copper, aluminium, PVC and steel. These headwinds were partly mitigated by calibrated pricing actions, better portfolio mix, improved productivity, better working capital management and cost saving initiatives. Segmental EBIT margin in wires and cables increased from 12.3% last year to 12.6% in FY21. FMEG saw strong improvement growing from 2% last year to 5.5% in FY21. Consolidated PAT grew 16% YoY with 9.9% margin which is 125bps YoY increase over last year. Working capital was optically stable however there has been significant underlying progress which is not truly reflected in financials. Our robust cashflow management led to over ₹9 billion of unencumbered cash position. Returns ratios remained healthy with ROCE and ROE at 22.3% and 18.6% in FY21 respectively.

Q: What is your capital allocation strategy?

A: Since we do not have any significant debt obligations, we have three main avenues to utilise the available capital or cash. First is to support our internal CAPEX requirements and we are continually expanding our product portfolio, entering new international geographies, and scaling up consumer business which necessitates investments. Having said that we are focussed on gaining leverage benefits and sweating our assets which led to higher fixed asset turnover ratio over the past five years. Second is acquisitions, as we have been actively searching for good opportunities. We will keep a reserved war chest for it. Third is dividend, while we do not have dividend pay-out targets, the trend has been in upward trajectory. In FY21, considering the Companys healthy financial position the Board recommended for the payment of Dividend of ₹10 per equity share, for the year ended March 31, 2021. This means our dividend pay-out ratio on standalone profit will sequentially improve to 18% in FY21. We are also cognisant of the implications of having a large balance sheet on return ratios. Hence, we are focussed on having a right capital structure and distributing excess capital to shareholders in a phased and efficient manner.

Q: Global commodity prices like Copper, Aluminium etc. have witnessed a sharp upswing. How do mitigate these risks?

A: Our metal procurement contracts come with embedded derivatives, which provides us an opportunity to finalise the purchase price at a future date. This is widely used concept amongst primary and downstream metal producers, termed as provisional pricing. The flexibility to price our raw materials subsequent to the procurement date and linking it to our realisations through revision in price list offers us a natural hedge against copper and foreign exchange volatility. We also use forward contracts or price escalation clauses as a hedge in large institutional orders. By this way we try and pass on all inflation or deflation to customers. We also have a Risk Management Committee which finalises and reviews currency and commodity hedging strategy.

Q: You have few strategic projects running. How do you see the company shaping up in medium term?

A: Strategic projects have been key milestones for Polycab over the past decade. They have played a very crucial role in shaping our organisation. Back in 2010-11 when we initiated our first major transformation project, it metamorphosed our business model with strong focus on distribution expansion, building robust professional management bandwidth, diversifying business in consumer categories creating a strong IT backbone. Our project Josh, which was a very sophisticated way of increasing brand presence helped us improve our regional market share significantly. Our Project Bandhan played a crucial role in building strong connect with key electricians. Our Project Sankalp is helping us optimise inventory levels across manufacturing and supply chain.

At current juncture, we have three major strategic projects running simultaneously but targeting different aspects of business. First is Project Shikhar which is a 360-degree programme with three main pillars i.e. Channel expansion, The Polycab "Experts Program" and IT enablement. We aim to implement it in 300 identified high potential cities across India to drive 3x sales in these geographies. Our second project is Project Udaan, which aims to build a lean and sustainable cost structure as well as institutionalise new ways of working. We are analysing various dimensions of product life cycle for e.g. strategic procurement, manufacturing process, supply chain, design optimisation and value engineering to weed out organisation wide inefficiencies. While the programme is still ongoing, we have already identified and are implementing savings initiatives worth 80bps. Our third and the most recent one is Project Leap. This project is a multi-year transformational journey with an aim to cross ₹200 bn in sales by FY26. This aspiration will be underpinned by strengthened leadership in B2B portfolio, breakout growth in B2C portfolio and future proofing success through organisation, digital and functional excellence. We also aim to accelerate the Sustainability Agenda meaningfully.

Apart from these programmes, we have bolstered our processes and IT systems further. State-of-the-art Mobile Supply Chain Application (MSCA), which tracks our actual production and supply data in real time, was implemented and integrated with ERP system which enabled us to record on-time-in full (OTIF) deliveries up to 95-98%. Implementation of the Business Intelligence (BI) tool helped design better near-term sales and operations strategies. Our multiplatform Dealer portal enables a dealer to independently log and track their orders while our new customer relationship management (CRM) tool is facilitating increased sales conversion through higher sales team productivity, and improved customer and project data capture and analytics. Performance management system saw a major upgrade which enables us to associate individual and team goals to company aspirations is the best possible manner.

Even from a financial reporting and transparency perspective, we have made incredible progress in last couple of years. From a private company preparing financials once in a year we have advanced to detailed condensed financial reporting every quarter, which are reviewed by statutory auditors, done by only few companies globally. We also publish insightful presentations and host quarterly earnings conference call. This year also marks another significant milestone in our corporate reporting journey, with our first Integrated Annual Report. This report takes us leaps ahead not only in terms of our transparency and disclosure practices, but also with introduction of integrated thinking and co-ordinated working within our teams.

40.2%
B2C sales contribution

67%
YoY growth in normalised exports

Q: Do you think inorganic growth is an opportunity which can be explored?

A: As I mentioned earlier our financial position remains pretty strong. Hence from a liquidity standpoint we are quite comfortable however Polycab's growth, inherently, has been organic. Our experience in inorganic growth is fairly limited. So we do not anticipate any large multinational acquisition in the near term however we are evaluating few bolt-on acquisitions which can provide us technology or geographic penetration advantages. A successful acquisition requires a structured and holistic approach. Finding an asset which is a right cultural fit with well defined synergies, at a mutually beneficial value, is a challenge. Therefore we do not have hard and fast targets on acquisitions, but we are open to all value accretive opportunities.

Q: Any takeaway message for our readers?

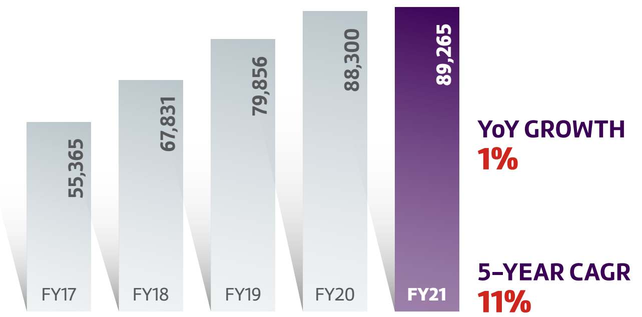
A: Would like to thank all our Board Members, senior leadership, our team members and all our stakeholders, who have continued to trust us and our team in these challenging times to navigate Polycab to greater heights. Let us continue this exciting journey of leaping to the next level of growth in FY22 as well.

Gandharv Tongia
Chief Financial Officer

Key Performance Indicators

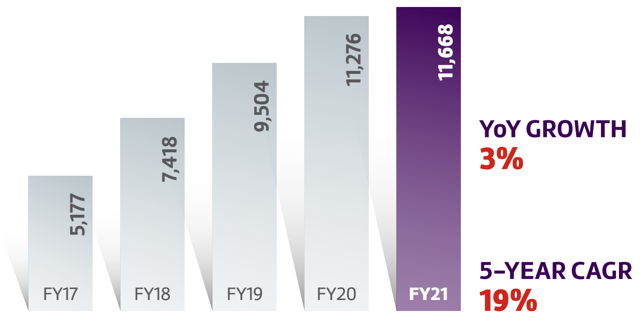
With focused efforts on quality, growth-oriented strategies, prudent risk management and robust business model, we are able to generate consistent returns for our shareholders.

Net Sales
(₹ million)



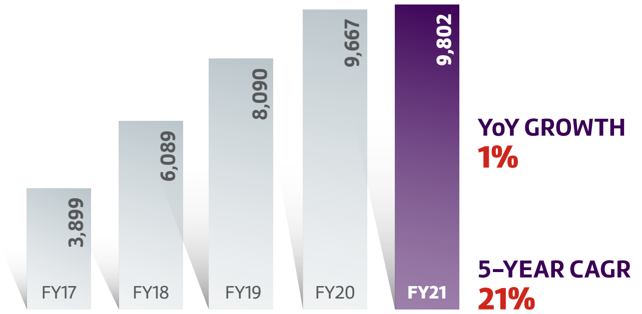
Our Net Sales for FY21 stood at ₹89,265 million, up 1% from FY20, led by strong performance in second half of the year, offsetting severe impact of COVID-19 outbreak

EBITDA
(₹ million)



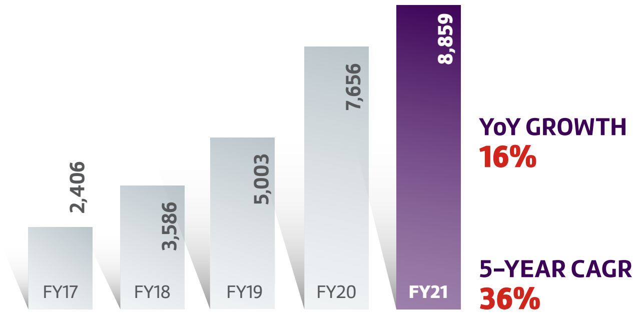
Our EBITDA for FY21 was ₹11,668 million, up 3% from FY20, due to better portfolio mix, calibrated pricing actions, operating leverage benefits and cost saving initiatives

EBIT
(₹ million)



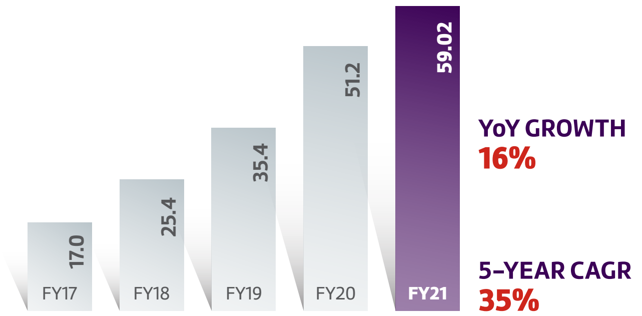
Our EBIT grew by 1% to ₹9,802 million in FY21, as against ₹9,667 million in FY20 due to stable earnings.

PAT
(₹ million)



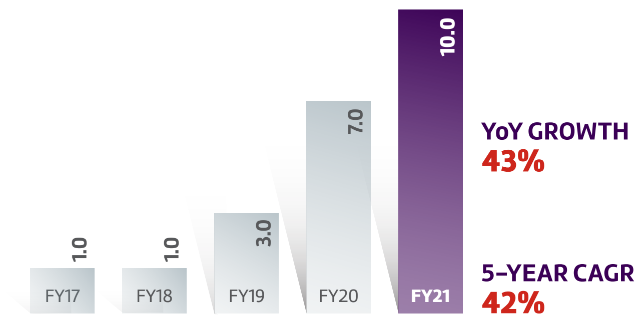
Our PAT for FY21 stood at ₹8,859 million, up 16% from FY20

Earnings per share
(₹)



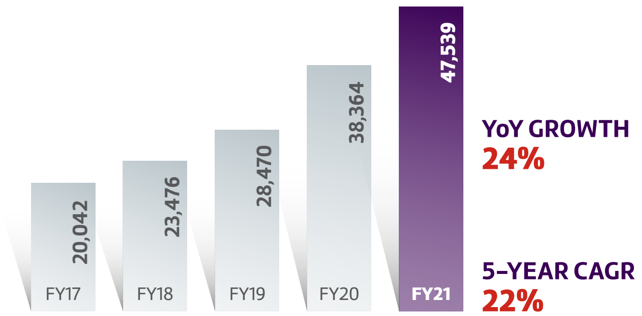
Our EPS for FY21 was at ₹59, up 16% from FY20, due to higher profits

Dividend per share
(₹)



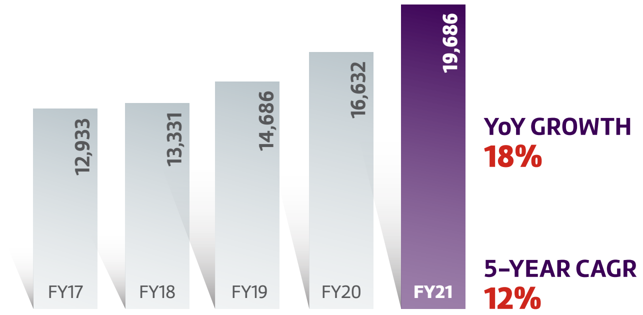
Our DPS for FY21 stood at ₹10, up 43% from FY20, on account of better financial position

Net worth
(₹ million)



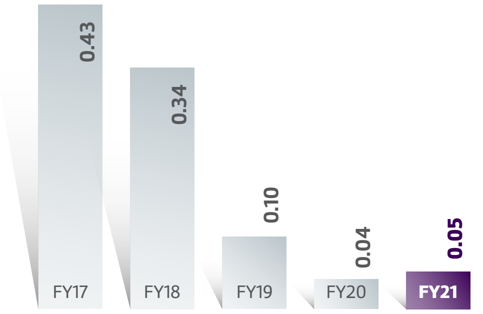
Our Net worth for FY21 stood at ₹47,539 million, up 24% from FY20, due to higher retained earnings, as a result of enhanced profits

Net Fixed Assets
(₹ million)



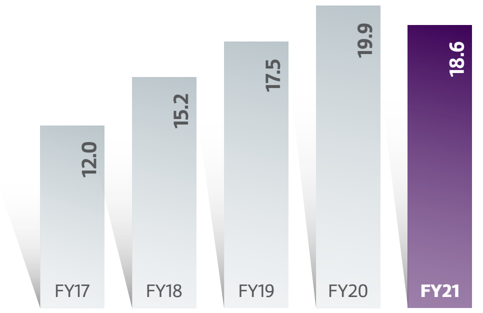
During FY 21 Company has incurred Capex of ₹1,911 million.

Debt to equity ratio
(times)



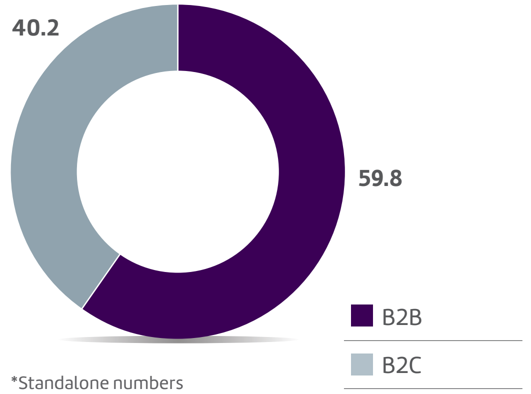
Our Debt to equity for FY21 stood at mere 0.05 times

Return on Equity (RoE)
(%)



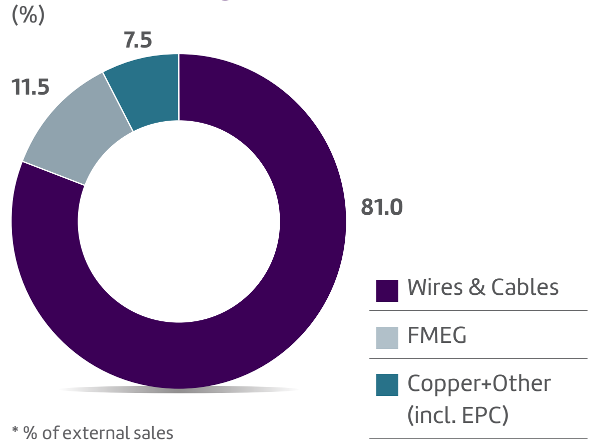
For detailed financial review, please refer to Page 71

Revenue Breakup*
(%)



*Standalone numbers

Revenue segmental breakup*
(%)



* % of external sales

Value creation model

External environment

Inputs

Financial capital
Total Shareholder's Funds: **₹47,539 million**
Total Non-current Liabilities: **₹2,274 million**
Capital expenditure: **₹1,911 million**

Manufactured capital
No. of manufacturing units: **23**
Copper Manufacturing - Installed capacity: **2,25,000 tonnes**
Warehouses and depots: **52**
No. of offices: **21**

Intellectual capital
R&D expenditure: **₹208 million**
No. of R&D professionals employed: **100+**

Human capital
No. of employees on-roll: **4,651**
No. of employees on contract: **7,170**
Total training hours: **37,000+**
% of employees trained on safety and skills: **84%**
Total value of employee benefits disbursed: **₹3,604 million**

Social and relationship capital
CSR Expenditure: **₹160 million**
No. of registered electricians: **1,80,000+**
No. of registered dealers: **4,100+**
No. of retailers: **1,65,000+**
Well-established brand

Natural capital
Wind energy installed capacity: **8.2 MW**
Solar energy installed capacity: **1.9 MW**

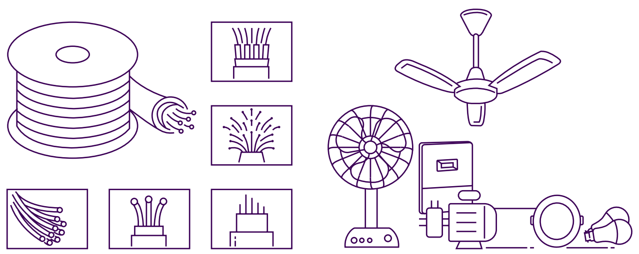
*mn=million

Governance

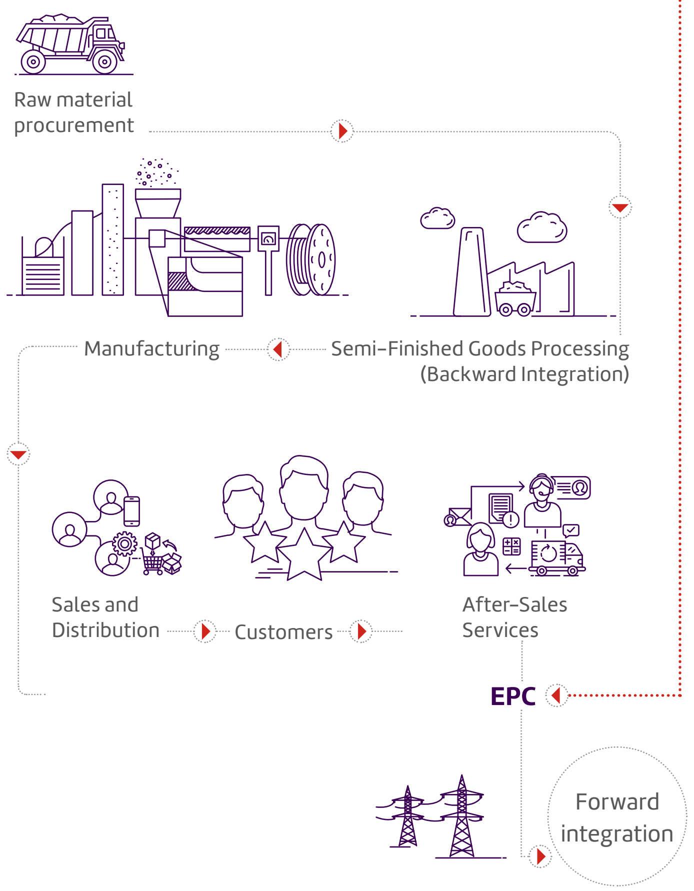
Strategy and resource allocation

Businesses

Wires and Cables | **FMEG**



Value chain



Functions enabling value creation

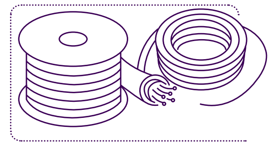
- Manufacturing
- Supply chain
- Marketing
- EXIM
- CSR
- Finance and accounts
- Human resources and administration
- IT & digital
- Energy management
- Environment management
- Secretarial and legal
- Research and innovation

Performance

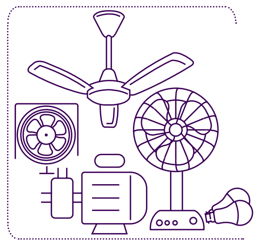
Risk management

Value created for stakeholders

Outputs



Wires and cables
No. of SKUs: **11,000+**
Sales: **₹72,921 million**



FMEG
No. of SKUs: **5,000+**
Sales: **₹10,341 million**

Outcomes

Financial capital
Revenue: **₹89,265**
EBITDA: **₹11,668**
PAT: **₹8,859**
ROCE: **22.3%**
Debt to equity ratio: **0.05**
EPS: **₹59**
DPS: **₹10**

Manufactured capital
Range of wires and cables: **0.20 KV to 220 KV**
Range of FMEG products: **10+ categories**
Sale from products manufactured in India: **~99%**

Intellectual capital
No. of IPRs granted: **116**

Human capital
Lost Time Injury Frequency Rate (LTIFR): **0.21**
Fatalities: **Zero**

Social and relationship capital
No. of Customer experience centres established: **7**

Natural capital
Reduction in CO_2 emission: **10,250+ tonnes**
Water recycled: **62.7 mn litres**

Stakeholder value proposition and engagement

The Polycab strategy is focused on creating a holistic value for each stakeholder group. Their expectations and aspirations are integrated into our decision-making. We proactively engage with our stakeholder ecosystem and ensure sustainable value creation.

Our value proposition for various stakeholders has been summarised below:

Stakeholders	Value proposition	KPIs
Customers	Reliable supply of best-in-class wires and cables, innovative consumer electrical goods and turnkey solutions for Engineering, Procurement and Construction (EPC)	• Number of customer experience centres established • 100% customer complaints redressal
Employees	Ensure professional growth with ample learning and development initiatives in a market-leading organisation.	• Total benefits and compensation disbursed • Total number of training hours • Zero sexual harassment incidents
Channel partners	Partner with the dealers and distributors to offer a wide gamut of world-class products, which cater to rising consumers' aspirations, while enabling them to achieve long term sustainable growth	• Number of distributors connected/engaged • Number of dealers connected/engaged • Improved returns on capital
Influencer network	Engage closely and build long-term loyalty with trade influencers, such as electricians, architects, contractors, among others. Enhance their lives not just through monetary incentives but also through skill development. Transform them from mere service providers to 'experts', helping consumers select the right products	• Number of electricians connected/engaged • Certified skill training • Points-based loyalty programme
Community	Improving people's lives through innovation-led, sustainable manufacturing processes, fostering inclusive, socio-economic growth	• CSR expenditure • Number of schools renovated • Lives touched
Investors	Generating consistently profitable growth through responsible management and good governance	• Sales growth • Profitability • Return on Capital Employed (RoCE)
Government	Addition to foreign exchange reserves through exports and contribution to the exchequer through taxes	• Contribution to exchequer • Compliant to all regulations

Read more on the KPIs for each of stakeholders under the value creation model on **PAGE 24**

Stakeholder engagement

Identifying our stakeholders

We identify our stakeholders, based on materiality and inclusivity, and make active efforts in staying on top of their key priorities and concerns. We also verify these issues for their relevance to Polycab and benchmark against peers to arrive at the list of most relevant concerns.

Correlating our engagement approach to organisational benefits

The nature of our engagement with stakeholders depend on the stakeholder category, their expectations from us and the criticality of the relationship. We engage with them through various online and offline modes. These include surveys, conferences, face-to-face interactions, emails, webcasts, telephonic conversations, periodic reporting, among others.

Benefits of the engagements

We carefully analyse the information received in the form of suggestions, comments and recommendations from these engagements. The information thus derived enable us to align our strategies with stakeholder expectations. Successful execution of these strategies pave way for the creation of sustainable value across stakeholder groups.

Stakeholder value proposition and engagement Contd.

We engage with key stakeholders through various modes. Their prime concerns, which are also relevant for Polycab, are illustrated as below:

Stakeholders	Stakeholder's Priorities	Relevance to Polycab	Engagement initiatives	Engagement platform/ Frequency
Employees On-roll and contract workforce	• Health and safety • Performance evaluation and recognition • Learning and development • Work-life balance and career progression • Transparency and employee involvement in Company's growth strategies	Vital for continuity of the operations, design, production, research and development. Their support helps Polycab move towards realising its corporate vision.	• Digitalised performance management system, reporting and review mechanisms • General and job-specific, specialised trainings • Safety committees and toolbox talks • Quality management and productivity boosting through regular skill upgradation programmes • Cultural events and programmes	• Town-hall meetings • Webcasts • Intranet portal • Newsletters (circulated daily/ monthly/ quarterly/ half-yearly/ annually)
Shareholders and investors	• Information on Company's performance • Company's business growth agenda • Transparent disclosures • Good governance practices	Provide financial capital needed to fund the operations. Their faith is important for the continued growth of Polycab.	• Stakeholders' Relationship Committee to address grievances of investors and shareholders • Dedicated investor relations department for regular engagement with shareholders	• General meetings • Quarterly condensed financial statements • Detailed quarterly presentations and Annual Report • Quarterly investor conference calls • Broker conferences • Media briefings • conducted quarterly/annually and on need basis
Channel partners, distributors, retailers and influencers	• Regular product innovation to enhance sales • Sales promotion support • Service support and timely deliveries • Better profitability and higher returns on investments	Enable strong brand connect, act as our ambassadors, enhance goodwill and drive profitable growth. Provide critical support in getting us direct feedback from the market.	• Efficient sales and after-sales services • Relationship building activities • Surveys and feedback sessions	• Dealer/influencer meets • Events • Engagement sessions conducted regularly, annually
End consumers	• Consistent quality at competitive prices • New and innovative products as per latest market trends and evolving requirements • Easy access to products and services	End consumers are one of the most important stakeholders, since their satisfaction and delight form a critical element of Polycab's success strategy	• Innovative and quality products and services • Technical after-sales service • Prompt response to complaints, queries and grievances	• Collation and analysis of customer feedback • Engagement through website, social media, in-store promotions • In-house and third party market research surveys, meetings • Brand campaigns • conducted regularly, during festive seasons and sales promotions
Government agencies, regulatory bodies and local authorities	• Compliance with rules and regulations • Timely reporting through various compliance-based forms	The government agencies and regulatory bodies provide requisite registrations essential to conduct the businesses smoothly	• Disclosures and filings for compliance reporting • Meeting authorities for permissions/approvals	• Reports • Results • Forms and formats • Audits • conducted periodically/monthly/quarterly/annually and on need basis
Communities and Environment	• Local infrastructure development • Employment generation • Health and sanitation • Environment care • Access to quality education • Safe and sustainable manufacturing methods • Assurance on sustainable manufacturing and energy management • Clean energy management • Water management	Responsible corporate citizenship	• CSR initiatives • Volunteering initiatives	• Community events and functions • conducted on regular basis
Vendors	• Registration as approved vendor • Exact product specifications • Pricing and favourable terms of payment • Timely clearance of payment • Supporting the MSME ecosystem	Quality raw material availability from registered suppliers enable us to produce quality products on time	• Capacity building and sustainability for suppliers	• Surveys by calls, virtual meets, email or in person • Supplier meets • conducted on continuous basis

Matters critical to value creation

At Polycab, we regularly engage with our stakeholders to identify topics that are material to our value creation process. Such assessments are undertaken to gain a comprehensive understanding of the material issues and assess their impact on the long-term performance of the business.

Our materiality assessment exercise is a clearly defined, closed-loop interaction that involves identification, prioritisation, strategisation, taking feedback and incorporating the insight in the holistic analysis system for identification of the material topics.

Why is materiality important?

- Result-oriented stakeholder engagement
- Identification of risks and opportunities
- Strategic planning

Boundaries

The material topics identified are limited to direct operational control from our end and not through any of our subsidiaries. We are also focused on operational impact as recorded from our subsidiaries, change of base years/periods, nature of the business, or measurement methods. In terms of the nature of business, there were no significant changes.

Material topics under the four pillars of sustainability

Economic

Material Issue	Read more
Innovation	PG 54
Strengthening brand recognition	PG 60
Technology and digital transformation	PG 50 PG 54
Business diversification	PG 6, 7, 8, 9, 24, 50
Leadership in wires and cables	PG50
Material sourcing and efficiency	PG 46
Distribution network	PG 60
Strengthening FMEG market position	PG 50
Responsible supply chain	PG 60

Environmental

Material Issue	Read more
Climate change and energy	PG 66
Water	PG 66
Product stewardship	PG 50
Waste management	PG 66

Social

Material Issue	Read more
Corporate social responsibility	PG 60
Diversity and inclusion	PG 60
Health and safety	PG 56
Employee training and development	PG 56
Labour management	PG 56
Customer centricity	PG 60
Influencer training and engagement	PG 60

Governance

Material Issue	Read more
Data privacy and cyber security	PG 139
Corporate governance	PG 130
Ethics and integrity	PG 130

Financial capital
Human capital
Intellectual capital
Manufactured capital
Social and relationship capital
Natural capital

Long-term strategies for sustainable growth

Our strategic priorities help us define a clear way forward in achieving holistic and consistent progress. We engage these levers to consistently stay ahead of the curve and maintain our trajectory.

S1 Growth led by diversification

Progress during FY21

- Diversified with new high-end and customised products in wires and cables
- New Premium and value added variants in FMEG
- IoT-based FMEG offering – Hohm
- Geographic diversification of trade network
- Project Shikhar – sales acceleration programme implemented

KPIs tracked

- Market share growth
- Growth in profitability
- Number of SKUs
- Number of new products launched
- Number of Dealers
- Number of retail stores
- Number of connected influencers

Critical material issues

- Innovation
- Business diversification

Capitals deployed

Financial capital, Manufactured capital, Natural capital, Intellectual capital, Human capital

Capitals enhanced

Financial capital, Social and relationship capital

S2 Improving profitability

Progress during FY21

- Enhanced profitability through margin-accretive premium products
- Calibrated price interventions undertaken to pass on input cost increase, thus protecting margins
- Strategic cost optimisation initiative – Project Udaan to build a leaner and more sustainable cost structure, taking a holistic approach to analyse various dimensions of product life cycle

KPIs tracked

- EBITDA margin
- Cost savings
- % Share of premium products in total sales
- ROCE

Critical material issues

Material sourcing and efficiency

Capitals deployed

Financial capital, Human capital, Social and relationship capital

Capitals enhanced

Financial capital, Social and relationship capital

S3 Enhancing brand recall

Progress during FY21

- Advertising during Indian Premier League (IPL)
- BTL marketing activities such as branding and merchandising, sales promotion, direct marketing
- Digital medium marketing such as:
- Social media
- Calling ads
- Mobile marketing
- OTT
- Affiliate marketing
- SEO
- E-commerce

KPIs tracked

- Marketing ROI
- Results from Online engagements
- Click-through rate
- No. of impressions
- Increase in B2C sales

Critical material issues

Strengthening brand recognition

Capitals deployed

Social and relationship capital, Financial capital, Intellectual capital, Human capital

Capitals enhanced

Financial capital, Intellectual capital, Social and relationship capital

S4 Working capital optimisation

Progress during FY21

- Helping more distributors with financing to generate additional business volumes
- Strategic supply chain management with automated system

KPIs tracked

- No. of dealers availing channel financing
- Volume of business generated through channel financing
- Inventory days
- Day Sales Outstanding (DSO)
- Working capital days

Critical material issues

- Distribution network
- Material sourcing and efficiency

Capitals deployed

Financial capital, Social and relationship capital, Manufactured capital

Capitals enhanced

Financial capital, Manufactured capital, Social and relationship capital

S5 Industry 4.0 capability development and implementation

Progress during FY21

High degree of automation and integration of systems within ERP for a seamless experience

KPIs tracked

- Cost savings due to automation
- Man hours saved
- % Reduction in Turnaround Time

Critical material issues

Technology and digital transformation

Capitals deployed

Financial capital, Intellectual capital, Manufactured capital, Human capital

Capitals enhanced

Financial capital, Intellectual capital, Manufactured capital, Social and relationship capital

Financial capital
Human capital
Intellectual capital
Manufactured capital
Social and relationship capital
Natural capital

Project Leap

Over the past decade we have clocked market leading growth by evolving our business model through diversification of our portfolio, building robust manufacturing capability, creating a strong IT backbone and strengthened brand positioning. These initiatives have created a very functional platform which has the potential to unlock significant amount of latent growth.

Accordingly, we now aim to leverage our competencies to the fullest and challenge ourselves to realise the future vision over the next five years. We have embarked on a multiyear transformational journey with an aim to cross ₹200 billion in sales by FY26. During this period we aim to achieve industry leading growth rate in line with marquee value creators, cement market leadership in wires and cables and build a robust new age consumer electricals business.

Energise B2B

Recalibrate business model

Refine value proposition

Micro market analytics

Business development

Market growth in core segments
1.5x

Market growth in emerging segments
2x

Contribution from adjacencies
>5%

Contribution from exports
>10%

Position to win in B2C

Create a winning variating ladder

Redefine brand architecture

"Digital-first" led execution

Exploring adjacencies

Market growth in retail wires
1.5x

Market growth in FMEG
2x

EBITDA margin in FMEG
>12%

contribution from Online for specific categories
~10%

Sales by FY26
₹200 bn

Future-proof Success

Operating model

- Increase business autonomy and accountability
- Reoriented performance management system

Talent and capability

- Building innovation fostering specialised capabilities
- Performance oriented culture anchored on "customer first" principles

Digital & Analytics

- Leveraging digital to transform business model
- Analytics integrated business decision making

Accelerate sustainability agenda

Giving back to the society and the environment is a priority. Our products and processes imbibe a genuine sense of eco-consciousness. Our efforts are focused on creating an inclusive, empowered and resilient society, through regular social interventions.

Renewable energy

Waster & Water Recycling

Inclusive growth

CSR spends

A strong framework for proactive risk management

We prioritise the need to maintain a stringent surveillance on impending threats to business, identify them early and put in place effective mitigation measures to ensure seamless business continuity under all circumstances.

We emphasise the need to strengthen internal controls that are critical in identifying new risks, developing mitigation measures and ensuring the adequacy as well as need-based appraisements to these strategies.

The identified risks and its respective mitigation measures are further enumerated:

Risk and criticality	Mitigation measures	Capitals impacted
Operational risks OR		
COVID-19 disruptions Risks stemming from the outbreak and the subsequent halt in business continuity – **Critical** OR1	• 100% compliance with guidelines issued by government authorities • Business continuity measures operationalised.	Financial, Manufactured, Social and relationship, Human, Intellectual
Customer service and after-sales management Risks related to poor customer service and/or after-sales service, including non-availability of spares (FMEG segment) may affect the brand negatively – **Material** OR2	• Investment in customer service platform and call center tool • Training the customer service teams to ensure prompt grievance redressals and spares availability	Financial, Manufactured, Human, Social and relationship
Distribution network Risk of inability to grow/sustain distribution network may affect our ability to meet targets – **Material** OR3	• Comprehensive market assessment • Regular feedbacks collected from dealers by sales co-ordinators • Offer competitive ROIs • Dealer portal application (P connect) launched where dealers can independently book the sales order, view their outstanding status, relevant price list applicable to them, catalogue, balance confirmation etc.	Financial, Manufactured, Human, Social and relationship
Supply chain interruptions Risks related to discontinuations at the end of key suppliers, leading to disruptions in regular production process – **Material** OR4	• Setup of reliable network of alternative suppliers through effective diversification of supply chain and reducing over-dependence, enabling us to continue smooth functioning of the production process • Advance supply chain management system, integrated with ERP to minimise stockouts at depots • Mobile supply chain application to track movement of goods from source till finished goods/scrap	Financial, Manufactured, Social and relationship
Quality assurance threats Risk related to products/services of sub-standard quality reaching customers – **Material** OR5	• Robust quality control processes • NABL-certified, world-class, in-house lab • International certifications • Dedicated QA team	Financial, Manufactured, Human
Threats to information security Arising due to unauthorised breach of our information network, causing interruption to normal functioning of the systems – **Material** OR6	• Robust IT security system • State-of-the-art IT assets • Effective software system & servers • Cloud-based applications	Financial, Manufactured, Intellectual

Risk and criticality	Mitigation measures	Capitals impacted
Environment, climate, as well as employee health and safety Risks related to climate change, including natural calamities, other environmental disruptions and employee health and safety – **Material** OR7	• Various product and site certifications ensure the highest levels of health safety, such as – ISO 9001:2015 – 14001:2015 – OHSAS 18001:2007 – UL – BASEC – IEC • Increased use of renewable energy, better water and waste management	Financial, Manufactured, Intellectual, Social and relationship, Natural
Strategic Risks SR		
Geopolitical and social instability Risks stemming from political and social situations, leading to disturbances within the business environment – **Critical** SR1	• Geographic diversification of manufacturing, supply chain and market. This ensures that location-specific issues do not bear extensive impact on operations • Insurance	Financial, Social and relationship
Changing customer preferences Risk of changing customer preferences and existing technologies becoming obsolete – **Material** SR2	• Market assessments and surveys to understand consumer pulse, corroboration with influencers • NABL ISO 17025 certified R&D centre with over 100 engineers and technicians employed • Centre of excellence for R&D on polymers and other raw materials to stay ahead of the curve	Financial, Manufactured, Intellectual, Social and relationship, Natural
Succession planning Inadequacy in succession planning may adversely affect achievement of business targets – **Material** SR3	• Well-defined and documented policy for all key personnel • Skill-set assessment and trainings of middle and senior management	Financial, Human
Financial Risks FR		
Foreign exchange rate and commodity price fluctuations Risk related to fluctuating foreign exchange rates and volatility in pricing of input commodities, including metals such as copper and aluminium – **Material**	• Financial Risk Management Committee has been established to review compliance with board approved currency and commodity hedging strategy. The committee also reviews quarterly hedging plans and performance • Documented commodity and foreign exchange risk management policy • Robust hedging framework which encompasses usage of contracts with embedded derivatives as well as forward contracts to offset commodity fluctuations • Automatic pricing module integrated with ERP to calculate policy discounts and accurate pricing • Metal advance pricing module for procurement team to settle pricing issues in a scientific and appropriate manner	Financial, Manufactured, Natural
Compliance Risks CR		
Statutory compliance failures Risk related to non-compliance with statutory guidelines, including various rules and regulations under different statutes – **Material** CR1	• Compliance tool and tracker implemented with compliance owner mapped • Respective departments are given timely alerts to ensure adherence to regulations	Financial
Protection of Intellectual Property Rights (IPRs) Risk related to breach of IPRs or infringement of copyrights or unfair usage of our IPRs – **Material** CR2	• Safeguarded brands, trademarks, licences and other IPRs • Appropriate legal action is undertaken for illegal usage of our IPRs • External consultant onboarded for market surveys	Financial, Intellectual
Contractual liability Risk of being liable due to non-fulfilment of contractual obligation – **Material** CR3	• All contractual obligations closely monitored and fulfilled with due diligence	Financial, Manufactured, Human

Financial capital | Human capital | Intellectual capital | Manufactured capital | Social and relationship capital | Natural capital

Upholding the highest standards of corporate governance

We are earnest and watchful when it comes to maintaining corporate governance standards and our Board is entrusted with upholding sound governance policies with transparency at all organisational levels.

Our governance standards are supported by strong values, ethics and policies. The governance framework sets on course principles of responsibility, accountability and transparency in the way we conduct our operations. We manage our business conscientiously and in compliance with all statutory requirements of the locations where we operate.

Board of Directors

Leadership Team

Our corporate governance framework

Committees of Directors

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder's Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Ⓒ Chairman Ⓜ Member

Board's commitment to ESG

We have integrated ESG considerations within our business operations. These include:

- Robust governance systems
- Strong risk management
- Stringent internal controls
- Unwavering customer-centricity
- Operational transparency
- Employee-first initiatives with an open and dynamic work environment
- Strengthening the communities within our influence
- Imbuing sustainability within our operations

Refer to **PG 60** Social and Relationship capital for more information

Vigil mechanism

We are invested in maintaining maximum adherence to ethical, moral and legal business conduct. To ensure that our activities are conducted in a fair and transparent manner through adoption of integrity and ethical behaviour, we adopted a comprehensive 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 whistle blower policy is available on the Company's website and are accessible on this weblink https://polycab.com/investors/corporate-governance/

Prevention of Sexual Harassment (POSH)

We have laid out a comprehensive POSH policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. We have 'Zero Tolerance' towards any misconduct. During the year under review, no POSH related complaints had received.

Board composition

Our Board comprises of industry veterans who bring significant experience and vast expertise to the table. We have 8 Board members; half of which, are Independent Directors and remaining half are Executive Directors including Chairman and Managing Director.

Board balance chart

Whole-time Directors

Independent Directors (including a woman Director)

Board of Directors

Inder T. Jaisinghani
Chairman and Managing Director

Mr. Inder T. Jaisinghani has been working with the Company since inception. Under his leadership and guidance the Company has completed 25 glorious years of success.

C M M M

Bharat A Jaisinghani*
Executive Director

Mr. Bharat A. Jaisinghani joined the Company in 2012 and thereafter in 2018 was designated as Director - FMEG Business (non-board member). He holds a Master's degree in Operations Management (University of Manchester) and has completed Program for Leadership Development from Harvard Business School and Executive Program from Singularity University.

M M M

Nikhil R Jaisinghani*
Executive Director

Mr. Nikhil R. Jaisinghani joined the Company in 2012 and thereafter in 2018 was designated as Director - LDC Business (non-board member). He holds a Master's in Business Administration (MBA) from Kellogg School of Management, Northwestern University, Illinois, USA.

M M M

Rakesh Talati*
Executive Director

Mr. Rakesh Talati has been associated with the Company since 2014 and thereafter in 2018 was appointed as Director (non-board member), working as Location Head - Halol. He holds a Diploma in Civil Engineering and Interior Design Course from the Maharaja Sayajirao University of Baroda.

M

Ajay T. Jaisinghani**
Whole-time Director

Mr. Ajay T. Jaisinghani joined the Company as Director in 2006. He worked in different areas of Administration & Management, Sales & Marketing, Governance, Operations and other support services and played a major role in leadership of the Company.

Ramesh T. Jaisinghani**
Whole-time Director

Mr. Ramesh T. Jaisinghani has been working with the Company since inception. He worked in different areas of Administration & Management, Sales & Marketing, Governance, Operations and other support services and played a major role in leadership of the Company.

● Audit Committee, ● Stakeholders' Relationship Committee, ● CSR Committee, ● Risk Management Committee, ● Nomination and remuneration committee
C- Chairman, M- Member

Pradeep Poddar
Independent Director

Mr. Pradeep Poddar is a Chemical Engineer (UDCT) and an MBA (IIMA). A fast tracker in Glaxo - Young Global Leader, Heinz - Youngest MD & CEO at 41 and Tatas - Global President Water, built profitable high growth businesses thru brands like Complan, Heinz and Himalayan. Awarded the Udyog Ratna by Karnataka Govt. Provides strategic direction on the Boards of Welspun, Uflex and as Chairman of United Way Mumbai.

M C M

R.S. Sharma
Independent Director

Mr. R. S. Sharma has completed Cost & Works Accounts certificate examination from ICWA and Associate examination from Indian Institute of Bankers. He has served as Chairman and Managing Director at ONGC Limited besides being on Board of various other companies.

M C

Sutapa Banerjee*
Independent Director

Mrs. Sutapa Banerjee has over 30 years of professional experience and has spent 24 years in the financial services industry across 2 large multinational banks (ANZ Grindlays and ABN AMRO). She is a gold medallist in Economics from XLRI school of Management, an Advanced Leadership Fellow (2015) at Harvard University and was visiting faculty with IIM-Ahmedabad.

M M

T.P. Ostwal
Independent Director

Mr. T. P. Ostwal is a qualified Chartered Accountant ('CA') since 1978. He is a Practicing CA and Senior Partner with T. P. Ostwal and Associates LLP. He served as a member of the advisory group for establishing transfer pricing ('TP') regulations in India and is also a member of the sub-committee on Transfer Pricing for Developing Countries of United Nations.

C C M

Hiroo Mirchandani**
Independent Director

Ms. Hiroo Mirchandani is a Chevening Gurukul Scholar from the London School of Economics, an MBA in Finance & Marketing from FMS. Ms Mirchandani serves as an Independent Director of Tata Teleservices (Maharashtra) Limited and Nilkamal Limited.

Shyam Lal Bajaj**
Whole-time Director

Mr. Shyam Lal Bajaj was appointed as Whole-Time Director in 2016. He holds a Bachelor of Commerce degree from Rajasthan University and is a qualified Chartered Accountant. He served as Director Finance at Vedanta Limited, CFO in Hindustan Zinc Limited and VP-Finance at Sterlite Technologies Limited, prior to joining the Company.

* Joined on May 13, 2021
** Resigned on May 12, 2021
A Brief Profile of the Directors forms part of the Corporate Governance Report

Leadership Team

Key Management Personnel

Gandharv Tongia
Chief Financial Officer
M

Manita Carmen A. Gonsalves
Company Secretary and Compliance Officer

Senior Management Personnel

Anil Hariani
Director – Commodities (Non-Board Member)

Anil Shipley
Executive President and Chief Supply Chain Officer

Anurag Agarwal
Executive President – Strategic Initiatives and International Businesses

Ashish D. Jain
Executive President & Chief Operating Officer – Telecom Business

Bhushan Sawhney
Executive President and Chief Business Officer – Low Density Cables

Diwaker Bharadwaj
President – Packaging Development

Kunal Jaisinghani
Head – Agri Products

Manoj Verma
Executive President and Chief Operating Officer – FMEG Business

Nilesh Malani
President and Chief Marketing Officer

Rajesh Nair
Executive President and Chief HR Officer

Sandeep Bhargava
Executive President and Chief Procurement Officer

Sanjeev Chhabra
Executive President and Chief Treasury Officer

Shashi Amin
Executive President and Chief Business Officer – High Density Cables

Shyam Lal Bajaj
Director (Non-Board member)

Vivek Khanna
Executive President and Chief Information Officer

M Risk Management Committee

Our capitals

We employ multiple capitals as inputs to create long-term value for our stakeholders. The six different forms of capital are strengthened through an interplay, which help accelerate our growth, bolster our commitment to creating differentiated value for our stakeholders and fortify our sustainability aspirations.

Financial capital

The financial capital includes funds available to create value through production process, or funds generated by operations.

Revenues
₹89,265 mn

Profit after tax
₹8,859 mn

READ MORE ON PAGE 46

Manufactured capital

Our manufactured capital consists of the physical infrastructure and facilities that enable us to produce world-class products and provide distinguished services to our customers.

READ MORE ON PAGE 50

Sale from products manufactured in India
99%

SKUs
16,000+

Intellectual capital

Our intellectual capital comprises the knowledge base we use for innovating new processes and technologies, which help us develop new offerings.

READ MORE ON PAGE 54

R&D professionals
100+

R&D expenditure
₹208 mn

Human capital

At Polycab, we have a team of dedicated professionals that ensure our long-term success. They bring onboard diverse experiences and perspectives that help us address customer aspirations.

Total employees*
11,800+
*On roll + contractual

Training hours
37,000+

READ MORE ON PAGE 56

Social & relationship capital

Our social and relationship capital includes all our human interactions such as the community in which we operate, dealers, retailers and influencers network, and above all our customers.

CSR spends
₹160 mn

Sales through online dealer portal
>70%

READ MORE ON PAGE 60

Natural capital

Our operations employ natural resources, drawn from the environment, such as water, copper, aluminium, among others, which we ensure to utilise efficiently and effectively.

READ MORE ON PAGE 66

Reduction in CO_2 footprint
10K tonnes

Water recycled
62.7 mn litres

Financial capital

SDGs impacted

Strategic focus areas

S1 S2 S3 S4 S5

Risks

OR SR FR CR

Material issues

- Innovation
- Strengthening brand recognition
- Technology and digital transformation
- Climate change and energy
- Product stewardship
- Corporate social responsibility
- Health and safety
- Employee training and development
- Data privacy and cyber security

Net Cash	Revenues	EBITDA
Positive	₹89,265 mn	₹11,668 mn

We prioritise prudent use of our financial capital, which is sourced from shareholders, creditors and internal accruals. This has helped us accelerate growth and enhance long-term value creation in the form of higher returns for shareholders, better remuneration for employees, world-class products for customers and upliftment of communities.

Financial capital enables augmentation of other capitals through business operations, including manufacturing, sales, marketing and so on. We performed impressively across key parameters during FY21. We are on path to achieve long-term cost efficiencies and benefits derived from these initiatives will enable internal accruals for overall business growth. We ended FY21 with ₹11,668 million EBITDA and ₹8,859 million net profit.

Project Udaan: Holistic Cost Optimisation Project

We undertook a strategic cost optimisation initiative titled as Udaan, in association with a reputed professional consultant. This brings us a step closer to building a leaner and more sustainable cost structure, allowing us to institutionalise new ways of working. This project takes a holistic approach analysing various dimensions of product life cycle for e.g. strategic procurement, manufacturing process, supply chain, design optimisation and value engineering, as well as implement digital tools enabling analytics-driven decision making. We witnessed good progress in FY21, though several initiatives are currently under implementation and benefits are likely accrue throughout the coming year. Overall, Project Udaan will help us drive efficiencies and generate cost savings which can fuel future growth. Successful execution of this project remains a key priority in the near term.

Worth of cost savings identified

80 bps

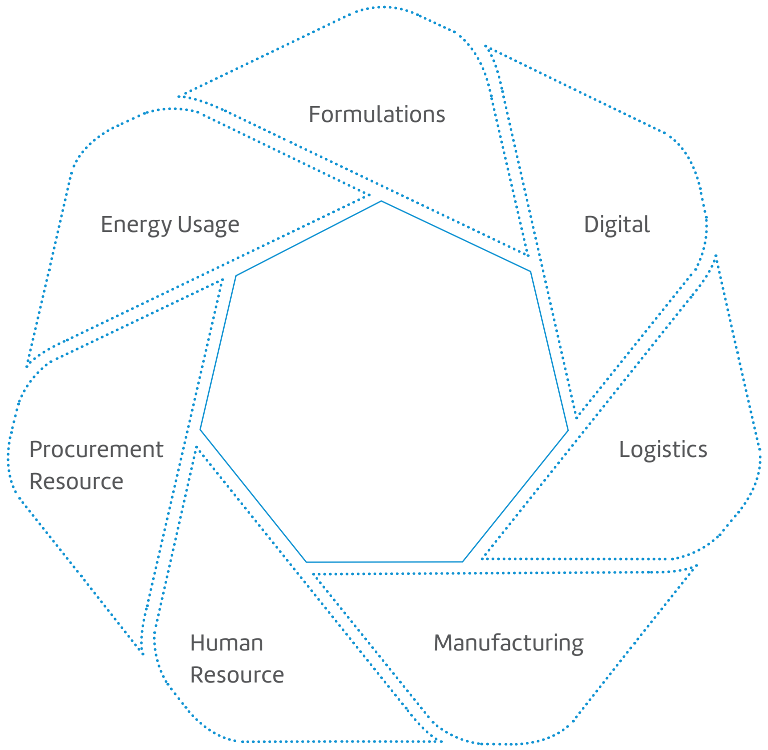
Project Udaan: Holistic Cost Optimisation Project

Build a leaner and sustainable cost structure

Institutionalise new ways of working

Major areas of progress:

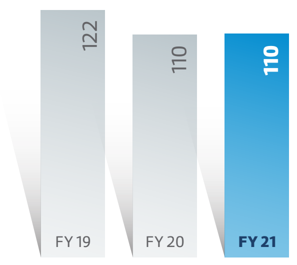
Value engineering in products and packaging	Manufacturing innovation
Alternate sourcing for raw materials and products	Energy usage optimisation



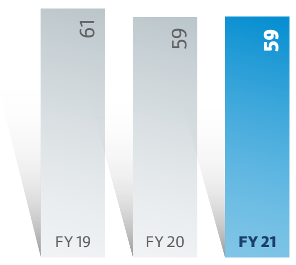
Working capital management

At Polycab, we make active efforts to better working capital management with focus on driving channel financing and inventory optimisation. While channel financing helps us reduce receivable days, inventory optimisation enables us with better raw material levels. We also maintain balanced payables position, thus resulting in efficient working capital management.

Inventory Days
(Number of Days)



Receivable Days
(Number of Days)



Tax Transparency

Tax disclosures are essential for best-in-class corporate governance, which are beyond statutory obligations. We contribute economic value to the Government of India and all other geographies where we operate, with taxes paid across the value chain which we delivered since inception. With these contributions, we hope to make significant contribution in the socio-economic development of the countries where we operate. Our tax affairs are managed in a responsible manner.

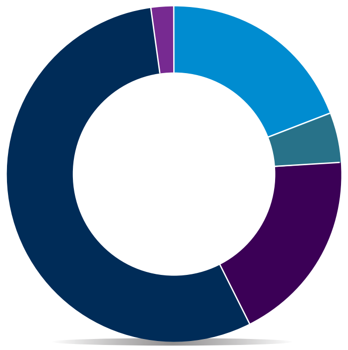
Corporate income tax

₹2,375 mn

Total tax contribution

₹12,723 mn

Tax contribution during FY21
(₹)



	₹ in Million
Corporate income tax	2,375
Withholding tax	607
GST and indirect tax	2,384
Duties on export and import	7,081
Others	275

Our tax principles can be summarised as below:

Corporate governance

- Payment of Tax is a core of corporate responsibility and governance.
- The tax functions of the Company is overseen by CFO.

Compliance

- We comply with the tax legislation of the countries in which we operate and pay the right amount of tax at the right time.

Relationships with authorities

- We seek, wherever possible, to develop co-operative relationships with tax authorities, based on mutual respect, transparency and trust.

Supporting effective tax systems

- We engage constructively in national dialogue with various forums, business groups and civil society to support the development of effective tax systems, legislations and administration.

Manufactured capital

SDGs impacted

8 Decent work and economic growth | 9 Industry, innovation and infrastructure | 11 Sustainable cities and communities | 12 Responsible consumption and production

Strategic focus areas

S1 S4 S4

Risks

OR SR2 FR CR3

Material issues

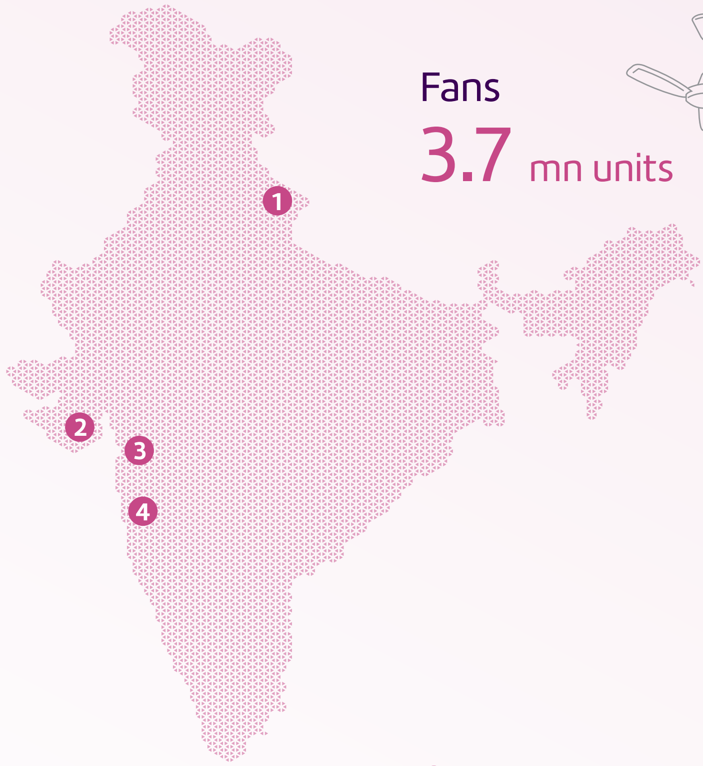
- **Leadership in Wires and Cables**
- **Business diversification**
- **Product stewardship**
- **Responsible supply chain**

SKUs	On-Time-In-Full (OTIF) deliveries	Warehouses
16,000+	95-98%	52

Our manufacturing facilities leverage some of the best technologies in the industry. Manufactured capital helps us leap forward and achieve our vision of enhancing value for customers, employees, environment and other stakeholders.

Manufacturing facilities and locations

We have 23 manufacturing facilities across pan-India locations in India. Each of these facilities manufacture specialised products.



1 Uttarakhand, Roorkee

Fans
3.7 mn units

3 Gujarat, Halol and Daman

Wires and cables
4.1 mn kms

4 Maharashtra, Nashik

Switchgears
9 mn units

2 Gujarat, Waghodia

Copper rods
2,25,000 tonnes

Technologies leveraged

We manufacture best-in-class wires and cables using cutting-edge technologies such as electron beam/buss co-kneaders. We have also implemented IoT, AI/ML and advanced analytics, along with extensive use of applications such as Mobile Supply Chain Application (MSCA) to simplify and automate processes. Implementation of ERP, cloud integration, digital-first mindset, data-driven decisions and roll out of apps like dealer portal are helping to ease business activities and to delight our customers.

These technologies have propelled our rise as leaders in the wires and cables market in India and establish us as a strong player in the FMEG arena. Some of the technologies used include:

- Specialised technology product, integrated with a centralised ERP (Oracle)
- World-class digital supervisory control and data acquisition (SCADA) controlled infrastructure
- Highly automated machines for manufacturing and packaging
- Component and tool manufacturing setup with advanced machines
- All plants with Zero Discharge facility

Sale from products manufactured in India
99%

At Polycab, every business function is supported either with a standard technology product or customised one, in accordance with needs. They are all duly integrated with one another especially with ERP.

Manufactured capital Contd.

The specialised systems integrated with ERP include:

Mobile Supply Chain Application (MSCA)* and advance supply chain tool	Pricing and metal advance pricing settlement modules	Freight Management System (FMS)	EXIM Module (for export and import management)
Dealer portal, distributor management system and mobile application	Employee sales portal and mobile application	Salesforce.com CRM and mobile application	Secondary sales platform
Incentive schemes	Polycab Expert (Loyalty points programme)	Pardot (marketing communication tool)	Adrenaline (HR management tool)
IBIS (Treasury management tool)	Cygnet (GST Portal)	Microsoft Power Business Intelligence (BI)	Dess (Digital meeting system for paperless Board meetings)
Compliance manager (for managing statutory compliances)	Enterprise Assets Management (EAM)	Automated storage retrieval system (ASRS)	Net platform
Document management system	Data security system	Microsoft Office 365	Utilities – Polycabvilla (for guest house booking) and Polycabride (for company transport booking)

*Please refer to 'Supply chain management for details on MSCA

Supply chain management

We have implemented a state-of-the-art Mobile Supply Chain Application (MSCA), which tracks our actual production and supply data in real time. It is integrated with our ERP system. Based on barcodes and sensors, this system allows our ERP to capture information as they appear, including movement of sourced raw materials from shop floor to production of finished goods and scrap.

We have an advance supply chain management tool, integrated with ERP to generate requirement for material to ensure optimum level of finished goods items at all our 52 warehouses and depots, with guaranteed availability of material to dealer/distributor, in accordance with defined norms of respective categories. Decisions are entrusted with the agile system, which has been successfully handling end-to-end supply chain operations over the past 1.5 years. It has managed customer demand and inventories in an impressive manner, with on-time-in full (OTIF) deliveries up to 95-98%. Taking system to the next level, we are planning to add inventory levels for our dealers, including online supply chain. This will minimise the stock-outs and provide better customer order fulfilment.

Quality control

We have a robust system of measuring quality in accordance with defined standards.

Pioneering quality efforts

- **Power Cable Test Laboratory is the only private test Laboratory in India having scope of 4,113 tests, complying all national as well as international standards**
- **Equipment to test single length from 100 mts to 4 kms**

Our commitment to quality

- World-class infrastructure and testing laboratories (NABL activity)
- Testing setup as per IS 374
- Our test results are accepted worldwide, due to our tie-up with International Laboratory Accreditation Co-Operation (ILAC)
- At our Roorkee plant, we have automatic air delivery and endurance test setup
- At our Halol plant, we conduct some unique tests, such as
  1. Cable Service Life Test (Thermal Endurance Test)
  2. UV Resistance Test (Xenon Arc Method)
  3. Transfer Impedance and Characteristics Impedance
  4. Electrostatic Noise Rejection

Quality focus leading to expansion in European and United Kingdom markets

British Approvals Service for Cables (BASEC) is an independent accredited certification body for the cable industry worldwide. We partnered with BASEC in 2009 for PCR management system approval and 2011 for our first product approval. This provided us an opportunity to gain a competitive advantage over other players in the region.

Our focus on improving operational efficiencies and constantly striving for quality output, has led to strengthening our leadership position in the wire and cable markets. Maintaining existing and gaining further BASEC product approvals, proves our ongoing commitment to quality surveillance. BASEC Certification provides us and its partners with evidenced controls over product consistency.

Our success in the European and United Kingdom markets has been achieved through the development of strategic market research, driving our decision to obtain and maintain BASEC approvals for high-demand, compliant cables. As experts in cable testing and certification, BASEC's team supported the tranforming of cabling industry which in turn supports Polycab's new market diversification goals.

BASEC approvals paved way for the successful creation of strong distributor relationships.

Certifications

BASEC certificates	BS certifications	ISO certifications	CE marking certification
7	6	5	1

Intellectual capital

SDGs impacted

Strategic focus areas

S1 S3 S5

Risks

OR1 OR6 OR7 SR2 CR2

Material issues

- **Innovation**
- **Technology and digital transformation**
- **Leadership in Wires and Cables**
- **Product stewardship**

Total registered IPRs	R&D staff	R&D expenditure
116	100+	₹208 mn

At Polycab, we undertake agile product and process innovations to stay on top of shifting market demands and aspirations of the customer. This necessitates continued investments in research facilities, processes and talent, and enabled our leap onto new growth horizons.

Our state-of-the-art, in-house R&D centre at Halol, Gujarat is certified by the Department of Science and Industrial Research (DSIR), Government of India. Over 100 technicians work relentlessly to develop new products within the wires and cables segment. The R&D centre functions in tandem with the sales and market demand to support aspects of the research process and offer expertise in design, performance and project management.

Our R&D centre is certified by the following key qualifications

- Loss Prevention Certification Board (LPCB) for public buildings, underground railways and tunnel projects
- Construction Product Regulations (CPR) for all buildings (public and private) across Europe
- UL and cUL to serve North American markets.
- Automotive IATF, a wide range of cables for vehicle applications from simple battery cable to more demanding ultra-flexible, oil, chemical and fire-resistant variants within the battery market.

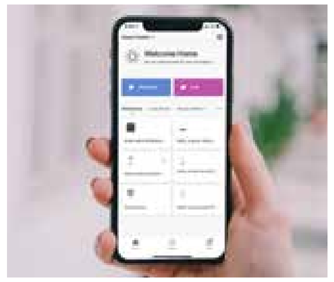
Our aggressive approach to support backward integration of material supply enables strong quality management of our raw-material base. The R&D centre verifies, qualifies and develops polymer compounds against the requirements of new product as per national, international and customer-specific standards. Certain compound requisitions from the building, nuclear and general industrial sectors are:

- Fire retardant
- Fire survival
- Low smoke and
- Multi-chemical resistant

Within FMEG, we are designing and developing smart products under the Hohm brand. These are super premium products with IoT capabilities. Polycab's competence in automation spans across products like Fans, Lighting, Switches, Water Heaters, and other evolving solutions. Using state-of-the-art mobile app and voice control, the Company aims to make consumers life more comfortable, efficient, and secure. We are also developing various FMEG products across price points with new features, inline with market trends.

New products developed in FMEG:

- We developed an innovative special coating for fans with help from our technology consultants and launched India's first 4-in-1 protection fan (anti-ageing, anti-bacteria, anti-dust, anti-rust) – Polycab Purocoat fans.
- Launched our super premium Hohm product range, which are IoT-enabled.
- Developed an all-new range of premium, high performance, intelligent water heaters
- Launched various products such as bulbs, 36W battens, frameless panels, chip on board (COB), strip lights, streetlights, flood lights amongst others.
- Launched a new portfolio of portable accessories including multi-plugs, adapters, power strips with USB ports, flex box and others.



Human capital

SDGs impacted

Strategic focus areas

S1 S2 S3 S5

Risks

OR1 OR2 OR3 OR5 SR3 CR3

Material issues

- Leadership in Wires and Cables
- Diversity and inclusion
- Health and safety
- Employee training and development
- Labour management
- Corporate Governance
- Ethics and integrity

Total employees*	On roll employees	Contractual employees
11,800+	4,651	7,170

*On roll + contractual

Our people have been the prime enablers of our rapid expansion and progress. We hold our relationship with each of our team members to great esteem and draw strength from their relentless drive to forging an ahead-of-the-curve trajectory.

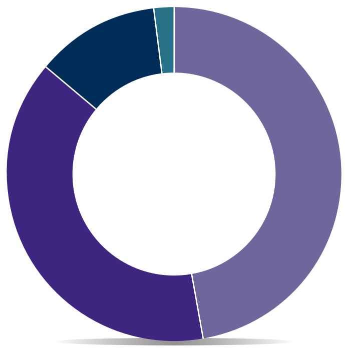
Learning and development

Our philosophy of continuous learning is reflected in the regular training programmes conducted across our touchpoints. During the nationwide lockdown, these training programmes were conducted online, so that the time working from home is effectively utilised and our people do not miss out on the learning. We have invested relevant in e-learning platforms to ensure career progression stops for nothing.

At Polycab, our engagement and motivation encourage our people to perform to the best of their abilities. Our employee value proposition is strengthened through the following:

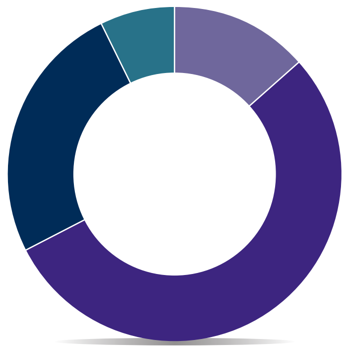
- **Open and dynamic work culture**
- **Ample learning opportunities**
- **Differentiated brand experience**
- **Market-benchmarked compensation structures**

Employee Breakup as per job role
(%)



Factory Employees	47
Junior Management	39
Mid Management	12
Senior Management	2

Employee Breakup as per age
(%)



Below 30	14
30-40	54
41-50	25
>50	7

Human capital Contd.

Talent management

Our policies help attract and retain some of the best talents in the industry. We prioritise their health and safety and nurture talents to together move close to achieving our corporate vision. We are also working to develop a comprehensive leadership development plan and have made significant progress towards succession planning within the organisation. We conduct regular surveys, where feedback from employees is collected, analysed and implemented, if possible, for improvement.

Training hours

37,000+

Virtual training programmes

136

Employees trained on safety and skills

84%

Employee engagement

We believe in keeping our employees' spirit high with regular celebration of major festivals. Due to the lockdown, some of these celebrations, such as International Yoga Day, fancy dress competition on Janmashtami, fun games and Ganesh Chaturthi were conducted online this year.

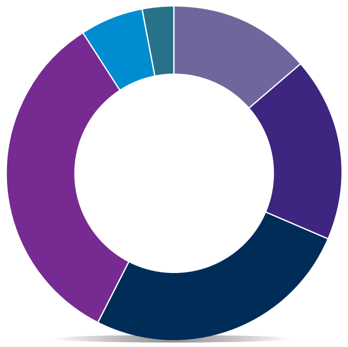
Radio Polycab

We have devised a novel way to keep our people engaged through our very own Radio Polycab. A dedicated online radio channel which helps us connect instantly with our employees across locations and even online for those working from home or remotely. Through this radio channel, we keep our people updated with all that's latest in our organisation, across locations. We leverage the platform to share achievements, management updates and conduct leadership connect programmes. We also exchange inspirational stories and play music to keep people entertained.

We have received inspiring reviews for this initiative and will keep improving the service with better content.

Employee tenure at Polycab

(%)



<2 years	14
2-5 year	18
6-10 years	26
11-15 years	33
16-20 years	6
>20 years	3

These initiatives have led to a lower attrition rate and employees completing even more than two decades with us.

Attrition rate

8.5%

Health and safety

Ensuring the safety and well-being of our people is paramount to us, which was especially emphasised during the pandemic. We undertook proactive safety precautions and followed all government guidelines – both during and post lockdown. We operated our facilities batch-wise to ensure compliance with government guidelines on maintenance of social distancing at work.

We conducted COVID-19 (RT-PCR) tests for employees and organised awareness camps at our facilities. We made administrative arrangements for their lodging and work at our facilities during the lockdown.

Lost Time Injury Frequency Rate (LTIFR)

0.21

Fatalities

Zero


Social & Relationship capital

SDGs impacted

Strategic focus areas

S1 S2 S3 S4 S5

Risks

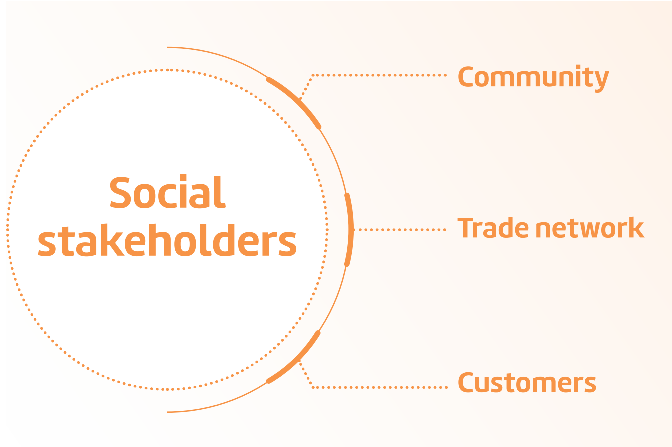
OR1 OR2 OR3 OR4 OR7 SR1 SR2

Material issues

- Strengthening Brand Recognition
- Leadership in Wires and Cables
- Distribution network
- Product stewardship
- Corporate social responsibility
- Customer centricity

CSR expenditure	Sales via online dealer portal	Renovated
₹160 mn	>70%	5 schools

We work to maintain harmonious social relationships, which include local communities, trade network and customers. The communities provide us with the social licence to operate, while trade networks enable us to steer ahead of competition and garner large-scale customer support.



Community

Giving back more than we take from the community comes naturally to us. Our efforts are focused on raising a more inclusive, empowered, and resilient societies, through regular social interventions. Our focus areas in social responsibility include:

Education	Women empowerment
Infrastructure	Health

Education

We work to develop academic institutions, which include renovating or building schools, development of Anganwadis, science and computer laboratories, among others to ensure that the future of India is capable and empowered.

Schools

During the year, we renovated 5 schools in Asoj, Vedh, Vitoj, Kansarvav, Tuva villages.

Anganwadis

We built 5 new and renovated 1 Anganwadi.

Science, Technology, Engineering and Mathematics (STEM) laboratories

Children can experience true application of theories in laboratories. We are planning development of a total of five science laboratories over a period of three years.

Computer laboratories

Computerised education is the need of the hour. We are working on developing 8 computer laboratories, over three years, to help students become more tech savvy.

Women empowerment

Helping make women financially independent leads to prosperity and progress for the entire society. With this objective, we undertake various skill development initiatives for women empowerment, such as:

Dance

We offer a five-year 'Visharad' certificate course in our traditional dance forms to revive our rich Indian culture.

Martial arts

We offer a three - year certification course in self-defence to train women in physical and mental preparedness.

Sewing classes

We have organised sewing classes to make women self-employed and are planning to tie-up with Industrial training institutes to offer certifications.

Social & Relationship capital Contd.

Infrastructure

We contribute to developing the infrastructure around our localities of operation. Through various interventions, we have improved lives of the people around our facilities:

Hygiene and sanitation

We constructed toilets and arranged for provisions of clean drinking water in Gadhmahuda, Chachariya and Govindpuri villages.

Cattle sheds

We have undertaken the revival of three cattle sheds around our adjoining communities.

Health

Connecting the people near our facilities with basic healthcare is one of the prime interventions executed by our social responsibility team.

Remote healthcare facilities

Since 2017, we have been providing gratuitous remote healthcare facilities in Halol Taluka, serving over 25,000 residents. Beginning FY21, we started a similar facility at Ghoghamba Taluka, which covers a 5 km radius and serves over 28,000 residents. We are serving these communities to fulfil basic health needs of the people.

Health cards

With our regular OPD sessions from the remote health facilities, we found that the villagers were unaware of the basics like their blood group and their health status, which are critical information.
We have therefore undertaken an initiative to prepare health cards for the entire population of the 20 villages around our facilities.

Trade Network

Our business is accelerated by partnering with a vast network of dealers and distributors, which comprise one aspect of the trade network. Another half consists of the influencers, including electricians, architects, interior designers and contractors. Both networks are of vital importance to us, as the former serves as the actual point of sale and the latter is an enabler of sales.

Pan-India network

We undertake various network engagement activities, like regular dealer and influencer meets, distribution of reward points, referral and various promotional schemes and offers. The offers and rewards system can be directly accessed by the dealers and influencers through our mobile application to ensure that network participants remain engaged with us. This leads to higher brand promotion and creation of additional revenue streams and recognition for our Company.

Chairman's Club

We organised our annual festival with our top 100 distributors. Our Chairman, Mr. Inder Jaisinghani personally engages with each one of these distributors and provides invaluable guidance to the fraternity.

Dealers Connected
4,100+

Retail outlets connected
1,65,000+

Electricians Network
1,80,000+

Project Shikhar

We initiated our sales acceleration programme - Project Shikhar in January 2021, to strengthen our engagement with key influencers i.e. Retailers, Electricians & Small contractors.

- Target 300 high potential cities in two years
- Reach over half of all the retailers directly
- Drive 3x sales

Project Shikhar is devised on a foundation of three key pillars

Channel expansion

- Micro mapping of markets, identifying and onboarding key distributors, after a detailed strategic and financial assessment
- Bolstering end-to-end sales support system
- Marketing support through Experience Centres in accelerator markets, strategic hoardings and wall paintings, in addition to targeted digital promotion campaigns

Influencer management

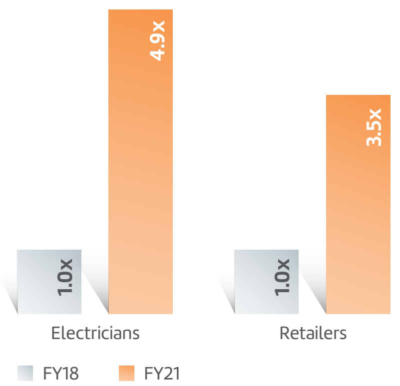
- 360 degree influencer management initiative promoting inclusive growth
- Loyalty-based monetary incentives, along with training and 'Experts' certification
- Certifications from government-recognised institutes.
- Develop soft skills like people, social, communication skills and time management.

IT enablement

- Extensive usage of digital tools, including app-based order booking, fulfilment tracking, loyalty points accumulation and reimbursements, amongst others

Growth trend

(X)



Social & Relationship capital Contd.

Customers

We feel fortunate to have touched millions of lives across the globe through our products. We stay focused on innovating to deliver better products and amplify our value proposition year on year.

We developed different formats to engage diverse customer groups, as below:

Polycab Galleria

- Exclusive premium showrooms featuring the entire range of our offerings
- Equipped with audio-visual facilities for training electricians and retailers on safety, soft skills, basics in English and computers
- Virtual reality showcase for B2B buyers to experience the plants and facilities
- Back-office setup for employees
- Also called Knowledge centres as it serves as a 360 degree marketing approach for all end users

Polycab Arena

- Includes our experience centres as well as exclusive retail outlets as exclusive retail outlets
- Existing retailers can opt for the exclusivity that comes with being a member
- Redesigned outlets to provide distinguished brand image and visibility

Polycab Shoppee

- Our shop-in-shop models
- We design the exclusively earmarked space granted by the retailer

7

Polycab Experience Centres in Cochin, Mumbai, Pune, Trivandrum, Visakhapatnam, Indore and Ahmedabad

We engage with larger audiences through our marketing campaigns. Until last year, our campaigns were tied to IPL series, which limited our budgets and efforts to a confined timeframe. This year we plan on exploring social media, calling ads, mobile marketing, OTT platforms, affiliate marketing, SEO, e-commerce through modes B2C and B2B portals.

Our COVID response

Even as the possibilities of the new financial year are anticipated, we continue to witness the devastating impact of a second wave of the COVID-19 outbreak in India, bringing about unprecedented disruptions in the economy and in lives. The year saw us navigate a dynamic environment which began with an extended lockdown during the first quarter to a gradual Unlock, followed by a period of steady demand growth and lifting consumer sentiments during the second and third quarter, respectively.

Concerted efforts made by the government in rolling out the vaccine and ensuring that it reaches more people within India encouraged consumers even further to fulfil aspirations that were stalled during the outbreak. We are hopeful that the vaccination drive and the untiring efforts of our frontline warriors will see us through the challenges of the second wave. Let us emerge out of this trial with greater resolve to succeed and gratitude for those continue to fight the good fight.

Impact of COVID on performance

Q1	Q2	Q3	Q4
• Severe impact due to lockdowns. Factories and markets shut • Reverse migration. Unlocking from June.	• Impromptu lockdowns but green shoots in demand and infra activities visible • Lower tier towns and rural lead the way	• Healthy broad-based recovery across demand spectrum • Input cost pressure visible	• Robust demand with minimal COVID related impact • Input cost pressure continues

Our response to COVID can be summarised under three broad categories,

1. Health and safety

At Polycab, our top priority is to ensure health and well-being of all our stakeholders.

Employees

- Vaccination drives organised at Halol and Daman locations to protect our teams from infection
- Company to pay two years CTC and Sponsor children education till the graduation in case of untimely demise of Polycab employee
- Covid Helpline - Doctor on call initiative
- Continuous engagement with employees through multiple communication channels
- Educating people on maintenance of safety and social distancing during the pandemic and constant support throughout the COVID disruption, including safety trainings
- Building Immunity Through Yoga initiative

Influencers

- Educating and training electricians and other influencers on the importance of maintenance of social distancing and hygiene

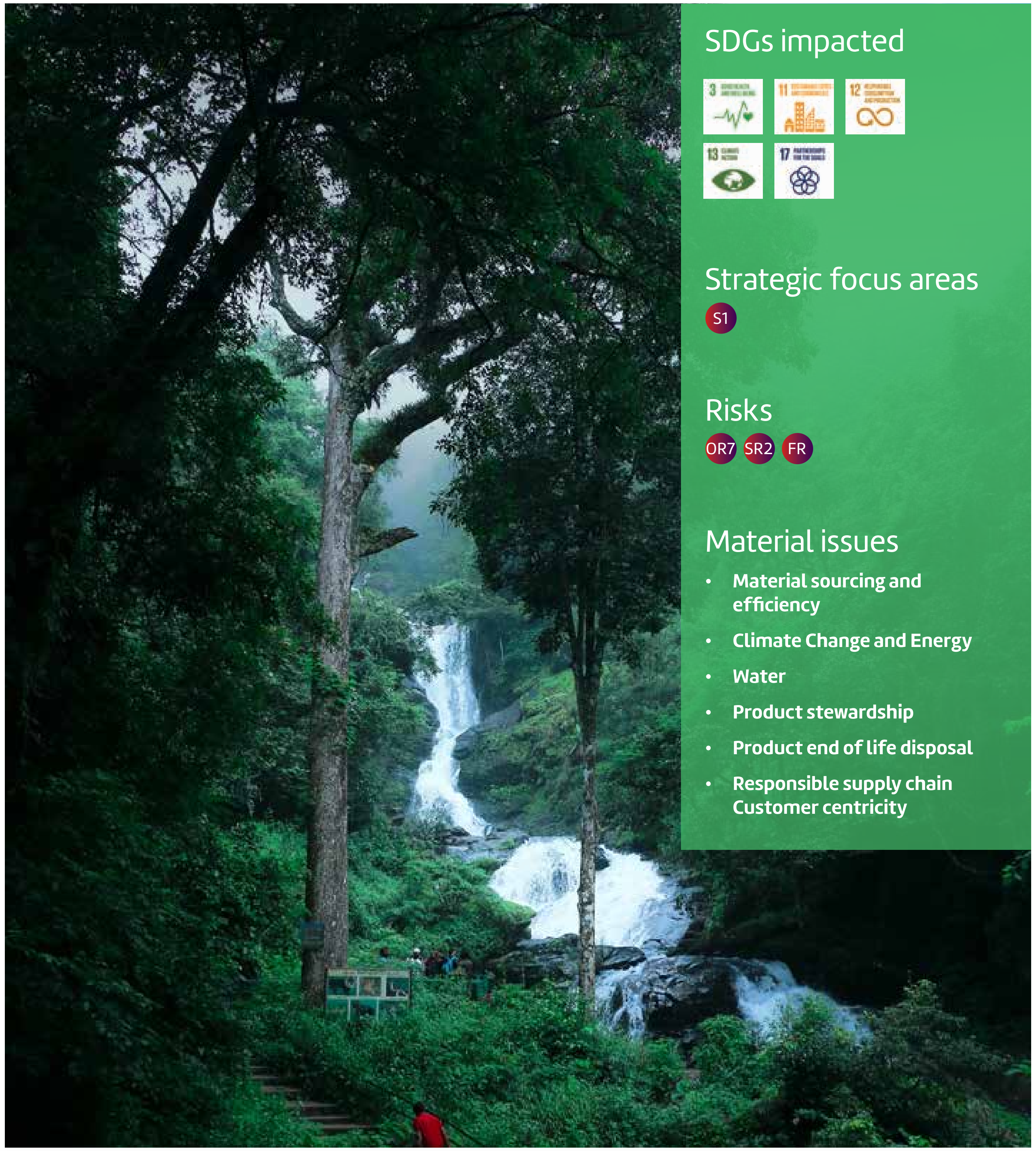
2. Ensuring compliances

- Planning operations in batches, to comply with Ministry of Health and local safety guidelines
- Maintaining social distancing at all sites, including canteens and transport facilities
- Regular sanitisation of all the premises to ensure utmost hygiene

3. Social initiatives

- Donation of money, ration kits and essential such as masks, sanitisers, medicines and protective equipment to Government, local administrations, NGOs and orphanages to help in relief work
- During the pandemic, our staff members donated one day's salary to PM CARES Fund

Natural capital



SDGs impacted

Strategic focus areas

S1

Risks

OR7 SR2 FR

Material issues

- Material sourcing and efficiency
- Climate Change and Energy
- Water
- Product stewardship
- Product end of life disposal
- Responsible supply chain Customer centricity

Energy from renewable resources	Wind energy capacity	Solar energy capacity
10%	8.2 MW	1.9 MW

Our manufacturing processes use natural resources such as water, copper, aluminium, and other critical resources as vital ingredients. Efficient utilisation of these resources makes us a responsible organisation and ensures success over the long term.

We work to minimise resource wastage and maintain ecological balance. These efforts also extend to re-using and recycling the resources to the extent possible.

Our products reflect a genuine sense of eco-consciousness and are produced using the most environment-friendly materials and processes, with the highest efforts to conserve energy and other key resources.

Renewable energy consumption

Our ecologically responsible operations utilise renewable sources of energy across operations. Presently, over 10% of our total energy needs, amounting to 13.27 Mn kWh are being fulfilled by renewable sources.

300 Numbers of Metal Halide (MH) lights are replaced with LED light resulting 20% of energy saving in lighting. Our plants are equipped with 99% LED lights.

Capex on renewable energy (FY21)

₹18 mn

Energy efficient LED lights in plants

99%

Planned capex on renewable energy

₹150 million

Trees planted

We ensure enhancing the green cover around our factories and facilities. To this end, we undertake extensive plantation drives to reduce our carbon footprint and increase the liveability index of the surrounding area.

Reduction in CO_2 emission

10,250+ tonnes

Waste management

We have taken on a robust waste management project in western India. This project involves door-to-door collection of solid waste, transporting it to the nominated site and recycling the same to produce products, which are marketed by the Gram Panchayat. This is a PPP project, which includes the Gram Panchayat of the village, subject matter experts of waste management and the funding and monitoring agency – Polycab Social Welfare Foundation (PSWF).

Water conservation

Water is a scarce natural resource, and we are committed to conserve it. In this regard, we have intensified drive to efficiently manage water with timely recycling for the purposes of gardening and sanitation. During FY21, we recycled over 62.7 mn litres of water. We also constructed rainwater harvesting structures at the 84 Anganwadis repaired by us, as a part of our social intervention.

Our units are equipped with Sewage Treatment Plant (STP)/ Effluent Treatment Plant (ETP) to promote recovery, reuse and recycle water.

Wastewater recovered and reused

62.7 mn litres

Awards and Accolades

Best Innovative Project of the year, Business Leader of the Year

Dream companies to work for by World HRD Congress

National Best Employer

Best CFO, 2020 for MNC in Mid Cap, DSIJ

Excellent Digital Infrastructure Company, International ICT Excellence Awards, 2020

Excellent Manufacturer of Optical Fiber Cables, National Telecom Make in India Awards, 2020

Best System Integrator Company, National Telecom Make in India Awards, 2020

Key Ratios

consolidated

	FY21	FY20	FY19	FY18	FY17
Financials (₹ million)					
Net Sales	89,265	88,300	79,856	67,831	55,365
EBITDA	11,668	11,276	9,504	7,418	5,177
EBIT	9,802	9,667	8,090	6,089	3,899
PBT	10,650	10,100	7,561	5,668	3,685
PAT	8,859	7,656	5,003	3,586	2,406
Net Fixed Assets	19,686	16,632	14,686	13,331	12,933
Net Working Capital	27,581	20,408	13,052	10,715	7,772
Shareholders Networth	47,539	38,364	28,470	23,476	20,042
Debt	2,487	1,571	2,724	8,003	8,557
Cash and Bank Balances	5,313	2,813	3,166	106	302
Current Investments	6,231	400	-	-	-
Performance Ratios					
EBITDA / Net Sales %	13.1%	12.8%	11.9%	10.9%	9.4%
EBIT / Net Sales %	11.0%	10.9%	10.1%	9.0%	7.0%
PAT / Net Sales %	9.9%	8.7%	6.3%	5.3%	4.3%
Fixed Assets Turnover Ratio	4.5	5.3	5.4	5.1	4.3
Asset Turnover	1.3	1.5	1.4	1.5	1.2
Debtors Turnover	6.2	6.2	6.0	5.3	4.6
Inventory Turnover	4.5	4.6	4.0	5.0	3.6
Return on Capital Employed	22.3%	26.4%	27.9%	21.0%	15.2%
Return on Equity	18.6%	19.9%	17.5%	15.2%	12.0%
International Revenue share	8.5%	12.4%	3.1%	5.3%	6.3%
Leverage Ratios					
Interest Coverage Ratio	28.7	35.6	13.8	8.3	6.0
Debt Equity Ratio	0.05	0.04	0.10	0.34	0.43
Debt / Total Assets	0.04	0.03	0.05	0.18	0.19
Liquidity Ratios					
Current Ratio	2.4	2.0	1.5	1.6	1.3
Quick Ratio	1.4	1.1	0.7	0.8	0.7
Activity Ratios					
Receivable days	59	59	61	69	79
Inventory days	110	110	122	96	131
Payables days	102	105	148	82	136
Net Cash Cycle days	67	64	35	83	74
Investor Ratios					
Earnings Per Share	59.2	51.2	35.4	25.4	17.0
Dividend Per Share (Interim + Final)*	10.0	7.0	3.0	1.0	1.0
Dividend Payout % (Excluding DDT)	16.9%	13.7%	8.5%	3.9%	5.9%
Price to Earnings Ratio	23.3	14.5	NA	NA	NA
Enterprise Value / EBITDA	17.5	9.8	NA	NA	NA
Enterprise Value / Net Sales	2.3	1.2	NA	NA	NA

*FY21 dividend recommended

Management Discussion and Analysis

Global Economy

Over the past one year, the global economy has witnessed major disruptions on account of the COVID-19 pandemic. Governments across the world have tried to counter this impact with unprecedented policy measures that have tried to shore up economic growth while promoting safety. As per various estimates, up to $15 trillion worth of stimulus has been provided by centrals banks and governments across the world to revive their respective economies. Businesses across industries have also had to evolve from their conventional operating model in order to adapt and survive. Despite that, the global economy contracted by 3.3% in 2020 as per the April 2021 estimates of the International Monetary Fund (IMF). While the global GDP saw sequential improvement in the latter half of 2020, new mutations of the virus, seen first in emerging markets and then in developed nations, have the potential to impede the ongoing economic recovery, and this apprehension has added to near-term uncertainty. Speedy development and roll out of vaccines, as well as their ability to act against new mutations, will ascertain the path to normalisation. But disruptions also lead to new opportunities. Trends such as automation, digitisation, increasing demand for renewable energy and supply chain diversification are beginning to solidify. As per the IMF, the global economy is projected to grow at 6% in 2021, moderating to 4.4% during 2022.

World Economic Outlook Growth Projections

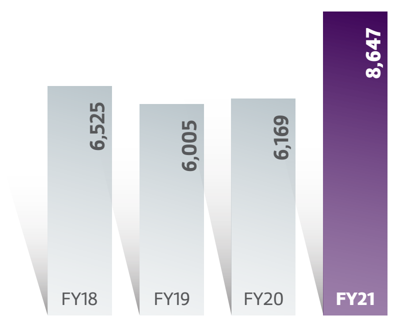
(Real GDP, annual percent change)	ESTIMATE 2020	PROJECTIONS 2021	PROJECTIONS 2022
World Output	-3.3	6.0	4.4
Advanced Economies	-4.7	5.1	3.6
Emerging Markets and Developing Economies	-2.2	6.7	5.0

Source: IMF, World Economic Outlook Update, January 2021
*For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

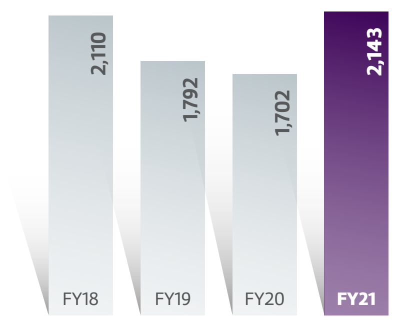
Commodities

Commodity prices, particularly the price of metals, saw a sharp upswing during FY21. The year started with disruptions in global demand and supply chains for most commodities. A sharp rebound in economic sentiment coupled with continuing supply constraints on account of lockdowns and the unavailability of shipping containers amongst other factors, led to trade mismatch and inflation. Copper prices on London Metal Exchange (LME) witnessed a spurt from about $5,000/mt in April 2020 to ~$8,900/mt in March 2021, surpassing pre-COVID-19 levels. During February, prices peaked to ~$9,600/mt, touching a decade high. Similar trend was witnessed in aluminium prices, which rose from $1,400/mt in April 2020 to $2,200/mt in March 2021. The inflation can be attributed to a robust demand revival, especially in large metal consuming countries like China, higher demand for renewable energy, and supply crunch on account of pandemic-led disruption of mining operations in countries like Chile. The price of Polyvinyl Chloride (PVC) also remained elevated on account of higher crude prices and global supply chain disruption. While commodity prices are likely to remain volatile and may influence demand patterns in the near term, at Polycab, we have a robust hedging and risk mitigation framework in place that will support our business.

Average LME Copper
($/mt)



Average LME Aluminium
($/mt)



$8,647/mt
FY21 Average LME Copper price

$2,143/mt
FY21 Average LME Aluminium price

[Source: https://www.westmetall.com]

Management Discussion and Analysis Contd.

Indian Economy

FY21 was an extraordinary year for the Indian economy. India followed the rest of the world in implementing a nationwide lockdown for most of Q1. While this helped curb the spread of the virus to some extent, it significantly impacted various facets of the society and economy, including consumer behaviour, logistics, industrial production, construction activities, government earnings and overall trade activities. The lockdown also exacerbated unemployment and dampened consumer spending, which contributes to nearly half of India's GDP. Progressive unlocking from June 2020, along with initiatives undertaken by the government (and the Reserve Bank of India) such as the economic stimulus that amounted to more than 10% of the total GDP, liquidity support, lowering of interest rates and loan moratoriums aided a sequential revival of the economy. Consumer sentiment and demand witnessed a sharp recovery in the second half of the year, led by phased unlocking, decreasing number of infections and hopes created by the vaccination drive.

Macro indicators such as GST collections, Index for Industrial Production (IIP), Purchasing Manager's Index (PMI), steel and power demand, and rising auto sales showcased an improving economic trajectory in the second half of the year, pushing GDP growth to positive territory. A normal monsoon and reverse migration accelerated the semi-urban and rural economy. However, growth in urban India remained affected by intermittent government restrictions.

India: GDP Growth

(%)

E – Estimate; P – Projection
Source: IMF, WEO April 2021

We believe that post-pandemic, the Indian economy is likely to pivot with a strong mix of structural growth drivers catalysing medium- to long-term growth. India's strong demographics, with its working-age population growth outpacing that of the dependent population, is likely to make the country one of the better placed large economies globally for the next two decades.

The government's accelerated efforts such as favourable budgetary measures, including higher allocation for infrastructure projects related to highways, smart cities, housing and railways, encouragement to investment in digital technologies such as fibre-to-home and quantum technologies and applications, bode well for economic recovery in the near term. However, macro policy interventions like Production-Linked Incentive (PLI) scheme, 'vocal for local' schemes as part of the Atmanirbhar Bharat Abhiyaan, tax, labour and land reforms, the Insolvency and Bankruptcy Code, the push for renewable energy among other measures, are likely to attract sizeable investments and enhance long-term economic productivity enhancement. These measures are also expected to help India strengthen its position as a low-cost, high skill manufacturing hub and thus an integral part of the global supply chain.

We believe companies with strong values, solid fundamentals and governance practices, robust manufacturing, distribution and marketing capabilities can leverage these long-term growth opportunities and play an important role in the process of nation rebuilding while creating greater value for all stakeholders. While Indian GDP growth for FY21 is expected to contract by 8% YoY, as per the estimates of the Ministry of Statistics and Programme Implementation (MOSPI), various other institutions such as the RBI, IMF and others project India to grow in double digits in FY22. However, the second wave of COVID-19 is proving to be more disruptive than its predecessor, given the spike in infection rate, and this has cast some uncertainty over the timing and extent of economic recovery.

Fast-Moving Electrical Goods (FMEG) industry

Fast-Moving Electrical Goods (FMEG) are consumer electrical goods sold through various channels such as retail trade outlets and e-commerce platforms. These include products such as fans, lights, luminaires, switches, switchgears, pumps, conduits, fittings and so on. Over the years, this industry has evolved rapidly with increasing participation of organised players and emphasis on branding. Structural drivers like changes in demography, consumer behaviour, technology and rising disposable incomes have catapulted the growth of the organised FMEG sector in India. Meanwhile, the unorganised market, which makes up 10-50% across categories, has been on a steady decline.

During the year, growth in the FMEG sector was relatively weak largely on account of the pandemic. The nationwide lockdown in the first quarter disrupted retail trade significantly. The downtrend in realty also added as a dampener. The impact was more pronounced for seasonal products such as fans, air coolers and others during this period. Consumer sentiment and demand started recovering with the gradual unlocking. Accordingly, the second half of FY21 saw healthy growth across FMEG categories. Competition amongst the large, organised players remained high although the unorganised sector suffered degrowth due to various challenges such as unavailability of labour, raw material and credit. A sharp surge in input costs along with supply chain constraints led to significant margin pressure. As a result, established players with well-entrenched distribution network gained market share.

While growth prospects of the organised market in this sector remains appealing over medium to long-term, a surge in COVID-19 cases has again led to markets remaining shut and consumers staying away from discretionary spending. With restrictions on movement, occupation of new residential premises has also witnessed a sharp decline, which has directly impacted the sales of FMEG products. This is likely to hamper the demand momentum seen in the second half of FY21 over the near term.

FMEG Segment

FMEG business crossed ₹10bn mark in during the year. Over the past five years, revenue grew at 37% CAGR, boosting the contribution of this segment to the Group's performance. In FY21, FMEG revenue stood at ₹10,341 million, compared to ₹8,356 million in FY20, registering a 24% YoY sales growth over FY20 despite the severe impact of the pandemic in the first quarter. Performance was underpinned by healthy consumer demand, distribution, and strong execution. Growth as well as market share gains were prominent across the board. The segment accounted for 11.5% of total sales for the year under review, up from merely 3.8% five years back. Segmental operating profit increased by 236% YoY to ₹566 million. Segmental margin improved to 5.5% on account of pricing actions, design and cost optimisation, improved sales mix, and deft working capital management.

₹566 million
FMEG operating profit
(Up 236% YoY)

Fans and Appliances

The market for fans, at about ₹99 billion, grew by 6% YoY in FY21, largely driven by organised players while the unorganised market underwent degrowth due to challenges on various fronts. The market is gradually moving towards energy-saving, convenient, smart and intelligent, health-oriented, personalised products. Accordingly, we have aligned ourselves to this demand. A focused programme is underway to develop and launch premium and value-added products in each sub-category.

Growth as well as market share gains were prominent across the board.

Polycab Fans and Appliances business closed the year with a healthy growth despite loss of sales in the first quarter, which is traditionally the highest selling quarter. While demand started picking up in the second quarter, steep rise in input costs dragged profitability. Growth in the second half was strong enough to counterbalance the impact of the first half. FY21 was marked by strong focus on improving business processes. Working capital was optimised with lower inventory levels and increased channel finance through the enrolment of a large number of distributors and dealers. We augmented our supply chain and developed the Business Intelligence (BI) system for real time data analysis. We also initiated re-engineering for many of our products to

Management Discussion and Analysis Contd.

offer optimum deliverables at competitive prices. While the premiumisation drive continued, calibrated pricing actions were taken across the core portfolio. Investments in Below the Line (BTL) and social media advertising to increase awareness among consumers, influencers, and our channel partners continue. Advertising on television during the key cricket season helped brand recall. Distribution expansion continued, albeit at a slower pace due to pandemic-related uncertainties.

During the year, we developed an innovative special coating for fans with help from our technology consultants and launched India's first 4-in-1 protection fan (anti-ageing, anti-bacteria, anti-dust, anti-rust) – Polycab Purocoat fans. This range comes in 14 different models and 30+ colours. We also launched our super premium Hohm product range, which are IoT-enabled and aligned towards the preference of the younger generation. Overall, the Company launched 100+ SKUs in the last 18 months and has a strong new product pipeline of many innovative and pioneering products waiting to be launched in the coming year.

All these initiatives have enabled us to capture demand dynamically, improve cost efficiency, enhance brand connect, and grow market share across regions while becoming #1 brand in the Northeast.

We also revived focus on water heaters with our own manufacturing facility at Nashik. We have developed an all-new range of premium, high performance, intelligent water heaters. Our objective is to create our own position in this segment via a focused strategy in terms of sales, channel, portfolio and branding.

100+ SKUs

In fans launched in the past 18 months

Lighting and Luminaires

Lighting and Luminaires industry at about ₹227 billion grew in low single digits over last year. The market for lights was broadly stable while the luminaire market was impacted on account of relatively lesser number of new projects.

Our Lighting and Luminaires business posted strong industry-leading growth over the last year despite tough market conditions and input cost inflation. This was largely driven by improved sales force productivity and distribution reach, supply chain enhancement and our decision to increase our support to channel partners. We have developed a pan-India distribution network progressively, and today Polycab lighting is a national brand that finds representation in all states. Having identified the gaps in the market, we have launched various products such as bulbs, 36W battens, frameless panels, chip on board (COB), strip lights, streetlights, flood lights amongst others. We also launched a range of smart products under the Hohm brand.

While LED bulbs and battens, which largely cater to the replacement market, saw good traction, high value items such as medium and high wattage bulbs, panels and integral series helped in garnering both top line as well as profitability. The business also made healthy progress in terms of working capital optimisation through increased channel finance and lower inventory levels.

Switches and Switchgears

The domestic switches industry stood at about ₹50 billion, growing by about 10% YoY in FY21, while the domestic switchgears industry, at ₹209 billion, was broadly stable. Overall, the market environment continued to remain challenging, leading to subdued industry growth. A dampened real estate sector has directly impacted consumption in both these categories of products.

In switchgears, the Company tried to unlock synergies by leveraging the strength of the housing wire distribution and sales team to reach out to more customers. This led to about 2.5x sales in the second half of the year compared to last year. Switches saw healthy sales despite the challenges, led by our focused market strategy, improved value proposition and increased productivity. The Company launched a new portfolio of portable accessories including multi-plugs, adapters, power strips with USB ports, flex box and others. These entry-level products at every electrical counter will help seed new consumers. We will continue to augment our portfolio in this high growth segment in the coming year. We are also planning to launch a new range of switches, Miniature Circuit Breakers (MCBs), and Residual Current Circuit Breaker (RCCBs), across price points, in the switchgear segment. While the demand for high quality, premium products is likely to sustain, government initiatives such as compulsory installation of RCCBs and compulsory BIS standards for sockets provides an additional thrust to the organised market.

2.5x

YoY increase in sales of switch gears (H2 FY21)

Other FMEG categories

Our Other FMEG business primarily comprises three segments – pumps, conduit and accessories, and solar products. These are relatively smaller businesses within the larger FMEG basket and registered a healthy growth in FY21.

During the year, we developed an innovative special coating for fans with help from our technology consultants and launched India's first 4-in-1 protection fan (anti-ageing, anti-bacteria, anti-dust, anti-rust) – Polycab Purocoat fans. This range comes in 14 different models and 30+ colours. We also launched our super premium Hohm product range, which are IoT-enabled and aligned towards the preference of the younger generation.

The pipes and fittings business saw healthy double-digit growth in FY21. This was driven by good market acceptance on account of high-quality products offered at competitive prices. During the year, we started in-house manufacturing of concealed metal boxes and a few other smaller products. Given the vast market opportunity of about ₹50 billion, we are scaling up our team and systems to augment this business.

Our Solar business vertical offers on-grid inverters, solar panels and solar DC cables. Growth in the first half was impacted by lockdowns. However, in the second half of FY21, the business grew strongly led by competitive pricing strategies and strong after sales service. Going ahead, we aim to introduce off-grid/hydrid inverters with battery backup systems and Polycab solar kit in both on-grid and off-grid solar systems. Government initiatives such as the National Solar Mission and sustained campaigns to promote renewable energy bode well for this business.

FMEG: Business Outlook

Our total available FMEG market is likely to grow over the next five years on the back of rising consumer affordability, evolving technology, and product innovation. Increasing consumer awareness, government regulations to further consumers' interests, higher compliance costs and a volatile market environment are likely to pave the way for greater consolidation in the organised market. Growing emphasis on enhanced buying experiences is also another trigger for change in the segment.

Our FMEG business is a natural extension of our wires and cables business, considering the synergies in terms of procurement, manufacturing knowhow, distribution, and target market. To leverage this opportunity, we have built strong capabilities and brand image over the past many years. Our focus on quality and design, safety and energy-saving features with great value proposition has worked well for the brand, and this agenda will continue.

We expect to drive the next leg of growth through premiumisation, consumer-centric innovation, an augmented go-to-market strategy and by exploring adjacencies (See Project Leap section for more details). Project Shikhar, our recently launched initiative, will help us improve our retail reach as well as connect with key influencers, and drive our FMEG business (See Project Shikhar section for more details). This project, along with the favourable macro trends, is likely to provide significant headroom for growth over the long-term.

Our strategic interventions like pushing premiumisation, improving portfolio mix, calibrated price hikes, cost optimisation through Project Udaan, increase in sales productivity, and better working capital management are helping improve profitability as well as return ratios. We expect this business to achieve a high single digit EBIT margin over the next two years.

While the market environment may remain volatile in the near term, considering the surge in COVID-19 cases and impromptu lockdowns, we believe that the long-term prospects of this business remain intact, and we are well placed to retain our growth momentum.

Category	Market Size (INR bn)	Next 5 year CAGR estimate
Switches	50	10%
Lighting	227	8-10%
Switchgear	210	10%
Fans	99	6%
Water heaters	23	6%

Management Discussion and Analysis Contd.

Wires and Cables Industry

The domestic wires and cables market, at about ₹450-500 billion, makes up approximately 40-45% of the Indian electrical industry. Generally, wires consist of a single conductor while cables involve one or more conductors that are used for the transmission of electricity, data or signals. Applications of wires and cables include:

Power cables

These are used for the transmission and distribution of electricity from power generators (thermal, solar and wind solar plants) to sub-stations and thereon for power supply to end-user segments, such as residential, commercial (airports, metro, hospitals, etc.) and industrial units. Low tension (LT) power cables need to have fire-retardant, anti-termite, anti-rodent and sunlight resistant properties. Solar cables need to have lifetime reliability of up to 30 years, resistance to extreme temperatures (-40°C to 120°C), ozone, ultraviolet (UV) and halogen free, flame and fire retardancy, resistance to mineral oils, acids and alkalis, and resistance to impact, tear and abrasion.

Building wires

Building wires are used for electrical wiring of residential and commercial buildings such as hospitals, offices and other structures. Building wires are typically categorised into Flame Retardant, Fire Retardant (FR), Flame Retardant Low Smoke (FRLS), and Halogen Free Flame Retardant (HFFR) categories.

Control and instrumentation cables

These are used for process control applications. Instrumentation cables convey low energy electrical signals used for monitoring and controlling electrical power systems or any associated process control systems by means of signalling.

Telecom cables

The Telecom cables are used for transmission of voice and data.

Optical fiber cables

Optical fibre cables are cables with glass fibre core used for long distance telecommunication, and provide high-speed data connection and other benefits.

Other types of cables

Flexibles cables used for consumer appliances, and in automotive, railways, mining, etc, specialty cables for marine, oil and gas facilities offshore/onshore, anti-theft cables etc.

The performance and durability of cables depend on the quality of raw materials. Specialised applications require superior chemical, mechanical, thermal and electrical performance from cables, and require usage of high-performance materials in cable construction. To achieve properties suited for varying applications, every cable has a distinguished construction in terms of cross-sectional area (size), number of cores used, core material (mainly copper or aluminium), insulation material used, armoured or unarmoured construction for strength, etc.

Power and electrical cables are also segmented into the following, based on voltage capacity:

- Low Tension/Voltage (1.1 kV and below)
- High Tension/Voltage (above 1.1 KV to 33 KV)
- Extra-high voltage (66 kV and above) cables

Major users of power cables are the power sector (central, state and private electricity utilities) and sectors like petrochemicals, mining, steel, non-ferrous, shipbuilding, cement, railway, and defence.

The domestic wires and cables industry suffered contraction in FY21 because of economic slowdown on account of the pandemic. Various end-user industries were hit by the lockdown while most ongoing or planned projects were stalled. Investments in construction and infrastructure slowed down as the government prioritised spending on healthcare to fight the pandemic while private industry lacked demand visibility. Consumer sentiment remained low, hampering discretionary spends. While the situation is improving gradually, as seen from various macro-economic indicators such as the Index of Industrial Production (IIP) data – which stood at 54 in April 2020 (vs 126 in April 2019) and 129 in February 2021 (vs 134 in February 2020) – the overall slowdown persisted throughout the year. A sharp uptick in prices of key raw materials such as copper, aluminium, steel and PVC, along with their availability, as well as labour and supply chain constraints added to the complexity of the business environment.

Wires and Cables Segment

In FY21, Wires and Cables revenue declined by 3% YoY to ₹72,921 million, compared to ₹75,192 million in FY20. This was largely on account of severe impact of pandemic and high exports base, partly compensated by strong business performance in second half and higher realisation. Sequential pickup in infra and industrial project activities from second quarter onwards along with improving consumer sentiment enabled favourable business environment. The segment accounted for 81% of total sales for the year under review. Segmental operating profit at ₹9,164 million was broadly in line with last year while segmental operating margin at 12.6% improved by 26bps YoY. Sharp surge in input costs was mitigated by calibrated pricing actions, improved product mix and cost optimisation initiatives.

Cables

The domestic cables business was impacted in Q1 FY21 by the pandemic and subsequent lockdowns, however it saw gradual revival in demand as the market inched towards normalcy. Sales from authorised dealers and distributors was healthy, driven by demand from lower tier towns and smaller project orders. However, institutional business was sluggish due to stalling of several large projects in the first half. Trends in the next quarter seemed favourable with new and existing projects picking up pace, especially in industries such as solar, real estate, chemicals, textiles, pharma and from the railways and metros. Better raw material planning and finished goods availability provided better market opportunities during unlocking. Increase in competition as a result of lower capacity utilisation across the industry was counterbalanced by a dynamic pricing strategy and focus on quality. We continued our market expansion to increase our direct presence, with particular focus on Tier 3 towns and below. Expansion is likely to be scaled up further in FY22. During the year, we migrated the entire sales process to a new customer relationship management (CRM) tool, which significantly helped improve sales conversion through higher sales team productivity, and improved customer and project data capture and analytics. Implementation of the BI tool helped design better near-term sales strategies.

The share of the Company's exports business in the overall revenue decreased from 12.4% in FY20 to 8.5% in FY21, primarily on account of a large order for a project in Nigeria in base year. In FY21, we appointed several large distributors across geographies, such as in Australia, Europe, the US and Africa and this business saw a decent pickup. While the demand in global markets remained subdued in H1, we proactively focused on enhancing our product portfolio for large customers in key industries such as renewables, oil and gas and utilities as well as on acquiring quality certifications from global agencies. The drive for geographical and customer base expansion across markets continued. These initiatives helped us post a strong 65% YoY growth in our export portfolio, excluding the large order. While Polycab is a leading wires and cables exporter in India, we are also actively exploring export opportunities for our FMEG products.

Leading wires and cables exporter in India

Our special purpose cables business offers Electron Beam Cross-Linked Cables (EBXL), which are technically superior to conventional cables and are predominantly used in applications that are critical for the safety of human life. These cables can operate in extreme environmental conditions and their design life expectancy is around 25 years. The e-Beam curing process is eco-friendly, causing zero environmental pollution.

While this business is still at a nascent stage, we have seen considerable progress in terms of business from the railways and the automotive sector. During the year, we were granted several approvals in sectors such as defence, railways and automobiles. We are also the first in India to obtain ARAI (Automotive Research Association of India) Test Certificates for ISO 19642 Cables for electric vehicle (EV) applications. Our aim is to identify opportunities which are niche and value accretive. Accordingly, we are fully geared up to meet the increasing demand for EBXL cables in the domestic as well as international market. Also, we use insulation and sheathing compounds that are developed in-house at our R&D centre, proving the Company's end-to-end capabilities.

Our telecom business was severely impacted by the pandemic and saw a degrowth in FY21. During the year, the Company worked as a Project Implementing Agency (PIA) with its consortium-partner in BharatNet's Phase-II project for Package-3 in Bihar and Package-B in Gujarat. We have already executed the Bihar project and the Gujarat project is near completion. Effective completion of these projects in record time was widely appreciated by the policymakers as well as customers. Successful execution of the project in in Bihar was recognised by the 19th Global Edition and 4th India Edition of World Leadership Congress and award of Business Leader of the Year with the Best Innovation Project.

During the year, we also forayed into end-to-end passive networking solutions. With this new range, we will be able to support high-speed broadband, IoT-connectivity, and other new and emerging applications with the roll out of 5G network in India.

Significant thrust on building digital infrastructure across the country, along with the impending 5G and Fibre-to-the-home (FTTH) roll-outs, is likely to spur investment in optical fibre network. Our manufacturing and executing capabilities bode well to gain from these emerging digital-centric activities.

Management Discussion and Analysis Contd.

Wires

The Wires business achieved a healthy double-digit growth in FY21, more than compensating for lost business in the first quarter. This growth was due to higher realisations, distribution expansion and a favourable macro environment in the second half of the year. Within the Wires portfolio, housing wires performed relatively better with the gradual resumption of real estate constructions, smart cities projects, as well as various government initiatives such as reduction in stamp duty and circle rates. Decadal low housing loan rates with improving consumer sentiment further provided a fillip to demand for residential real estate, which augured well for wires. Consumer offtake of B2C wires remained healthy with pickup in renovation activity from the third quarter onwards. The shrinking share of the unorganised market in several pockets of the country was capitalised by the Company through excellent on-ground execution. Pressure from a sharp surge in input costs during the year was mitigated through phased price hikes and better operating leverage. Improved productivity through implementation of the new sales CRM platform and BI tools, coupled with optimised working capital, helped improve profitability.

Wires and Cables: Business Outlook

Outlook for the wires and cables industry in the medium to long-term remains positive given its diverse usage. Demand is likely to recover gradually, driven by numerous government initiatives such as National Infrastructure Pipeline (NIP), production-linked incentive schemes, focus on indigenous manufacturing, higher budgetary allocation for capital expenditure, renewable energy push, digital infrastructure push, and liquidity infusion amongst others. The ongoing vaccination drive and recovery of consumer sentiment bode well for demand of many end-user industries. spurring private investments as well as demand for B2C products like housing wires. The global cables market, estimated to be around $140-150 billion, is another avenue for growth for well-established players with robust manufacturing and supply capabilities.

Given the diverse utility of wires and cables, the growth of this industry is likely to go hand in hand with the economic growth of India over the medium to long-term. Over the past many years, we have built strong moats around our business that has helped us gain and maintain market leadership. Going ahead, we aim to bolster our market position and grow through strategic interventions such as a customised go-to-market approach, right sizing of the business model, building a robust business development structure, and business decision-making driven by digital and analytics (See Project Leap section for more details). The growth will also be supplemented by the scale-up in adjacencies and exports business, which hold significant potential. Project Shikar will help us improve our retail reach as well as connect with key influencers, helping drive the housing wires business in the medium term (See Project Shikhar section for more details). From a macro standpoint, government initiatives as highlighted in the previous section as well as rising consumer income, safety and energy-efficiency awareness, and growing consumer aspirations augur well for our business. Formalisation and consolidation of the industry due to the pandemic is a win-win situation for consumers as well as for organised players. Project Udaan, our cost optimisation programme, will help us weed out inefficiencies and bad costs, thereby enabling us to achieve operational excellence.

The Wires business achieved a healthy double-digit growth in FY21, more than compensating for lost business in the first quarter.

The second wave of COVID-19 in the domestic market is likely to impact investments and construction activities during the first half of coming year. However, we are well placed to navigate these challenges and outpace the industry.

Copper

During the year, the Company acquired the balance 50% stake in Ryker Base Private Limited (Ryker) from Trafigura Pte Ltd., Singapore, thereby terminating the existing joint venture. With Ryker now being a wholly-owned subsidiary, a new segment "Copper" was created and disclosed in the financial results. The Copper segment revenue in FY21 stood at ₹4,332 million with an EBIT of ₹455 million. It accounted for 4.8% of the total sales in FY21.

Copper Outlook

Ryker's role is limited to catering to Polycab's internal copper rod consumption and some external sales that is primarily undertaken to improve operating leverage and optimise the production cost structure. Hence Ryker plays a strategic role in improving backward integration of the business and is unlikely to contribute meaningfully to consolidated revenues.

Others

The Other segment, which largely represents our EPC business and subsidiaries clocked ₹2,444 million in revenue, declining by 53% YoY due to a higher base and severe impact of the pandemic. For the same year, this segment posted EBIT of ₹393 million, registering a decline of 51%. The segment accounted for 2.7% of total sales for the year under review.

Other: Outlook

We will continue to explore power and digital infrastructure projects such as BharatNet, digital highways, smart cities, IoT-based public utility services and citizen safety projects through the Engineering-Procurement-Construction (EPC) model. Banking on our wire and cables manufacturing ability, project management and execution skills, we are confident of leveraging these emerging opportunities. We are also mindful of the inherent challenges of this business and will maintain a prudent approach in choosing projects while laying emphasis on a higher component of wires and cables supply in project value, optimal return of capital and acceptable risk levels.

Internal Control Systems and Adequacy

The Company maintains a robust framework of internal controls that are in accordance with the nature and size of the business. This framework addresses the evolving risk complexities and underpins our strong corporate culture and good governance. While these controls are aligned with the requirements of the Companies Act, 2013, and the globally accepted framework issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission, they are also regularly tested by statutory and internal auditors for their effectiveness. The framework is a combination of entity-level controls, which include enterprise risk management, legal compliance framework, internal audit and anti-fraud mechanisms such as the Ethics Framework, Code of Conduct, Vigil Mechanism & Whistle Blower Policy and so on, process level controls, information technology-based controls, period-end financial reporting and closing controls.

All business processes are guided by comprehensive policies, guidelines, and procedures. An extensive risk-based process of internal audits and management reviews provides assurance to the Board with respect to adequacy and efficacy of internal controls. The internal audit plan, while being aligned to the business objectives of the Company, is dynamic in nature and is reviewed by the Audit Committee every year. Internal audit reports are reviewed every quarter. Furthermore, the Audit Committee also monitors management actions stemming from internal audit reviews. We are mindful of the fact that all internal control frameworks have inherent limitations. Therefore, we conduct regular audits and review processes to ensure that such systems are strengthened on an ongoing basis with improved effectiveness. The Company's management has evaluated the operative effectiveness of these controls and noted no significant deficiencies or material weaknesses that might impact the financial statements as of March 31, 2021.

Management Discussion and Analysis Contd.

Financial Review: FY21 vs FY20

Consolidated Balance Sheet

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

(i) Total additions to PPE and Intangibles were ₹6,321 million mainly on account of

(a) acquisition of Ryker (₹2,725 million)

(b) debottlenecking and expansion at Halol, Roorkee and Nashik plant (₹1,898 million)

(c) Building expansion at Halol (₹1,328 million)

(d) Electrical installation, office equipment's and furniture (₹200 million, ₹54 million and ₹33 million respectively).

(ii) Capital work in progress (CWIP) stood at ₹990 million as at March 31, 2021 and is largely attributed to expansion of Cable and Wire and FMEG manufacturing capacities.

(iii) Right of Use assets : Addition during the year was ₹149 million.

(iv) The Company has provided adequate depreciation and amortisation in accordance with the useful lives of the assets determined in compliance with the requirements of the Companies Act, 2013. In certain class of assets, the group uses different useful life than those prescribed in schedule II of Companies Act, 2013.

2 Investments in Joint Ventures

(i) Techno Electromech Private Limited
In 2017, the Company entered into a 50:50 strategic joint venture with Techno Electromech Private Limited and invested ₹118.2 million (Net). TEPL, a manufacturer based in Vadodara, Gujarat, to manufacture LED lighting and luminaires. During the year the Company did not infuse any additional capital.

(ii) Ryker Base Private Ltd
During the year, the Company acquired additional 50% stake in Ryker Base Private Limited (Ryker) thereby making it a wholly-owned subsidiary. Ryker financials are now consolidated as per Indian Accounting Standards (IND AS).

3 Other financial assets

Total other financial assets (non-current and current) decreased by ₹667 million to ₹789 as on March 31, 2021 on account of reduction in fair value of Embedded derivative amounting to ₹1,075 million and lower contract assets by ₹175 million. This is partly offset by increase in investment in fixed deposits having original maturity more than 12 months by ₹566 million.

4 Other assets:

Total other assets decreased by ₹331 million to ₹1,983 million as on March 31, 2021 mainly due to decrease in balances with Statutory/ Government authorities on account of unavailed input credits on GST amounting to ₹727 million. This was offset by ₹301 million increase in advances given to vendors.

5 Inventories

Inventory as at March 31, 2021 was ₹19,879 million compared to ₹19,250 million as at March 31, 2020. Our Inventories days derived from Consolidated Financial Statements was 110 days for comparative period.

6 Trade receivables:

Trade receivables (non-current and current) as at March 31, 2021 stood at ₹15,641 million against ₹15,997 million as at March 31, 2020, decrease of ₹356 million.

(i) Non-current trade receivables
Non-current trade receivables stood at ₹1,284 million as at March 31, 2021 largely comprising of ₹1,265 million of retention money held by government customers pertaining to ongoing EPC projects.

(ii) Current trade receivables
Current trade receivables mariginally increased by ₹21 million to ₹14,358 million as at March 31, 2021. Our Current Receivable Days has remained broadly stable at 59 days.

7 Cash and cash equivalent and other bank balances

Cash and cash equivalents and other bank balance aggregated to ₹5,313 million as at March 31, 2021, an increase of ₹2,500 million. The surplus funds are parked in fixed deposit with maturity less than 12 months.

8 Share capital

The paid-up share capital of the Company as at March 31, 2021 was ₹1,491 million (March 31, 2020 - ₹1,489 million) comprising 14,91,18,814 Equity shares of face value ₹10 each. Company has further issued 2,39,441 shares to employees under ESOP during the year.

9 Other Equity

Other equity comprises of reserves and surplus and other comprehensive income. Total other equity increased by ₹9,173 million in FY2021.

Reserves and surplus included in the other equity includes retained earnings, securities premium, general reserve and other reserves comprising ESOP outstanding account, Share application money pending allotment and foreign currency translation reserve.

(i) The Securities premium balance increased by ₹169 million due to fresh issue of equity shares employees under ESOP scheme.

(ii) The general reserve balance remained stable at ₹614 million.

(iii) ESOP outstanding increased by ₹45 million as the Company recorded ₹110 million of stock based compensation in relation to its ESOP plans and adjustment for exercise of stock options ₹65 million.

(iv) Retained earnings balance increased by ₹8,857 million driven by Profit for the year of ₹8,857 million and no cash dividend payout.

(v) The effective portion of changes in the fair value of the derivative amounting to ₹126 million were de-recognised in other comprehensive income.

(vi) Foreign currency translation reserve decreased by ₹2.2 million on account of conversion of foreign subsidiary financials from their functional currency to reporting currency of the Company.

(vii) Share application money pending allotment of ₹5 million represents amount received from employees who have exercised Employee Stock Option Scheme (ESOS) for which shares are pending allotment as on balance sheet date.

10 Borrowings

(₹ million)

	Non-Current		Current		Total		% Change
	FY21	FY20	FY21	FY20	FY21	FY20	
Borrowing	1,037	107	890	1,115	1,926	1,221	58%

(i) Increase in non-current borrowing is due consolidation of Ryker's borrowings of ₹970 million post acquisiton.

(ii) Short-term borrowing decreased to ₹225 million mainly because of repayment of Packing Credit Foreign Currency (PCFC) facility.

11 Other financial liability

Other current financial liabilities increased by ₹940 million to ₹2,206 million as on March 31, 2021 . The increase is mainly on account of addition in current maturities of long-term borrowing of ₹211 million post Ryker acquisition and increase in derivative liability by ₹744 million.

12 Other Liability

Other liability primarily consists of advance from customer, other statutory dues, deferred liability, contract liability, refund liability and deferred government grant.

Total other liabilities (non-current and current) increased by ₹402 million mainly on account of

(i) Increase in deferred government grant liability by ₹159 million on account of Ryker acquisition.

(ii) Increase in other Statutory dues by ₹443 million is mainly due to the GST liability.

(iii) Increase in contract liability by ₹398 million and refund liability by ₹127 million.

This was partially offset by ₹749 million decrease in advance from customers, adjusted against a sizable advance received in FY20 for a large export order.

13 Trade payables

Total balance as at March 31, 2021 at ₹13,480 million decreased marginally by ₹57 million.

14 Provisions:

Total balance as at March 31, 2021 was ₹487 million as compared to balance of ₹494 million as at March 31, 2020, marginally lower by ₹7 million mainly due to decrease in Gratuity provision by ₹5 million, compensated absences by ₹12 million and increase in warranty provision by ₹10 million. The liability for gratuity and compensated absences is based on the valuation from the independent actuary.

15 Deferred tax liability

Deferred tax liability increased by ₹243 million to ₹418 million mainly due to creation of deferred tax liability on retention money and financial assets at amortised cost amounting to ₹233 million. The Company records net positions as assets and liabilities based on tax jurisdictions considering rights to offset. Note no. 12 of the consolidated financial statements provides components of assets and liabilities.

Management Discussion and Analysis Contd.

Consolidated Results (P&L)

1 Revenue from operations

Revenue from operations increased by 1% to ₹89,265 million in FY 2020-21 from ₹88,300 million in FY 2019-20.
Our segment wise growth is as below:

(in ₹ million)

Segment Revenue*	Revenue FY21	FY20	Growth
Cable & Wire	72,921	75,192	-3%
FMEG	10,341	8,356	24%
Copper	4,332	-	NA
EPC & Others	2,444	5,230	-53%

* including non-operating income other than finance income

2 Other Income:

Our other income primarily comprises of interest income, income from investment in mutual funds, fair valuation of financial instruments, exchange difference and others. Our other income increased by ₹354 million to ₹1,282 million mainly attributed due to:

(a) Increase in Interest on financial assets by ₹72 million

(b) Decrease in gain on mutual fund by ₹12 million.

(c) Decrease in fair valuation of financial instruments by ₹332 million.

(d) Increase in Exchange gain by ₹632 million. Previous financial year had an exchange loss as reported in other expenses.

3 Raw material cost of goods sold

Our raw materials costs of goods sold (COGS) including packing material, consists following line items in the financials

(i) Cost of materials consumed

(ii) Purchases of traded goods.

(iii) Changes in inventories of finished goods, traded goods and work-in-progress

(iv) Project bought outs and other costs

Raw materials costs of goods sold increased by 3.7% to ₹66,065 million in FY2020-21. COGS as a percentage of sales increased from 72.1% in FY 2019-20 to 74.0% in FY 2020-21 mainly due to

(a) acquisition of Ryker which led to movement in job work costs from subcontracting expenses (in other expense) to COGS. Also, Copper rod conversion business inherently carries an inferior margin profile compared to wires and cables business.

(b) raw material inflation

4 Employee Benefit Expenses

The employment expenses decreased by ₹54 million to ₹3,604 million. As a percentage to revenue, employee cost was 4.04% in FY 2020-21 as compared to 4.14% in FY 2019-20.

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 recognised for these ESOP schemes was ₹110 million for FY 2020-21 and ₹171 million for FY 2019-20 which is included in the employee benefit expenses.

5 Finance cost:

Finance cost largely includes interest cost, bank charges and foreign exchange gains/(losses) on borrowings.
Our finance costs increased by ₹36 million to ₹531 million in FY 2020-21 primarily due to consolidation of borrowings post Ryker acquisition.

6 Depreciation and amortisation expense

Depreciation and amortisation expense increased ₹257 million to ₹1,866 million in FY 2020-21 largely due to additions on account of Ryker acquisition.

7 Other expenses

Other expenses decreased by ₹1,679 million to ₹7,926 million in FY 2020-21 from ₹9,606 million in FY 2019-20. As a percentage to revenue, other expenses were 8.88% in FY 2020-21 as compared to 10.88% in FY 2019-20.

Decrease of 2.0% was largely on account of :

(a) Cost saving initiatives

(b) Lower sub-contracting expenses due to Ryker acquisition since job work charges are now grouped under COGS.

(c) Lower Advertising and sales promotion spends due to reorganisation of marketing strategy .

(d) Writeback of ECL due to lower potential credit risk assessment.

(e) Exchange gain in current year due to appreciation of Rupee currency.

Consolidated Cash Flow

	2021	2020	Change
Net Cash inflow from operations	12,382	2,443	9,939
Net Cash used in investing activities	(10,121)	(2,622)	(7,498)
Net cash used in financing activities	(1,606)	110	(1,716)
Net increase / (decrease) in cash and cash equivalents	656	(69)	725

1 Net Cash inflow from operations

Increase in net cash inflow from operations is mainly on account of:

a) Healthy business performance

b) Better working capital management

c) Consolidation of Ryker

2 Net Cash used in investing activities

Net Cash used in investing activities in FY 21 was ₹10,121 million mainly due to investment in mutual fund, investment in fixed deposit, and investment for Ryker acquisition.

3 Net cash used in financing activities

Net cash used in financing activities in FY21 was ₹1,606 million, mainly on account of :

a) Finance Cost ₹463 million.

b) Schedule payment of long-term of borrowing ₹866 million.

c) Repayment of short-term of borrowing ₹242 million.

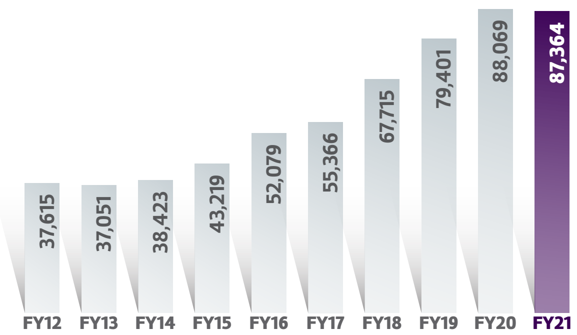
Details of significant changes in key financial ratios

	FY21	FY20	Change	Remark
Debtors Turnover	6.2	6.2	0.9%	No Significant Change
Inventory Turnover	4.5	4.6	-2.1%	No Significant Change
Interest Coverage Ratio	28.7	35.6	-19.5%	No Significant Change
Current Ratio	2.4	2.0	17.5%	No Significant Change
Debt Equity Ratio	0.05	0.04	27.8%	Increased due to acquisition of Ryker Base and subsequent consolidation
Operating margin (EBITDA / Net Sales)	13.1%	12.8%	2.4%	No Significant Change
Net Profit margin (PAT / Net Sales)	9.9%	8.7%	14.5%	No Significant Change
Return on Equity	18.6%	19.9%	-6.6%	No Significant Change

Management Discussion and Analysis Contd.

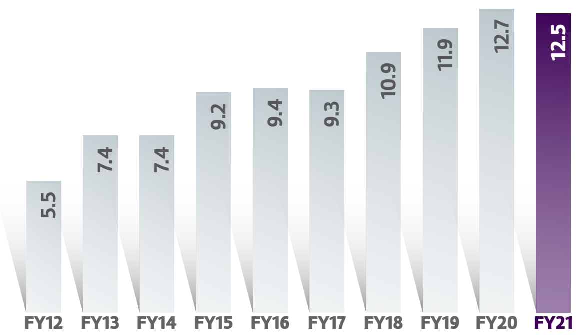
10 Years at a Glance (Standalone)

Sales
(₹ million)



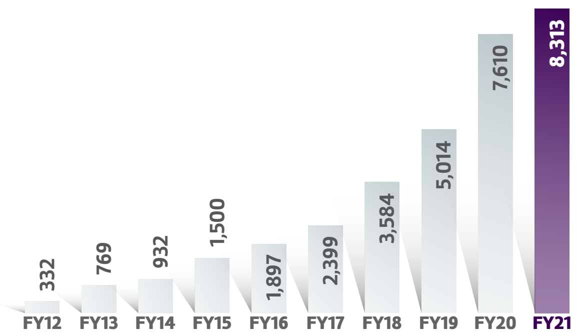
10-year CAGR **10%**

EBITDA margin
(%)



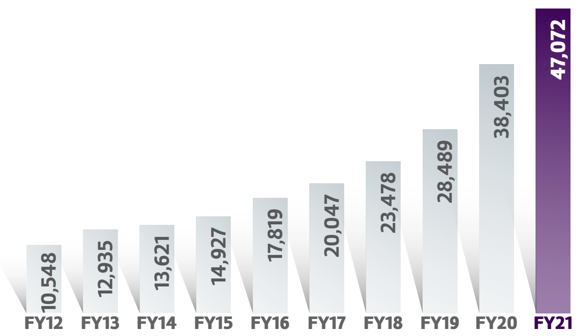
10-year CAGR **18.5%**

PAT
(₹ million)



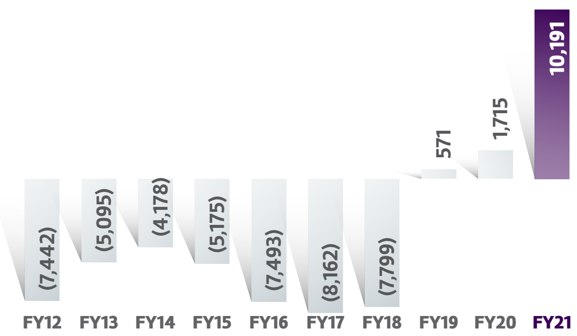
10-year CAGR **28%**

Net Worth
(₹ million)

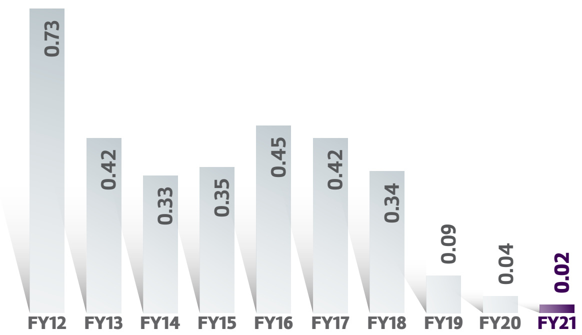


10-year CAGR **17%**

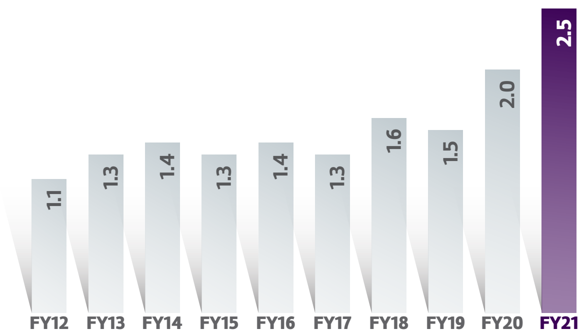
Net Cash
(₹ million)



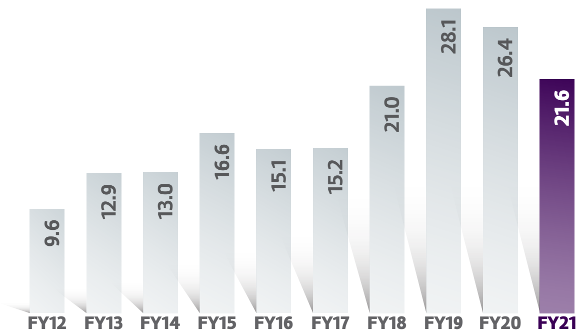
Debt to Equity
(%)



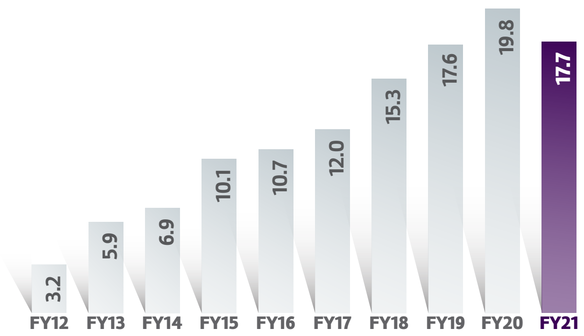
Current Ratio
(%)



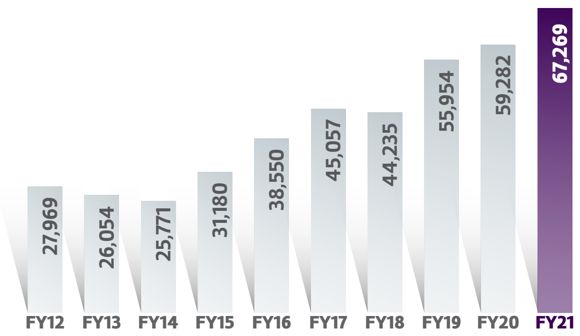
RoCE
(%)



ROE
(%)



Total Assets
(%)



10-year CAGR **9%**

Formula sheet in glossary

Business Responsibility Report ('BRR')
for the financial year 2020-21

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Response
1	Corporate Identity Number (CIN) of the Company	L31300GJ1996PLC114183
2	Name of the Company	Polycab India Limited
3	Registered address	Unit No. 4, Plot No. 105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchamahal, Gujarat-389350
4	Website	www.polycab.com
5	E-mail id	shares@polycab.com
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code wise)	Cables and Wires (NIC Code: 2732) Fast Moving Electrical and Consumer Goods (NIC Code: Division: 27, Group: 275 & 279)
8	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	Wires Cables Fast moving electrical goods (FMEG)
9	Total number of locations where business activity is undertaken by the Company	Manufacturing locations: 7
10	Number of National Locations	23 – Manufacturing Facilities 1 – Corporate Office 4 – Regional Offices 16 – Local Offices
11	Number of International Locations	2
12	Markets served by the Company – Local/ State/ National/ International	The Company's products are available nationally and several products are exported.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Response
1	Paid up Capital (million)	₹1,491.19 million
2	Total Turnover (million)	₹87,363.62 million
3	Total profit after taxes (million)	₹8,313.30 million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.003%
5	List of activities in which expenditure in 4 above has been incurred:	Refer **Annexure C** of Board's Report

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Response
1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has following Subsidiary Companies: a. Tirupati Reels Private Limited; b. Dowells Cables Accessories Private Limited; c. Polycab Wires Italy SRL (liquidated on March 5, 2021); d. Polycab USA LLC; e. Polycab Electricals and Electronics Private Limited f. Ryker Base Private Limited g. Polycab Australia Pty. Ltd. h. Polycab Support Force Private Limited i. Uniglobus Electricals and Electronics Private Limited
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	No
3	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/ Directors responsible for BR and BR Head

a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies and BR Head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	00309108
2.	Name	Inder Jaisinghani
3.	Designation	Chairman and Managing Director (CMD)
4.	Telephone number	022-24327070
5.	e-mail id	shares@polycab.com

2. Principle-wise (as per NVGs) BR Policy/ policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability – (Policy accessible through weblink)
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (Policy accessible through weblink)
Principle 3	Businesses should promote the well-being of all employees. (Policy accessible through weblink)
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised. (Policy accessible through weblink).
Principle 5	Businesses should respect and promote human rights (policy accessible through weblink).
Principle 6	Businesses should respect, protect, and make efforts to restore the environment (Policy accessible through weblink).
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. (No specific policy exists for this principle).
Principle 8	Businesses should support inclusive growth and equitable development. (Policy accessible through weblink).
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner (Policy accessible through weblink).

Business Responsibility Report Contd.

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a Policy/ Policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Yes. The policies are as stipulated by the applicable provisions of the regulations of the Securities and Exchange Board of India								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Yes. The Policy is signed by the CMD.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	Policies are available on the website of the Company i.e. www.polycab.com. Policies which are internal to the Company are available on the intranet of the Company. Link of the policies hosted on the website are given above.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies have been evaluated internally								

2 a. **If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	-	-	-	-	-	-	X	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next six months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within next one year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	X*	-	-

* The Business is not engaged in influencing public and regulatory policy

3. Governance related to BR

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?**
Response: The Board of Directors of the Company shall assess various initiatives forming part of the BR performance of the Company at least once a year.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
Response: The Company will publish this BRR on its website www.polycab.com on an annual basis.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the Company have Policies relating to ethics, bribery and corruption cover only the Company? Yes/No**
Response: No

2. **Does it extend to Group/ Joint Ventures/ subsidiaries/ Suppliers/ Contractors?**
Response: Yes, the Company has a Policy relating to ethics, bribery titled as Code of Conduct. The Code of Conduct serves as the guiding philosophy for all employees, joint ventures and subsidiaries.

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
Response: During the year under review, 207 Shareholder grievances were received and none of the complaints are pending as on March 31, 2021

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
Response: The Company manufactures Cables, Wires and Fast-Moving Electrical goods. The designs of these products address environmental concerns and risk. The Company has consciously put in efforts to develop sustainable products through its in-house R&D team. The Company has developed Green wires which are environment-friendly, lead free and low halogen to meet the growing demand for green products. Materials used are completely recyclable and bio-degradable.

   a. LED bulbs are based on environmental friendly LED technology which are mercury-free and provide 80% higher efficiency compared to GLS bulbs.

   b. Our brush-less direct-current motor (BLDC) fans are much super energy efficient (consumes only 42W at highest speed), generate less noise and have better lifespan without compromising on air delivery parameters.

   c. Green wires having higher current carrying capacity lead to energy saving and thereby reducing the carbon footprint. They are RoHS compliant and free from hazardous and carcinogenic substances. They also offer high fire retardancy and low emission of toxic gases with oxygen index > 30% and thereby provide higher protection to life. The need of these kind of products will be more pertinent in future as it prevents gradual degradation of air, soil and water which are essential for our survival.

   d. Halogen free cables manufactured by the Company with electron beam curing are environment friendly. The E-Beam curing process is precise, regulated and controlled, resulting in minimum wastage, and zero environmental pollution.

2. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**
Response: Majority of Company's inputs by value are sourced from suppliers who adhere to sustainable sourcing principles. The suppliers include market leaders in India and overseas with an impressive track record. A small portion of the Company's needs is sourced from small enterprises and it is difficult for the Company to assert adherence with sustainability norms by such suppliers.

3. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**
Response: Many products like galvanised wires, various tapes, fillers, maintenance repair and operational parts are sourced from Micro Small Medium Enterprises (MSMEs) located in the vicinity of our factories. With rising demand from the Company, these suppliers are increasing their capacities and capabilities to meet with the requirements of the Company. The Company ensures that undisputed payments are made to MSMEs within the timeframe prescribed under the Micro, Small and Medium Enterprises Development Act, 2006.

4. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**
Response: The Company recycles copper, aluminum, PVC, Polyethylene, and XLPE. The percentage of recycling of products and waste is more than 10%.

Principle 3: Businesses should promote employee well-being

1. **Please indicate the total number of employees as on March 31, 2021:**
Response: 4,651 (on-roll employees)

2. **Please indicate the total number of employees hired on temporary/ contractual/ casual basis as on March 31, 2021:**
Response: 7,170

Business Responsibility Report Contd.

3. Please indicate the Number of permanent women employees as on March 31, 2021:
Response: 160

4. Please indicate the Number of permanent employees with disabilities as on March 31, 2021:
Response: 5

5. Do you have an employee association that is recognised by Management:
Response: No

6. What percentage of your permanent employees is members of this recognised employee association?
Response: NA

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of Complaints Pending as on the end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

a. **Permanent Employees**
Response: 84%

b. **Permanent Women Employees**
Response: 55%

c. **Casual/ Temporary/ Contractual Employees**
Response: 68%

d. **Employees with Disabilities**
Response: 80%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes/No
Response: Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders.
Response: Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.
Response: Yes, please refer to Social & Relationship Capital section given in the Integrated Annual Report that covers:

a) Education such as developing academic institutions which includes renovating or building schools, development of Anganwadis, science and computer laboratories, among others to ensure that the future of India is capable and empowered.

b) Women empowerment such as Dance classes, martial arts, Sewing classes;

c) Construction of toilets blocks and arranged for provisions of clean drinking water in Gadhmahuda, Chachariya and Govindpuri villages; and

d) Healthcare facilities

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?
Response: Yes

The Company recognises the human rights and treat others with dignity and respect. It believes that it is one's fundamental rights to live with dignity and respect. The Company has adopted the following policies vis.

a) Policy on "Prevention of Sexual Harassment of Women at workplace"(POSH) seeks to provide safe and healthy work environment to its employees by establishing a guideline to deter any sexual harassment at work.

b) Code of conduct for all Polycab Group of companies that prohibits discrimination and harassment, and promotes clean safe and ethical work environment.

c) Whistle Blower Policy provides scope to its group companies, joint ventures, suppliers, contractors, others to report serious concerns that could have grave impact on the operations and performance of the business.

It is the Company's policy to ensure that there is no discrimination based on caste, gender, religion etc. The Company also takes care to ensure that no person below the age of 18 years is employed anywhere in the Company or in the units undertaking job work activities for the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
Response: There have been no complaints received in the year under review, relating to any human rights issue.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others
Response: Yes

The Company has adopted an Occupational Health Safety & Environment (OHSE) Policy the policy covers the Company and all stakeholders.

2. Does the Company have strategies/ initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.
Response: Within our organisation, we focus on continual improvement for optimum utilisation of resources to ensure minimise consumption of energy, water, natural resources & CO_2 emission while maximising production volumes in eco-friendly manner.

The manufacturing units of the Company have continued their efforts to reduce energy consumption & Water consumption. During the current year Various steps taken by the Company are given below:

a) 300 Numbers of Metal Halide (MH) lights are replaced with LED light which are 20% energy efficient. 99% of lights in our plants are LEDs.

b) Solar roof top plant of 1.2 MW commissioned.

c) Installed STP and ETP Plant for reducing the water consumption at Factories.

3. Does the Company identify and assess potential environmental risks? Yes/No
Response: Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
Response: The Company has undertaken various projects relating to clean development mechanism as mentioned below:

a) We have taken on a robust waste management project in western India. This project involves door-to-door collection of solid waste, transporting it to the nominated site and recycling the same to produce products, which are marketed by the Gram Panchayats.

b) Installed windmills for generating the electricity.

c) We have constructed rainwater harvesting structures at the 84 Anganwadis repaired by us, as a part of our social intervention.

d) Installed Effluent Treatment & RO Plant for recycling of waste water

5. Has the Company undertaken any other initiatives on clean technology, energy, efficiency, renewable energy, etc. Yes/No If yes, please give hyperlink for web page etc.
Response: The Company has undertaken the following steps on utilising the clean technology and renewable energy as detailed below:

a) Use of Natural Gas in Manufacturing Plants;

b) Installation of Solar panels for reducing the power consumption.

c) Installed windmills for generation of electricity.

6. Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported.
Response: The Emissions/ Waste generated by the Company are within the permissible limits given by Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
Response: As on March 31, 2021 there were no show cause/ legal notices received from CPCB/SPCB which are pending/ unresolved.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

a. The Federation of Indian Chambers of Commerce and Industry

b. The Associated Chambers of Commerce and Industry of India

c. Confederation of Indian Industry

d. Electrical & Electronics Manufacturing Association

e. Federation of Indian Export Organisations

f. Bombay Chamber of Commerce and Industry

g. ASMECHEM Chamber of Commerce and Industry of India

h. Indian Fan Manufacturers Association

Business Responsibility Report Contd.

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Response: No

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes / initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Response: As a responsible corporate citizen, the Company focuses on community development through its CSR activities.

Brief summary on CSR initiative of the Company are as follows:

a) Promotion of Health care and sanitation such as

- Building Toilet blocks in Villages, Anganwadis, Schools.
- Remote healthcare facilities through Mobile Medical Units (MMUs) which serves to fulfill basic health needs of over 50,000 residents of Halol Taluka and Ghoghamba Taluka.
- COVID related initiatives – sponsoring oximeters, ventilators, masks, upgrading local hospital to a COVID Centre
- Preparation of health cards for the entire population of the 20 villages around the Company's facilities
- Breast Tumour Detection Camps, tuberculosis awareness projects, medical camps on Physiotherapy, specially abled, skin & eye checkup

b) Promotion of Education

- Develop academic institutions, which include renovating or building schools, development of Anganwadis, science and computer laboratories
- Upgrading of aanganwadis to a learning centres by introducing educational toys, learning by Seeing (TV), singing & reciting along with videos

c) Empowerment of women through skill development

Dance
We offer a 5-year 'Visharad' certificate course in our traditional dance forms to revive our rich Indian culture.

Martial arts
We offer a 3-year certification course in self-defense to train women in physical and mental preparedness.

Sewing classes
We have organised sewing classes to make women self-employed and are planning to tie-up with ITI to offer certifications.

d) Rural Development

- Awareness of Government Schemes & helping in Documentation/ Registration in villages
- provisions of clean drinking water in Gadhmahuda, Chachariya and Govindpuri villages
- Agriculture awareness sessions: farming, mushroom growing, drone spray, crop analysis, garden kitchen and others

e) Animal Welfare such as Pushupalan Awareness Drive and medical camps for Animals

f) Conservation of Natural Resources Construction of check dams and water harvesting in anganwadi and others.

g) **Environment Awareness**

Solid Waste Management programme

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

Response: The Company undertakes 90% CSR activities through in house team 10% through NGOs.

3. Have you done any impact assessment of your initiative?

Response: Yes

An internal impact assessment was carried out in the following CSR projects:

- Upgradation of Anganwadi
- Impact of our Intervention for Malnutrition

4. What is your Company's direct contribution to community development projects - Amount in million and the details of the projects undertaken.

Response: CSR spend for the year under review is 2020-21. Please refer 'Annexure C' – Annual Report on CSR Activities of the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

Response: 0.45% of customer calls are pending as on March 31, 2021.*

*Note: Subsequently these pending customer calls were resolved satisfactorily.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Response: The Company displays product information on the product label as mandated by the law.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Response: Nil

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Response: The Company had carried out consumer survey through outbound calling at Polycab call centre and achieved 97% customer satisfaction.

On Behalf of the Board of Directors
of **Polycab India Limited**

Inder T. Jaisinghani
Chairman & Managing Director
DIN:00309108

Date: May 13, 2021
Place: Mumbai

Board's Report

To,
The Members of Polycab India Limited

Your Directors take pleasure in submitting the 25th Annual Report of the business and operations of your Company ('the Company' or 'PIL' or 'Polycab') and the audited financial statements for the financial year ended March 31, 2021.

1. Financial & operations highlights of the Company

(Amount in INR Millions)

	Particulars	Standalone		Consolidated	
		Current Year 31.03.2021	Previous Year 31.03.2020	Current Year 31.03.2021	Previous Year 31.03.2020
1	Revenue from operations	87,363.62	88,069.14	89,265.39	88,299.55
	Other Income	1,197.21	934.57	1,281.99	927.92
	Total Income	**88,560.83**	**89,003.71**	**90,547.38**	**89,227.47**
2	**Profit before Interest and Depreciation**	**12,105.91**	**12,104.45**	**13,046.86**	**12,204.10**
	Finance Cost	411.23	479.03	531.49	495.35
	Depreciation	1,740.09	1,590.85	1,865.71	1,608.87
3	**Profit before Tax**	**9,954.95**	**10,034.57**	**10,649.66**	**10,099.88**
	Income Tax Expenses	1,641.29	2,524.03	1,790.53	2,443.70
4	**Profit after Tax**	**8,313.30**	**7,609.54**	**8,859.13**	**7,656.18**
5	**Earnings Per Share (In ₹)**				
	Basic	55.79	51.28	59.20	51.16
	Diluted	55.57	51.10	58.96	50.97

During the year PIL recorded a consolidated turnover of ₹89,265 million as against ₹88,300 million in the previous year, implying a 1.1% YoY growth. The consolidated EBITDA (excluding other income) and consolidated profit after tax stood at ₹11,668 million and ₹8,859 million in FY21 as against ₹11,276 million and ₹7,656 million in the previous year, respectively.

The year was marked by profound disruption on account of COVID-19 pandemic and healthy rebound in the second half. First quarter was significantly impacted by nationwide lockdowns. Our factories, warehouses, and offices were temporarily shut, in line with relevant guidelines from local and national authorities. During this time, we prioritised safety of our employees and partners. We also went above and beyond to help the communities and society at large through donations, collaborations, and direct support. The Company maintained tight operating controls and functioned with increased agility, resulting in an improved liquidity position which helped it comfortably sail through challenging business environment. Gradual unlocking from June showcased progressive signs of improvement as the restriction in movement eased. Infrastructure and economic activities started picking up, especially in the lower tier tows and semi urban where the impact of pandemic was relatively less, and labour availability was adequate. Macro indicators like infra investments, IIP, manufacturing PMI, power consumption, etc., also started charting a broader recovery path from the second quarter onwards.

Levering these favourable trends, Company's wires and cables posted healthy underlying performance on the back of distribution expansion, portfolio diversification, market share gains and pricing actions. Export's business made great progress in terms of geographical expansion and product certifications, contributing 8.4% to company turnover. Excluding a large order, the exports portfolio recorded 67% YoY growth despite challenging global environment. Improved consumer sentiment with returning normalcy in day-to-day life supported demand for our B2C products. Company's FMEG business saw robust demand momentum, clocking strong double-digit growth, led by distribution expansion and penetration, portfolio augmentation and better brand positioning. Calibrated pricing actions, design optimisation, improved sales mix, cost optimisation and working capital management led to improved profitability. In line with our aim to become an aspirational brand, we introduced a new brand "Hohm"Hohm from the house of Polycab. It is premium IOT based FMEG portfolio, made in India, which will cater to evolving needs of consumers in this digital age.

Sharp rebound in economic sentiment globally, coupled with continuing supply constraints on account of lockdowns led to a trade mismatch and sharp inflation in our key commodity prices like Copper, aluminium, Steel and PVC during the year. Copper prices on London Metal Exchange (LME) witnessed a spurt from about $5,000/mt in April 2020 to ~$8,900/mt in March 2021, surpassing pre COVID levels. Similar trend was witnessed in aluminium prices, as it rose from $1,400/mt in April 2020 to $2,200/mt in March 2021, during which it also peaked. Accordingly, the Company took calibrated and phased pricing actions to pass on the inflation, while balancing the demand momentum, which helped shield profitability.

The Company made tremendous progress across many of its core enablers of business. During the year authorised dealers and distributors count grew by about 17% YoY to over 4,100. Retail outlet reach increased by about 32% YoY to over 165,000 while electricians on the influencer Programme grew by about 33% YoY to over 180,000. The Company also opened 7 knowledge and experience centres across many large cities across India. On the Supply chain side state-of-the-art Mobile Supply Chain Application (MSCA), which tracks our actual production and supply data in real time was implemented. It is integrated with ERP system is managing customer demand and inventories in an impressive manner, with on-time-in full (OTIF) deliveries up to 95-98%. Implementation of ERP, cloud integration, digital-first mindset, data-driven decisions and roll out of apps like dealer portal has eased business activities and customers experience. Performance management system has been upgraded to associate individual and team goals to company aspirations.

During the year we also initiated several strategic initiatives which will underpin our performance and augment our market positioning over the long-term. Project Udaan, our cost optimisation Programme, was started with a reputed strategic consultant which helping us weed out inefficiencies and bad costs, thereby enabling us to achieve operational excellence. Project Shikhar or Sales Acceleration Programme was initiated with an aim to strengthen our bond with key influencers ie. Retailers, Electricians & Small contractors, increase direct reach and drive 3x sales in top 300 towns over medium term. The Company also outlined its vision for next five years through Project Leap.

Going ahead, we believe Indian economy is likely to pivot post pandemic with a strong mix of structural growth drivers catalysing medium to long-term growth. India's strong demographics with working-age population growth outpacing the dependent population is likely to make the country one of the better placed large economies globally for the next two decades. Government's accelerated efforts like favourable budgetary measures which includes higher allocation for infrastructure projects coupled with macro policy interventions like Production-Linked Incentive scheme and 'vocal for local' schemes are likely to attract sizeable investments and provide a structural leg for long-term productivity enhancement. These measures are also expected to strengthen India's position towards becoming a global hub for low-cost, high skill manufacturing and supply chain. Our strong competitive advantages bolstered further by our strategic interventions will help us seize these emerging opportunities and deliver long-term value to all stakeholders.

On a standalone basis, we achieved a turnover of ₹87,364 million as against ₹88,069 million in the previous year. The EBITDA is ₹10,909 million as against ₹11,170 million for the previous year. Standalone Profit after tax is ₹9,955 million as compared to ₹10,035 million of the preceding year.

2. Integrated report

The Securities and Exchange Board of India (SEBI), vide its circular dated February 6, 2017, has advised the top 500 listed companies (based on market capitalisation) to voluntarily adopt Integrated Reporting (IR) from FY 2017-18.

In view of the above circular, the Company is voluntarily publishing its first integrated report in line with the International Integrated Reporting (IR) Framework laid down by the International Integrated Reporting Council (IIRC) highlighting the measures taken by the Company that contribute to long-term sustainability and value creation, while embracing different skills, continuous innovation, sustainable growth, and a better quality of life.

3. General reserve

No amount has been transferred to the General Reserves for the financial year 2020-21.

4. 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.

5. Dividend

The Board of Directors of your Company is pleased to recommend a dividend @ ₹10/- (100%) per equity share of the face value of ₹10/- each for the financial year March 31, 2021, subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.

The total cash out flow on account of payment of dividend would be approximately ₹1,491.47 million.

The Dividend Distribution Policy of the Company has been complied with and the Policy is available on Company's website and is accessible through weblink.

6. Change in share capital

During the year under review, the Company had allotted 2,39,441 equity shares under Employee Stock Option schemes of the Company, due to which the paid-up share capital of the Company increased from ₹1,48,87,93,730/- comprising of 14,88,79,373 equity shares of ₹10/- each to ₹1,49,11,88,140/- comprising of 14,91,18,814 equity shares of face value of ₹10/- each.

During the financial year 2020-21, there was no change in the authorised share capital of the Company.

The Company has neither issued any shares with differential rights as to dividend, voting or otherwise nor issued any sweat equity shares during the year under review.

Board's Report Contd.

7. Subsidiaries, Joint ventures & Associates:

a. Subsidiaries

As on March 31, 2021 your Company had 8 (Eight) subsidiaries as detailed below:

Sr. No.	Name of the Subsidiary	Location
(i)	Tirupati Reels Private Limited ('TRPL')	India
(ii)	Dowells Cable Accessories Private Limited ('DCAPL')	India
(iii)	Polycab USA LLC ('PULLC')	USA
(iv)	Polycab Electricals and Electronics Private Limited ('PEEPL')	India
(v)	Ryker Base Private Limited ('RBPL')	India
(vi)	Polycab Australia Pty. Ltd. ('PAPL')	Australia
(vii)	Polycab Support Force Private Limited ('PSFPL')	India
(viii)	Uniglobus Electricals and Electronics Private Limited ('UEEPL')	India

(i) Tirupati Reels Private Limited (TRPL)

TRPL was incorporated as a Private limited Company on January 21, 2015 under the Companies Act, 2013, having its registered office at E-107, 1st floor, Greater Kailash, New Delhi-110 048. TRPL 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. TRPL supplies cables packing drums to PIL. The Company holds 55% equity shares in TRPL.

During the year under review, the financial performance of TRPL is as follows:

(₹ million)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
(i)	Income from Operations	678.54	919.82
(ii)	Profit before tax	59.89	116.35
(iii)	Profit after tax	20.21	108.59

(ii) Dowells Cable Accessories Private Limited (DCAPL)

DCAPL was incorporated as a Private Limited Company on December 1, 2015 under the Companies Act, 2013, having its registered office at Gala No. 47 & 47A, 1st floor, Jagat Satguru Industrial Estate, Off Aarey Road, Goregaon (East), Mumbai-400 063. DCAPL is involved in the business of *inter alia*, manufacturing, designing, importing, exporting, of soldering or other types of cable sockets for electrical wires, connectors and accessories.

The Company holds 51% equity shares in DCAPL

During the year under review, the financial performance of DCAPL is as follows:

(₹ million)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
(i)	Income from Operations	424.55	360.07
(ii)	Profit before tax	80.17	45.16
(iii)	Profit after tax	59.39	34.16

(iii) Polycab USA LLC ('PULLC')

PULLC was incorporated on January 27, 2020, as a Limited Liability Company having its registered office in the State of Delaware, address c/o. the Corporate Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801. The Company was incorporated with an objective of manufacturing and trading of wires & cables and electricals consumer products. Your Company holds 100% shares in PULLC.

PULLC is yet to commence its business operations.

(iv) Polycab Electricals and electronics Private Limited ('PEEPL')

PEEPL was incorporated as a Private Limited Company on March 19, 2020 under the Companies Act, 2013, having its registered office at Plot No. 771, P. Satavalekar Marg, Mahim (West), Mumbai – 400 016.

The Company was incorporated with an objective of manufacturing and trading of wires & cables and Electricals and Electronics consumer products. The Company holds 100% equity shares in PEEPL. PEEPL is yet to commence its business operations.

(v) Ryker Base Private Limited ('RBPL') with effect from May 6, 2020

RBPL was incorporated as a Private Limited Company on July 15, 2016 under the Companies Act, 2013 and is involved in the business of interalia, manufacturing, formulating, processing, producing, converting, distilling, refine making, buying, selling and dealing in conductors, wires, cables and rods made of all ferrous and non-ferrous metals and their compounds.

The Board of Directors of the Company at its meeting held on May 2, 2020 had approved the acquisition of 2,60,10,000 (Two Crore Sixty Lakhs Ten Thousand) (i.e. balance 50% equity shares) of face value of ₹10/- each held by Trafigura Pte Ltd., Singapore ('Trafigura') in RBPL thereby terminating the existing joint venture (JV) and making RBPL a wholly-owned subsidiary of the Company.

As on date, Ryker is a wholly-owned subsidiary of the Company.

Further, the registered Office of RBPL was shifted from E-554 Basement, Geeater Kailash II, New Delhi, South Delhi-110 048 to Survey No. 21, Village Asoj Vadodara-Halol Highway, Taluka Waghodia Vadodara on March 30, 2021:

During the year under review, the financial performance of RBPL is as follows:

(₹ million)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
(i)	Income from Operations	5,475.72	676.91
(ii)	Profit/ (Loss) before tax	420.60	(136.58)
(iii)	Profit/ (Loss) after tax	336.85	(125.90)

Note: The financial performance shown above is for the full year. For the purpose of consolidation, financial performance is considered from the date of acquisition.

(vi) Polycab Australia Pty. Ltd. ('PAPL')

Polycab Australia Pty. Ltd. was incorporated as a wholly-owned Subsidiary on July 1, 2020 having its registered office at unit 55, 117 old Pittwater Road, Brrokvale, NSW 2100, Australia, ABN-48642239709. PAPL is involved in a business of trading of wires & cables and electrical consumer products.

During the year under review, the financial performance of PAPL is as follows

(₹ million)

Sr. No.	Particulars	March 31, 2021
(i)	Income from Operations	558.31
(ii)	Profit before tax	22.28
(iii)	Profit after tax	15.64

(vii) Polycab Support Force Private Limited ('PSFPL')

Polycab Support Force Private Limited was incorporated as a wholly-owned Subsidiary on March 13, 2021 having its registered office at Unit No. 4, Plot No. 105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchmahal, Gujarat-389 350. PSPL is involved in the business of staffing solution. The objective of incorporating PSFPL is to provide manpower support to Polycab India Limited ('Holding Company') and other group companies. The Company is yet to commence its business operations.

(viii) Uniglobus Electricals and Electronics Private Limited ('UEEPL')

Uniglobus Electricals and Electronics Private Limited was incorporated as a wholly-owned Subsidiary on March 24, 2021 having its registered office at unit no. 4, Plot No. 105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchmahal, Gujarat-389 350. The objective of incorporating this company is to expand the business of trading and manufacturing of, among others, Cables, Wires, Fast moving electricals and electronics goods. The Company is yet to commence its business operation.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company including consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries are available on the website of the Company.

The Company has in place a Policy for determining material subsidiaries. The said policy is available on the website of the Company at weblink.

Information on closure of subsidiary during the year Polycab Wires Italy SRL (PWISRL)

PWISRL was incorporated as a single member private limited liability company i.e. Societa Responsabilita Limitata or S.R.L. on July 9, 2012 under the Italian Civil Code having its registered office at Milano (MI), Via Senato 20 Cap 20121. PWISRL was 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. The Company held 100% shares in PWISRL.

During the current year, the Company had received in principle approval from RBI to voluntarily winding up of PWISRL. Accordingly, PWISRL was liquidated and closure certificate was issued on March 5, 2021 by the Italian authorities. The related closing formalities with RBI are in progress. The impact of closure of PWISRL on Polycab Group is not material.

Pursuant to the first proviso to Section 129(3) of the Act and Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the salient features of financial statements, performance and financial position of each subsidiary is given in **Form AOC-1** as set out in **Annexure [A]** to this Report. Further, the Audited Financial Statements of the Subsidiaries are available on Company's Website at www.polycab.com.

b. Joint Venture

Techno Electromech Pvt. Ltd. ('Techno')

Techno was incorporated as a private limited company on January 25, 2011 at Vadodara under the Companies Act, 1956 having its registered office is situated Plot No. 858, Opposite GSFC Vill, Channi, Vadodara, Gujarat 391 740. Techno is involved in the business of, *inter alia*, manufacturing of light emitting diodes, lighting and luminaires, and LED driver. Your Company hold 50% shares in Techno.

During the year under review, the financial performance of Techno is as follows:

(₹ million)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
(i)	Income from Operations	1,940.53	1,544.18
(ii)	Profit/ (Loss) before tax	11.14	(15.02)
(iii)	Profit/ (Loss) after tax	11.35	(16.73)

c. Associate

The Company does not have any associate company.

8. Details of Directors and Key Managerial Personnel ('KMPs'):

a) Resignation and appointment of Directors/ Key managerial personnel

i) Resignation & Appointment of Wholetime Directors

Mr. Ajay T. Jaisinghani, Mr. Ramesh T. Jaisinghani and Mr. Shyam Lal Bajaj stepped down from the post of Whole-Time Director with effect from closing business hour of May 12, 2021.

Board's Report Contd.

Further, inline with the succession policy and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 13, 2021, had appointed Mr. Bharat A. Jaisinghani (Son of Mr. Ajay T. Jaisinghani), Mr. Nikhil R. Jaisinghani (Son of Mr. Ramesh T. Jaisinghani) and Mr. Rakesh Talati Director (non-board member) as Additional Directors and designated them as Executive Directors for a period of 5 years with effect from May 13, 2021, subject to approval of the members at the ensuing Annual General Meeting of the Company. The Board of Directors recommend their appointments as Whole-Time Directors of the Company. Appropriate resolutions seeking appointments of the above personnel as Whole-Time Directors have been included in the 25th AGM Notice of the Company.

ii) Resignation & appointment of Independent Director

Ms. Hiroo Mirchandani, for the purpose of rebalancing her board portfolio in line with her professional and personal goals, had resigned from the post of Independent Director w.e.f. May 12, 2021 and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board had appointed Mrs. Sutapa Banerjee as Additional Director and designated her as Independent Director for a period of 5 years commencing from May 13, 2021, subject to approval of the members at the ensuing Annual General Meeting.

The Company had also received declaration from Mrs. Sutapa Banerjee confirming that she fulfils the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including statutory re-enactment thereof for the time being in force).

In the opinion of the Board, Mrs. Sutapa Banerjee is a person of integrity and has adequate experience and expertise to serve as an independent Director. Further, Mrs. Sutapa Banerjee is independent to the Management of the Company. The Board of Directors recommend her appointment as Independent Director. Appropriate resolution seeking her appointment have been included in the 25th AGM Notice of the Company.

iii) Resignation & appointment of key managerial personnel

During the year under review, as per succession policy of the Company:

a) Mr. Shyam Lal Bajaj, Whole-Time Director & CFO stepped down from the post of CFO w.e.f. May 30, 2020 and on the recommendation of Nomination and Remuneration Committee and Audit Committee, the Board of Directors at its meeting held on May 30, 2020 had appointed Mr. Gandharv Tongia as Chief Financial Officer w.e.f. May 31, 2020;

b) Mr. Subramaniam Sai Narayana stepped down from the post of Company Secretary & Compliance Officer w.e.f. January 23, 2021 and on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on January 23, 2021 had appointed Ms. Manita Carmen A Gonsalves as Company Secretary & Compliance Officer w.e.f. January 24, 2021.

b) Details of Directors and KMPs

The details of Directors and KMPs as on date are as follows:

Sr. No.	Name of Director	Designation	Appointment Date	Cessation date
(i)	Mr. Inder T. Jaisinghani	Chairman and Managing Director	December 20, 1997	-
(ii)	Mr. Ajay T. Jaisinghani	Whole-time Director	April 27, 2006	May 12, 2021
(iii)	Mr. Ramesh T. Jaisinghani	Whole-time Director	January 10, 1997	May 12, 2021
(iv)	Mr. Shyam Lal Bajaj	Whole-time Director (ceased as CFO with effect from closing business hours of May 30, 2020)	December 15, 2016	May 12, 2021
(v)	Mr. T. P. Ostwal	Independent Director	September 20, 2018	-
(vi)	Mr. R. S. Sharma	Independent Director	September 20, 2018	-
(vii)	Mr. Pradeep Poddar	Independent Director	September 20, 2018	-
(viii)	Ms. Hiroo Mirchandani	Independent Director	September 20, 2018	May 12, 2021
(ix)	Mr. Bharat A Jaisinghani	Whole-Time Director	May 13, 2021	-
(x)	Mr. Nikhil R. Jaisinghani	Whole-Time Director	May 13, 2021	-
(xi)	Mr. Rakesh Talati	Whole-Time Director	May 13, 2021	-
(xii)	Mrs. Sutapa Banerjee	Independent Director	May 13, 2021	-
(xiii)	Mr. Gandharv Tongia	Chief Financial Officer	May 31, 2020	-
(xiv)	Mr. Subramaniam Sai Narayana	Company Secretary & Compliance Officer	December 15, 2012	January 23, 2021
(xv)	Ms. Manita Carmen A. Gonsalves	Company Secretary & Compliance Officer	January 24, 2021	-

c) Director liable to retire by rotation

As per Section 152(6) of the Companies Act, 2013, Mr. Shyam Lal Bajaj, Whole-Time Director was liable to retire by rotation at the ensuing Annual General Meeting. However, as per succession policy of the Company, Mr. Shyam Lal Bajaj, Mr. Ajay T. Jaisinghani & Mr. Ramesh T. Jaisinghani had stepped down from the post of Whole-Time Directors.

In view of the above, no Director is liable to retire by rotation at the ensuing Annual General Meeting.

9. Meetings of the Board of Directors

During the year under review, 5 meetings of the Board of Directors of the Company were held which are as under:

Sr. No.	Date of Board Meeting
(i)	May 2, 2020
(ii)	May 30, 2020
(iii)	July 21, 2020
(iv)	October 24, 2020
(v)	January 23, 2021

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 did not exceed 120 days as per Section 173 of the Companies Act, 2013.

10. Committees

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 & SEBI (LODR) Regulations 2015 read with rules framed thereunder vis.

a. Audit Committee:

b. Nomination and Remuneration Committee;

c. Stakeholders' Relationship Committee;

d. Corporate Social Responsibility Committee; and

e. Risk Management 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.

11. Audit Committee

As of March 31, 2021 the Audit committee of the Board of Directors of the Company comprised of 4 (Four) members namely:

a. Mr. T.P. Ostwal- Audit Committee Chairman (Independent Director);

b. Mr. R.S. Sharma- Member (Independent Director);

c. Mr. Pradeep Poddar- Member (Independent Director); and

d. Mr. Shyam Lal Bajaj- Member (Non- Independent, Whole-Time Director)

Consequent, to the resignation of Mr. Shyam Lal Bajaj, a member of the Audit Committee, the composition of the Committee was reconstituted on May 12, 2021 by inducting Inder T. Jaisinghani as member of the Committee.

The reconstituted Audit Committee comprises of following Directors:

a. Mr. T. P. Ostwal- Audit Committee Chairman (Independent Director);

b. Mr. R. S. Sharma- Member (Independent Director);

c. Mr. Pradeep Poddar- Member (Independent Director); and

d. Mr. Inder T. Jaisinghani - Member (Non- Independent, Managing Director)

The recommendations to the Board, whenever made by the Committee during the year were accepted by the Board. The details of number of meetings held by the Audit Committee in the year under review and other related details are given in the Corporate Governance Report.

12. 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 March 31, 2021 the applicable accounting standards had been followed and there were no material departures.

b. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit of the Company for the year ended as on that date;

c. the Directors had 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 had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

13. Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No: 101248W/W-100022), were appointed as the Statutory Auditors of the Company at the 23rd Annual General Meeting (AGM) of the Company held on June 26, 2019 for a term of 5 consecutive years commencing from the conclusion of 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting to be held in financial year 2023-2024.

Board's Report Contd.

They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

14. Statutory Auditors' Report

The Auditors' Report on Standalone and Consolidated Financial Statements for the financial year 2020-21 issued by M/s. B S R & Co. LLP Chartered Accountants, does not contain any qualification, observation, disclaimer, reservation or adverse remark.

15. 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. V.J. Talati & Co., Cost Accountants, as Cost Auditors, to issue Cost Audit Report for the Financial year 2021-22 at a professional fee of ₹4,80,000/- (Rupees Four Lacs Eighty Thousand only) plus applicable taxes and out of pocket expenses at actual.

Appropriate resolution has been recommended by the Board to be passed by the shareholders in the ensuing Annual General Meeting to ratify the remuneration of the Cost Auditors for the FY 2021-22.

16. 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 conduct the Secretarial Audit for the year ended March 31, 2021.

17. Secretarial Audit Report

The Secretarial Audit Report for the Financial Year ended March 31, 2021 is set out in **Annexure [B]** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

18. Shifting of Registered Office

During the year under review, the Registered office of the Company was shifted from National Capital Territory ('NCT') of Delhi to the State of Gujarat as per Hon'ble Regional Director Order dated May 28, 2020.

19. 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 stakeholder. 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").

In order to make meaningful and lasting contribution to the society, the Company had incorporated a Section 8 Company under the name and style as 'Polycab Social welfare Foundation' on January 21, 2020. The CSR budget for the financial year 2020-21 was ₹159.57 million and the Company had spent ₹159.79 million for carrying out the CSR Activities.

In compliance with the amendments in the various provisions of the Companies Act, 2013 and the Companies Corporate Social Responsibility Amended Rules, 2021 issued by the Ministry of Corporate Affairs vide its notification dated January 22, 2021, the Company had amended the Corporate Social Responsibility (CSR) Policy and approved the Annual Action Plan FY22. Further, as required under Rule 4 (5), Chief Financial Officer had issued a Certificate dated May 13, 2021 certifying that the funds so disbursed by the Company to Polycab Social Welfare Foundation have been utilised for the purposes and in the manner as approved by Board of Directors of the Company from time to time. The CSR activities for the financial year ended March 31, 2021 along with the composition of CSR Committee is set out in **Annexure [C] – Annual Report on Corporate Social Responsibility ("CSR")** to this Report.

20. Risk Management Policy

A meeting of the Risk Management Committee was held on January 23, 2021. The details about the composition of Risk Management Committee and number of meetings held are given in the Corporate Governance Report.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Company' internal control encompasses various managements systems, structures of organisation, standard and code of conduct which all put together help in managing the risks associated with the Company. In order to ensure the inter 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.

The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

21. Particulars of Loan given, Investments made, Guarantee given and Securities provided under Section 186 of the Act.

Particulars of the loans given, investments made or guarantees given covered under the provisions of Section 186 of the Act, are provided in the Notes to the Standalone Financial Statements.

22. Particulars of Contracts or Arrangements with Related Parties

There were no materially significant transactions with related parties during the financial year 2020-21, which were in conflict with the interest of the Company.

Further, other suitable disclosures as required under IND AS - 24 have been made in the Notes to the financial statements.

Form AOC - 2 pursuant to Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rule 2014 is set out in **Annexure [D]** to this report.

The policy on related party transaction is placed on the Company's website and is accessible through weblink

23. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 the Annual Return as on March 31, 2021 is available on the Company's website and accessible through weblink.

24. Declaration by Independent Directors

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

There had 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.

25. 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 January 23, 2021 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.

26. Familiarisation Programme

In compliance with the requirements of SEBI LODR Regulations, the Company has put in place a framework for Directors' Familiarisation Programme to familiarise them with their roles, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

The details of the familiarisation programme conducted during the financial year under review are explained in the Corporate Governance Report. The same is available on the Company's website and are accessible through weblink.

27. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board at its meeting held on May 13, 2021, had 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 are mentioned in the Corporate Governance Report.

28. Particulars of Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **Annexure [E] – Statement of Disclosure of Remuneration** to this Report.

Further, pursuant to the provisions of the first provision to Section 136(1) of the Companies Act, 2013, the details of employee remuneration as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are available and shall be sent to Members who request for the same.

29. Company's Policy on Appointment and Remuneration of Directors

The Company had 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 Remuneration Policy on making payment to Directors, Key Managerial Personnel and Senior Management Personnel is available on the Company's website and is accessible through weblink.

30. Employees Stock Option Schemes (ESOP)

The Company has following ESOP Schemes as mentioned below:

a) Polycab Employee Stock Option Performance Scheme 2018; and

b) Polycab Employee Stock Option Privilege scheme 2018.

Board's Report Contd.

During FY 2020-21, there had been no change in the Employee Stock Option Schemes of the Company. The ESOP Schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ('the SBEB Regulations').

A Certificate from the Statutory Auditors of the Company that the schemes were implemented in accordance with the SEBI Regulations and the resolutions passed by the Nomination & Remuneration Committee Members in this regard would be available at the Annual General Meeting for inspection by the members. The details of policies as required to be disclosed under the SEBI Regulations is available on the Company's website and is accessible through weblink.

The existing Employee Stock Option Performance Scheme 2018 is proposed to be amended suitably to empower the Board to exercise control to meet the requirements as deemed necessary under the various Compensation & Benefits Policy of the Company based on the recommendation of the Nomination and Remuneration Committee.

31. Credit Ratings

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

a.	Total Bank Facilities Rated	₹40,000 million
b.	Long- term Ratings	CRISIL AA/Positive
c.	Short-term Ratings	CRISIL A1+

During the year under review, India Ratings and Research (Ind-Ra) had affirmed Polycab India Limited's (PIL) Long-term Issuer Rating at 'IND AA'. The Outlook is Stable.

The credit ratings of the Company have been upgraded for Bank Facilities on May 12, 2021, as follows:

a.	Total Bank Facilities Rated	₹35,030 million
b.	Long-term Ratings	CRISIL AA+/Stable
c.	Short-term Ratings	CRISIL A1+

32. Awards and Accolades

During the year under review, Polycab was honoured with various awards including the following:

- 'National Best Employer Brand for 2020' by World HRD Congress and Employer Branding Institute.
- 'Best System Integrator Company - National Telecom Make in India Awards 2020' by Communication Multimedia and Infrastructure (CMAI) Association of India
- 'Excellent Digital Infrastructure Company' - 5th International ICT Excellence Awards 2020
- 'Excellent manufacturer of Optical Fibre Cables - National Telecom Make in India Awards 2020' by Communication Multimedia and Infrastructure (CMAI) Association of India
- Best CFO, 2020 for MNC in Mid Cap, DSIJ

33. 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 information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is set out in **Annexure [F] - Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo** to this Report.

34. Research and Development

The research activities carried out by the Company during the year under review is set out in **Annexure [G] - Research & Development to this Report.**

35. 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 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 Whistle Blower Policy is available on the Company's website and is accessible through weblink

36. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place Prevention of Sexual Harassment (PoSH) 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 provides a safe and dignified work environment for employee which is free of discrimination, further the Company conducts awareness Programme at regular interval of time.

The objective of this policy is to provide protection against sexual harassment to women at workplace and for redressal of any such complaints of harassment. The Company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to redress the complaints, received, if any.

The Company did not receive any complaints of sexual harassment during the year under review as well as in the preceding year.

37. Investor Education and Protection Fund

During the year under review, no amount which is required to be transferred to the Investors Education and Protection Fund as per the provisions of Section 125(2) of the Companies Act 2013.

However, pursuant to Section 124 (5) of the Companies Act, 2013, the unpaid dividends that will be due for transfer to the Investor Education and Protection Fund are as follows:

Type and year of Dividend declared/ Paid	Date of Declaration of Dividend	% of Dividend Declared	Unclaimed Dividend Amount as on March 31, 2021 (Amount in ₹)	Due for transfer to IEPF
Final Dividend 2018-19	26/06/2019	30%	1,49,658	August 1, 2026
Interim Dividend 2019-20	03/03/2020	70%	7,15,519	April 9, 2027

38. Corporate Governance & Business Responsibility Report

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.

Business Responsibility Report for the financial year under review, as stipulated under Regulation 34(2)(f) of SEBI (LODR) Regulations is presented in a separate section forming part of the Annual Report.

39. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34(2)(e) of SEBI (LODR) Regulations is presented in a separate section forming part of the Integrated Annual Report.

40. Change in Nature of Business, if any

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

41. Material Changes and Commitments, if any, post balance sheet date

No material changes and commitments had occurred between end of the financial years of the Company to which the financial statements relate and upto the date of this report which may affect the financial position of the Company.

42. 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.

43. Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

The policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to 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

44. Secretarial Standards Issued by the Institute of Company Secretaries of India (ICSI)

The Directors state that applicable Secretarial Standard were followed during the financial year 2020-21.

45. Fraud Reporting

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

46. 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.

47. Acknowledgments

The Directors would like to thank the customers, vendors, dealers, suppliers, investors, business associates, bankers, Government Authorities for their continued support during the year.

The Directors would also like to appreciate the contribution made by employees at all levels. Resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

On Behalf of the Board of Directors of
Polycab India Limited

Inder T. Jaisinghani
Chairman & Managing Director
DIN:00309108

Place: Mumbai
Date: May 13, 2021

Board's Report Contd.

Annexure (A) to Board's Report

Form AOC-1

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate companies/ Joint ventures Pursuant to first proviso to sub-section (3) of Section 129 read with Companies (Accounts) Rules, 2014)

(a) Summary financial information of Subsidiary Companies

(₹ million)

Particulars	TRPL		DCAPL		Ryker		PEEPL		PAPL	
Reporting Currency	INR		INR		INR		INR		AUD	
Exchange Rate	NA	NA	NA	NA	NA	NA	NA	NA	55.70	NA
Financial year	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Share Capital	60.00	60.00	90.00	90.00	520.20	NA	1.00	NA	11.66	NA
Reserves & surplus	134.90	114.42	111.51	52.02	162.20	NA	-	NA	15.58	NA
Total Assets	610.32	560.02	276.23	224.87	3,315.69	NA	1.00	NA	583.29	NA
Total Liabilities	415.42	385.60	74.72	82.85	2,633.29	NA	-	NA	556.05	NA
Investments	-	-	-	-	-	-	-	-	-	-
Turnover	678.54	919.82	424.55	360.07	5,473.52	NA	-	NA	558.31	NA
Profit before tax	59.89	116.35	80.17	45.16	440.43	NA	-	NA	22.28	NA
Provision for taxation	39.68	7.76	20.78	11.00	82.51	NA	-	NA	6.64	NA
Profit after taxation	20.21	108.59	59.39	34.16	357.92	NA	-	NA	15.64	NA
Proposed Dividend	-	-	-	-	-	NA	-	NA	-	NA
% of shareholding	55%	55%	51%	51%	100%	NA	100%	NA	100%	NA

i. Subsidiaries which are yet to commence operations:

- Polycab Support Force Private Limited (PSFPL)
- Uniglobus Electricals and Electronics Private Limited (UEEPL)
- Polycab USA LLC (PUL)

ii. Name of the Subsidiary liquidated during the year

Polycab Wires Italy SRL was liquidated and closure certificate was issued on March 5, 2021 by the Italian authorities

(b) Joint Ventures

Name of Joint Ventures		TEPL
Latest audited Balance Sheet Date		31-03-2021
Shares of Joint Ventures held by the Company on the year end		
Number of shares	Number	40,40,000
Amount of Investment in Joint Ventures	₹ million	105.20
Extend of Holding %	%	50%
Description of how there is significant influence		Through shareholding
Reason why the Joint Venture is not consolidated		Not applicable as the financials of this entity is consolidated in the Company's Consolidated Financials using Equity method
Networth attributable to Shareholding as per latest audited Balance Sheet	₹ million	243.97
Profit/ Loss for the year	₹ million	11.55
Considered in Consolidation	₹ million	5.78
Not Considered in Consolidation	₹ million	5.78

For **Polycab India Limited**

Inder T. Jaisinghani
Chairman & Managing Director
DIN:00309108

Date: May 13, 2021
Place: Mumbai

Annexure (B) to Board's Report

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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

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.

On account of ongoing and evolving pandemic of COVID-19 and consequent lockdown/ restrictions as directed by the Central and State Government(s), the process of audit has been modified. Some of the documents/ records/ returns/ registers/ minutes were not verified physically, however, the documents were made available in electronic mode and were verified based on the representations received from the Company for its accuracy and authenticity. Our report also covers the due adherence of the miscellaneous circulars/ notifications/ guidelines as issued by the regulatory bodies from time to time. Further we have verified 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 authorised 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 March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. 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 March 31, 2021, 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; (to the extent applicable)

   ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder; (to the extent applicable)

   iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (to the extent applicable)

   iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (to the extent applicable)

   v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

      d. 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;

      e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014;

We have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company which are stated above very specifically.

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 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.
- The Company has complied with the clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India. Adequate notice is given to all the Directors to schedule

Board's Report Contd.

the Board and Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The decisions of the Board and Committee were unanimous and thus there were no dissenting views which needed to be recorded.

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, presentation of the Internal and Auditors and Compliance Certificate(s) issued by the Company Secretary & 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 the Registered Office of the Company has shifted from 'E-554, Greater Kailash-II, South Delhi, New Delhi-110 048' to 'Unit 4, Plot No.105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchmahal, Gujarat-389 350 as per the order of Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi vide its order dated May 28, 2020

This report is to be read with our letter of even date, which is annexed as **Annexure - II** to this report.

For **Dilip Bharadiya & Associates**

Dilip Bharadiya
Proprietor
FCS No.: 7956
C P No.: 6740
UDIN: F007956C000295463

Place: Mumbai
Date: May 13 2021

Annexure - I

Documents verified during the course of audit includes:

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the Financial Year ended March 31, 2020.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee held during the financial year under review, along with the Attendance Registers;
4. Proof of circulation & Delivery of notice for Board meetings and Committee Meetings.
5. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards
6. Minutes of General Body Meeting held during the financial year under review;
7. Statutory Registers viz.
   - Register of Directors & KMP & Directors Shareholding
   - Register of loans, guarantees and security and acquisition made by the Company
   - Register of Charges
   - Register of Related Party Transaction- Transactions are in the Ordinary Course of Business at Arm's Length Basis.
   - Register of Members;
8. Agenda papers submitted to all the Directors/ Members for the Board and Committee Meetings;
9. 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;
10. 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 along with the attachments thereof, during the financial year under review.
11. Policies formed by the Company

Board's Report Contd.

Annexure – II

To,
The Members,
POLYCAB INDIA LIMITED

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
UDIN: F007956C000295463

Place: Mumbai
Date: May 13, 2021

Annexure (C) to Board's Report

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company.

PIL's core philosophy to be a "Safe & Sustainable Company" finds its reflection in its CSR Policy. The Company's CSR activities are not charity or mere donations. It reflects the manner in which the business is conducted by directly focusing on the needs of the Society at large. PIL as a Socially responsible entity not limiting the usage of resources to engage in activities that increase only their profits, but rather it evolves appropriate business processes and strategies to reflect its Commitment to the Societal Enhancement. PIL believes 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.

In compliance with the amendments in the various provisions of the Companies Act, 2013 and the Companies Corporate Social Responsibility Amended Rules, 2021 issued by the Ministry of Corporate Affairs vide its notification dated January 22, 2021, the Company had amended the Corporate Social Responsibility (CSR) Policy at the Board Meeting held on May 13, 2021 to include:

i. Additional Responsibilities of the Board of Directors & CSR Committee
ii. Guiding Principles for Annual Action Plan
iii. Funding, Selection, Implementation and Monitoring and their guiding Principles
iv. Restrictions while undertaking any CSR projects.
v. Disclosures – Website & Board Report

2. Composition of CSR Committee:

The Corporate Social Responsibility Committee comprises of 4 (four) Members out of which 2 (two) are Independent Directors and 2 (two) are Executive Directors. The Chairman of the Committee is an Executive Director.

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Inder T. Jaisinghani	Chairman & Managing Director	One	One
2	Mr. Ajay T. Jaisinghani	Whole-Time Director	One	One
3	Ms. Hiroo Mirchandani	Independent Director	One	One
4	Mr. Pradeep Poddar	Independent Director	One	One

The Committee was reconstituted by the Board at its Meeting held on May 13, 2021 details of which are provided in the Corporate Governance Report.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

Composition of CSR Committee is available on Company's Website and is accessible through Weblink.

CSR Policy is accessible through weblink

CSR Projects is accessible through weblink

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, ifany (in ₹)
	Not Applicable	NA	NA

6. Average net profit of the Company as per Section 135(5): ₹**7,978.51 million**

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹**159.57 million**

Board's Report Contd.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c). ₹**159.57 million**

8. (a) CSR amount spent or unspent for the financial year:

Total AmountSpent for the Financial Year (₹ million)	Amount Unspent (₹ million)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified underSchedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
69.53	90.26	April 30, 2021	Not Applicable	–	–

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Annexure C 1												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
Annexure C 2									

(d) Amount spent in Administrative Overheads: ₹**3.33 million**

(e) Amount spent on Impact Assessment, if applicable: **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹**159.79 million**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spend in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). Nil

(b) Amount of CSR spent for creation or acquisition of capital asset. Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5). – Not Applicable

On Behalf of the Board of Directors
of **Polycab India Limited**

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108
Chairman of CSR Committee

Date: May 13, 2021
Place: Mumbai

Board's Report Contd.

Annexure C (1)

Details of CSR amount spent against ongoing projects for the financial year

Sr. No	Name of the Project	Item in Schedule VII	Local Area (Yes / No)	Location (State – District)	Project Duration	Amount Allocated for the Project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of implementation Direct (Yes / No)	Mode of Implementation – Through Implementing Agency: Name	Mode of Implementation – Through Implementing Agency: CSR Registration No.
1	**Promotion of Education**										
	Education & Skill Development										
	Construction / Renovation of schools, anganwadis, science & computer labs, public library, women empowerment through skill development	(ii) &(iii)	Yes	Gujarat – Halol Haryana – Faridabad Madhya Pradesh – Indore	3 years	109.82	45.63	64.19	No	Polycab Social Welfare Foundation	CSR00005819
2	**Health Care Facility & awareness**										
	Mobile Medical Units, Health Camps, Breast cancer detection camps, tuberculosis awareness projects, medical camps on Physiotherapy, specially abled, skin & eye checkup, health card creations	(i)	Yes	Gujarat – Halol & Ahmedabad Madhya Pradesh – Indore	3 years	16.66	8.48	8.18	No	Polycab Social Welfare Foundation	CSR00005819
3	**Conservation of Natural Resources**										
	Construction of check dams and water harvesting in anganwadis and others	(iv)	Yes	Gujarat – Halol	3 years	14.83	6.53	8.30	No	Polycab Social Welfare Foundation	CSR00005819
4	**Environment Awareness**										
	Waste Management	(iv)	Yes	Gujarat – Halol	3 years	5.58	1.98	3.60	No	Polycab Social Welfare Foundation	CSR00005819
5	**Others – Rural Development**										
	Animal Welfare: Pushupalan Awareness Drive and medical camps for Animals Agriculture awareness sessions: farming, mushroom growing, drone spray, crop analysis, garden kitchen and others	(iv) & (x)	Yes	Gujarat – Halol	2 years	6.26	0.27	5.99	No	Polycab Social Welfare Foundation	CSR00005819
	Community welfare	(iv) & (x)	Yes	Gujarat – Halol	1 year	0.18	0.18	0	Yes	-	-
				Total		**153.33**	**63.07**	**90.26**			

Annexure C (2) –

Details of CSR amount spent against other than ongoing projects for the financial year

Sr. No	Name of the Project	Item in Schedule VII	Local Area (Yes / No)	Location (State – District)	Amount spent for the projects (₹ In million)	Mode of implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency: Name	Mode of Implementation – Through Implementing Agency: CSR Reg.No.
1	**Social Empowerment**							
	Community welfare, development and disaster relief activities	(x), (xii)	Yes No No	Gujarat – Panchmahal Daman – Daman West Bengal – Kolkatta	2.49	No	Polycab Social Welfare Foundation	CSR00005819
2	**Women Empowerment**							
	(i) Skill development classes (ii) Dance, Self defence, Sewing classes (iii) Support education to girls	(iii)	Yes No	Gujarat – Panchmahal Maharashtra – Nashik	0.64	No	Polycab Social Welfare Foundation	CSR00005819
				Total	**3.13**			

Board's Report Contd.

Annexure (D) to Board's Report

Form AOC-2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 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 Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

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

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/ arrangements/ transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which (a) the requisite resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	

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

(As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.)

(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/ arrangements/ transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board	
(f)	Amount paid as advances, if any	

All related party transactions during the year under review, were in the ordinary course of business and on arm's length basis and were approved by Audit Committee of the Company

On Behalf of the Board of Directors
of **Polycab India Limited**

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108

Date: May 13, 2021
Place: Mumbai

Annexure (E) to Board's Report

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 2020-21:

Name of Director	Designation	Ratio to median remuneration of the employees
Mr. Inder T. Jaisinghani	Chairman & Managing Director	424.14
Mr. Ajay T. Jaisinghani	Whole-Time Director	117.38
Mr. Ramesh T. Jaisinghani	Whole-Time Director	117.38
Mr. Shyam Lal Bajaj	Whole-Time Director	114.29
Mr. T. P. Ostwal	Independent Director	11.93
Mr. R. S. Sharma	Independent Director	11.64
Ms. Hiroo Mirchandani	Independent Director	10.77
Mr. Pradeep Poddar	Independent Director	11.35

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
Mr.Inder Jaisinghani	Chairman & Managing Director	1.93
Mr.Ajay Jaisinghani	Whole-Time Director	4.25
Mr.Ramesh Jaisinghani	*Whole-Time Director*	4.25
Mr.Shyam Lal Bajaj	Whole-Time Director	(19.76)
Mr. T.P. Ostwal	Independent Director	5.10
Mr. R.S. Sharma	Independent Director	5.23
Ms. Hiroo Mirchandani	Independent Director	2.76
Mr. Pradeep Poddar	Independent Director	2.61
Mr. Gandharv Tongia[1]	Chief Financial Officer	NA*
Mr. Narayana Subramaniam Sai[2]	Company Secretary & Compliance Officer	NA*
Ms. Manita Carmen A Gonsalves[3]	Company Secretary & Compliance Officer	NA*

* Since the remuneration is only for part of the year, the percentage increase in remuneration is not comparable and hence, not stated.
[1]Appointed as Chief Financial Officer w.e.f. May 31, 2020
[2]Resigned as Company Secretary & Compliance Officer w.e.f. January 23, 2021
[3]Appointed as Company Secretary & Compliance Officer w.e.f. January 24, 2021

iii. The Percentage increase in the median remuneration of employees in the financial year 2020-21 was NIL.

iv. The Number of permanent employees on the rolls of the Company was 4,651

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 NIL

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

On Behalf of the Board of Directors
of **Polycab India Limited**

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108

Date: May 13, 2021
Place: Mumbai

Board's Report Contd.

Annexure (F) to Board's Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

A) Conservation of energy:

(i) Steps taken or impact on conservation of energy;

Polycab is committed to sustainable business practices by contributing to environment protection & considers energy conservation as one of the strong pillars of preserving natural resources. The Company has always taken the efforts in continually improving its operational performance in all areas, like yield, plant utilisation and minimising waste and its utilisation etc. while reducing the consumption of fuel, power, stores etc. Our consciousness towards the environment inspire us not to over-utilise the resources and exploit them. Within our organisation, we focus on continual improvement for optimum utilisation of resources to ensure minimise consumption of energy, water, natural resources & CO_2 emission while maximising production volumes in an eco-friendly manner.

The manufacturing units of the Company are continuing their efforts to reduce energy consumption. Various steps taken by the Company in this regards, are given below:

1. Total energy consumption across our manufacturing units was 131 million KWH out of which 13.3 million KWH was generated from renewable energy sources.
2. This led to 10,258 tonnes reduction CO_2 emission thereby lowering our carbon footprint
3. 300 Numbers of Metal Halide (MH) lights were replaced with LED light which were 20% energy efficient. Ninety Nine percent of lights in our plants are LEDs.

(ii) Additional investment

The Company has been working on the following additional proposals, which are either implemented or under implementation:

1. Solar roof top plant of 1.2 MW commissioned
2. Installation of 5.3 MW roof top solar is under progress which is expected to get completed in FY22
3. Wastewater recycling capacity was increased by installation of STP
4. Installation of ETP plant with a capacity of 60 KLD which is expected to be completed in FY22

Impact of the measures undertaken at S.No. (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods. There are continuous efforts towards improving the operational efficiencies, minimising consumption of energy and water. As a result, we have reduced energy consumption per ton over the period.

i. The steps taken by the Company for utilising alternate energy sources;

Polycab had installed a Windmill with 8.2. MW capacity and a solar Plant with 1.9. MW capacity. The energy generated by the windmills and solar plant are set off against energy consumed in manufacturing units. By this we are consuming 10% of the energy through renewable energy.

ii. The capital investment in energy conservation equipment is detailed below:

An amount of ₹42.5 million was invested on energy conservation equipment during the FY21.

B. Technology Absorption:

The Company is committed towards technology driven innovation and inculcating an innovation driven culture within the organisation. During the year under review, the Company had continued to work on advanced technologies, upgradation of existing technology and capability development in the critical areas for current and future growth. Efforts made towards technology absorption are :-

a) Electrolytic Tinning Plant

The Company has installed an Electrolytic Tinning Plant for Tin Coating of Copper Wire which has a capacity that allows for wires between 1.3mm to 2.6mm to be processed and can handle plating thickness between 1.0 µm to 20 µm with very high speed up to 900 Mtr/Min. It has multiple cascade units to reduce the consumption of chemicals and rinsing water (distillate) while having Automatic Dosing Unit for supplying additive to the electrolyte. Further, it has Vacuum evaporator for Wastewater Treatment due to which 90% of the cleaning water can be returned to the process and re-used.

b) Steel Wire Drawing and Galvanising

The Company has installed a very high-speed Steel Wire Drawing Machine which can be drawn at a speed 40 m/s as compared to local conventional machine's which have maximum drawing speed of 16 m/s.

The Company has also installed a very high speed Multi Wire Galvanising Machine. Galvanising machine is designed to run at a speed of 280 meters/minute for fine wire size of 0.87 mm, 1.25 mm, and 1.40 mm and it can produce 800-950 MT/Month depending on the product mix with 16 Wires whereas for conventional line 50 wires are required to produce same tonnage. This Machine has a N2 wiping System, such highspeed zinc coating is uniform and tolerance is also very low resulting in savings in Zinc.

c) Double Twist Stranding Machine

The Company has Installed a high speed 2240 mm Double Twist Roll Form Stranding Machine which is capable for manufacturing of Alu Conductor up to 300 SQ MM & Copper Conductor Up to 240 SQ MM with Max 4 Layers up to 37 Stands.

d) Higher Capacity of E beam

The Company is equipped with a well-established, technologically advanced state of the art green field project with 0.8 MeV and 2.5 MeV Electron Beam Accelerators along with handling systems suitable for irradiation of various types of Electrical and Automotive Cables & Wires.

The Company shall be Installing 3.5 MeV Electron Beam Accelerator Machine specially for Higher size of Cables & Wires up to 400 SQ MM, Also New 3.5 MeV Machine are capable for Irradiation of Flat type of Flexible Submersible Cables. The Electron Beam Cross Linked (EBXL) wires and cables offer superior performance in demanding application and in extreme environments.

i. The benefits derived like product improvement, cost reduction, product development or import substitution:

The following efforts taken by the Company towards technology development and absorption helps to deliver competitive advantage and market leadership through the launch of customer centric products and variants, introduction of new features and improvement of product performance.

a. New product development and improvement,
b. Cost reduction
c. Import substitution
d. foster innovation
e. Improvements in formulation
f. Process efficiency
g. Market penetration with wider product portfolio

ii. 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 and year of import -

Copper Rod (FY19), Conductor development (FY19), Double Twist Stranding Machine (FY20) and Steel Wire Drawing & Galvanising Line (FY21).

b. Whether the technology has been fully absorbed - Yes

c. If not fully absorbed, areas where absorption has not taken placed and the reason thereof - Not Applicable.

iii. The expenditure incurred on Research and Development during 2020-21: ₹207.5 million

C. Foreign Exchange Earnings and Outgo:

S.No.	Particulars	(₹ million)
1	Earnings in Foreign exchange	7,182.81
2	CIF Value of Import	24,568.86
3	Expenditure in Foreign Currency	143.53

On Behalf of the Board of Directors
of **Polycab India Limited**

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108

Date: May 13, 2021
Place: Mumbai

Board's Report Contd.

Annexure (G) to Board's Report

Research & Development

R&D remains one of the key strengths of the Company which enables it to achieve product differentiation and offer unique value proposition to its consumers, distribution, dealers as well as institutional customers. The Company's in-house R&D centre, located at Halol, Gujarat, is certified by Department of Science and Industrial Research (DSIR, Govt. of India), and is continuously working on new product development in Wires & Cables space. The R&D lab is the centre for verification, qualification and development of compounds against the requirements of all properties of new product as per National, International and also customer specific standards. The centre has currently employed over 100 R&D and technical professionals who support the manufacturing function through their expertise in research process, design, performance and project management, and cater to evolving market requirements like fire- retardant, fire survival, Low smoke and multi-chemical resistant compounds from sectors like real-estate, nuclear and industrial etc. Strong raw-material quality management supports the Company's aggressive approach to backward integration.

Our FMEG business is also supported by dedicated category specific technical teams working out of head office and factories who help us continually upgrade our products to enhance our customers' experience and safety. We also collaborate with various external technology consultants to develop many first to market technologies. Absorption, adaptation & innovation of product and process technology developed at our R&D lab has led to less dependence on imports of various inputs. This has also served the Company well in terms of lowering cost of production and increasing competitive advantage.

New development completed during 2020-21

Wires and cables

1. Electron Beam Cross-linked (EBXL) single and multiple conductor thermoset insulated wire and cables suitable for building and photovoltaic application in accordance with UL standards.
2. EBXL Thermoset Halogen Free Flame Retardant (HFFR) and Thermoplastic Halogen Free Flame Retardant (HFFR) insulated and sheathed Single and Multi-Core cable/ cords suitable for power and lighting installations in accordance with Indian Standards.
3. EBXL Thermoset Insulated Halogen Free Sheathed Single and Multi-core, circular and Flat cables having property of low smoke emission and corrosive gases for power and lighting applications in accordance with British Standards
4. Thermoset insulated Multi-core enclosed in Metal Strip Interlocked Armoured PVC sheathed metal-clad cables suitable for electrical function in accordance with UL standards.
5. Heat Resistant Single Core Elastomer (EPR) Insulated flexible cables suitable for electrical power distributions confirming to Indian Standards
6. EBXL insulated and sheathed Multi-core irradiation resistant control cables for CERN, Switzerland.
7. Polyethylene based Flame Retardant black sheath compound intended for use as outer jacket of power cables confirming to The International Electrotechnical Commission (IEC) standards

Fast Moving Electrical Goods (FMEG)

8. In Fans we developed an innovative special coating for fans with the help from our technology consultants and launched the India's first 4-in-1 protection fan (anti-ageing, anti-bacteria, anti-dust, anti-rust) – Polycab Purocoat fans
9. In lights we launched various products such as bulbs, 36W battens, frameless panels, chip on board (COB), strip lights, streetlights, flood lights amongst others.
10. In water heaters new 6 liters storage variant was developed with 5 energy star rating. Premium series of storage water heater 'Hohm series' in 10, 15 & 25 lit capacity with programming & communication facility.
11. In Switchgears the Company developed a complete range of RCCBs from 25 to 63A, 2Pole & 4Pole. MCB new rating 50A-SP,DP,TP,FP was developed for international markets.
12. Launched a new portfolio of portable accessories including multi-plugs, adapters, power strips with USB ports, flex box and others.

Some key product qualification include:

1. Cables as per different Underwriters Laboratories (UL) standards to serve north American markets.
2. A wide range of cables used in commercial and passenger vehicles for automotive markets.
3. Marine and Ship wiring cables as per Defense standards.
4. Thin wall cables for 3-phase electric railway locomotives.
5. Approval of a large Oil & Gas company on Cathodic protection cables.
6. Approval from European Organisation for Nuclear Research (CERN) on control cables.
7. Construction Product Regulation (CPR) and Product Certification requirement (PCR) from British Approvals Service for Cables (BASEC) against different British Standards.

We are developing product and process innovations to stay on top of shifting market demands and aspirations of the customer

Within wires and cables, we are developing several new products with distinct properties which have vast applications in segments like power, lighting, building, photovoltaic application, telecom, communication circuits such as Voice, Data and Audio, irrigation machines and domestic appliances amongst others. These products also adhere to national and International standards like UL, IEC, BS etc.

Within FMEG, we are designing and developing smart products under the Hohm brand. These are super premium products with Iot capabilities. PIL's competence in automation spans across products like Fans, Lighting, Switches, Water Heaters, and other evolving solutions. Using state-of-the-art mobile app and voice control, the Company aims to make consumers life more comfortable, efficient, and secure. We are also developing various FMEG products across price points with new features, inline with market trends.

On Behalf of the Board of Directors
of **Polycab India Limited**

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108

Date: May 13, 2021
Place: Mumbai

Corporate Governance Report

1. Polycab's philosophy on Code of Corporate Governance

Corporate Governance Report contains the details of Corporate Governance systems and processes at Polycab India Limited (PIL). It continues to be a reflection of our value system encompassing our culture, policies and relationship with our stakeholders. The essence of Corporate Governance lies in raising the competence and capability levels and maintaining integrity, transparency and accountability in the Company. The Corporate Governance principles require managing the Company and its resources effectively with the highest standards of ethics and best practices. PIL has strengthened its governance practices over the years.

The Company has adopted a 'Code of Conduct for its employees and the Board of Directors' which also includes 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 Listing Regulations/ SEBI (LODR), 2015). The Code of Conduct is available on the Company's website – www.polycab.com. Further, Polycab continually strives to conduct business and strengthen relationships in a manner that is dignified, distinctive and responsible whilst adhering to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all the stakeholders. Therefore, the Company had adopted various codes and policies to carry out its duties in an ethical manner including the Polycab Code of Conduct. The Code of Conduct is available on the Company's website – www.polycab.com.

2. BOARD OF DIRECTORS

2.1. Board structure and profile of the Directors

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors to have a balanced Board Structure. The Chairman of the Board of Directors of the Company is an Executive Director and a Promoter. The Board has 8 Directors (including one Woman Director), out of which four are Executive Directors and four are Non-Executive, Independent Directors of the Company.

The profiles of the directors are given below:

A. **Mr. Inder T. Jaisinghani,** Chairman and Managing Director of the Company, has been working with the Company since its inception. He was appointed as a Chairman and Director of the Company on December 20, 1997 and was subsequently reappointed as Chairman and Managing Director of the Company with effect from August 28, 2019. He has played a vital role in different areas of Strategy & Planning, Administration & Management, Sales & Marketing, Governance, Operations, Finance and overall support services and under his leadership and guidance the Company has completed 25 glorious years of success.

B. **Mr. Ajay T. Jaisinghani** was appointed as a Director of the Company on April 27, 2006 and was subsequently reappointed as the Whole-Time Director of our Company with effect from August 28, 2019. He had worked in different areas of Administration & Management, Sales & Marketing, Governance, Operations and other support services and has played a major role in leadership of the Company. He stepped down from the position of Whole-Time Director with effect from close of business hours of May 12, 2021.

C. **Mr. Ramesh T. Jaisinghani** was the Whole-Time Director of the Company. He had been working with the Company since its inception as a director. He was subsequently reappointed as a Whole-Time Director of the Company with effect from August 28, 2019. He worked in different areas of Administration & Management, Governance, Operations and other support services and has played a major role in leadership of the Company. He stepped down from the position of Whole-Time Director with effect from close of business hours of May 12, 2021.

D. **Mr. Shyam Lal Bajaj** was appointed as the Whole-Time Director of the Company with effect from December 15, 2016. He holds a Bachelor of Commerce degree from Rajasthan University and is a qualified Chartered Accountant. Prior to joining the 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. He stepped down from the position of Whole-Time Director with effect from close of business hours of May 12, 2021.

E. **Mr. T. P. Ostwal,** joined the Company as an Independent Director with effect from September 20, 2018. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India since 1978. 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.

F. **Mr. R. S. Sharma** joined the Company as an Independent Director with effect from September 20, 2018. He holds a Bachelor of Arts' degree from University of Delhi. 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 the Board, he has served as Chairman and Managing Director at Oil and Natural Gas Corporation Limited, besides being on Board of various other companies.

G. **Ms. Hiroo Mirchandani** joined the Company as an Independent Director with effect from September 20, 2018. She is a Chevening Gurukul Scholar from the London School of Economics, an MBA in Finance & Marketing from FMS and a graduate from Shri Ram College of Commerce, Delhi University. Ms Mirchandani serves as an Independent Director of Tata Teleservices (Maharashtra) Limited., and Nilkamal Limited. She has been on the boards of Punjab National Bank Limited, Care Health Insurance Limited, and DFM Foods Limited in the past. She chairs the Audit Committee of Tata Teleservices (Maharashtra) Ltd. and is a member of the Nomination & Remuneration, CSR, Stakeholders Relationship and other committees of boards. Ms. Mirchandani brings P&L experience, consumer insights and financial acumen to her presence on boards. She taps into her diverse board & operational knowledge to provide wise counsel and strategic inputs to management. She also facilitates cross-pollination of best corporate governance practices from her experience as an independent director and retail investor. Ms. Mirchandani is a former Business Unit Director of the Consumer Healthcare Division of Pfizer where she had India wide responsibility of its sales and profits. She has also held leadership roles in P&L, Marketing and Sales management in Dabur, World Gold Council, BPL Telecom and Asian Paints. Ms. Mirchandani resigned from the board with effect from close of business hours of May 12, 2021 to rebalance her board portfolio in line with her professional and personal goals.

H. **Mr. Pradeep Poddar**, joined the Company as an Independent Director with effect from September 20, 2018. He is a Chemical Engineer from UDCT Mumbai, 1976 and an MBA from IIM, Ahmedabad, 1978. A veteran of the consumer goods industry, he groomed himself as a fast track executive in Glaxo Foods, Heinz and Tata. He became the first Managing Director of Heinz for India and South Asia in January 1996 at the age 41 and successfully built a 'high growth profitable' business with a portfolio of Power Brands-Complan, Glucon D, Nycil, Farex and Heinz Tomato Ketchup. In 2000, he was ranked in the top 5 percentile of North American Executives by Personnel Decisions International, New York. He was awarded the prestigious Udyog Ratna award by the Karnataka Government and Wisitex Foundation in 2001 for his distinguished contribution to the food industry. He led the Tata Group's Global foray into healthy beverages across the world, representing the Tatas on the Boards of Nourishco, the JV with Pepsico and the Rising Beverage Company (Activate Beverages led by Michael Eisner) in Los Angeles (USA). He crafted the Himalayan Natural Mineral Water brand and had seven Global patents on innovative 'do-good' beverages. He has played a strategic role on the Boards of Welspun, Uflex and as Chairman of United Way Mumbai. He has in the past led the American Chamber of Commerce Bombay Chapter and help further the Trade relations with the US.

I. **Mr. Bharat A Jaisinghani** is the Director – FMEG Business (non-board member) of our Company since October 16, 2018. He joined our Company on January 1, 2012. He holds a master's degree in Operations management from the University of Manchester. He has also completed his Executive Education Programme called Programme for Leadership Development from Harvard Business School and also completed an Executive Programme from Singularity University. He has the experience of working in different areas of sales, marketing, IT, production and other support services and has played a key leadership role in our Company. As per Succession Policy of the Company and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors approved the appointment of Mr. Bharat A. Jaisinghani, son of Ajay T. Jaisinghani as a Whole-Time Director of the Company to be designated as 'Executive Director' w.e.f. May 13, 2021, subject to approval of the members at the ensuing Annual General Meeting.

J. **Mr. Nikhil R Jaisinghani** was appointed as the Director – LDC Business (non-board member) of the Company since October 16, 2018. He joined the Company on January 1, 2012. He holds a Master's in Business Administration (MBA) from Kellogg School of Management, Northwestern University, Illinois, USA. He has worked in different areas of sales, marketing, production and other support services and has played a key leadership role in our Company. As per Succession Policy of the Company and on the basis of recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Nikhil R. Jaisinghani, son of Ramesh T. Jaisinghani has been appointed as a Whole-Time Director to be designated as 'Executive Director' w.e.f. May 13, 2021, subject to approval of the members at the ensuing Annual General Meeting.

K. **Mr. Rakesh Talati** is currently designated as Director (non-board member) of the Company, working as Location Head at Halol and looks after the Administration, Industrial Relations(IR), Projects at Pan India level since August 25, 2018 and prior to joining the Company he worked as Civil Consultant for the Company since 1 April 2014. Mr. Talati holds a Diploma in Civil Engineering and Interior Design Course from the Maharaja Sayajirao University of Baroda. He has vast experience in Planning and Designing in Civil Construction, Interior Designing and Administration-Industrial Relations related works. As per succession planning of the Company and on the basis of recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Rakesh Talati has been appointed as a Whole-Time Director to be designated as 'Executive Director'

Corporate Governance Report Contd.

w.e.f. May 13, 2021, subject to approval of the members at the ensuing Annual General Meeting.

L. **Mrs. Sutapa Banerjee** joined the Company as an Additional (Independent) Director with effect from May 13, 2021. Mrs. Banerjee has over 30 years of professional experience and has spent 24 years in the financial services industry across 2 large multinational banks (ANZ Grindlays and ABN AMRO), and a boutique Indian Investment bank (Ambit) where she built and headed several businesses. Mrs. Banerjee is a gold medallist in Economics from the XLRI school of Management in India and an Economics major from Presidency College Kolkata. she is an Advanced Leadership Fellow (2015) at Harvard University and was a Visiting Faculty with IIM-Ahmedabad. Mrs. Banerjee is also an adjunct faculty with Indian Institute of Corporate Affairs -the Government of India think tank under the Ministry of Corporate Affairs. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board had appointed Mrs. Sutapa Banerjee as an Additional (Independent) Director for a period first consecutive term of 5 years commencing from May 13, 2021, subject to approval of the members at the ensuing Annual General Meeting.

2.2. Details of the Directors and their associations with other companies

The number of other Directorships and Chairmanships/ Membership of Committees of each Director in various Companies as of March 31, 2021 are given below. The directorships as mentioned below do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

Further, in accordance with Regulation 26 of Listing Regulation, Memberships/ Chairmanships of only Audit Committee and Stakeholders Relationship Committee in all public Companies have been considered. The number of Committee Memberships/ Chairmanships of all Directors are within the respective limits prescribed under Companies Act, 2013 and Listing Regulations. None of the Directors is related to each other except as disclosed below.

Name	Category of Directors	Relationship with other Directors	Number of Directorships held (including Polycab India Limited)	Number of Memberships/ Chairmanships in Board Committees (including Polycab India Limited)		Name of the other listed entities holding Directorship/ Designation
				M[1]	C[1]	
Mr. Inder T. Jaisinghani (ITJ)	P, E, NI[2]	Brothers: ATJ & RTJ Uncle of: BAJ & NRJ	6	1	None	None
Mr. Ajay T. Jaisinghani* (ATJ)	P, E, NI[2]	Brothers: ITJ & RTJ Father of: BAJ Uncle of: NRJ	4	None	None	None
Mr. Ramesh T. Jaisinghani * (RTJ)	P, E, NI[2]	Brothers: ITJ & ATJ Father of: NRJ Uncle of: BAJ	4	None	None	None
Mr. Shyam Lal Bajaj	E, NI[2]	-	1	2	None	None
Mr. T. P. Ostwal	NE, I[2]	-	6	5	3	• Oberoi Realty Limited: (NE,I[2])
Mr. R. S. Sharma	NE, I[2]	-	6	9	3	• Jubilant Industries Limited: • (NE, I[2])
Ms. Hiroo Mirchandani*	NE, I[2]	-	4	3	1	• Tata Teleservices (Maharashtra) Limited: (NE, I[2]) • Nilkamal Limited: (NE,I[2])
Mr. Pradeep Poddar	NE, I[2]	-	4	6	2	• Welspun India Limited: (NE,I[2]) • Uflex Limited: (NE, I[2])
Mr. Bharat A. Jaisinghani (BAJ) **	E, NI[2]	Nephew of: ITJ Cousin Brother of: NRJ	1	1	None	• None
Mr. Nikhil R. Jaisinghani ** (NRJ)	E, NI[2]	Nephew of: ITJ Cousin Brother of: 6BAJ	1	1	None	• None
Mr. Rakesh Talati **	E, NI[2]	-	1	None	None	• None
Mrs. Sutapa Banerjee**	NE, I[2]	-	10	9	2	• Godrej Properties Limited • JSW Ispat Special Products Limited • Manappuram Finance Limited • Niyogin Fintech Limited • JSW Holdings Limited • Camlin Fine Sciences Limited

* Resigned with effect from May 12, 2021

** Appointed with effect from May 13, 2021

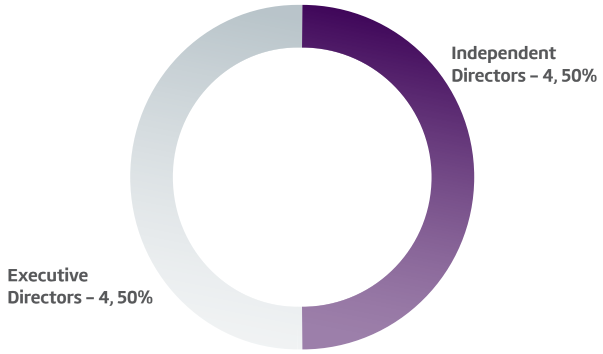
Notes:

1 Legends: "M" - Member, "C" - Chairperson

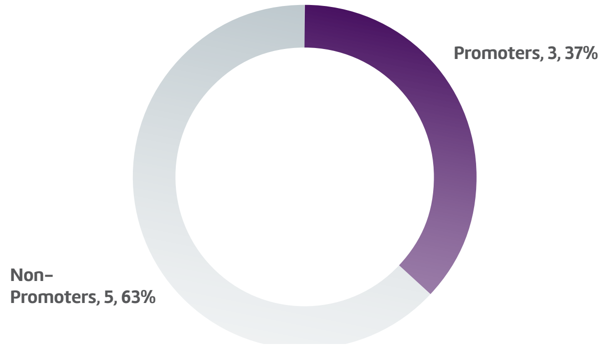
2 Legends: "P" - Promoter, "E" - Executive, "NI" - Non-Independent, "I" - Independent, "NE" - Non-executive Director

a) As on March 31, 2021 the Company has eight Directors. The Board has a good diverse mix of Executive & Non-executive Out of the eight Directors, four (i.e. 50 percent) are Non-Executive and Independent. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

Composition of the Board*



Composition of the Board*



* (Count of the Directors, %)

b) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. None of the Independent Directors serves as an independent director on more than seven listed entities. The terms and conditions for appointment of Independent Directors are uploaded on the website and are accessible through Weblink.

c) None of the Directors serve as Chairman in any other company.

2.3. Board qualifications, expertise and attributes

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board and whether the person is a proven leader in a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Board has adequate mix of skills, expertise and competencies for running the business of the Company as detailed below.

Sr. No.	Name of the Director	Category	Expertise/ Skill
1	Mr. Inder T. Jaisinghani	E, NI	Strategy & Planning, Administration & Management, Sales & Marketing, Governance, Operations, finance and overall support services.
2	Mr. Ajay T. Jaisinghani*	E, NI	Administration & Management, Sales & Marketing, Governance, Operations, Finance and other support services.
3	Mr. Ramesh T. Jaisinghani*	E, NI	Administration & Management, Governance, Operations and other support services.
4	Mr. Shyam Lal Bajaj*	E, NI	Strategy & Planning, Administration & Management, Governance, Finance and Law.
5	Mr. T.P. Ostwal	NE, I	Governance, Finance & Law.
6	Mr. R.S. Sharma	NE, I	Strategy & Planning, Administration & Management, Governance, Finance and Law.
7	Ms. Hiroo Mirchandani*	NE, I	Strategy & Planning, Administration & Management, Governance, Sales & Marketing and Operations.
8	Mr. Pradeep Poddar	NE, I	Strategy & Planning, Administration & Management, Sales & Marketing, Governance, Finance & Law and Operations.
9	Mr. Bharat A. Jaisinghani**	E, NI	Sales & Marketing, IT, production and other support services.
10	Mr. Nikhil R. Jaisinghani**	E, NI	Sales & Marketing, Production and other support services.
11	Mr. Rakesh Talati**	E, NI	Administration & Management
12	Mrs. Sutapa Banerjee**	NE, I	Strategy & Planning, Administration & Management, Sales & Marketing, Governance and Finance

* Resigned with effect from May 12, 2021

** Appointed with effect from May 13, 2021

Corporate Governance Report Contd.

2.4. Board Meeting:

The Board of Directors met 5 (Five) times during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

Sr. No.	Date of Board Meeting	Count of Directors Present
(i)	02/05/2020	8
(ii)	30/05/2020	8
(iii)	21/07/2020	8
(iv)	24/10/2020	8
(v)	23/01/2021	8

2.5. Attendance of individual Directors at the Board Meetings and last AGM:

Following are the details of the Directors' attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"):

Name of Director	No. of Board Meetings Attended	Attendance at last AGM held on 21/07/2020
Mr. Inder T. Jaisinghani	5	Yes
Mr. Ajay T. Jaisinghani	5	Yes
Mr. Ramesh T. Jaisinghani	5	Yes
Mr. Shyam Lal Bajaj	5	Yes
Mr. T. P. Ostwal	5	Yes
Mr. R. S. Sharma	5	Yes
Ms. Hiroo Mirchandani	5	Yes
Mr. Pradeep Poddar	5	Yes

During FY21, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. Video-conferencing facilities are also used to facilitate Directors travelling or residing at other locations to participate in the meetings. The Board periodically reviews the compliance reports of all laws applicable to the Company.

2.6. Number of Shares and Convertible instruments held by Non- Executive Directors:

As on March 31, 2021 none of the Non-Executive Directors holds any Share in the Company. The Company has not issued any Convertible instruments.

2.7. Meeting of the Independent Directors:

During the year under review, 1 (one) meeting of the Independent Directors of the Company as per the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the SEBI (LODR), Regulations, 2015 was held on January 23, 2021. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

2.8. Familiarisation Programme:

Pursuant to the provision of Regulation 25(7) of the Listing Regulations, the Company has in place Familiarisation Programme for Independent Directors to familiarise them about the Company and their role, rights and responsibilities in the Company. The details of Familiarisation Programme imparted during the financial year 2020-21, are uploaded on the website of the Company and can be accessed through Weblink.

3. COMMITTEES OF THE BOARD

Your Company's Board of Directors had constituted the following Mandatory Committees to comply the requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vis.:

(i) Audit Committee;

(ii) Nomination and Remuneration Committee;

(iii) Stakeholders' Relationship Committee;

(iv) Corporate Social Responsibility Committee; and

(v) Risk Management Committee.

The Chairman of the Board, in consultation with the Company Secretary and the respective Chairman of these Committees, determines the frequency of the meetings of these Committees. The recommendations of the Committees are submitted to the Board for its approval.

The Board of Directors had also adopted the following policies in line with the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, for the effective and defined functioning of the respective Committees of the Board:

a. Whistle Blower Policy.

b. Policy for Evaluation of the Performances of the Board of Directors, Committees and Individual Directors.

c. Nomination & Remuneration Policy.

d. Risk Management Policy.

e. Corporate Social Responsibility Policy.

f. Policy on Diversity of Board of Directors.

g. Policy on Succession Planning for the Board and Senior Management.

h. Policy on Determination of Materiality of Events/ information.

i. Dividend Distribution Policy.

j. Policy for Preservation of Documents and Archival.

k. Policy on Related Party Transactions.

l. Code of Conduct for Directors and Senior Management Team.

m. Code of Practises and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

n. Policy for determining material subsidiaries.

o. Code of Conduct to regulate monitor and report trading by its designated persons and their immediate relatives.

3.1. Audit Committee

The Audit Committee, consists of following members:

Sr. No.	Name	Category	Designation
1.	Mr. T. P. Ostwal	Non-Executive Independent	Chairman
2.	Mr. R. S. Sharma	Non-Executive Independent	Member
3.	Mr. Pradeep Poddar	Non-Executive Independent	Member
4.	Mr. Shyam Lal Bajaj	Executive, Non-Independent	Member*
5.	Mr. Inder T. Jaisinghani	Executive, Non-Independent	Member**

* up-to May 12, 2021

** with effect from May 13, 2021

All the members of the Audit Committee have requisite accounting and financial management expertise. The Company Secretary acts as the Secretary to the Committee. T.P. Ostwal, Chairman of the Audit Committee had attended last Annual General Meeting of the Company held on July 21, 2020.

The terms of reference of the audit committee is available on the website of the Company and is available through Weblink. The relevant extract of the terms of reference of Audit Committee are as follows:

(i) Oversight of financial reporting process.

(ii) Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.

(iii) Evaluation of internal financial controls and risk management systems.

(iv) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

(v) Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

(vi) To consider matters with respect to the Code of Conduct and vigil mechanism.

(vii) Recommending to the Board the appointment/ remuneration of the Cost Auditors.[1]

(viii) Approving the payments of Cost Auditors towards other services rendered by them.

(ix) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.[2]

The Audit Committee met 5 times during the financial year 2020-21 vis. May 2, 2020, May 30, 2020, July 21, 2020, October 24, 2020 and January 23, 2021 and the gap between two meetings did not exceed one hundred and twenty days. The following table depicts details of attendance at the Audit Committee meetings held during the year ended March 31, 2021:

Sr. No.	Name	Attendance in Audit Committee Meetings held in 2020-21				
		02/05/2020	30/05/2020	21/07/2020	24/10/2020	23/01/2021
1	Mr. T. P. Ostwal	√	√	√	√	√
2	Mr. R. S. Sharma	√	√	√	√	√
3	Mr. Pradeep Poddar	√	√	√	√	√
4	Mr. Shyam Lal Bajaj	√	√	√	√	√

The representatives of the Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings. The Committee also invites such of the executives as it considers appropriate to attend the Audit Committee Meetings. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

The Company Secretary is the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code. Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.

3.2. Nomination and Remuneration Committee

The Composition of the Nomination and Remuneration Committee as on March 31, 2021 and as on date, consists of following members:

Sr. No.	Name	Category	Designation
1.	Mr. R. S. Sharma	Non-Executive Independent	Chairman
2.	Mr. T. P. Ostwal	Non-Executive Independent	Member
3.	Ms. Hiroo Mirchandani	Non-Executive Independent	Member *
4.	Mr. Pradeep Poddar	Non-Executive Independent	Member **
5.	Mr. Inder T. Jaisinghani	Executive Non-Independent	Member **

* upto May 12, 2021

** with effect from May 13, 2021

The Company Secretary acts as the Secretary to the Committee. The previous AGM of the Company was held on July 21, 2020 and was attended by R. S. Sharma, the Chairman of the Nomination and Remuneration Committee.

1 Approved by Board of Directors in its meeting held on January 23, 2021.

2 Approved by Board of Directors in its meeting held on May 13, 2021.

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The terms of reference of the Nomination and Remuneration Committee are available on the website of the Company and are accessible through Weblink.

The relevant extract of the terms of reference of Nomination and Remuneration Committee are as follows:

(i) Recommend to the Board the setup and composition of the Board and its committees.

(ii) Recommend to the Board the appointment/ re-appointment of Directors and Key Managerial Personnel.

(iii) Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel and other employees.

Nomination and Remuneration Policy

The Company had formed a Nomination and Remuneration policy in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations to harmonise the aspirations of human resources, consistent with the goals of the Company which *inter alia* includes Company's Policy on Board Diversity, selection, appointment and remuneration of Directors, criteria for determining qualifications, positive attributes, independence of a Director and criteria for performance evaluation of the Directors.

Attendance at Nomination and Remuneration Committee Meetings:

The Nomination and Remuneration Committee met thrice during the financial year 2020-21 and details of attendance of the members are as under:

Sr. No.	Name	Attendance in Nomination and Remuneration Committee Meetings held in FY21		
		30/05/2020	21/07/2020	23/01/2021
1	Mr. R. S. Sharma	√	√	√
2	Mr. T.P. Ostwal	√	√	√
3	Ms. Hiroo Mirchandani	√	√	√

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and as per Company's Policy on Evaluation of performances of Board of Directors, Committees or Individual Directors, the Company Secretary had circulated the questionnaire to all the Directors of the Company for carrying out the evaluation of performance of Board, its committees and Individual Directors for the FY 2020 -21. On the basis of feedback received on the said questionnaires, the Chairman had briefed the Board of Directors at the Board Meeting held on May 13, 2021 about the performance evaluation of the Board, its committees and Individual Directors for the FY 2020-21.

Remuneration to Non-Executive Directors for the financial Year 2020-21

The Non-executive Directors of the Company are paid remuneration by way of sitting fees and Commission. The Company pays sitting fees of ₹1,00,000/- (Rupees One Lakh only) per meeting for attending the Board Meeting and ₹80,000/- (Rupees Eighty Thousand only) per meeting for attending the meetings of Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and meeting of Independent Directors.

Commission to Independent Directors are paid as recommended by the Board of Directors and approved by the shareholders.

The travel expenses for attending meetings of the Board of Directors or a Committee thereof, for site visits and other related expenses incurred by the Independent Directors from time to time are borne by the Company.

The criteria of making payment to Non-Executive Directors is displayed on the website of the Company and are accessible through Weblink.

Details of remuneration paid/ payable to the Non-Executive Directors for the financial year 2020-21 are as follows:

(in million)

Name of Director	Designation	Sitting Fees	Commission Payable	Total
Mr. T.P. Ostwal	Non-Executive, Independent	1.30	2.00	3.30
Mr. R. S. Sharma	Non-Executive, Independent	1.22	2.00	3.22
Ms. Hiroo Mirchandani*	Non-Executive, Independent	0.98	2.00	2.98
Mr. Pardeep Poddar**	Non-Executive, Independent	1.14	2.00	3.14

* resigned with effect from May 12, 2021

** with effect from May 12, 2021

Notes:

The remuneration paid to Non-Executive Directors includes commission and sitting fees paid towards attending the Board Meeting, Audit Committee Meeting, Nomination and Remuneration Committee Meeting, Stakeholders Relationship Committee Meeting, Risk Management Committee Meeting and Independent Directors Meeting held during the year.

None of the Non-Executive Independent Directors hold any Equity Share of the Company. Further, there are no material pecuniary relationships or transactions of the Non-Executive Directors with the Company, except those disclosed in the Annual Report, if any.

Further, the Company had not granted any Employee Stock Option to its Non-Executive Independent Directors. Hence, the disclosure of the same is not applicable.

Remuneration paid/ payable to Executive Directors

The remuneration paid/ payable to Executive Directors for the year 2020-21 are in accordance with the approval of the Board and shareholders and is subject to the limits prescribed under the Companies Act 2013 and Remuneration Policy of the Company:

(₹ million)

Name of Executive Directors	Salary & Perks	Commission*	Variable Pay	ESOP	Total
Mr. Inder T. Jaisinghani	42.01	99.06	-	-	141.07
Mr. Ajay T. Jaisinghani	24.98	-	7.49	-	32.48
Mr. Ramesh T. Jaisinghani	24.98	-	7.49	-	32.48
Mr. Shyam Lal Bajaj	22.18		6.16	7.64	35.98

*Note: Commission payable for the Financial Year 2020-21

Service Contracts, Severance Fees and Notice Period

The tenure of the office of Managing Director and Whole-time Directors is 5 (five) years from respective dates of their appointment and the notice period for terminating the service contract of Managing Director and Whole-Time Director is based on Company's HR Policy. Further, there is no separate provision for payment of severance fees.

Employee Stock Option Details (ESOP)

During the year under review, Except, Shyam Lal Bajaj, Whole-Time Director, none of the Executive Directors (ED) had been granted Employee Stock Option under the respective ESOP Schemes of the Company. The details of ESOP granted to Shyam Lal Bajaj are mentioned below:

Name of the Scheme	Polycab Employee Stock Option Performance Scheme
Vesting period	Five years in the ratio of 15:15:20:20:30
Exercise Price	405 per equity share of ₹10
No. of Options granted under the scheme (A)	1,00,000 options
Options vested (B)	15,000
(15% of 1,00,000)for F.Y 19-20	15,000
(15% of 1,00,000)for F.Y 20-21	Total : 30,000
Options exercised (C)	22,500
Balance Available (A-C) (yet to vest)	77,500

3.3. Stakeholders' Relationship Committee

Composition and attendance at Stakeholders' Relationship Committee Meeting:

In compliance with Regulation 20 of the SEBI (LODR) Regulations 2015, the Board had constituted the Stakeholders' Relationship Committee pursuant to a resolution of the Board dated September 20, 2018, *inter alia* to consider and review the complaints received from shareholders. Detail of share transfers/ transmissions, if any, approved by the Committee are placed at the Board Meetings, from time to time.

The Composition of the Stakeholders' Relationship Committee, consists of following members:

Sr. No.	Name	Category	Designation
1.	Mr. Pradeep Poddar	Non-Executive Independent	Chairman
2.	Ms. Hiroo Mirchandani*	Non-Executive Independent	Member
3.	Mr. Shyam Lal Bajaj*	Executive, Non-Independent	Member
4.	Mr. Sutapa Banerjee**	Non-Executive Independent	Member
5.	Mr. Mr. Nikhil Jaisinghani**	Executive, Non-Independent	Member
6.	Mr. Mr. Bharat Jaisinghani**	Executive, Non-Independent	Member

* upto May 12, 2021

** with effect from May 13, 2021

The Company Secretary acts as the Secretary to the Committee & Compliance Officer of the Company. During the FY21, one meeting of the Stakeholders' Relationship Committee was held on October 24 2020.

The following table presents the details of attendance at the stakeholders Relationship Committee meeting for the financial year ended March 31, 2021:

Sr. No.	Name	Meeting held on 24/10/2020
1.	Mr. Pradeep Poddar	√
2.	Ms. Hiroo Mirchandani	√
3.	Mr. Shyam Lal Bajaj	√

The terms of reference of the Stakeholders' Relationship Committee are uploaded on the website of the Company and are accessible through Weblink.

The relevant extract of the terms of reference of Nomination and Remuneration Committee are as follows:

(i) Consider and resolve grievances of security holders of the Company

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(ii) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(iii) Issue of duplicate certificates and new certificates on split/ consolidation/ renewal.

(iv) Review the working of the Registrar & Share Transfer Agent of the Company.

(v) Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

3.4. Corporate Social Responsibility (CSR) Committee

The CSR Committee of the Board of Directors consists of following members:

Sr. No.	Name	Category	Designation
1.	Mr. Inder T. Jaisinghani	Executive, Non-Independent	Chairman
2.	Mr. Ajay T. Jaisinghani*	Executive, Non-Independent	Member
3.	Ms. Hiroo Mirchandani*	Non-Executive Independent	Member
4.	Mr. Pradeep Poddar**	Non-Executive Independent	Member
5.	Mr. Bharat A. Jaisinghani***	Executive, Non-Independent	Member
6.	Mr. Nikhil R. Jaisinghani***	Executive, Non-Independent	Member
7.	Mr. Rakesh Talati***	Executive, Non-Independent	Member
8.	Mrs. Sutapa Banerjee***	Non-Executive Independent	Member

* upto May 12, 2021

** upto May 13, 2021

*** with effect from May 13, 2021

The Company Secretary acts as the Secretary to the Committee.

During the year under review, one meeting of the CSR Committee was held on July 21, 2020. The following table presents the details of attendance of CSR meeting for the financial year ended March 31, 2021:

Name	Meeting held on 21/07/ 2020
Mr. Inder T. Jaisinghani	√
Mr. Ajay T. Jaisinghani	√
Ms. Hiroo Mirchandani	√
Mr. Pradeep Poddar	√

The brief terms of reference of the CSR Committee are as follows:

(i) To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013

(ii) To recommend the amount of expenditure to be incurred on the CSR activities;

(iii) To monitor the CSR Policy and its implementation by the Company from time to time

(iv) To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder.

In compliance with the amendments in the various provisions of the Companies Act, 2013 and the Companies Corporate Social Responsibility Amended Rules, 2021 issued by the Ministry of Corporate Affairs vide its notification dated January 22, 2021, the Company had amended the Corporate Social Responsibility (CSR) Policy and approved the Annual Action Plan FY 2021-22.

3.5. Risk Management Committee

The Board of Directors of the Company at its meeting held on July 26, 2019, had voluntarily constituted the Risk Management Committee consisting of following Directors and Senior Executive as members of the Committee:

Sr. No.	Name	Category	Designation
1.	Mr. T. P. Ostwal	Non-Executive, Independent	Chairman
2.	Mr. Inder T. Jaisinghani	Executive, Non- Independent	Member
3.	Mr. Gandharv Tongia	Chief Financial Officer	Member
4.	Mr. Shyam Lal Bajaj	Executive, Non-Independent	Member *
5.	Mr. Bharat A Jaisinghani	Executive, Non-Independent	Member**
6.	Mr. Nikhil R. Jaisinghani	Executive, Non-Independent	Member **

* upto May 12, 2021

** with effect from May 13, 2021

The Company Secretary acts as the Secretary to the Committee. During the year under review, one meeting of the Risk Management Committee was held on January 23, 2021. The following table depicts the details of attendance at the Risk Management Committee meeting for the financial year ended March 31, 2021:

Name	Meeting held on 23/01/2021
Mr. T. P. Ostwal	√
Mr. Inder T. Jaisinghani	√
Mr. Shyam Lal Bajaj	√
Mr. Gandharv Tongia	√

The brief terms of reference of the Risk Management Committee are as follows:

(i) managing and monitoring the implementation of action plans developed to address material

(ii) business risks within the Company and its business units, and regularly reviewing the progress of action plans;

(iii) setting up internal processes and systems to control the implementation of action plans;

(iv) regularly monitoring and evaluating the performance of management in managing risk;

(v) providing management and employees with the necessary tools and resources to identify and manage risks;

(vi) regularly reviewing and updating the current list of material business risks;

(vii) regularly reporting to the Board on the status of material business risks;

(viii) ensuring compliance with regulatory requirements and best practices with respect to risk management.

(ix) evaluate risks related to cyber security and ensure appropriate procedures are placed to mitigate these risks in a timely manner.

(x) coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).

(xi) access to any internal information necessary to fulfil its oversight role.

(xii) authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

(xiii) periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

(xiv) *formulating a detailed risk management policy which shall include:

a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business continuity plan.

(xv) *ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(xvi) *monitoring and overseeing the implementation of the risk management policy including evaluating adequacy of risk management systems;

(xvii) *periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(xviii) *regularly reporting to the Board about the nature and content of its discussions, recommendations and actions to be taken;

(xix) *co-ordinate its activities with the other Committees in instances where there is any overlap with activities of such other committee, as per the framework laid down by the Board.

(*) Approved by Board of Directors in its meeting held on May 13, 2021

4. SEBI Complaints Redressal System (SCORES)

The investor complaints are processed in a centralised web-based complaints redressal system formulated by SEBI. The salient features of this system are centralised database for all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

The Company had registered itself on the SCORES and every effort is made to resolve investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. No Shares are lying in Demat Suspense Account/ unclaimed suspense Account. Hence, the disclosure of the same is not made.

Status report on number of shareholder complaints/ requests received and replied by the Company during the financial year 2020 -2021 are as follows:

Complaints	Received	Resolved	Pending
Non -Receipt of securities	3	3	Nil
Non-receipt of refund order	2	2	Nil
Non-receipt of dividend warrants	197	197	Nil
Non-receipt of Annual Report	2	2	Nil
SEBI (Scores)	3	3	Nil
TOTAL	**207**	**207**	**Nil**

The shareholders may write to the Company's exclusive e-mail id for their grievances shares@polycab.com.

Corporate Governance Report Contd.

5. General Body meetings:

Location and time, where last three Annual General Meetings (AGMs) were held:

Year	Venue	Date	Time	Special Resolutions passed
2019-20	Through Video conference and Audio Visual Means (OAVM)	July 21, 2020	9:00 a.m.	Nil
2018-19	Air force Auditorium, Subroto Park, New Delhi – 110 010	June 26, 2019	9.00 a.m.	Retention of rights to appoint Director by International Finance Corporation
2017-18	E-554, Greater Kailash – II, New Delhi – 110 048	August 9, 2018	11.30 a.m.	Conversion of Polycab Wires Private Limited to Polycab Wires Limited and Adoption of new set of Memorandum of Association and Articles of Association and change of name of the Company from Polycab Wires Limited to Polycab India Limited

6. Disclosures

6.1. Statutory Compliance, Penalties/ Strictures

The Company had complied with rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital market.

No penalty or stricture had been imposed on the Company by the Stock Exchanges or SEBI on any matter related to the capital markets, during the last three years.

6.2. Related Party Transactions

The Company has in place the "Related Party Transaction Policy" which is available on the website of the Company i.e. www.polycab.com and can be accessed through Weblink.

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The Company had entered into related party transactions as set out in Notes to Accounts, which do not have any potential conflict with the interests of the Company at large.

6.3. Policy for determining material Subsidiary

The Company had disclosed the "policy for determining material subsidiaries" as per the requirement of Regulation 46(2)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 on its website and the same can be accessed through Weblink.

6.4. Whistle Blower Policy

In line with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has formulated a Whistle Blower Policy to report concerns about unethical behaviour, actual or suspected incidents of fraud or violation of Code of Conduct that could adversely impact the Company's operations, business performance and/or reputation, in a secure and confidential manner.

The Audit Committee of the Company oversees vigil mechanism process of the Company pursuant to the provisions of the Companies Act, 2013. The Chairman of the Audit Committee has exclusive access to the designated e- mail id vis.chairmanac@polycab.com for receiving the Complaints under Whistle Blower Policy.

The Company confirms that no personnel was denied access to the Audit Committee.

The Whistle Blower Policy is displayed on the website of the Company and can be accessed through Weblink.

7. Compliance with Mandatory and Non-Mandatory Requirements

7.1. The Company had complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 to the extent applicable.

7.2. Compliance with non-mandatory requirements is detailed below:

Particulars	Status
(i) Board	
Non-Executive Chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.	Not Applicable
(ii) Shareholders' Right	
A Half- Yearly declaration of financial performance including summary of significant events in last six-months, may be sent to each household of shareholders	The Company's half-yearly and quarterly results are published in leading English and Hindi newspaper and also uploaded on the website of the Company. The Company also suo moto publishes quarterly condensed standalone and consolidated financial statements that are duly limited reviewed by the statutory auditors.
(iii) Modified opinion in audit report	
The listed entity may move towards a regime of financial statements with unmodified opinion	Complied. There is no qualification in the Audit Report
(iv) Reporting of internal auditor	
The internal auditor may report directly to the Audit Committee	Complied. The Internal Auditors of the Company are present in Audit Committee Meetings and they report to the Audit committee.

7.3. There are no non-compliances of any requirements of Corporate Governance Report in sub-paras (2) to (10) mentioned in schedule V of the SEBI (LODR) Regulations, 2015.

7.4. The Company had 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.

7.5. As per SEBI Notification dated January 4, 2017, it is confirmed that no employee including Key Managerial Personnel or Director or Promoter of the Company had entered into any agreement for him or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

7.6. Disclosure of Accounting Treatment

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 from time to time. These Standalone financial statements includes Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, Cash flows Statement and Statement of changes in equity for the year ended March 31, 2021, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

7.7. Model Code of Conduct for Directors and Senior Management Team

The Company has in place a Code of Conduct applicable to all its Directors and members of the Senior Management which is in consonance with the requirements of SEBI (LODR) Regulations, 2015. The said code is available on the website of the Company and the same can be accessed through Weblink.

All the Board Members and Senior Management Personnel had affirmed compliance with Code of Conduct of the Company for the year ended March 31, 2021.

8. CEO/CFO Certification

In terms of requirement of Regulation 17(8) of SEBI (LODR) Regulations, 2015, Inder T. Jaisinghani, Managing Director and Gandharv Tongia, Chief Financial Officer of the Company have furnished certificate to the Board in the prescribed format certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of this Report. The said certificate had been reviewed by the Audit Committee and the same was took on record by the Board at the meeting held on May 13, 2021.

9. Directors' Responsibility Statement

The Directors' Responsibility Statement signed by Inder T. Jaisinghani, Chairman & Managing Director which is included in the Board's Report for FY 2020-21, had been reviewed by the Audit Committee at its meeting held on May 13, 2021.

10. Reconciliation of Share Capital Audit Report

In terms of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed capital of the Company. The audit report, *inter alia*, confirms that the Register of Members is duly updated and that demat/ remat requests were confirmed within stipulated time etc. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

11. Risk Management Policy

The Company has in place Risk Management System which takes care of risk identification, assessment and mitigation. There were no risks which in the opinion of the Board that threatens the existence of the Company.

12. Code for Prevention of Insider Trading

The Company has in place a Code of conduct to regulate, monitor and report trading by insiders for prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase/ sale of shares of the Company by Directors and designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

13. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part

During the year under review, the Company paid a total Fees (including reimbursement of expenses) of ₹9.92 million (excluding applicable taxes) to M/s. B S R & Co. LLP, Chartered Accountants, Statutory Auditors.

14. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

(i) Number of Complaints filed during the year: Nil

(ii) Number of Complaints disposed of during the year: Not Applicable

(iii) Number of Complaints pending as on end of the financial year: Not Applicable

15. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations, 2015

Not Applicable, as the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations, 2015 during the year under review.

Corporate Governance Report Contd.

16. Means of Communication

Website: The Company's website www.polycab.com contains, *inter alia*, the updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, official press releases, the investor/ analysts presentations, details of investor calls and meets, shareholding pattern, important announcements. The said information is available in a user friendly and downloadable form.

Financial Results: The quarterly, half yearly and annual financial results of the Company are submitted to BSE Limited and National Stock Exchange of India Limited after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper and one Gujarati newspaper within 48 hours of approval thereof.

Annual Report: Annual Report containing, *inter alia*, Audited Financial Statements, Board's Report, Auditors' Report, Corporate Governance Report is circulated to the members and others entitled thereto and is also available on website of the Company.

Uploading on NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre: The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.

17. General Shareholder's information:

(i)	Annual General Meeting - Date time and venue	The 25th Annual General meeting (AGM) of the Company will be held on July 21, 2021 at 9:00 am through video conferencing.
(ii)	Financial Year	Financial Year is 1 April to 31 March of the following year
(iii)	Quarterly results will be declared as per the following tentative schedule:	
	Financial reporting for the quarter ending June 30, 2021	On or before August 14, 2021
	Financial reporting for the half year ending September 30, 2021	On or before November 14 2021
	Financial reporting for the quarter ending December 31, 2021	On or before February 14, 2022
	Financial reporting for the year ending March 31, 2022	On or before May 30, 2022
(iv)	Dates of Book Closure	July 14, 2021 to July 21, 2021 (Both days inclusive)
(v)	Record date	Tuesday, July 13, 2021
(vi)	Dividend Payment date	On or before Friday, August 20, 2021
(vii)	Listing on Stock Exchanges & Payment of Listing Fees	The Company's shares are listed on: - BSE Limited ("BSE") Floor 27, P. J. Towers, Dalal Street, Mumbai – 400 001 - National Stock Exchange of India Ltd. C/1, Block G, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Your Company has paid the annual listing fee to both the exchanges.
(viii)	Stock Code	- BSE Security Code: 542652 - NSE: POLYCAB - ISIN:INE455K01017
(ix)	Registrars and Transfer Agents	Kfin Technologies Private Limited (formerly Known as Karvy Fintech Private Limited) KFin Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakarmguda, Hyderabad – 500 032 Telephone No. +91 40 6716 2222 Fax No. +91 40 2343 1551 Email:einward.ris@kfintech.com Website:www.kfintech.com
(x)	Share Transfer System	The Board had delegated the power of Share Transfer to Stakeholders' Relationship Committee.
(xi)	Address for Correspondence	Manita Carmen A. Gonsalves Company Secretary and Compliance Officer Polycab India Limited, 771, Polycab House, Mogul Lane, Mahim (West)-400 016. Tel: +91-22-67351656
(xii)	Dematerialisation of Shares and Liquidity	99.9999% of Company's shares are held in the electronic mode as on March 31, 2021
(xiii)	Electronic Clearing Service (ECS)	Members are requested to update their bank account details with their respective depository participants (for shares held in the electronic form) or write to the Company's Registrars and Transfer Agents, Kfin Technologies Private Limited (for shares held in the physical form)
(xiv)	Investor Complaints to be addressed to	Registrars and Transfer Agents or Manita Carmen A Gonsalves, Company Secretary, at the addresses mentioned earlier.
(xv)	Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on equity	The Company had not issued any GDRs/ADRs/ Warrants or any Convertible Instruments.
(xvi)	Details of Demat suspense Account/ unclaimed Suspense Account	Not Applicable
(xvii)	Commodity price risk or foreign exchange risk and hedging activities	The Company deals in commodity and foreign exchange in ordinary course of business and has adequate risk management mechanism. These are reviewed by the risk management and audit committee of the Company.
(xviii)	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad	Not Applicable, as the Company did not issue any debt instrument or any fixed deposit programme or any scheme or proposal involving mobilisation of funds, in India or abroad.

(xix) Details of Plant Locations Halol, Daman, Nashik and Roorkee

Sr. No.	Plant Location	
A.	**Halol, Gujarat**	
	1.	UH1-335,334,339-2-2/1-2, Halol Vadodara Road, Tal Halol, Panchmahal, Gujarat-389 350
	2.	UH2 - Plot No.65-1,30-31,34,42-1,63,1-4, Rameshwara Road, Village Baska, Tal Halol, Panchmahal, Gujarat, 389 352;
	3.	UH3- 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-389 350
	4.	U4- Plot NO 67-69, 71-72,75-76,102,103,104/1-2,105,106,106/2, Halol Vadodara Road, Village Nurpura, Tal Halol, Panchmahals, Gujarat-389 350
	5.	U5-Plot No.49,51-1-2,52-1-3,54, Rameshwara Road, Village Baska, Tal. Halol, Panchmahal, Gujarat-389 352
	6.	U6-Plot No.79-1-3,80-1-2, Ujeti Road, Village.Baska, Tal.Halol, Panchmahal, Gujarat-389 352
	7.	U7- Plot No.74-1,74-1p,74-2-1.74-2-2,80, Village Vaseti, Baska Rameshwara Road, Village Baska, Tal Halol, Panchmahals, Gujarat-389 352
	8.	U8- 27P,556, Halol Vadodara Road, Village Asoj, Taluka Waghodia, Vadodara, Gujarat-391 510
B.	**Daman**	
	1.	PIL-JWPL-1 - Plot No. 74/7, Daman Industrial Estate, Village-Kadaiya Daman-396 210
	2.	PIL-UNIT-1 - Plot No. 74/8,9, Daman Industrial Estate, Village-Kadaiya Daman-396 210
	3.	PIL-HT, PCPL JFTC - Plot No. 74/10,11 Additional Area 52/1,2 53/1,3,4, Daman Industrial Estate, Village-Kadaiya Daman-396 210
	4.	PIL-PID-1, Plot No. 52/5,6,7,8, Daman Industrial Estate, Village-Kadaiya, Daman-396 210
	5.	PIL-UNIT-3 - Plot No. 96/1-7, 100/2-6, Daman Industrial Estate, Village-Kadaiya, Daman-396 210
	6.	PIL-UNIT-2- Plot No. 38/1-6, 41/4-9 &42/1-3 &43/1-3,44/1-3& 45/1-2,& 46/5,6,8& 9, Daman Industrial Estate, Village-Kadaiya Daman-396 210
	7.	PIL-PID2- Plot No. 78-82, Silver Industrial Estate,Village-Bhimpore, Daman-396 210
	8.	PIL-JWPL-2 - Plot No. 353/1,2, Village-Kachigam, Daman-396 210
	9.	PIL-PWIPL - survey No. 353/1,2(First Floor) Village-Kachigam, Daman-396 211
	10.	PIL-PVC Plant- Survey No. 352/3, 355/P, Village-Kachigam, Daman-396 210
	11.	PIL-BNK2- 35/35A GOA IDC, Ind Estate, Somnath Road, Daman-396 210
C.	**Nashik, Maharashtra**	
	1.	S-31, Additional Industrial Area, Opposite Siemens company, MIDC Ambad, Nashik-422 010
	2.	Shed No. 1,2 & 3, Survey No.97, Plot No.2, Mauje Vilholi, Nashik-422 010
D.	**Roorkee, Uttarakhand**	
	1.	Khasra No-124, 1415F-1420F,Village-Raipur,Pargana -Bhagwanpur, Roorkee, Dist-Haridwar, Uttarakhand-247 661
	2.	Plot No - 28, Ganga Industrial Estate, Lakeshwari, Bhagwanpur, Tahsil - Roorkee, Dist-Haridwar, Uttarakhand-247 661

Corporate Governance Report Contd.

18. Market Price and Shares Data:

18.1. Market price date – High and Low from April 1, 2020 to March 31, 2021 are mentioned below

All prices in ₹

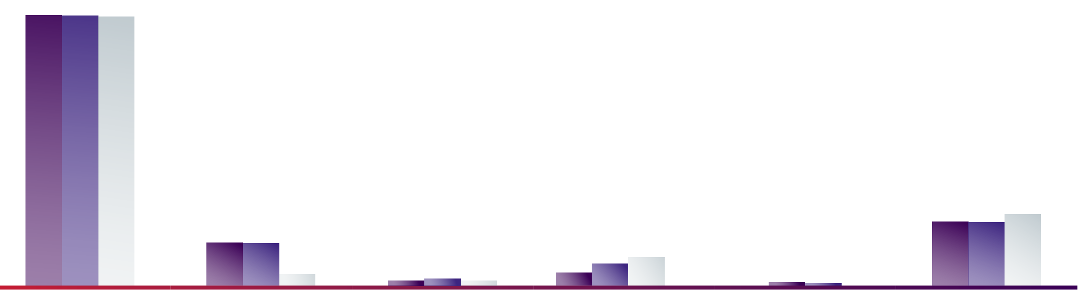
Month	BSE		NSE	
	High	Low	High	Low
April 2020	768.55	690.30	769.00	690.00
May 2020	708.00	627.30	709.65	627.30
June 2020	827.05	713.65	828.65	713.35
July 2020	849.45	797.50	849.65	797.65
August 2020	918.20	829.05	919.15	829.35
September 2020	895.25	813.00	897.05	811.75
October 2020	957.30	802.60	957.05	802.15
November 2020	958.10	909.85	958.40	910.90
December 2020	1,056.15	960.451	1,056.65	960.45
January 2021	1,283.25	1,035.70	1,280.90	1,035.45
February 2021	1,356.15	1,250.20	1,355.05	1,250.35
March 2021	1390.20	1,312.70	1,390.70	1,312.35

18.2. Summary of Shareholding Pattern as on March 31, 2021

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Promoter & Promoter Group	21	10,20,31,801	68.43
Mutual Funds	22	99,08,315	6.64
Alternate Investment Funds	22	10,92,791	0.73
Foreign Portfolio Investors	122	95,06,418	6.38
Financial Institutions/Banks	1	7	0.00
Foreign Corporate Bodies	1	37,85,630	2.54
Individual Shareholders	1,32,023	1,71,23,810	11.48
NBFCs Registered with RBI	0	0	0.00
Trusts	16	5,60,978	0.38
NRI	3,303	5,25,928	0.35
Clearing Members	165	2,39,056	0.16
QIB	13	34,19,966	2.29
Bodies Corporate	599	9,24,114	0.62
Total	**1,36,308**	**14,91,18,814**	**100.00**

*Note: the total number of shareholders mentioned above is based on Permanent Account Number

Shareholding trend



	Promoter & Group	IFC	Mutual Funds	Foreign Portfolio Investors	AIF + QIB	Others
April 26, 2019	68.7	9.5	0.6	2.9	0.4	14.3
March 31, 2020	68.6	9.5	0.6	4.9	0.3	14.2
March 31, 2021	68.4	2.6	0.6	6.4	0.0	16.0

IFC – International Finance Corporation

AIF + QIB – Alternative investment fund, Qualified institutional buyer

18.3. Distribution of Shareholding as on March 31, 2021

Category of Shares	Number of Shareholders	Number of Shares held	% of Shareholding
1 - 500	1,35,907	50,24,454	3.37
501 - 1000	1,166	8,68,578	0.58
1001 - 2000	573	8,15,468	0.55
2001 - 3000	198	4,98,302	0.33
3001 - 4000	86	3,00,878	0.20
4001 - 5000	72	3,30,919	0.22
5001 - 10000	148	10,58,104	0.71
10001 -20000	73	10,00,924	0.67
20001 and above	194	13,92,21,187	93.36
Total	**1,38,417**	**14,91,18,814**	**100.00**

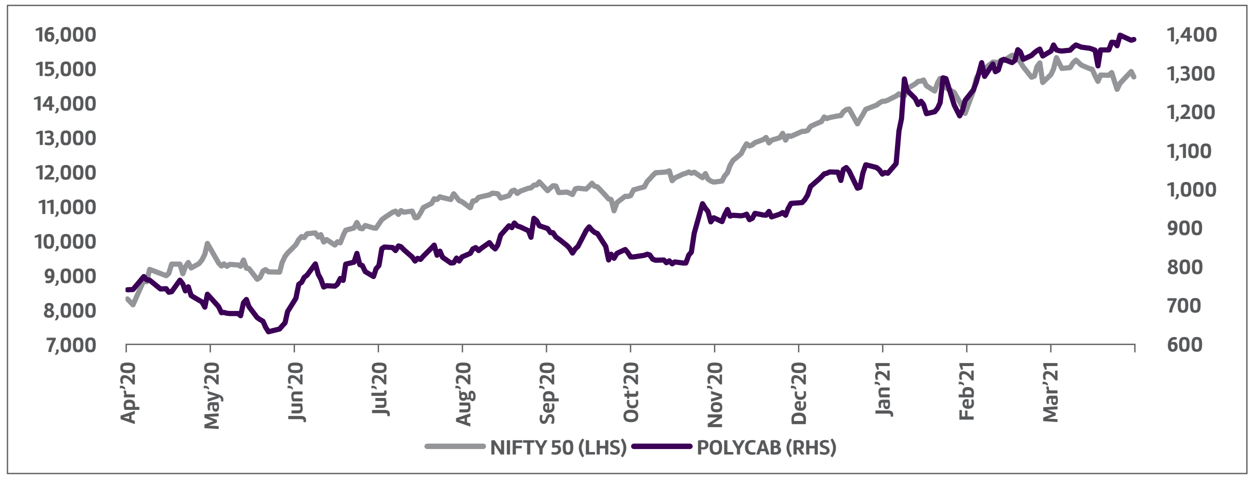
*Note: the total number of shareholders mentioned above is based on folio.

18.4. Bifurcation of shares held in physical and demat form as on March 31, 2021

Particulars	No. of Shares	Percentage (%)
Physical Shares (I)	*6,431	0.00
Sub-Total	*6,431	0.00
Demat Shares (II)		
NSDL (A)	14,53,33,083	97.46
CDSL (B)	37,79,300	2.53
Sub-Total (A+B)	**14,91,12,383**	**100.00**
Total (I+II)	**14,91,18,814**	**100.00**

*Note: The Company had received the Listing & Trading approval from the Stock Exchanges on March 31, 2021 with respect to allotment of 6425 equity shares under ESOP whose trading were effective from April 1, 2021, hence only for 24 hours, the said shares were marked by the depositories in physical mode.

18.5. Performance in Comparison to Nifty 50 Index as on March 31, 2021



Note: Share price on daily closing basis

19. Usage of Electronic Payment Modes for making cash payments to the investors

SEBI, through its Circular No .CIR/MRD/DP/10/2013, dated 21 March 2013, has mandated the companies to use Reserve Bank of India (RBI) approved electronic payment modes, such as ECS [LECS (Local ECS)/ RECS (Regional ECS)/ NECS (National ECS)], NEFT and others to pay members in cash.

Recognising the spirit of the circular issued by the SEBI, Members whose shareholding is in the electronic mode are requested to promptly update change in bank details with the Depository through your Depository Participant for receiving dividends through electronic payment modes.

Members who hold shares in physical form are requested to promptly update change in bank details with the Company/ Registrar and Transfer Agents, M/s. KFin Technologies Private Limited (Unit: Polycab India Limited) for receiving dividends through electronic payment modes.

The Company had also sent reminders to encash unpaid/ unclaimed dividend and IPO refund amount as per records every year.

Corporate Governance Report Contd.

20. NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

A Certificate to this effect, duly signed by Mr. Dilip Bharadiya, Practicing Company Secretary is annexed to this Report.

21. GREEN INITIATIVE

The Company is concerned about the environment and utilises natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, had allowed companies to send official documents to their shareholders electronically as a part of its green initiatives in corporate governance.

Further, In view of the continuing restrictions on the movement of persons at several places in the country, due to COVID-19, outbreak, the Ministry of Corporate Affairs vide its circular dated May 5, 2020 and January 13, 2021 has allowed the Company to conduct their AGM through Video Conferencing or other audio visual means. Hence, in order to ensure the effective participation, the members of the Company are requested to update their email address for receiving the link of e-AGM. Further, in accordance with the said circular, Notice convening the 25th Annual General Meeting, Audited Financial Statements, Board's Report, Auditor's Report and other documents are being sent to the email address provided by the Shareholders with the relevant depositories. The shareholders are requested to update their email addresses with their depository participants to ensure that the Annual Report and other documents reaches on their registered email Ids.

22. Declaration by the CEO on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

As required under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors of the Board and Senior Management Personnel of the Polycab India Limited (the 'Company') have affirmed, compliance with provisions of the applicable Code of Conduct of the Company during the financial year ended March 31, 2021.

For **Polycab India Limited**

Inder T. Jaisinghani
Chairman and Managing Director

Place: Mumbai
Date: May 13, 2021

No Disqualification Certificate From Practicing Company Secretary

To,
The Members
POLYCAB INDIA LIMITED

This Certificate is being issued to the Members of Polycab India Limited, bearing Corporate Identity Number (CIN) – L31300GJ1996PLC114183, having its registered office address at Unit 4, Plot No 105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchamahal Panch Mahals, Gujarat – 389 350 (*"the Company"*) in terms of Regulation 34(3) read with Schedule V para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (*"SEBI Listing Regulations"*).

We believe it is the responsibility of the Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act and SEBI Listing Regulations.

We have examined the documents and disclosures provided by the following Directors in electronic mode, pursuant to the requirements under the Act and the SEBI Listing Regulations for the purpose of this Certificate, more particularly as under:

i) Declaration as on April 1, 2021, as required under Section 164 of the Act, from all the directors confirming their non- disqualifications;

ii) Disclosure of their concern/interests as required under Section 184 of the Companies Act, 2013 as on April 1, 2021; (hereinafter referred to as relevant documents)

Directors of the Company

Sr. No.	Name of the Director	DIN
1.	Ajay T. Jaisinghani	00276588
2.	Hiroo Mirchandani	06992518
3.	Inder T. Jaisinghani	00309108
4.	Pradeep Poddar	00025199
5.	R. S. Sharma	00013208
6.	Ramesh T. Jaisinghani	00309314
7.	Shyam Lal Bajaj	02734730
8.	T. P. Ostwal	00821268

Based on our examination of relevant documents made available to us by the Company and such other verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we certify that as on date of this certificate, none of the directors on the Board of the Company, as listed hereinabove, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency 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
UDIN: F007956C000297025

Place: Mumbai
Date: May 13 2021

CEO / CFO Certificate

To
The Board of Directors
POLYCAB INDIA LIMITED

Sub: Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

1. We have reviewed the Financial Statements and the Cash Flow Statement of Polycab India Limited (the 'Company') for the year ended March 31, 2021 and to the best of our knowledge and belief:
    a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
    a. there are no significant changes in internal control over financial reporting during the year;
    b. there are no significant changes in accounting policies during the year; and
    c. there are no instances of fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Polycab India Limited**

Inder T. Jaisinghani
Chairman & Managing Director

Gandharv Tongia
Chief Financial Officer

Place: Mumbai
Date: May 13, 2021

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of
POLYCAB INDIA LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated July 23, 2019 and addendum to the engagement letter dated August 17, 2020.
2. We have examined the compliance of conditions of Corporate Governance by Polycab India Limited ("the Company"), for the year ended March 31, 2021, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2021.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. 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.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance 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.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations 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 for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 21042070AAAABY4623

Place: Mumbai
Date: May 13, 2021

Consolidated Independent Auditors Report

for the year ended March 31, 2021

To the Members of

Polycab India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Polycab India Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income) , consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 its joint venture as at March 31, 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition - Wires and cables and Fast-Moving Electrical Goods (FMEG) business	
(Refer note 24 Consolidated Financial Statements)	Our audit procedures over the recognition of revenue included the following:
Wires and cables and FMEG business: Based on its business model in Wires and FMEG business, the Group has many different types of terms of delivery arising from different types of performance obligations with its customers. Revenue from sale of goods is recognised when control is transferred to the customers and when there are no other unfulfilled obligations. This requires detailed analysis of each contract regarding timing of revenue recognition. Inappropriate assessment could lead to risk of revenue getting recognised before control has been transferred. Accordingly, timing of recognition of revenue is a key audit matter.	• We assessed the compliance of the Group's revenue recognition accounting policies against the requirements of Indian Accounting Standards ("Ind AS") to identify any inappropriate policy; • We tested the design, implementation and operating effectiveness of key internal financial controls and processes for revenue recognition along with effectiveness of information technology controls built in automated processes; • On a sample basis, we tested revenue transactions recorded during the year, by verifying the underlying documents, including invoices and shipping documents for assessment of fulfillment of performance obligations completed during the year; We analysed the timing of recognition of revenue and any unusual contractual terms; • On a sample basis, we tested the invoice and shipping documents for revenue transactions recorded during the period closer to the year end and subsequent to the year end to verify recognition of revenue in the correct period. • We assessed the adequacy of disclosures in the Consolidated financial statements against the requirement of Ind AS 115, Revenue from contracts with customers.

Key audit matter	How our audit addressed the key audit matter
Inventory Valuation	
(Refer note 14 to the Consolidated Financial Statements)	
• Copper and aluminum-based inventory forms a significant part of the Group's inventory for which the Group enters into commodity contracts. The Group takes a structured approach to the identification, quantification and hedging of risk of fluctuations in prices of copper and aluminum by using derivatives in commodities. • Inventories are measured at the lower of cost and net realizable value on first in first out basis, except for inventories qualifying as hedged items in a fair value hedge relationship. These inventories are measured at cost, adjusted for the hedging gain or loss on the hedged item. We focused on this area because of its size, the assumptions used in the valuation and the complexity, which are relevant when determining the amounts recorded.	Our audit procedures over inventory valuation included the following: • We tested the design, implementation and operating effectiveness of key internal financial controls, including controls over valuation of inventory, accounting of derivative and hedging transactions; • On a sample basis, tested the accuracy of cost for inventory by verifying the actual purchase cost. Tested the net realizable value by comparing actual cost with most recent retail price: • On a sample basis, tested the hedging relationship of eligible hedging instruments and hedged items; • We used the work of our internal subject matter experts for assistance in verifying hedge effectiveness requirements of Ind AS 109, including the economic relationship between the hedged item and the hedging instrument. • We assessed and tested adequacy and completeness of the Group's disclosures in the Consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

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

Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

Consolidated Independent Auditors Report Contd.

for the year ended March 31, 2021

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 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 with reference to consolidated financial statements 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 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 (company and subsidiaries) as well as joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 such entities or business activities within the Group and joint venture to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. 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. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of nine subsidiaries whose financial statements reflect total assets of ₹ 1107.10 million as at March 31, 2021, total revenue of ₹ 7134.91 million, and net cash inflows of ₹278.89 million and total net profit after tax (and other comprehensive income) of ₹ 453.19 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax of ₹2.30 million for the year ended March 31, 2021, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.

Our opinion on the consolidated 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.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, and joint venture as were audited by other auditors, as noted in sub paragraph (a) of 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies, and joint venture incorporated in India is disqualified as on March 31, 2021 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 with reference to consolidated financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 reports of the other auditors on separate financial statements of the subsidiaries and joint venture, as noted in sub paragraph (a) of 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group, and joint venture. Refer Note 35 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 21B to the consolidated financial statements in respect of such items as it relates to the Group and joint venture.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture incorporated in India during the year ended March 31, 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2021.

C. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, and joint venture to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 21042070AAAABX7380

Mumbai
May 13, 2021

Annexure A to the Independent Auditors' report on the Consolidated Financial Statements of Polycab India Limited

for the year ended March 31, 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Polycab India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its joint venture companies incorporated in India have in all material respects adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective companies' management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 Consolidated 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 Company's internal financial controls with reference to Consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated financial statements

A company's internal financial controls with reference to Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to 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 Consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to Consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies and a joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 21042070AAAABX7380

Mumbai
May 13, 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ million)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	18,261.17	13,865.45
Capital work-in-progress	3	990.50	2,411.78
Goodwill	6	22.58	-
Right of use assets	4	341.00	337.92
Intangible assets	5	71.25	16.76
Investment accounted for using the equity method	6A	118.18	254.77
Financial assets			
(a) Trade receivables	7	1,283.60	1,660.47
(b) Loans	8A	35.48	53.41
(c) Other financial assets	9A	579.70	14.17
Non-current tax assets (net)	12D	297.59	191.77
Deferred tax assets (net)	12G	0.11	10.13
Other non-current assets	13A	419.52	300.13
		22,420.68	**19,116.76**
Current assets			
Inventories	14	19,879.10	19,249.54
Financial assets			
(a) Investments	6B	6,231.27	400.00
(b) Trade receivables	7	14,357.67	14,336.43
(c) Cash and cash equivalents	10	2,378.03	1,721.62
(d) Bank balance other than cash and cash equivalents	11	2,935.15	1,091.45
(e) Loans	8B	172.76	244.37
(f) Other financial assets	9B	209.27	1,442.00
Other current assets	13B	1,563.18	2,013.77
		47,726.43	**40,499.18**
TOTAL ASSETS		**70,147.11**	**59,615.94**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	1,491.19	1,488.79
(b) Other equity	17	46,048.21	36,875.36
		47,539.40	**38,364.15**
Non-controlling interests	18	188.29	150.00
		47,727.69	**38,514.15**
Liabilities			
Non-current liabilities:			
Financial liabilities			
(a) Borrowings	19A	1,036.76	106.55
(b) Other financial liabilities	21A	226.34	301.84
Other non-current liabilities	22A	340.96	171.24
Provisions	23A	251.44	256.32
Deferred tax liabilities (net)	12G	418.14	174.94
		2,273.64	**1,010.89**
Current liabilities:			
Financial liabilities			
(a) Borrowings	19B	889.64	1,114.53
(b) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		258.13	230.00
Total outstanding dues of creditors other than micro enterprises and small enterprises		13,222.19	13,306.83
(c) Other financial liabilities	21B	1,979.21	964.13
Other current liabilities	22B	3,277.92	3,045.99
Provisions	23B	235.25	237.81
Current tax liabilities (net)	12D	283.44	1,191.61
		20,145.78	**20,090.90**
TOTAL EQUITY AND LIABILITIES		**70,147.11**	**59,615.94**
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	35		
Other notes to accounts	36 to 44		

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No. 042070

Place: Mumbai
Date: May 13, 2021

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108

Bharat A. Jaisinghani
Whole-time Director
DIN: 00742995

Nikhil R. Jaisinghani
Whole-time Director
DIN: 00742771

Gandharv Tongia
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: May 13, 2021

Manita Gonsalves
Company Secretary
Membership No. A18321

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ million)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from operations	24	89,265.39	88,299.55
Other income	25	1,281.99	927.92
TOTAL INCOME		**90,547.38**	**89,227.47**
EXPENSES			
Cost of materials consumed	26	57,916.41	58,637.06
Purchases of stock-in-trade	27	6,381.65	4,246.12
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	684.27	(2,371.48)
Project bought outs and subcontracting cost	29	1,083.13	3,174.46
Employee benefits expense	30	3,603.53	3,657.46
Finance cost	31	531.49	495.35
Depreciation and amortisation expense	32	1,865.71	1,608.87
Other expenses	33	7,926.41	9,605.67
TOTAL EXPENSES		**79,992.60**	**79,053.51**
Profit before share of profit/(loss) of joint ventures and exceptional items		**10,554.78**	**10,173.96**
Share of profit/(loss) of joint ventures (net of tax)		(2.30)	(74.08)
Profit before tax and exceptional items		**10,552.48**	**10,099.88**
Exceptional items	6	97.18	-
Profit before tax		**10,649.66**	**10,099.88**
Income tax expenses	12		
Current tax		2,568.58	2,480.05
Adjustment of tax relating to earlier periods		(999.98)	(34.05)
Deferred tax (credit)/charge		221.93	(2.30)
TOTAL TAX EXPENSE		**1,790.53**	**2,443.70**
Profit for the year		**8,859.13**	**7,656.18**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		47.80	(50.94)
Income tax relating to items that will not be reclassified to Profit or Loss		(12.05)	12.86
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operations		(2.16)	0.68
Designated cash flow hedges		169.03	(169.03)
Income tax relating to items that will be reclassified to Profit or Loss		(42.54)	42.54
Other comprehensive income for the year, net of tax		**160.08**	**(163.89)**
Total comprehensive income for the year, net of tax		**9,019.21**	**7,492.29**
Profit for the year attributable to:			
Equity shareholders of parent company		8,820.94	7,590.57
Non-controlling interests		38.19	65.61
		8,859.13	**7,656.18**
Other comprehensive Income attributable to:			
Equity shareholders of parent company		159.98	(164.03)
Non-controlling interests		0.10	0.14
		160.08	**(163.89)**
Total comprehensive Income attributable to:			
Equity shareholders of parent company		8,980.92	7,426.54
Non-controlling interests		38.29	65.75
		9,019.21	**7,492.29**
Earnings per share			
Basic (₹)	34	59.20	51.16
Diluted (₹)	34	58.96	50.97
Weighted average equity shares used in computing earnings per equity share			
Basic	34	14,90,08,751	14,83,81,220
Diluted	34	14,96,13,912	14,89,12,465
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	35		
Other notes to accounts	36 to 44		

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No. 042070

Place: Mumbai
Date: May 13, 2021

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108

Bharat A. Jaisinghani
Whole-time Director
DIN: 00742995

Nikhil R. Jaisinghani
Whole-time Director
DIN: 00742771

Gandharv Tongia
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: May 13, 2021

Manita Gonsalves
Company Secretary
Membership No. A18321

Consolidated Statement of Changes in Equity
for the year ended March 31, 2021

A) Equity Share Capital (Refer note 16)

(₹ million)

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	1,488.79	1,412.06
Issue of equity share on initial public offer	–	74.40
Issue of equity shares on exercise of employee stock options	2.40	2.33
Balance at the end of the year	**1,491.19**	**1,488.79**

B) Other Equity (Refer note 17)

(₹ million)

	Attributable to owners of the Company									
	Share application money pending allotment	Reserves & Surplus				Items of Other comprehensive income (OCI)		Total attributable to owners of the Company	Attributable to Non-Controlling Interest	Total Other Equity
		Securities Premium	General Reserve	ESOP outstanding	Retained Earnings	Effective portion of Cash Flow Hedges	Foreign Currency translation reserve			
As at March 31, 2019	–	3,057.32	614.00	149.51	23,235.23	–	1.43	27,057.49	84.25	27,141.74
Impact on account of adoption of Ind AS 116 (Refer note 4)	–	–	–	–	(26.02)	–	–	(26.02)	–	(26.02)
Restated balance as at April 2019	**–**	**3,057.32**	**614.00**	**149.51**	**23,209.21**	**–**	**1.43**	**27,031.47**	**84.25**	**27,115.72**
Profit after tax for the year ended	–	–	–	–	7,590.57	–	–	7,590.57	65.61	7,656.18
Items of OCI for the year, net of tax										–
Re-measurement gains/(losses) on defined benefit plans	–	–	–	–	(38.22)	–	–	(38.22)	0.14	(38.08)
Exchange difference on translation of foreign operations	–	–	–	–	–	–	0.68	0.68	–	0.68
Designated cash flow hedges	–	–	–	–	–	(126.49)	–	(126.49)	–	(126.49)
Share-based payments to employees	–	–	–	170.99	–	–	–	170.99	–	170.99
Exercise of employee stock option	79.05	–	–	(79.05)	–	–	–	–	–	–
Amount received on exercise of employee stock options	110.27	–	–	–	–	–	–	110.27	–	110.27
Issue of equity shares on exercise of employee stock options	(162.17)	–	–	–	–	–	–	(162.17)	–	(162.17)
Issue of equity share on initial public offer	–	4,085.44	–	–	–	–	–	4,085.44	–	4,085.44
Share issue expense	–	6.79	–	–	–	–	–	6.79	–	6.79
Final equity dividend (Refer note 16(e))	–	–	–	–	(445.94)	–	–	(445.94)	–	(445.94)
Tax on final dividend (Refer note 16(e))	–	–	–	–	(91.66)	–	–	(91.66)	–	(91.66)
Interim equity dividend (Refer note 16(e))	–	–	–	–	(1,042.15)	–	–	(1,042.15)	–	(1,042.15)
Tax on interim dividend (Refer note 16(e))	–	–	–	–	(214.22)	–	–	(214.22)	–	(214.22)
As at March 31, 2020	**27.15**	**7,149.55**	**614.00**	**241.45**	**28,967.59**	**(126.49)**	**2.11**	**36,875.36**	**150.00**	**37,025.36**
Profit after tax for the year ended	–	–	–	–	8,820.94	–	–	8,820.94	38.19	8,859.13
Items of OCI for the year, net of tax										
Re-measurement gains/(losses) on defined benefit plans	–	–	–	–	35.75	–	–	35.75	0.10	35.85
Exchange difference on translation of foreign operations	–	–	–	–	–	–	(2.16)	(2.16)	–	(2.16)
Designated cash flow hedges	–	–	–	–	–	126.49	–	126.49	–	126.49
Share-based payments to employees	–	–	–	110.19	–	–	–	110.19	–	110.19
Exercise of employee stock option	64.72	–	–	(64.72)	–	–	–	–	–	–
Amount received on exercise of employee stock options	84.04	–	–	–	–	–	–	84.04	–	84.04
Issue of equity shares on exercise of employee stock options	(170.95)	168.55	–	–	–	–	–	(2.40)	–	(2.40)
As at March 31, 2021	**4.96**	**7,318.10**	**614.00**	**286.92**	**37,824.28**	**–**	**(0.05)**	**46,048.21**	**188.29**	**46,236.50**
Corporate Information and summary of significant accounting policies				1 & 2						
Contingent liabilities and commitments				35						
Other notes to accounts				36 to 44						

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

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Chief Financial Officer
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Manita Gonsalves
Company Secretary
Membership No. A18321

Place: Mumbai
Date: May 13, 2021

Place: Mumbai
Date: May 13, 2021

Consolidated Statement of Cash flows
for the year ended March 31, 2021

Accounting policy

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

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. (Refer Note-10).

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

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**10,649.66**	**10,099.88**
Adjustments for:		
Share of loss of joint ventures	2.30	74.08
Exceptional items	(97.18)	–
Depreciation and amortisation expense	1,865.71	1,608.87
(Gain)/Loss on disposal of property, plant and equipment	(1.16)	13.08
(Gain)/Loss on termination of lease	(0.92)	(1.42)
Interest income on financial assets	(341.96)	(269.97)
(Gain)/Loss on redemption of investment	(158.57)	(179.07)
Fair valuation MTM of investment	(8.47)	(0.01)
Finance cost	531.49	495.35
Employees share based payment expenses	110.19	170.99
Fair valuation of financial assets	(60.92)	(383.98)
Liabilities/provisions no longer required written back	(19.38)	(31.69)
Impairment allowance for trade receivable considered doubtful	(50.32)	260.41
Unrealised foreign exchange (gain)/loss	(102.42)	(244.01)
Fair value of written put options	–	0.85
Sundry advances written-off	15.13	66.36
Operating profit before working capital changes	**12,333.18**	**11,679.72**
Movements in working capital:		
(Increase)/Decrease in trade receivables	254.86	(1,752.20)
(Increase)/Decrease in inventories (net)	(586.12)	708.31
(Increase)/Decrease in financial assets (including contract assets)	1,459.00	(805.20)
(Increase)/Decrease in non-financial assets	274.52	(21.12)
Increase/(Decrease) in trade payables	140.73	(1,202.96)
Increase/(Decrease) in financial liabilities and provisions	924.27	549.88
Increase/(Decrease) in non-financial liabilities (including contract liabilities)	(9.49)	(3,700.84)
Cash generated from operations	**14,790.95**	**5,455.59**
Income tax paid (net of refunds)	(2,408.77)	(3,012.23)
Net cash generated from operating activities (A)	**12,382.18**	**2,443.36**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including CWIP)	(1,870.14)	(2,900.98)
Purchase of intangible assets	(64.80)	(0.32)
Proceeds from sale of property, plant and equipment	24.02	10.44
Payments to acquire mutual funds	(80,580.08)	(293,988.80)
Proceeds from sale of mutual funds	74,915.85	293,767.88
Bank deposit placed	(2,993.95)	(2,183.16)
Bank deposit matured	587.29	2,461.94
Investment made in equity shares of subsidiaries	(303.80)	–
Investment made in equity shares of joint ventures	–	(35.00)
Loan (given to)/repaid by related parties	(19.82)	–
Loan (given to)/repaid by employees	3.22	2.15
Interest received	181.29	243.39
Net cash used in investing activities (B)	**(10,120.92)**	**(2,622.46)**

Consolidated Statement of Cash flows Contd.

for the year ended March 31, 2021

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including securities premium) against offer for sale	–	4,000.00
Share issue expenses	–	(402.06)
Net adjustment of IPO expenses between company and selling shareholders	–	(47.19)
Amount received on exercise of employee stock options	84.05	110.27
Repayment of lease liabilities	(151.63)	(130.78)
Repayment of long-term borrowings	(866.24)	(1,239.67)
Proceeds from long-term borrowings	33.47	–
(Repayment)/Proceeds of short-term borrowings	(242.35)	45.57
Interest and other finance cost paid	(462.99)	(433.00)
Payment of dividends (including dividend distribution tax)	–	(1,793.01)
Net cash generated from/(used in) financing activities (C)	**(1,605.69)**	**110.13**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**655.57**	**(68.97)**
Cash and cash equivalents at the beginning of the year	1,721.62	1,790.59
Cash and cash equivalents at end of the year (Refer below note (c))	**2,377.19**	**1,721.62**
Supplemental Information		
(a) Cash Transactions from operating activities:		
Spent towards Corporate Social Responsibility	160.64	127.33
(b) Non-Cash Transactions from Investing and Financing Activities:		
Acquisition of property, plant and equipment by means of Government Grant	102.95	216.37
(c) Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	765.14	376.67
Deposits with original maturity of less than 3 months	1,611.86	1,342.60
Cash in hand	1.03	2.35
Cash and cash equivalents (Refer note 10)	**2,378.03**	**1,721.62**
Cash Credit from banks (Secured)	(0.84)	–
Cash and cash equivalents in Cash Flow Statement	**2,377.19**	**1,721.62**
Net debt reconciliation Refer note no. 18		
Corporate information and summary of significant accounting policies 1 & 2		
Contingent liabilities and commitments 35		
Other notes to accounts 36 to 44		

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No. 042070

Place: Mumbai
Date: May 13, 2021

For and on behalf of the Board of Directors of
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Gandharv Tongia
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: May 13, 2021

Manita Gonsalves
Company Secretary
Membership No. A18321

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

1. Corporate information

Polycab India Limited (the "Company") (CIN-L31300GJ1996PLC114183) was incorporated as 'Polycab Wires Private Limited' on January 10, 1996 at Mumbai as a private limited company under the Companies Act, 1956. The Company became a deemed public limited company under Section 43A(1) of the Companies Act, 1956, and the word 'private' was struck off from the name of the Company with effect from June 30, 2000. Thereafter, the Company was converted into a private limited company under Section 43A(2A) of the Companies Act, 1956, and the word 'private' was added in the name of the Company with effect from June 15, 2001. Subsequently, the Company was converted into a public limited company, the word 'private' was struck off from the name of the Company and consequently, a fresh certificate of incorporation dated August 29, 2018 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("ROC"), recording the change of the Company's name to 'Polycab Wires Limited'. Thereafter, the name of the Company was changed from 'Polycab Wires Limited' to 'Polycab India Limited', and a fresh certificate of incorporation dated October 13, 2018 was issued by the ROC. 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').

During the current year, the registered office of the Company has been shifted to Unit 4, Plot Number 105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchmahal, Gujarat-389 350.

The Group is the largest manufacturer of Wires and Cables in India and fast growing player in the Fast Moving Electrical Goods (FMEG) space. The Group is also in the business of Engineering, Procurement and Construction (EPC) projects. The Group owns 23 manufacturing facilities, located across the states of Gujarat, Maharashtra, Uttarakhand, and U.T. Daman.

The Board of Directors approved the Consolidated financial statements for the year ended March 31, 2021 and authorised for issue on May 13, 2021.

2. Summary of significant accounting policies

A) Basis of preparation

i. Statement of Compliance:

The Group prepares its Consolidated financial statements to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These Consolidated financial statements includes Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, Cash flows Statement and Statement of changes in equity for the year ended March 31, 2021, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

ii. Basis of Measurement:

The financial statements for the year ended March 31, 2021 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 or amortised cost at the end of each reporting period:

(a) Derivative financial instruments

(b) Certain financial assets and liabilities (Refer note 39 for accounting policy regarding financial instruments)

(c) Net defined benefit plan (Refer note 30 for accounting policy)

(d) Share Based Payments (Refer note 30 for accounting policy)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended March 31, 2020, except for adoption of new standard or any pronouncements effective from April 1, 2020.

The Group presents an additional balance sheet at the beginning of the earliest comparative period when: it applies an accounting policy retrospectively; it makes a retrospective restatement of items in its financial statements; or, when it reclassifies items in its financial statements, and the change has a material effect on the financial statements.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

iii. Basis of consolidation:

The Consolidated Financial Statements comprise the financial statements of the Parent Company along with its subsidiaries and joint ventures as at March 31, 2021. 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:

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(b) Exposure, or rights, to variable returns from its involvement with the investee and

(c) 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:

(a) The contractual arrangement with the other vote holders of the investee

(b) Rights arising from other contractual arrangements

(c) The Group's voting rights and potential voting rights

(d) 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 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 Group 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 March 31, 2021. 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

Group combines 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

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Non-controlling interests (NCI) in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Balance Sheet respectively.

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

(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 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

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises 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) Foreign currency translation
Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the Separate Financial Statements of the reporting entity or the individual Financial Statements of the foreign operation, as appropriate. In the Financial Statements that include the foreign operation and the reporting entity such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or the statement of profit and loss are also recognised in OCI or the Statement of Profit and Loss, respectively).

Group companies
The consolidated financial statements are presented in Indian Rupee, which is the Parent Company's functional and presentation currency and includes the financial position and results in respect of foreign operations, initially measured using the currency of the primary economic environment in which the entity operates (i.e their functional currency). 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.

Any goodwill arising in the acquisition/business combination of a foreign operation on or after April 1, 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Foreign operations
The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group and its joint ventures, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

iv. Classification of Current/Non-Current Assets and Liabilities:
The Group 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 Group's normal operating cycle 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. Each entity of the Group has identified twelve months as its operating cycle for the purpose of current non-current classification of assets and liabilities.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

An asset is treated as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle:

(b) Held primarily for the purpose of trading;

(c) Expected to be realised within twelve months after the reporting period; or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

(a) It is expected to be settled in normal operating cycle;

(b) It is held primarily for the purpose of trading;

(c) It is due to be settled within twelve months after the reporting period; or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

v Functional and Presentation Currency:
These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Parent Company. All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest million up to two decimal places, as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

B) Use of estimates and judgements
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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group 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 Group. Such changes are reflected in the assumptions when they occur. The Group uses the following critical accounting estimates in preparation of its financial statements:

i. Revenue Recognition
The Group 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 Group provides extended warranties in respect of sale of consumer durable goods, the Group allocated the portion of the transaction price to goods based on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In respect of long-term contracts significant judgements are used in:

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

ii. Cost to complete for long-term contracts

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.

iii. Useful life of property, plant and equipment

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

iv. 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. The Group reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss. In considering the value in use, the Board of Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

v. Provisions

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

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

vii. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (Refer note 39 for accounting policy on Fair value measurement of financial instruments).

viii. 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 period, 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.

ix. Provision for income tax and deferred tax assets

The Group 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 Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

x. 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 Cash-generating-unit's (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 it recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

The Group estimates the value-in-use of the Cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset/CGU.

xi. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Group, to use assumptions. These assumptions have been explained under employee benefits note.

xii. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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

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

C) Changes in significant accounting policies

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 has notified amendments to certain Ind AS. The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to Ind AS 1 and Ind AS 8 Definition of Material:

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

Amendments to Ind AS 103: Definition of a Business:
The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to Ind AS 107 and Ind AS 109 Interest Rate Benchmark Reform:
The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to Ind AS 116 COVID-19 Related Rent Concessions:
The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The Group opted to apply the practical expedient and recognised income of ₹12.96 million (presented under ""Other income') during the current year.

Conceptual Framework for Financial Reporting:
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to CSR requirement
The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through a notification dated January 22, 2021, These amendments have introduced some significant changes that require better understanding to ensure compliance. The amendments, amongst others, mandatorily require utilisation of the unspent amount earmarked for CSR activities, failing which it would be transferred to a fund specified in Schedule VII of the Companies Act, 2013. Resultantly, the Group will have to make a provision towards unspent CSR spent, if any, at the end of the year, after deducting the provision created for the CSR activity completed, if applicable and as provided.

The amendments also permit a company which spends an amount in excess of the prescribed CSR amount of 2%, to set-off excess amount against the requirement to spend up to immediately succeeding three financial years subject to the fulfilment of certain conditions. As per the guidance issued by the ICAI, in case the Company, decides to adjust excess amount spent against future obligation, then an asset would have to be recognised to the extent of such excess amount spent.

D) Recent pronouncement

On March 24, 2021 the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

Balance Sheet:
(a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

(b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

(c) Specified format for disclosure of shareholding of promoters.

(d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

(e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

(f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:
(a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

E) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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

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 Group. 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 Group are recognised 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 period in which such expenses are incurred. No impact of exchange gain/loss arising on the translation of the financial statements from the foreign currency into INR.

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 recognised in the Statement of Profit & Loss when the asset is derecognised.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realisable value. Any gain or losses arising on disposal of property, plant and equipment is recognised in the Statement of Profit and Loss. Once the assets classified as held-for-sale, property, plant and equipment are no longer depreciated.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

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	Useful life
Buildings	30-60 years
Plant & equipments	3-15 years
Electrical installations	10 years
Furniture & 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 group 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 Group 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'.

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. Borrowing cost incurred for constructed assets is capitalised up to the date by which asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. All other borrowing costs are expensed in the period they occur.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Transition to Ind AS: On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2021 are as follows:

(₹ million)

	Freehold land	Lease-hold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total	Capital Work-in-progress
Gross carrying value (at cost)												
As at April 1, 2020	1,018.21	-	7,168.77	10,445.57	603.36	158.91	296.34	295.04	122.66	4.51	20,113.37	2,411.78
Additions on account of acqusition through business combination	292.93	-	715.96	1,544.43	96.17	23.67	41.93	-	-	-	2,715.09	47.52
Additions	11.95	-	1,327.92	1,897.63	199.67	32.77	54.27	-	6.63	-	3,530.84	1,786.31
Transfer (Refer below note c)	-	-	-	-	-	-	-	-	-	-	-	(3,204.98)
Disposals/Adjustments	(1.94)	-	(1.36)	(36.40)	-	(0.33)	(5.95)	-	(26.61)	(1.07)	(73.66)	(50.13)
As at March 31, 2021	**1,321.15**	**-**	**9,211.29**	**13,851.23**	**899.20**	**215.02**	**386.59**	**295.04**	**102.68**	**3.44**	**26,285.64**	**990.50**
Accumulated depreciation												
As at April 1, 2020	-	-	1,024.02	4,604.16	272.13	57.58	160.47	78.58	48.00	2.98	6,247.92	-
Additions on account of acqusition through business combination	-	-	28.83	60.33	9.15	2.35	8.64	-	-	-	109.30	
Depreciation charge for the year	-	-	321.87	1,229.21	65.36	18.10	56.22	15.72	14.34	0.56	1,721.38	-
Disposals/Adjustment	-	-	(0.15)	(27.39)	-	(0.16)	(5.63)	-	(19.82)	(0.98)	(54.13)	-
As at March 31, 2021	**-**	**-**	**1,374.57**	**5,866.31**	**346.64**	**77.87**	**219.70**	**94.30**	**42.52**	**2.56**	**8,024.47**	**-**
Net carrying value												
As at March 31, 2021	**1,321.15**	**-**	**7,836.72**	**7,984.92**	**552.56**	**137.15**	**166.89**	**200.74**	**60.16**	**0.88**	**18,261.17**	**990.50**

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2020 are as follows:

(₹ million)

	Freehold land	Lease-hold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total	Capital Work-in-progress
Gross carrying value (at cost)												
As at April 1, 2019	1,010.00	56.55	6,474.52	8,818.29	528.94	141.71	250.64	295.04	110.51	3.89	17,690.09	1,929.97
Additions	8.48	-	694.25	1,821.87	74.42	17.33	51.85	-	17.49	0.62	2,686.31	2,709.81
Transfer (Refer below note c)	-	-	-	-	-	-	-	-	-	-	-	(2,221.22)
Transferred to right of use assets (Refer note g)	-	(56.55)	-	-	-	-	-	-	-	-	(56.55)	-
Disposals/Adjustments	(0.27)	-	-	(194.59)	-	(0.13)	(6.15)	-	(5.34)	-	(206.48)	(6.78)
As at March 31, 2020	**1,018.21**	**-**	**7,168.77**	**10,445.57**	**603.36**	**158.91**	**296.34**	**295.04**	**122.66**	**4.51**	**20,113.37**	**2,411.78**
Accumulated depreciation												
As at April 1, 2019	-	14.77	765.93	3,706.01	215.19	42.64	121.91	62.86	37.37	2.55	4,969.23	-
Depreciation charge for the year	-	-	258.09	1,072.68	56.94	15.02	44.28	15.72	13.48	0.43	1,476.64	-
Transferred to right of use assets (Refer note g)	-	(14.77)	-	-	-	-	-	-	-	-	(14.77)	-
Disposals/Adjustment	-	-	-	(174.53)	-	(0.08)	(5.72)	-	(2.85)	-	(183.18)	-
As at March 31, 2020	**-**	**-**	**1,024.02**	**4,604.16**	**272.13**	**57.58**	**160.47**	**78.58**	**48.00**	**2.98**	**6,247.92**	**-**
Net carrying value												
As at March 31, 2020	**1,018.21**	**-**	**6,144.75**	**5,841.41**	**331.23**	**101.33**	**135.87**	**216.46**	**74.66**	**1.53**	**13,865.45**	**2,411.78**

Notes:-

(a) Capital Work-in-progress includes machinery in transit ₹1.89 million (March 31, 2020: ₹71.56 million).

(b) All property, plant and equipment are held in the name of the Group, except following:

(i) Title deed for freehold land amounting to ₹23.66 million (March 31, 2020: ₹24.06 million) are not in the name of Company. The Group has initiated process of transferring these properties in its name.

(ii) Title deed for freehold land amounting to ₹1.14 million (March 31, 2020: ₹1.14 million) are not available.

(iii) Title deed is in dispute for freehold land amounting to ₹10.48 million (March 31, 2020: ₹10.48 million) and is pending resolution with government authority at Gujarat. The Group has initiated the process of transferring these properties in its name.

(c) Various assets appearing in Capital Work-in-Progress (CWIP) and capitalised during the year ended March 31, 2021 ₹3,204.98 million (March 31, 2020: ₹2,221.22 million) have been shown in addition in respective class of Property, Plant and equipments and as transfers in CWIP.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(d) Direct capitalisation of Property, Plant and equipments during the year are given as under:

(₹ million)

	Freehold land	Leasehold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total
FY2020-21	11.95	-	1.34	269.26	8.38	6.85	21.45	-	6.63	-	325.86
FY2019-20	6.31	-	14.84	386.57	0.74	9.44	42.21	-	4.98	-	465.09

(e) The carrying value of Capital Work-in-Progress (CWIP) as at March 31, 2021 is ₹990.50 million. This comprise of various routine projects and expansion spread over all units, of which major amounts are in Plant and equipments ₹603.01 million and Bilidings ₹273.67 million. Most of the project are expected to be completed by the year ending March 31, 2021.(The carrying value of Capital Work-in-progress (CWIP) as at March 31, 2020 is ₹2,411.78 million. This comprise of various routine projects and expansion spread over all units, of which major amounts are in Plant and equipments ₹1,233.35 million and Bilidings ₹1,059.38 million.)

(f) Assets pledged and Hypothecated against borrowings:

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 April 1, 2015.

(g) Net book value of leasehold land of ₹41.78 million as at April 1, 2019 were under finance lease, the same has now been transferred to ROU as per the adoption of new standard Ind AS 116-Leases.

(h) For capital expenditures contracted but not incurred-Refer note 35(B).

4. Right of use assets

Accounting policy

i. The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises 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 low value leases. For these short-term, variable lease and low value leases, the Group recognises 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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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 recognised 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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

The lease liability is initially measured at amortised 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 Group changes its assessment if whether it will exercise an extension or a termination option.

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

ii. The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

iii. Transition

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹279.72 million and lease liability of ₹307.39 million. The cumulative effect of applying the standard resulted in ₹26.02 million being debited to retained earnings(net of deferred tax assets created of ₹8.51 million). The effect of this adoption is insignificant on the profit for the period and earnings per share.

The lease payments for operating leases as per Ind AS 17-Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

iv. Finance lease

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, the Group has classified leasehold land as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of the lease asset on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹41.78 million has been reclassified from property, plant and equipment to right-of-use assets.

v. 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 recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application, variable lease and low value asset.

(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 9.0% p.a., with maturity between 2021-2030.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

4. Right of use assets

Following are the changes in the carrying value of right of use for the year ended March 31, 2021

(₹ million)

	Category of ROU asset		Total
	Leasehold Land	Buildings	
Gross carrying value			
As at April 1, 2020	41.78	403.41	445.19
Additions	-	149.11	149.11
Disposals	-	(81.96)	(81.96)
As at March 31, 2021	**41.78**	**470.56**	**512.34**
Accumulated depreciation			
As at April 1, 2020	0.45	106.82	107.27
Depreciation charge for the year	0.46	128.57	129.03
Disposals	-	(64.96)	(64.96)
As at March 31, 2021	**0.91**	**170.43**	**171.34**
Net carrying value			
As at March 31, 2021	**40.87**	**300.13**	**341.00**

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

(₹ million)

	Category of ROU asset		Total
	Leasehold Land	Buildings	
Gross carrying value			
As at April 1, 2019	-	-	-
Transition impact of Ind AS 116	-	279.72	279.72
Transferred from property, plant and equipment (Refer note 3(g))	41.78	-	41.78
Additions	-	139.71	139.71
Disposals	-	(16.02)	(16.02)
As at March 31, 2020	**41.78**	**403.41**	**445.19**
Accumulated depreciation			
As at April 1, 2019	-	-	-
Depreciation charge for the year	0.45	113.24	113.69
Disposals	-	(6.42)	(6.42)
As at March 31, 2020	**0.45**	**106.82**	**107.27**
Net carrying value			
As at March 31, 2020	**41.33**	**296.59**	**337.92**

The following is the break-up of current and non-current lease liabilities for the year ended March 31, 2021:

(₹ million)

	March 31, 2021	March 31, 2020
Non-current lease liabilities	226.34	301.84
Current lease liabilities	111.83	29.71
	338.17	**331.55**

The following is the movement in lease liabilities for the year ended March 31, 2021:

(₹ million)

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	331.55	307.39
Additions	147.01	136.60
Finance cost accrued during the year	29.19	29.35
Deletions	(17.95)	(11.01)
Payment of lease liabilities	(151.63)	(130.78)
	338.17	**331.55**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

(₹ million)

	March 31, 2021	March 31, 2020
Less than one year	136.59	125.85
One to five years	214.83	217.63
More than five years	59.20	57.58
	410.62	**401.06**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

(₹ million)

	March 31, 2021	March 31, 2020
Depreciation expense of right-of-use assets	129.03	113.69
Interest expense on lease liabilities	29.19	29.35
COVID-19 related Rent concessions	(12.96)	-
Interest income on fair value of security deposit	(3.10)	(1.04)
Expense relating to short-term leases (included in other expenses)	41.04	32.50
Expense relating to leases of low-value assets (included in other expenses)	8.80	9.87
Variable lease payments (included in other expenses)	20.81	38.22
	212.81	**222.59**

5. Intangible assets

Accounting policy

i. Intangible assets acquired separately

Intangible assets acquired are reported at cost less accumulated amortisation and accumulated 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.

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
Computer software	3 year

The residual values, useful lives and methods of amortisation of Intangible assets are reviewed at each financial year end and adjusted prospectively.

The Intangible Assets include license and software of Gross carrying amount of ₹70.28 million (March 31, 2020 ₹70.47 million) which has been fully amortised over the past periods and are being use by the Group.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

ii. Intellectual Property

Brands/trademarks acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, brands/trademarks are carried at cost less any accumulated amortisation and impairment losses, if any. A brand/trademark acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/trademark name will continue to trade and the expected lifetime of the brand/trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life. The carrying values of brands/trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The Group does not have any brands/trademarks with indefinite useful lives.

The Group owns 116 number as on March 31, 2021 (92 number as on March 31, 2020) registered trademarks pertaining to Brand, Sub-brands and Designs in India. The Group has also entered into royalty agreements with few companies for use of Polycab brand on specific products and charges fees for the same. These intellectual property and royalty income are solely owned and earned by the Group and is not shared with any stakeholder. Intellectual Property has not been capitalised in the books as it does not meet the recognition criteria in Ind AS 38.

iii. Research and development expenditure

During the year, the Group has incurred Capital R&D expenditure amounting to ₹31.94 million (March 31, 2020 ₹3.27 million) which have been included in property, plant and equipment. Further, Revenue R&D expenditure incurred amounting to ₹175.60 million (March 31, 2020 ₹72.33 million) which have been charged to the respective revenue accounts. Expenditure on research and development activities is recognised in the Consolidated Statement of Profit and Loss as incurred. Development expenditure is capitalised as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

iv. De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

The changes in the carrying value of Intangible assets for the year ended March 31, 2021 are as follows:

(₹ million)

	Brand	Computer Software	Total
Gross carrying value (at cost)			
As at April 1, 2020	-	105.19	105.19
Additions on account of acquasition	-	9.87	9.87
Additions	46.35	18.45	64.80
Disposals/Adjustments	-	(11.60)	(11.60)
As at March 31, 2021	**46.35**	**121.91**	**168.26**
Accumulated amortisation			
As at April 1, 2020	-	88.43	88.43
Additions on account of acquasition	-	1.55	1.55
Amortisation charge for the year	1.54	13.76	15.30
Disposals/Adjustments	-	(8.27)	(8.27)
As at March 31, 2021	**1.54**	**95.47**	**97.01**
Net carrying value			
As at March 31, 2021	**44.81**	**26.44**	**71.25**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

5. Intangible assets

The changes in the carrying value of Intangible assets for the year ended March 31, 2020 are as follows:

(₹ million)

	Brand	Computer Software	Total
Gross carrying value (at cost)			
As at April 1, 2019	-	168.91	168.91
Additions	-	0.32	0.32
Disposals	-	(64.04)	(64.04)
As at March 31, 2020	**-**	**105.19**	**105.19**
Accumulated amortisation			
As at April 1, 2019	-	133.93	133.93
Amortisation charge for the year	-	18.54	18.54
Disposals/Adjustments	-	(64.04)	(64.04)
As at March 31, 2020	**-**	**88.43**	**88.43**
Net carrying value			
As at March 31, 2020	**-**	**16.76**	**16.76**

6. Investment

Accounting policy

i. Interests in 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.

Interests in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Equity method:

Under the equity method, the investment in joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in Group's profit and loss, and the Group's share of other comprehensive income of the investee in Group's other comprehensive income."

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

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 Consolidated Statement of Changes in Equity. Unrealised gains resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group's share of losses of a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group 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 associate or joint venture. The Group resumes recognising its share of 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

At each reporting date, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. 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 recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss. Goodwill relating to the joint venture is included in the carrying amount of the investment is not tested for impairment individually.

Upon loss of 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 joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

ii. Business Combinations

Acquisition method:

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

a) deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 "Employee Benefits" respectively;

b) liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date; and

c) assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 "Financial Instruments", is measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill:

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses or the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

Bargain purchase:

If the difference of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed is a deficit then the business combination is regarded as bargain purchase.

In case of bargain purchase, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If such evidence exists, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve.

If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Measurement period adjustments:

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period (not more than one year from acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination among entities under common control:

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

Non-controlling interests:

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

On May 6, 2020, the Company acquired the balance 50% equity shares in Ryker Base Private Limited making it a wholly-owned subsidiary at consideration of ₹303.80 million, Put Option liability of ₹49.75 million derecognised against such consideration paid for. This acquisition would strengthen the Groupss operations and help the Company deliver better quality products to consumers.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

The results of Ryker operations have been consolidated by the Group on a line by line basis from the acquisition date. The amounts of revenue and profit or loss of the acquiree since the acquisition date included note no.18. Further, the Group has allocated purchase price on net assets acquired as under:

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(₹ million)

Assets	
Tangible and Intangible assets	2,663.55
Inventories	43.44
Trade receivables	4.81
Cash and cash equivalents	103.91
Deferred Tax Asset (Net)	21.59
Other assets	90.94
	2,928.24
Liabilities	
Borrowings	(1,965.53)
Trade payables	(40.48)
Provisions	(3.08)
Other liabilities	(456.21)
	(2,465.30)
Fair value of net assets acquired	**462.94**

(b) Computation of Goodwill

(₹ million)

Consideration transferred	303.80
Put Option	(49.75)
Acquisition date fair value of any previously held equity interest in the acquiree	231.47
Fair value of net assets acquired	(462.94)
Goodwill *	**22.58**

* Total amount of goodwill computed above is not deductible for tax purposes.

(c) The Group's previously held 50% equity interest was accounted as per equity method till May 5, 2020. Further, ₹97.18 million was recognised as gain on derecognition of previously held equity interest and disclosed as exceptional item in Statement of Profit and Loss account.

A. Non-current investments

(₹ million)

	Face Value Per Unit	Number	March 31, 2021	Number	March 31, 2020
Investments carried at cost (Unquoted)					
Investment in Equity Instruments of Joint Venture (Fully paid-up)					
Ryker Base Private Limited (Refer below note (a) & (b))	₹10	-	-	26,010,000	205.39
Add: Share in current period profit/(loss)			-		(63.02)
	(A)	**-**	**-**	**26,010,000**	**142.37**
Techno Electromech Private Limited	₹10	4,040,000	112.40	540,000	40.36
Goodwill on acquisition			-		48.10
Add: Additional investment made	₹10		-	3,500,000	35.00
Add: Share in current period profit/(loss)			5.78		(11.06)
	(B)	**4,040,000**	**118.18**	**4,040,000**	**112.40**
	(A+B)		**118.18**		**254.77**
Aggregate amount of unquoted investments			118.18		254.77

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Details of the Group's Joint Ventures at the end of the reporting period are as follows:

Name of the Joint Ventures	Nature of Business	Proportion of ownership interest (%)	
		March 31, 2021	March 31, 2020
Techno Electromech Private Limited (TEPL), India	Manufacturing of light emitting diodes, lighting and luminaires, and LED drivers.	50%	50%

The Group has entered into Joint venture agreements with the co-venturer and hence the investment in the above entities are treated as Joint Venture. Both the venturers have joint control on the entities. Accordingly, the Group has consolidated the above Joint Ventures using equity method.

Summarised financial information of Joint Ventures:

The summarised financial information below represents the amount shown in the Joint Venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

	TEPL		Ryker	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current Assets	601.88	560.40	-	2,591.98
Current Assets	873.08	690.74	-	207.97
Non-current Liabilities	(321.23)	(1,027.52)	-	(1,729.52)
Current Liabilities	(909.76)	-	-	(734.49)
Net Assets	**243.97**	**223.62**	**-**	**335.94**
Proportion of the Group's ownership	50%	50%	-	50%
Group's share of net assets	**121.99**	**111.81**	**-**	**167.97**

Summarised statement of profit and loss of the joint ventures:

	TEPL		Ryker	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue	1,940.53	1,544.18	2.20	676.91
Cost of raw material and components consumed	(1,537.00)	(1,187.36)	(1.68)	17.08
Depreciation & amortisation	(30.41)	(24.70)	(9.01)	(106.25)
Finance cost	(55.91)	(51.65)	(1.29)	(275.21)
Employee benefit	(87.95)	(85.03)	(4.35)	(74.41)
Other expense	(218.12)	(210.46)	(5.73)	(374.70)
Profit before tax	**11.14**	**(15.02)**	**(19.86)**	**(136.58)**
Income tax expense	0.21	(1.71)	(1.24)	10.69
Profit for the period	**11.35**	**(16.73)**	**(21.10)**	**(125.89)**
Other comprehensive (income)/expense for the year	(0.20)	0.17	-	0.15
Total comprehensive income for the year	**11.55**	**(16.90)**	**(21.10)**	**(126.04)**
Group's share of Profit/(Loss) for the year	5.78	(8.45)	(10.55)	(63.05)
Elimination of unrealised profit/loss from transaction with joint ventures	-	(2.61)	2.47	0.03
Share of profit/(loss) of joint ventures (Net of tax) carried over to statement of profit and loss	**5.78**	**(11.06)**	**(8.08)**	**(63.02)**
Reconciliation of the above mentioned summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements				
Group's Share of net assets as above	121.99	111.81	-	167.97
Elimination of unrealised profit from transaction with joint ventures	(3.81)	0.59	-	(25.60)
Amounts Carried to Balance Sheet	**118.18**	**112.40**	**-**	**142.37**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

Notes:

(a) Refer note 35(B) for uncalled capital commitments outstanding.

(b) During the current year, the Group has received in principle approval from Reserve Bank of India to wind up Polycab Wires Italy SRL (PWISRL). Accordingly, PWISRL was liquidated and closure certificate was issued on March 5, 2021 by the Italian authorities. The related closing formalities with RBI are in progress. The impact of closure of PWISRL on the financial statements is not material.

(c) The Parent Company has no contingent liabilities or capital commitments relating to its interest in joint ventures as at March 31, 2020 except the corporate guarantee provided to bank against the borrowing (Refer note 35A). Joint ventures can not distribute this profits until they obtain consent from the venture partners.

B. Current Investments held for sale

(₹ million)

	March 31, 2021	March 31, 2020
Investments measured at FVTPL (Quoted)		
Investments in Overnight Mutual Funds	6,231.27	400.00
	6,231.27	**400.00**
Aggregate amount of quoted investments At cost	6,222.79	400.00
Aggregate amount of quoted investments At market value	6,231.27	400.00

Note: Refer note 39 for accounting policies on financial instruments for methods of valuation.

7. Trade receivables

(₹ million)

	March 31, 2021	March 31, 2020
Unsecured (at amortised cost)		
Non-Current		
Trade receivables Considered Good	1,283.60	1,660.47
Non-current Trade receivables	**1,283.60**	**1,660.47**
Current		
Trade receivables Considered Good	15,504.58	15,497.51
Trade receivables Credit Impaired	254.36	327.08
Receivables from related parties Considered Good (Refer note-36)	23.61	74.48
Trade receivables (Gross)	**15,782.55**	**15,899.07**
Less: Impairment allowance for trade receivables-Credit Impaired	(1,424.88)	(1,562.64)
Current Trade receivables (Net)	**14,357.67**	**14,336.43**

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of year	1,562.64	1,449.96
Provision during the year	(50.32)	256.17
Bad debts written off (net)	(87.44)	(143.49)
At the end of the year	**1,424.88**	**1,562.64**

Notes:

(a) Trade receivables are usually non-interest bearing and are generally on credit terms up to 90 days except EPC business. The Group's term includes charging of interest for delayed payment beyond agreed credit days. Group entities charge interest for delayed payments in certain cases depending on factors, such as, market conditions and past realisation trend.

(b) For EPC business trade receivables are non-interest bearing and credit terms are specific to contracts.

(c) For explanations on the Group's credit risk management processes, Refer note 39(B).

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

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

(e) Trade receivables have been pledged as security against bank borrowings, the terms relating to which have been described in Note 19(B).

(f) Refer note 39 for accounting policies on financial instruments.

(g) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person, except the dues referred in note 36(F)(iii). 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.

8. Loans

A Loans Non-current

(₹ million)

		March 31, 2021	March 31, 2020
At amortised cost			
Security deposits and Earnest money deposits, Unsecured, considered good	(A)	17.05	21.36
Rental deposits , unsecured, considered good			
Related Parties (Refer note-36)		-	6.13
Others		18.43	25.92
	(B)	18.43	32.05
	(A+B)	**35.48**	**53.41**

Note: There are no non-current loans which have significant increase in credit risk.

B Loans Current

(₹ million)

	March 31, 2021	March 31, 2020
At amortised cost		
Security deposits and Earnest money deposits, Unsecured, considered good	24.45	59.12
Rental deposits, unsecured, considered good		
Related Parties (Refer note 35)	5.91	9.06
Others	19.73	-
Loans to related party (Refer note 36)		
Unsecured, considered good	115.21	115.21
Loans to employees , Unsecured, considered good	7.46	10.68
Loans to others , Unsecured, considered good	-	50.30
	172.76	**244.37**

9. Other financial assets

A. Other financial assets Non-current

(₹ million)

	March 31, 2021	March 31, 2020
Other financial assets (at amortised cost)-Non-current		
Deposits with bank having maturity period of more than 12 months	579.70	14.17
	579.70	**14.17**

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B. Other financial assets current

(₹ million)

		March 31, 2021	March 31, 2020
At amortised cost			
Contract asset (Refer below note(a))			
Unsecured, considered good		141.02	316.78
Credit Impaired		11.82	11.82
Less: Impairment allowance for Contract Assets Credit Impaired (Refer below note (b))		(11.82)	(11.82)
	(A)	**141.02**	**316.78**
Others			
Insurance claim receivables		–	0.73
Interest accrued on bank deposits		30.25	37.86
Interest receivables			
Related Parties (Refer note 35)		3.18	–
Others		1.03	2.09
Incentive receivable from government authorities		–	–
	(B)	**34.46**	**40.68**
At FVTPL			
Derivative Assets (Refer below note (c))	(C)	33.79	1,084.54
	(A+B+C)	**209.27**	**1,442.00**

Notes:-

(a) Reconciliation of Contract assets:

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of year	316.78	252.93
Unbilled revenue for year	1,267.98	313.82
Billed to customer revenue from opening balance	(1,443.74)	(245.73)
Impairment allowance	–	(4.24)
At the end of the year	**141.02**	**316.78**

The Group follows life time expected credit loss provisioning model for contract asset. Accordingly, deterioration in credit risk is not required to be evaluated annually.

(b) Change in impairment allowance

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of year	11.82	7.58
Provision during the year	–	4.24
At the end of the year	**11.82**	**11.82**

(c) Derivative Assets

(₹ million)

	March 31, 2021	March 31, 2020
Embedded derivatives	–	1,075.35
Forward Contract	31.37	–
Interest rate and cross currency swap	2.42	9.19
	33.79	**1,084.54**

10. Cash and cash equivalents

(₹ million)

	March 31, 2021	March 31, 2020
Cash and cash equivalents (at amortised cost)		
Balances with banks		
In current accounts	765.14	376.67
Deposits with original maturity of less than 3 months	1,611.86	1,342.60
Cash in hand	1.03	2.35
	2,378.03	**1,721.62**

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

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11. Bank balance other than cash and cash equivalents

(₹ million)

	March 31, 2021	March 31, 2020
Bank balance other than cash and cash equivalents (at amortised cost)		
Deposits with original maturity for more than 3 months but less than 12 months *	2,934.28	1,090.47
Earmarked balance	0.87	0.96
Margin money deposit	–	0.02
	2,935.15	**1,091.45**

* ₹500 million (March 31, 2020: ₹1,000 million) is restricted for withdrawal, as it is lien against project specific advance.

12. Income taxes

Accounting policy

Income tax expenses comprise current tax and deferred income tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the 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 and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax received/receivable pertains to prior period recognised when reasonable certainty arise for refund acknowledged by the Income-tax department. Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 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 realised.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(a) Temporary differences arising on the initial recognition of goodwill or an assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction; and

(b) Temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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 realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

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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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint ventures where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The major tax jurisdiction of the Group is India. The Company's tax return for past years are generally subject to examination by the tax authorities. The Company has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions or manner of computation of certain income, expenses. However, there are no pending tax demands from Income-tax authorities as on March 31, 2021. The Company is contesting some of the claims made by it before tax authorities in tax returns, assessments. The management of the Company is of the opinion that such claims will, most likely result in refund of taxes from Income-tax department aggregating to ₹ 46.15 million. The Company has made provisions for taxes basis its best judgement, considering past resolutions to disputed matters by adjudicating authorities, prior year assessments and advice from external experts, if required. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

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

A Income tax expense in the statement of profit and loss comprises:

(₹ million)

	March 31, 2021	March 31, 2020
Current tax:		
In respect of current year	2,568.58	2,480.05
Adjustments of tax relating to earlier years	(999.98)	(34.05)
	1,568.60	**2,446.00**
Deferred tax:		
In respect of current year	131.60	54.04
Effect of decrease in applicable tax rate in India	-	(71.06)
Adjustments of tax relating to earlier years	90.33	14.72
	221.93	**(2.30)**
	1,790.53	**2,443.70**

B OCI section Deferred tax related to items recognised in OCI during the period:

(₹ million)

	March 31, 2021	March 31, 2020
Net loss/(gain) on remeasurements of defined benefit plans	12.05	(12.86)
Net loss/(gain) on Designated Cash Flow Hedges	42.54	(42.54)
	54.59	**(55.40)**

C Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ million)

	March 31, 2021	March 31, 2020
Profit before tax	10,552.48	10,099.88
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expenses	2,655.85	2,541.94
Effect of differential tax impact due to the following (tax benefit)/tax expenses:		
CSR expenses	40.43	32.05
Deferred government grants	(19.83)	(70.50)
Others	23.73	30.60
Adjustments of tax relating to earlier years	(909.65)	(19.33)
Effect of decrease in applicable tax rate in India	-	(71.06)
	1,790.53	**2,443.70**

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for the year ended March 31, 2021

Notes:-

The tax rate used for the March 31, 2021 and March 31, 2020 reconciliations above is the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

During the previous year, the Group elected to exercise the option of reduced Corporate income-tax rate from 34.94% to 25.17% as permitted under Section 115BAA of the Income-tax Act, 1961 as per the amendment notified in the official Gazette dated December 12, 2019. Accordingly, the Group has recognised Provision for Income Tax for the year ended March 31, 2020 and re-measured its Deferred Tax Assets or Liabilities basis the reduced tax rate prescribed in the said section. The impact of the said change recognised in the statement of Profit & Loss of ₹71.06 million pertaining to earlier years is recognised during the previous year.

D. The details of Non-current/(Current) tax assets/(liabilities) as at March 31, 2021

(₹ million)

	March 31, 2021	March 31, 2020
Non-current tax assets (net of provision for taxation)	297.59	191.77
Current tax liabilities (net of advance tax)	(283.44)	(1,191.61)
Net current income tax asset/(liability) at the end	**14.15**	**(999.84)**

E. The movement in the gross current tax assets/(liability) for the year ended March 31, 2021

(₹ million)

	March 31, 2021	March 31, 2020
Net current tax asset/(liability) at the beginning	(999.84)	(1,566.07)
Additions on account of acqusition through business combination	22.71	-
Income tax Paid	2,412.87	3,012.97
Refund received	(4.10)	(0.74)
Effect of interest on income-tax order	162.87	-
Interest liability adjusted against advance tax	(11.76)	-
Current tax expense	(2,568.58)	(2,480.05)
Adjustments of tax relating to earlier years	999.98	34.05
Net current tax asset/(liability) at the end	**14.15**	**(999.84)**

F. The movement in gross deferred tax assets and liabilities

For the year ended March 31, 2021

(₹ million)

	Carrying value as at April 1, 2020	Additions on account of acqusition through business combination	Changes through profit and loss	Changes through OCI	Impact on Account of Ind AS 116	Carrying value as at March 31, 2021
Deferred tax assets/ (liabilities) in relation to						
Property, plant and equipment and intangible assets	(607.91)	(61.80)	(67.83)	-	-	(737.54)
Provision for employee benefits	115.57	0.65	(15.79)	(12.05)	-	88.38
Cash flow hedges	42.54	-	-	(42.54)	-	-
Receivables, financial assets at amortised cost	426.16	-	(233.01)	-	-	193.15
Lease liabilities	8.51	-	(7.73)	-	-	0.78
Others	(149.68)	84.45	102.43	-	-	37.20
Total deferred tax assets/ (liabilities)	**(164.81)**	**23.30**	**(221.93)**	**(54.59)**	**-**	**(418.03)**

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for the year ended March 31, 2021

For the year ended March 31, 2020

(₹ million)

	Carrying value as at April 1, 2020	Additions on account of acqusition through business combination	Changes through profit and loss	Changes through OCI	Impact on Account of Ind AS 116	Carrying value as at March 31, 2021
Deferred tax assets/ (liabilities) in relation to						
Property, plant and equipment and intangible assets	(835.26)	–	227.35	–	–	(607.91)
Provision for employee benefits	115.63	–	(12.92)	12.86	–	115.57
Cash flow hedges	–	–	–	42.54	–	42.54
Receivables, financial assets at amortised cost	550.46	–	(124.30)	–	–	426.16
Lease liabilities	–	–	–	–	8.51	8.51
Others	(61.85)	–	(87.83)	–	–	(149.68)
Total deferred tax assets/ (liabilities)	**(231.02)**	**–**	**2.30**	**55.40**	**8.51**	**(164.81)**

G. Reconciliation of deferred tax assets/liabilities (net):

(₹ million)

	March 31, 2021	March 31, 2020
Net deferred tax asset/(liability) at the beginning	(164.81)	(231.02)
Additions on account of acqusition through business combination	23.30	–
Tax (income)/expense due to tax rate change (reinstatement of Opening Balance)	–	71.06
Tax (income)/expense on Ind AS 116 transition	–	8.51
Tax (income)/expense on adjustment of tax relating to earlier year	(90.33)	(14.72)
Tax (income)/expense recognised in profit or loss	(131.60)	(54.04)
Tax (income)/expense recognised in OCI	(54.59)	55.40
Net deferred tax asset/(liability) at the end	**(418.03)**	**(164.81)**

(₹ million)

	March 31, 2021	March 31, 2020
Deferred tax assets (net)	0.11	10.13
Deferred tax liabilites (net)	(418.14)	(174.94)
Net deferred tax asset/(liability) at the end	**(418.03)**	**(164.81)**

Notes:-

(a) During the year, the Parent Company had received a favourable order from Honourable Income-Tax Appellate Tribunal for AY 2012-13 to 2015-16 resulting into write back of income-tax provision of ₹839.52 million and recognition of interest on income tax refund of ₹163.89 million.

(b) The Parent Company has not recognised deferred tax assets on long-term capital losses of ₹ 0.32 million arose in Assessment Year (AY) 2016-17 (Year of expiry AY 2024-25) and ₹ 0.70 million arose in AY 2021-22 (Year of expiry 2029-30), as presently it is not probable of recovery. Tax impact on the said losses is amounting to ₹ 0.24 million.

Notes to Consolidated Financial Statements

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13. Other assets

A. Other assets Non-current

(₹ million)

		March 31, 2021	March 31, 2020
Capital advances			
Unsecured, considered good		273.47	264.16
Unsecured, considered doubtful		–	65.99
Gross Capital Advances		**273.47**	**330.15**
Less Impairment allowance for doubtful advance		–	(65.99)
Net Capital Advances	(A)	**273.47**	**264.16**
Advances other than capital advances			
Unsecured, considered good			
Prepaid expenses		12.02	19.27
Balances with Statutory/government authorities		134.03	16.70
	(B)	**146.05**	**35.97**
	(A+B)	**419.52**	**300.13**

B. Other assets Current

(₹ million)

	March 31, 2021	March 31, 2020
Advances other than capital advances, Unsecured, considered good		
Advances for materials and services	920.53	619.93
Others		
Unsecured, considered good		
Prepaid expenses	58.57	67.69
Balances with statutory/government authorities	238.83	965.54
Export incentive receivable	85.64	127.28
Refund Assets	222.21	232.46
Others	37.40	0.87
	1,563.18	**2,013.77**

14. Inventories

Accounting policy

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 or net realisable 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, including inward freight, incurred in bringing goods to their present location and condition.

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

The stocks of scrap materials have been taken at net realisable value.

Net realisable 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.

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which consideration of product lines and market conditions.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Copper and aluminium is purchased on provisional price with option to fix the purchase price based on current or future pricing model based on LME. 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. Since, the value of the copper and aluminium changes with response to change in commodity pricing index, embedded derivatives (ED) is identified and segregated in the contract. The ED so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with respect to 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 (Refer note 41).

(₹ million)

	March 31, 2021	March 31, 2020
Raw materials	8,186.85	6,848.39
Work-in-progress	1,417.27	2,086.44
Finished goods	8,060.36	8,053.26
Stock-in-trade	1,171.80	1,294.83
Stores and spares	290.16	253.88
Packing materials	293.15	305.69
Scrap materials	237.49	136.66
Project materials for long-term contracts	222.02	270.39
	19,879.10	**19,249.54**

Notes:-

(a) The above includes goods in transit as under:

(₹ million)

	March 31, 2021	March 31, 2020
Raw Material	1,075.88	2,955.21
Stock-in-trade	72.44	99.52
Stores and spares	0.61	-
Project materials for long-term contracts	22.31	5.32

(b) The above includes inventories held by third parties amounting to ₹1,613.77 million (March 31, 2020-₹1,820.89 million)

(c) During the year ended March 31, 2021 ₹13.01 million (March 31, 2020-₹7.97 million) was recognised as an expense for inventories carried at net realisable value.

(d) Inventories are hypothecated with the bankers against working capital limits (Refer note 19).

15. Non-current assets classified as held for sale

Accounting policy

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

(i) Decision has been made to sale.

(ii) The assets are available for immediate sale in its present condition.

(iii) The assets are being actively marketed and

(iv) Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

(v) Subsequently, such non-current assets or disposal groups classified as 'held for sale' are measured at the lower of its carrying value or fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

On March 31, 2021, the Group classified certain property, plant and equipment ₹Nil million (March 31, 2020 Nil) and other asset ₹Nil (March 31, 2020 ₹Nil) 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 sale.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

16. Equity share capital

(₹ million)

	March 31, 2021	March 31, 2020
Authorised share capital		
Equity shares, ₹10 per value 18,62,50,000 (18,62,50,000) equity shares*	1,862.50	1,862.50
Issued, subscribed and fully paid-up shares		
Equity shares, ₹10 per value 14,91,18,814 (14,88,79,373) equity shares	1,491.19	1,488.79
	1,491.19	**1,488.79**

* Number of equity shares reserved for issue under employee share based payment Number 15,51,942 (March 31, 2020: Number 18,76,918)

Note:

(a) The reconciliation of shares outstanding and the amount of share capital as at March 31, 2021 and March 31, 2020 are as follow:

(₹ million)

	March 31, 2021		March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	14,88,79,373	1,488.79	14,12,05,838	1,412.06
Add: Fresh issue of Shares	-	-	74,40,067	74.40
Add: Shares issued on exercise of employee stock option	2,39,441	2.40	2,33,468	2.33
At the end of the year	**14,91,18,814**	**1,491.19**	**14,88,79,373**	**1,488.79**

(b) 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 final 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.

(c) The details of shareholders holding more than 5% shares as at March 31, 2021 and March 31, 2020 are as follows:

(₹ million)

	March 31, 2021		March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Mr. Inder T. Jaisinghani	2,14,32,476	14.37%	2,14,50,976	14.41%
Mr. Girdhari T. Jaisinghani	1,82,34,916	12.23%	2,13,44,220	14.34%
Mr. Ajay T. Jaisinghani	1,94,11,281	13.02%	2,12,70,541	14.29%
Mr. Ramesh T. Jaisinghani	1,88,00,016	12.61%	2,06,68,001	13.89%
International Finance Corporation (IFC)	37,85,630	2.54%	1,41,16,154	9.48%

(d) 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:

There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

(e) Dividend

Accounting policy

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

The Group declares and pays dividend in Indian rupees in accordance with its dividend distribution policy. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Dividend on equity share

(₹ million)

	March 31, 2021	March 31, 2020
Dividend on equity shares declared and paid during the year		
"Final dividend of ₹3.00 per share for FY 2018-19 (Proposed by Board of Directors in the meeting held on May 14, 2019 and was approved by Shareholders in the meeting held on June 26, 2019)	-	445.94
Dividend distribution tax on final dividend	-	91.66
"Interim dividend of ₹7.00 per share for FY2019-20 (declared by the Board of Directors in the meeting held on 3 March 2020)	-	1,042.15
Dividend distribution tax on interim dividend	-	214.22
	-	**1,793.97**

(f) Employee stock Option Plan (ESOP)

Accounting policy

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 expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "ESOP Outstanding". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates. Corresponding balance of a ESOP Outstanding is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

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.

Employee stock option plan

The Group had instituted an ESOP Plan 2018, ESOP Performance Scheme, and ESOP Privilege Scheme as approved by the Board of Directors and Shareholders dated August 30, 2018 for issuance of stock option to eligible employees of the Group.

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 Group 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 22,12,500 equity shares vide ESOP Performance Scheme and 142,250 equity shares vide ESOP Privilege Scheme of ₹10 each were granted to eligible employee at an exercise price of ₹405/-.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Subject to terms and condition of the scheme, options are classified into three categories:

	Performance Scheme			Privilege Scheme
	I	II	III	IV
Number of options	21,02,500	45,000	65,000	1,42,250
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting period	5 years graded vesting	5 years graded vesting	5 years graded vesting	1 year
Grant date	30-Aug-18	18-Oct-18	23-Jan-21	30-Aug-18
Exercise/Expiry date	29-Aug-26	17-Oct-26	22-Jan-29	29-Aug-23
Exercise period	8 years from the date of grant	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	₹860.21	₹860.21	₹860.21	₹860.21
Grant/Exercise price	₹405	₹405	₹405	₹405
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled
Weighted average remaining contractual life of options (in days)	918	918	918	NIL

The model inputs for fair value of option granted as on the grant date (In respect of shares granted on August 30, 2018 and October 18, 2018):

	Performance Scheme				
	Year 1 15% vesting	Year 2 15% vesting	Year 3 20% vesting	Year 4 20% vesting	Year 5 30% vesting
Exercise price	₹405	₹405	₹405	₹405	₹405
Dividend yield	0.19%	0.19%	0.19%	0.19%	0.19%
Risk free interest rate	8.20%	8.20%	8.20%	8.20%	8.30%
Expected volatility	48.30%	48.20%	49.20%	48.20%	47.30%
Fair value per option	₹310.10	₹321.90	₹335.10	₹343.00	₹350.40
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

The model inputs for fair value of option granted as on the grant date (In respect of shares granted on January 23, 2021):

	Performance Scheme				
	Year 1 15% vesting	Year 2 15% vesting	Year 3 20% vesting	Year 4 20% vesting	Year 5 30% vesting
Exercise price	₹405	₹405	₹405	₹405	₹405
Dividend yield	0.12%	0.11%	0.12%	0.11%	0.13%
Risk free interest rate	5.10%	5.29%	5.44%	5.59%	5.73%
Expected volatility	34.37%	34.25%	34.88%	35.42%	37.10%
Fair value per option	₹955.87	₹967.70	₹978.57	₹990.75	₹1,003.15
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

	Privilege Scheme March 31, 2021
Exercise price	₹405
Dividend yield	0.19%
Risk free interest rate	8.30%
Expected volatility	47.30%
Fair value per option	₹350.40
Model used	Black Scholes

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

The activity in the ESOP Plan 2018 (ESOP Performance Scheme and ESOP Privilege Scheme) is as follows:

	March 31, 2021		March 31, 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
ESOP Performance Scheme				
Outstanding at the beginning	18,43,318	405	21,12,500	405
Granted	65,000	405	-	-
Exercised and alloted	1,81,766	405	1,38,568	405
Exercised and pending allotment*	5,925	405	26,575	405
Forfeited	1,82,435	405	1,04,039	405
Outstanding at the end	**1,538,192**	**405**	**18,43,318**	**405**
ESOP Privilege Scheme				
Outstanding at the beginning	33,600	405	1,42,250	405
Exercised and alloted	18,850	405	94,900	405
Exercised and pending allotment*	1,000	405	12,250	405
Forfeited	-	405	1,500	405
Outstanding at the end	**13,750**	**405**	**33,600**	**405**

	March 31, 2021		March 31, 2020	
Shares allotted under ESOP during the year	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
FY2020-21				
ESOP Performance Scheme	1,81,766	405	1,38,568	405
ESOP Privilege Scheme	18,850	405	94,900	405
FY2019-20				
ESOP Performance Scheme	26,575	405	-	405
ESOP Privilege Scheme	12,250	405	-	405
	2,39,441		**2,33,468**	

Options Vested but not excercised

(Number of Options)

	March 31, 2021	March 31, 2020
ESOP Performance Scheme	1,54,392	1,08,893
ESOP Privilege Scheme	13,750	33,600

The break-up of employee stock compensation expense is as follow:

(₹ million)

	March 31, 2021	March 31, 2020
Granted to		
KMP	10.13	8.99
Employees other than KMP	100.06	162.00
	110.19	**170.99**

17. Other equity

(₹ million)

	March 31, 2021	March 31, 2020
Share application money pending allotment	4.96	27.15
Securities premium	7,318.10	7,149.55
General reserve	614.00	614.00
ESOP Outstanding	286.92	241.45
Retained earnings	37,824.28	28,967.59
Cash Flow Hedging Reserve	-	(126.49)
Foreign currency translation reserve	(0.05)	2.11
	46,048.21	**36,875.36**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

Notes:

(a) Securities premium:

Amount received in excess of face value of the equity shares is recognised in Securities Premium . The Parent Company's share of IPO expenses has been adjusted with securities premium account considering the successful completion of IPO process on April 16, 2019. In case of equity-settled share based payment transactions difference between fair value on grant date and nominal value of share is accounted as Securities Premium. It will be used as per the provision of Companies Act, 2013.

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance	7,149.55	3,057.32
Add: Adjustment of Fresh issue	-	3,925.60
Add: Adjustment for exercise of stock option	168.55	159.84
Add: Adjustment of Share issue expenses	-	6.79
	7,318.10	**7,149.55**

(b) General reserve

The Group has transferred a portion of the net profit of the Group before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013. 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.

(c) ESOP Outstanding

Fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding . The Group has two stock option schemes under which options to subscribe for the Group'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.

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance	241.45	149.51
Add: ESOP charge during the year	110.19	170.99
Less: Adjustment for exercise of stock option	(64.72)	(79.05)
	286.92	**241.45**

(d) Cash Flow Hedging Reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of Profit and Loss upon the occurrence of the related forecasted transaction.

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance	126.49	-
Add: Other Comprehensive Income for the year	(126.49)	(126.49)
	-	**(126.49)**

(e) Foreign currency translation reserve

Foreign Currency Translation reserve includes all resulting exchange differences arising from (a) translating the assets and liabilities of the Parent Company's foreign operations into Indian Rupees using exchange rates prevailing at the end of each reporting period and (b) translating income and expense items of the foreign operations at the average exchange rates for the period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ million)

	March 31, 2021	March 31, 2020
Opening Balance	2.11	1.43
Add: Exchange Difference during the year on net investment in non-integral foreign operations	(2.16)	0.68
	(0.05)	**2.11**

(f) Retained earnings

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

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance	28,967.59	23,235.23
Add: Profit during the year	8,856.69	7,552.35
Less: Transition impact of Ind AS 116	-	(26.02)
Less: Final equity dividend	-	(445.94)
Less: Interim equity dividend	-	(1,042.15)
Less: Tax on final equity dividend	-	(91.66)
Less: Tax on interim equity dividend	-	(214.22)
	37,824.28	**28,967.59**

(g) Share application money pending allotment

Share application money pending allotment, represents amount received from employees who has exercised Employee Stock Option Scheme (ESOS) for which shares are pending allotment as on balance sheet date.

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance	27.15	-
Add: Adjustment for exercise of stock option	64.72	79.05
Add: Amount received on exercise of employee stock options	84.04	110.27
Less: Transfer to equity share capital & Securities premium for fresh issue	(170.95)	(162.17)
	4.96	**27.15**

18. Non-controlling interests

	March 31, 2021	March 31, 2020
Balance at beginning of the year	150.00	84.25
Share of Profit	38.19	65.61
Share of Other Comprehensive Income	0.10	0.14
Balance as at the end of the year	**188.29**	**150.00**

Details of Non-Controlling Interests

The table below shows details relating to Non-Controlling Interest in the entities which are not wholly-owned by the Group.

	Proportion of NCI	
	March 31, 2021	March 31, 2020
Tirupati Reels Private Limited (TRPL)	45%	45%
Dowells Cable Accessories Pvt. Ltd. (DCAPL)	49%	49%

(₹ million)

	Accumulated Non-Controlling Interest		Profit/(Loss) allocated to Non-Controlling Interest		Other Comprehensive Income allocated to Non-Controlling Interest	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Tirupati Reels Private Limited	87.96	78.82	9.09	48.87	0.10	0.14
Dowells Cable Accessories Pvt. Ltd.	100.33	71.18	29.10	16.74	-	-
	188.29	**150.00**	**38.19**	**65.61**	**0.10**	**0.14**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Summarised financial information in respect of each of the Group's subsidiaries is set out below. The information below represents amounts before intragroup eliminations:

(₹ million)

	Ryker		TRPL		DCAPL	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-Current assets	2,442.02	-	249.11	261.01	90.99	32.59
Current assets	873.67	-	361.21	299.01	185.24	192.28
Non-Current liabilities	(1,142.52)	-	(86.77)	(80.12)	(8.07)	(0.93)
Current liabilities	(1,490.77)	-	(328.65)	(305.48)	(66.65)	(81.92)
Ind AS 116 Transitional Impact-Within Group	-	-	-	-	3.25	3.25
Ind AS 116 Transitional Impact-Others	-	-	0.57	0.73	-	-
Total Equity	**682.40**	**-**	**195.47**	**175.15**	**204.76**	**145.27**
Attributable to owners of company	**682.40**	**-**	**107.51**	**96.33**	**104.43**	**74.09**
Non-control Interest	**-**	**-**	**87.96**	**78.82**	**100.33**	**71.18**

(₹ million)

	Ryker		TRPL		DCAPL	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue	5,473.52	-	678.54	919.82	424.55	360.07
Expenses	(5,115.60)	-	(658.33)	(811.23)	(365.16)	(325.91)
Profit/(Loss) for the year	**357.92**	**-**	**20.21**	**108.59**	**59.39**	**34.16**
Attributable to owners of company	**357.92**	**-**	**11.12**	**59.72**	**30.29**	**17.42**
Non-control Interest	**-**	**-**	**9.09**	**48.87**	**29.10**	**16.74**
Other Comprehensive Income	0.13	-	0.23	0.31	-	-
Attributable to owners of company	**0.13**	**-**	**0.13**	**0.17**	**-**	**-**
Non-control Interest	**-**	**-**	**0.10**	**0.14**	**-**	**-**

19. Borrowings

A Borrowings-non-current

(₹ million)

	Rate of Interest	Tenure end date#	March 31, 2021 Gross/Carrying Value	March 31, 2020 Gross/Carrying Value
At amortised cost				
External commercial borrowing (secured)				
Foreign currency loan from HSBC Bank (Mauritius) Limited	3 Months LIBOR + 1.65%	June 23, 2020	-	251.29
Foreign currency loan from SCB	4.90%	February 2, 2024	1,455.40	-
Rupee loan (secured)				
Indian rupee loan from Citibank N.A.	8.80%	August 23, 2021	29.93	89.78
Indian rupee loan from HDFC Bank *	8.37%	July 7, 2024	111.88	114.98
			1,597.21	**456.05**
Less: Current maturities of long-term borrowings			(560.45)	(349.50)
			1,036.76	**106.55**

* Rate of Interest is calcuated at Weighted average rate of interest.

#Tenure end date is last EMI date of loan repayment schedule as on March 31, 2021.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Notes:

(a) The above loans are secured by way of

(i) 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 April 1, 2015.

(ii) Second pari passu charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on March 31, 2015 and on all current assets of the Group.

(iii) Charges with respect to above borrowing has been created in favour of security trustee. No separate charge created for each of the borrowing.

(iv) Term Loan of Group's subsidiary Ryker Base Private Ltd. (RBPL) is secured against hypothecation of a) *pari passu* first charge on all movable and immovable Properties, Plant and Equipments of the Company and b) *pari passu* first charge by way of hypothecation on Current Assets, book debts and stocks.

(iv) Term Loan of Group's subsidiary Tirupati Reels Privat Limited (TRPL) is secured against hypothecation of a) Stock in trade both present & Future consisting of raw material, finished goods, goods in process of manufacturing and other goods, movable assets or merchandise property; b) Receivables; c) plant & Machinery both present & future; d) Fixed Deposits and e) moveable assets.

(b) Maturity profile of non-current borrowings

(₹ million)

	March 31, 2021		March 31, 2020	
	< 1 Year	> 1 Year	< 1 Year	> 1 Year
External commercial borrowing (secured)				
Foreign currency loan from HSBC Bank (Mauritius) Ltd	-	-	251.29	-
Foreign currency loan from SCB	485.13	970.27	-	-
Rupee loan (secured)				
Indian rupee loan from Citibank N.A.	29.93	-	59.85	29.93
Indian rupee loan from HDFC Bank	45.39	66.49	38.36	76.62
	560.45	**1,036.76**	**349.50**	**106.55**

(c) Others

(i) The foreign currency term loan from SBC Bank (Mauritius) Ltd of $1.65 million is to be repaid in 12 quarterly instalments from May 2021 to August 2024.

(ii) The term loans from Citibank N.A. of ₹29.93 million is to be repaid in 2 quarterly instalments from May 2021 to August 2021.

(iii) The term loans from HDFC Bank aggregating to ₹111.88 million is to be repaid in 15-40 quarterly instalments from June 2022 to July 2024.

B Borrowings-current

(₹ million)

	March 31, 2021	March 31, 2020
At amortised cost		
Cash Credit from banks (Secured)	0.84	-
Short-term loan from banks (Unsecured)	883.56	741.53
Short-term loan from banks (Secured)	5.24	-
Packing Credit (Secured)	-	373.00
	889.64	**1,114.53**

Note:

(a) The above loans are secured by way of

(a) Secured borrowings from banks are secured against pari passu first charge by way of hypothecation of inventories and receivables .

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(b) Pari passu first charge on specific properties, plant and equipments of the Group such as Daman staff quarters, Daman godown premises, factory land and building at Halol and Daman and office building at Mumbai.

(c) Pari passu first charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on March 31, 2015.

(d) Pari passu second charge by way of registered mortgage on all movable assets acquired on or after April 1, 2015.

(e) Charges with respect to above borrowing has been created in favour of security trustee. No separate charge has been created for each of the borrowing.

(b) Credit facilities

The Group has fund based and non-fund based revolving credit facilities amounting to ₹39,830 million (March 31, 2020: ₹37,915 million), towards operational requirements that can be used for the short-term loan, issuance of letters of credit and bank guarantees. The unutilised credit line out of these working capital facilities at the year end are given as below:

(₹ million)

	March 31, 2021	March 31, 2020
Fund based	4,999.16	4,375.00
Non-fund based	14,178.87	12,068.24
	19,178.03	**16,443.24**

(c) Reconciliation of movement in borrowings to cash flows from financing activities

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance		
Long-term Borrowings	106.55	889.25
Short-term Borrowings (excluding Cash Credit from banks)	1,114.53	1,030.71
Additions on account of acqusition through business combination	1,965.51	-
Current maturities of Long-term borrowings	349.50	804.23
	3,536.09	**2,724.19**
Cash flow movements		
Repayment of long-term borrowings	(866.24)	(1,239.67)
Proceeds from long-term borrowings	33.47	-
(Repayment)/Proceeds of short-term borrowings	(242.35)	45.57
	(1,075.12)	**(1,194.10)**
Non-cash movements		
Foreign exchange translation	25.04	40.49
	25.04	**40.49**
Closing Balance		
Long-term Borrowings	1,036.76	106.55
Short-term Borrowings (excluding Cash Credit from banks)	888.80	1,114.53
Current maturities of Long-term borrowings	560.45	349.50
	2,486.01	**1,570.58**

Refere note 4 for reconciliation of movement in lease liabilities to cash flows from financing activities.

20. Trade payables

Accounting policy

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition other than usance letter of credit. Trade payables are presented as current financial liabilities.

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 payables.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ million)

	March 31, 2021	March 31, 2020
At amortised cost		
Total outstanding dues of micro and small enterprises		
Trade payables to related parties (Refer Note-36)	40.89	48.63
Trade payables Others	217.24	181.37
	258.13	**230.00**
Total outstanding dues of creditors other than micro and small enterprises		
Acceptances (Refer note below (a))	6,537.51	8,135.98
Other than acceptances		
Trade payables Others (Refer note below (b))	6,463.77	5,128.24
Trade payables to related parties (Refer note-36)	220.91	42.61
	13,222.19	**13,306.83**

Notes:-

(a) 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 Group. The arrangements are interest-bearing. Non-fund limits are secured by first pari-passu charge over the present and future current assets of the Group.

(b) Others includes amount payable to vendors, employees liability and accrual of expenses that are expected to be settled in the Group's normal operating cycle or due to be settled within twelve months from the reporting date.

(c) For explanations on the Group's liquidity risk management processes Refer note 38 (C).

(d) 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 March 31, 2020 and year ended March 31, 2019 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.

(₹ million)

		March 31, 2021	March 31, 2020
(i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	255.14	230.00
	Interest	2.99	2.65
(ii)	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.	2.65	-
(iii)	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.	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	2.99	2.65
(v)	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	-	-

21. Other financial liabilities

A. Other financial liabilities non-current

(₹ million)

	March 31, 2021	March 31, 2020
At amortised cost		
Lease liability	226.34	301.84
	226.34	**301.84**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

B. Other financial liabilities current

(₹ million)

	March 31, 2021	March 31, 2020
At Amortised Cost		
Current maturities of long-term borrowings (Refer note 19)	560.45	349.50
Security deposit	42.73	40.97
Interest accrued but not due	12.91	18.79
Interest accrued and due	-	4.95
Creditors for capital expenditure	273.78	275.53
Lease liability	111.83	29.71
Unclaimed dividend (Refer below note (b))	0.87	0.96
Other (Refer below note (c))	-	11.21
At FVTPL		
Derivative liability (Refer below note (a))	976.64	232.51
	1,979.21	**964.13**

Notes:-

(a) **Derivative Liability**

(₹ million)

	March 31, 2021	March 31, 2020
Put Option	-	49.75
Forward contract	-	13.73
Embedded derivatives	320.09	-
Commodity contracts	656.55	169.03
	976.64	**232.51**

(b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

(c) Parent Company had provided a guarantee for credit facility availed by the Ryker Base Private Limited amounting to ₹1,243.87 million ($12.50 million) for March 31, 2020. The fair value of corporate guarantee ₹11.21 million for March 31, 2020 had been included in carrying cost of investment.

22. Other liabilities

A. Other liabilities non-current

(₹ million)

	March 31, 2021	March 31, 2020
Deferred government grant (Refer below note (a))	258.31	99.55
Deferred liability	82.65	71.69
	340.96	**171.24**

B. Other liabilities current

(₹ million)

	March 31, 2021	March 31, 2020
Advance from customers		
Others	405.13	1,153.98
Contract Liability (Refer below note (b))	1,805.39	1,407.77
Refund liability (Refer below note (c))	487.49	360.25
Deferred liability	27.55	14.34
Other statutory dues		
Employee Recoveries and Employer Contributions	16.96	17.35
Taxes Payable (Other than Income tax)	535.40	92.30
	3,277.92	**3,045.99**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Notes:-

(a) 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. The Group expects to meet its export obligation during the next 3-5 years.

Reconciliation of Deferred government grant:

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of the year	99.55	163.29
Additions on account of acqusition through business combination	250.55	-
Grants received during the year	102.95	216.37
Grants recognised for the year	(194.74)	(280.11)
At the end of the year	**258.31**	**99.55**

(b) **Reconciliation of Contract liabilities:**

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of year	1,407.77	1,415.23
Contract liability recognised during the year	1,360.12	491.72
Revenue recognised from amount included in contract liabilities at the beginning of the year	(962.50)	(499.18)
At the end of the year	**1,805.39**	**1,407.77**

(c) **Reconciliation of Refund liability:**

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of the year	360.25	318.33
Arising during the year	479.53	417.29
Utilised during the year	(352.29)	(375.37)
At the end of the year	**487.49**	**360.25**

23. Provisions

Accounting policy:

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 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.

Provision is recognised for expected warranty claims and after sales services when the product is sold or service provided to the customer, based on past experience of the level of repairs and returns. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A. Provisions non-current

(₹ million)

	March 31, 2021	March 31, 2020
Provision for employee benefits (Refer note 30)		
Gratuity	168.33	163.16
Compensated absences	83.11	93.16
	251.44	**256.32**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

B. Provisions current

(₹ million)

	March 31, 2021	March 31, 2020
Provision for employee benefits (Refer note 30)		
Gratuity	102.22	112.18
Compensated absences	25.80	27.91
Provision for warranty (Refer note below)	107.23	97.72
	235.25	**237.81**

Reconciliation of Warranty provision:

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of the year	97.72	83.54
Arising during the year	70.39	87.47
Utilised during the year	(60.88)	(73.29)
At the end of the year	**107.23**	**97.72**

24. Revenue from operations

Accounting Policy

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

(i) Measurement of Revenue

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

(ii) Sale of goods

Revenue from contracts with customers involving sale of these products is recognised at a point in time when control of the product has been transferred at an amount that reflects the consideration to which the Group 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 Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. At contract inception, the Group 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 recognised when control of goods or services are transferred to customers and the Group 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) Revenue from Construction contracts

Performance obligation in case of revenue from long-term contracts is satisfied over the period of time, the 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. However, the same may not be possible if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In some circumstances, if the Group is not able to reasonably measure the outcome of a performance obligation, but expects to recover the costs incurred in satisfying the performance obligation, the Group shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The timing of the transfer of Control varies depending on individual terms of the sales agreements.

The total costs of contracts are estimated based on technical and other estimates. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract.

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".

(iv) Variable consideration

It 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 the Group expect to receive changes or when the consideration becomes fixed.

(v) Schemes

The Group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, tours, kind etc. Revenue from contract with customer is presented deducting cost of all these schemes.

(vi) Significant Financing Components

In respect of advances from its customers, using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle. Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

(vii) 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 as per note 23. 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.

(viii) 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.

At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return. Consequently, the Group recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(ix) Onerous Contracts:

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on assets associated.

(x) 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. Export incentives income is recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

(xi) 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. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

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, it's recognition as income in the Statement of Profit & Loss is linked to fulfilment of associated export obligations.

The Group has chosen to present export incentive and grants received as other operating revenue in the Statement of Profit & Loss.

Revenue from operations

(₹ million)

	March 31, 2021	March 31, 2020
Revenue from contracts with customers		
Revenue on Sale of Products		
Finished goods	76,872.46	76,368.72
Traded goods	8,129.29	5,071.25
Revenue from Construction Contracts	1,890.26	4,688.76
	86,892.01	**86,128.73**
Other operating revenue		
Job work income	99.70	-
Scrap sales	1,572.87	1,169.68
Total revenue from contracts with customers	**88,564.58**	**87,298.41**
Export incentives	70.16	202.93
Government grant	630.65	798.21
Total Revenue from operations	**89,265.39**	**88,299.55**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Notes:

(a) Disaggregated revenue information

(₹ million)

	March 31, 2021	March 31, 2020
Type of Goods or Services		
Wires & Cables	71,561.19	73,718.52
Fast Moving Electrical Goods (FMEG)	10,334.66	8,354.59
Copper	4,263.21	-
Revenue from construction contracts	1,890.26	4,688.76
Others	542.26	536.54
Total revenue from contracts with customers	**88,564.58**	**87,298.41**
Location of customer		
India	80,975.64	76,343.21
Outside India	7,588.94	10,955.20
Total revenue from contracts with customers	**88,564.58**	**87,298.41**
Timing of revenue recognition		
Goods transferred at a point in time	86,691.00	82,563.77
Goods and Services transferred over a period of time	1,873.58	4,734.64
Total revenue from contracts with customers	**88,564.58**	**87,298.41**
Revenue from B2B and B2C Vertical		
Business to Consumer	33,722.46	28,307.56
Business to Business	51,781.79	58,878.51
Others (i)	3,060.33	112.34
Total revenue from contracts with customers	**88,564.58**	**87,298.41**

Note:

(i) Others includes discounts, scrap sales, raw material sales and job work income.

(b) Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

(₹ million)

	March 31, 2021	March 31, 2020
Total revenue from contracts with customers	88,564.58	87,298.41
Export incentives	70.16	202.93
Government grant	630.65	798.21
Other income excluding finance income	772.99	478.87
Total income as per Segment (Refer note 37)	**90,038.38**	**88,778.42**

Notes:

(i) Export incentive includes merchandise export from India scheme (MEIS) incentives and duty drawback incentives.

(ii) Government grant includes advance licence benefits and deferred income released to the statement of profit and loss on fulfilment of export obligation under the export promotion capital goods (EPCG) scheme.

(c) Reconciliation between revenue with customers and contracted price as per Ind AS 115:

(₹ million)

	March 31, 2021	March 31, 2020
Revenue as per contracted price	91,204.77	90,119.24
Less: Adjustments		
Price adjustments such as Discounts, Rebates and Sales Promotion Schemes	(836.23)	(1,745.62)
Contract liabilities (excess billing over revenue EPC)	(1,805.39)	(1,407.77)
Provisions for expected sales return	(127.24)	(41.92)
Other adjustments	(24.17)	45.88
Add: Adjustments		
Contract assets (Unbilled Revenue EPC)	152.84	328.60
Revenue from contract with customers	**88,564.58**	**87,298.41**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(d) Disclosure in terms of Ind AS 115 on the accounting of construction contract is as under:

(₹ million)

	March 31, 2021	March 31, 2020
Contract revenue recognised for the period (Net of tax)	1,890.26	4,688.76
Contract that are in progress as on reporting date		
(i) Contract costs incurred and recognised profits (less recognised losses)	1,890.26	4,688.76
(ii) Amount of retentions*	1,265.08	1,564.46
(iii) Contract balances recognised and included in financial statement as:		
Contract asset	141.02	316.78
Contract liabilities	1,805.39	1,407.77

*Retentions are specific to projects and are generally receivable within 6 months from completion of project.

(e) Trade receivables are usually non-interest bearing and are generally on credit terms up to 90 days except EPC business. Provision for expected credit losses on trade receivables recognised/(reversed) during the year of ₹(50.32) million (March 31, 2020: ₹256.18 million). The Group has channel finance arrangement for providing credit to its dealers. Evaluation is made as per the terms of the contract 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 arrangement with the banks.

(f) No single customer contributed 10% or more to the Group's revenue for the year ended March 31, 2021 and March 31, 2020.

(g) 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 decrease in contract assets as on March 31, 2021 is on account of acceptance/Certification of installation services for which work were done by the Group us in earlier period. During the year ₹Nil (March 31, 2020: ₹4.24 million) was recognised as provision for expected credit losses on contract assets.

(h) 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 2020-21 due to the continuous increase in the Group's customer base and contracts where billing is in excess of revenue.

(i) Set out below is the amount of revenue recognised from:

(₹ million)

	March 31, 2021	March 31, 2020
Amounts included in contract liabilities at the beginning of the year	962.50	499.18
Performance obligations satisfied in previous years	1,443.74	245.73

(j) Right of refund assets and refund liabilities as at year end:

(₹ million)

	March 31, 2021	March 31, 2020
Refund assets	222.21	232.46
Refund liabilities	487.49	360.25

25. Other income

Accounting Policy:

Other income is comprised primarily of interest income, dividend income, gain on investments and exchange gain on forward contracts and on translation of other assets and liabilities.

Interest income on financial asset measured either at amortised cost or FVTPL is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Notes to Consolidated Financial Statements

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Foreign Currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian rupee (INR), which is the Parent Company's functional and presentation currency.

The Group's Financial Statements are presented in Indian rupee (₹) which is also the Group'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 Balance sheet date:

(i) Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

(ii) 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.

(iii) **Exchange differences:** Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the Statement of Profit & Loss.

(₹ million)

	March 31, 2021	March 31, 2020
(a) Interest income on financial assets		
Carried at amortised cost		
Bank deposits	127.92	208.13
Others (refer note (i) below)	197.03	58.13
Carried at FVTPL		
Others	17.01	3.71
(b) Income from Investments designated at FVTPL		
Gain on liquid/overnight mutual funds	158.57	179.07
Fair valuation on gain on overnight mutual funds	8.47	0.01
(c) Fair value gain/loss on financial instruments		
Derivatives at FVTPL (refer note (ii) below)	60.92	392.91
(d) Other non-operating income		
Exchange differences (net)	632.35	-
Gain on sale of property, plant and equipment	1.16	-
Gain on termination of Lease	0.92	1.42
Sundry balances written back	36.59	46.52
Miscellaneous income	41.05	38.02
	1,281.99	**927.92**

(i) Includes interest on Income Tax refund of ₹ 163.89 million (refer note 12).

(ii) Gain on fair valuation of financial instruments at FVTPL includes foreign exchange fluctuation on forward contracts that did not qualify for hedge accounting and on embedded derivatives, which have been separated.

26. Cost of materials consumed

(₹ million)

	March 31, 2021	March 31, 2020
Inventories at the beginning of the year	7,154.08	9,803.31
Add: Purchases	59,242.33	55,987.83
	66,396.41	**65,791.14**
Less: Inventories at the end of the year	8,480.00	7,154.08
	57,916.41	**58,637.06**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Notes:

Details of Material Consumed

(₹ million)

	March 31, 2021	March 31, 2020
Copper	35,616.09	35,093.92
Aluminium	8,612.66	8,280.51
Steel	2,000.11	2,527.48
PVC Compound/HDPE/LDPE/XLPE/Resin	7,546.37	7,762.73
Packing Materials	1,484.35	1,739.82
Others *	2,656.83	3,232.60
	57,916.41	**58,637.06**

* Others includes Raw material for consumer products

27. Purchases of stock-in-trade

(₹ million)

	March 31, 2021	March 31, 2020
Electrical wiring accessories	281.41	318.90
Electrical appliances	3,414.64	3,195.27
Others	2,685.60	731.95
	6,381.65	**4,246.12**

28. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ million)

	March 31, 2021	March 31, 2020
Inventory at the beginning of the year		
Finished goods	8,053.26	6,643.47
Stock-in-trade	1,294.83	939.18
Scrap materials	136.66	200.64
Work-in-progress	2,086.44	1,416.42
	11,571.19	**9,199.71**
Inventory at the end of the year		
Finished goods	8,060.36	8,053.26
Stock-in-trade	1,171.80	1,294.83
Scrap materials	237.49	136.66
Work-in-progress	1,417.27	2,086.44
	10,886.92	**11,571.19**
Changes in Inventories	**684.27**	**(2,371.48)**

29. Project bought outs and subcontracting cost

(₹ million)

	March 31, 2021	March 31, 2020
Project bought outs	692.69	1,994.13
Subcontracting Expenses for EPC	390.44	1,180.33
	1,083.13	**3,174.46**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

30. Employee benefits expense

Accounting Policy

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, incentives, special awards, medical benefits etc. and the expected cost of ex-gratia are charged to the Statement of Profit & Loss account in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Compensated absences

The Group has revised its leave policy applicable to all employees except for certain categories of employees in Daman factory location effective April 1, 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 absences 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 Profit & Loss and are not deferred.

(iii) 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 Statement of Profit & Loss as incurred."

(iv) 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. The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. 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 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 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 Group recognises related restructuring costs

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) 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 (Refer note 16(f)).

No expense is recognised for options that do not ultimately vest because non-market performance and/or service conditions have not been met.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

The dilutive effect, if any of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Refer note 34).

(₹ million)

	March 31, 2021	March 31, 2020
Salaries, wages and bonus	3,190.42	3,213.70
Employees share based payment expenses	110.19	170.99
Contribution to provident and other funds	207.66	170.70
Staff welfare expense	95.26	102.07
	3,603.53	**3,657.46**

Gratuity and other post-employment benefit plans

(A) Defined Benefit plan

Gratuity Valuation - As per actuary

In respect of Gratuity, the Group makes annual contribution to the employee group gratuity scheme of the Life Insurance Corporation of India, funded defined benefits plan for qualified employees. The scheme provided for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Group has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method.

Defined benefit plans expose the Group to actuarial risks such as

(i) Interest rate risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

(ii) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(iii) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

(iv) Asset Liability Matching Risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk. If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

(vi) Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(vii) Variability in withdrawal rates

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(viiii) Regulatory Risk

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

The Group 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 at 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 most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at March 31, 2021 an external independent fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

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)

	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	64.08	51.73
Net interest cost	18.16	14.98
Past service cost	26.14	-
Net benefits expense	**108.38**	**66.71**

Net remeasurement (gain)/loss on defined benefit plans recognised in Other comprehensive income for the year:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain) /loss on obligations	(53.46)	52.68
Return on plan assets, excluding interest income	5.66	(1.74)
Net (Income)/Expense for the year recognised in OCI	**(47.80)**	**50.94**

Balance sheet

Benefits liability

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Present value of defined benefit obligation	(579.99)	(528.50)
Fair value of plan assets	309.44	253.16
Plan liability	**(270.55)**	**(275.34)**

Changes in the present value of the defined benefit obligation are as follows:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Opening defined benefit obligation	528.51	409.90
Interest cost	34.76	31.32
Current service cost	64.08	51.73
Past service cost	26.14	-
Liability transferred in/acquisition	1.37	-
Benefits paid	(21.41)	(17.12)
Actuarial (gains)/losses on obligations		
Due to change in financial assumptions	3.05	39.56
Due to experience	(56.51)	13.12
Closing defined benefit obligation	**579.99**	**528.51**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Changes in the fair value of plan assets are as follows:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Opening fair value of plan assets	253.16	213.88
Interest Income	16.61	16.34
Contribution by employer	66.74	38.32
Benefits paid	(21.41)	(17.12)
Actuarial gains	(5.66)	1.74
Closing fair value of plan assets	**309.44**	**253.16**

The Group expects to contribute ₹102.20 million to gratuity in the next year (March 31, 2020: ₹112.18 million).

Current & non-current bifurcation of provision for gratuity as per actuarial valuation is as follows:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Non-current	168.33	163.16
Current	102.22	112.18

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Investment with insurer	**100%**	**100%**

The principal assumptions used in determining gratuity for the Group's plans are shown below:

	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.49%	6.56%
Expected rate of return on plan assets	6.49%	6.56%
Employee turnover	10.00%	10.00%
Salary escalation	11.00%	11.00%
Weighted average duration	9	9
Mortality rate during employment	Indian assured lives mortality (2006-08) Ult	Indian assured lives mortality (2006-08) Ult
Mortality rate after employment	**N.A.**	**N.A.**

The average expected future service as at March 31, 2021 is 7 years (March 31, 2020-8 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 March 31, 2021 is as shown below:

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

Sensitivity analysis

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Projected benefit obligation on current assumptions	579.99	528.51
Delta effect of +1% change in rate of discounting	(41.31)	(36.84)
Delta effect of-1% change in rate of discounting	47.48	42.42
Delta effect of +1% change in rate of salary increase	44.99	36.91
Delta effect of-1% change in rate of salary increase	(40.09)	(33.47)
Delta effect of +1% change in rate of employee turnover	(12.92)	(10.70)
Delta effect of-1% change in rate of employee turnover	14.51	12.04

Methodology for Defined Benefit Obligation:
The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits.

Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

Projected benefits payable in future years from the date of reporting.

Maturity analysis of projected benefit obligation from the fund:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
1st following year	52.98	64.92
2nd following year	44.64	39.21
3rd following year	48.76	42.75
4th following year	49.62	43.88
5th following year	53.12	43.11
Sum of years 6 to 10	241.58	212.28
Sum of years 11 years and above	580.95	533.00

(B) Other Defined Benefit and contribution Plans

Provident Fund
The Company contribute towards Provident Fund to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company contributes towards Provident Fund managed by Central Government and has recognised ₹80.39 million (31st March, 2020-₹83.72 million) for provident fund contributions in the Statement of Profit and Loss.

Pension Fund
Contribution to National Pension Scheme, a defined contribution scheme, is made at predetermined rates to the asset management companies under National Pension Scheme and is charged to the statement of profit and loss. The Group contributes has recognised ₹9.25 million (March 31, 2020 ₹7.56 million) for contribution to National Pension Scheme in the Statement of Profit and Loss.

Compensated absences (unfunded)
In respect of Compensated absences, accrual is made on the basis of a year-end actuarial valuation except for Halol worker in pursuance of the Group's leave rules. the Group has provided for compensated absences based on the actuarial valuation done as per Project Unit Credit Method except for Halol worker. The Group had provided for compensated absences for Halol worker based on the Group's leaves rules. The leave obligation cover the Group's liability for earned leave. The amount of the provision of ₹83.11 million (year ended March 31, 2020 ₹93.16 million) is presented as non-current and ₹25.88 million (year ended March 31, 2020 ₹27.91 million) is presented as current. The Group contributes has recognised ₹0.07 million (March 31, 2020 ₹43.00 million) for Compensated absences in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

31. Finance cost

Accounting Policy

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing cost includes interest expense on financial liabilities, interest on tax matters, exchange differences arising from the foreign currency borrowings, gain/loss on fair value of forward cover and it's premium and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(₹ million)

	March 31, 2021	March 31, 2020
Interest expense on financial liabilities at amortised cost #	307.12	242.12
Interest expense on financial liabilities at FVTPL	41.43	29.35
Exchange differences regarded as an adjustment to borrowing costs	25.04	40.49
Other borrowing costs *	157.90	183.39
	531.49	**495.35**

Interest expense includes ₹47.44 million (March 31, 2020 ₹12.31 million) paid/payable to Income Tax Department.

* Other borrowing costs would include bank commission charges, bank guarantee charges, letter of credit charges, premium on forward contract, fair value loss/(gain) on forward contracts, other ancillary costs incurred in connection with borrowings.

32. Depreciation and amortisation expenses

(₹ million)

	March 31, 2021	March 31, 2020
Depreciation of Property, Plant and Equipment (Refer note 3)	1,721.38	1,476.64
Depreciation of right-of-use assets (Refer note 4)	129.03	113.69
Amortisation of intangible assets (Refer note 5)	15.30	18.54
	1,865.71	**1,608.87**

33. Other expenses

(₹ million)

	March 31, 2021	March 31, 2020
Consumption of stores and spares	653.75	501.04
Sub-contracting expenses	1,267.14	1,886.72
Power and fuel	1,289.17	1,283.16
Rent	70.65	80.59
Rates and taxes	83.68	91.85
Insurance	122.16	51.29
Repairs and maintenance		
Plant and machinery	40.19	38.59
Buildings	63.52	66.25
Others	120.27	95.11
Advertising and sales promotion	682.51	1,086.78
Brokerage and commission	387.42	465.38
Travelling and conveyance	155.09	290.26
Communication Cost	35.03	36.74
Legal and professional fees	338.85	415.05
Director Sitting Fees	4.64	4.16
Freight & forwarding expenses	1,966.75	1,896.74
Payment to auditor (Refer note (a) below)	11.83	11.63

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ million)

	March 31, 2021	March 31, 2020
Sundry advances written off	15.13	66.36
Loss on sale of property, plant and equipment and non-current assets held for sale	-	13.08
Derivatives at FVTPL (Refer below note (b))	-	8.93
Fair value of written put options	-	0.85
Exchange differences (net)	-	282.22
Impairment allowance for trade receivable considered doubtful (Refer note 7)	(50.32)	260.41
CSR expenditure (Refer note (c) below)	160.64	127.33
Miscellaneous expenses	508.31	545.15
	7,926.41	**9,605.67**

Notes:

(a) Payments to auditor:

(₹ million)

	March 31, 2021	March 31, 2020
As auditor		
(i) Audit fee	10.63	10.52
(ii) Certification fees	0.21	0.27
(iii) Out of pocket expenses	0.31	0.84
	11.15	**11.63**
(iv) Other services	0.68	-
	11.83	**11.63**

(b) 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.

(c) Details of Corporate Social Responsibility Expenses incurred by Parent Company:

(i) No amount has been spent on construction/acquisition of an asset of the Parent Company.

(ii) CSR Spent consist of following:

(₹ million)

		March 31, 2021	March 31, 2020
Gross amount required to be spent by the Parent Company during the year as per provisions of Section 135 of the Companies Act, 2013 i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.	**(A)**	**159.57**	**120.26**
Gross amount spent by the Parent Company during the year			
Rural development programmes		-	2.38
Social empowerment		2.49	9.18
Promotion of education		109.82	11.34
Flood relief activity		-	19.87
Disaster management		-	5.76
Health care facility & awareness		16.66	14.97
Conservation of Natural Resource		14.83	-
Women empowerment		0.64	-
Environmental awareness		5.58	0.08
Contribution made into CSR foundation trust		-	61.00
Administration cost		3.33	-
Others		6.44	2.75
Total CSR spent in actual	**(B)**	**159.79**	**127.33**
Shortfall/(Excess)	**(A-B)**	**(0.22)**	**(7.07)**

(d) Out of the note (c) above, ₹159.61 million (March 31, 20 ₹61.00 million) contributed to Polycab Social Welfare Foundation where KMP's are interested.

Notes to Consolidated Financial Statements

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34. Earnings per share

Accounting Policy

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

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

Employee Stock Option Plan 2018

Pursuant to the resolutions passed by the Group's 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 Group 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 Group 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.

(a) Basic Earnings per share

			March 31, 2021	March 31, 2020
Profit attributable to equity holders for basic earnings	₹in million	A	8,820.94	7,590.57
Weighted average number of equity shares for basic earning per share *	Number	B	14,90,08,751	14,83,81,220
Earnings per shares - Basic (one equity share of ₹ 10 each)	₹per share	**(A/B)**	**59.20**	**51.16**

(b) Diluted Earnings per share

			March 31, 2021	March 31, 2020
Profit attributable to equity holders for basic earnings	₹in million	A	8,820.94	7,590.57
Weighted average number of equity shares for basic earning per share *	Number	B	14,90,08,751	14,83,81,220
Effect of dilution				
Share options	Number	C	6,05,161	5,31,245
Weighted average number of equity shares adjusted for effect of dilution	Number	D=(B+C)	14,96,13,912	14,89,12,465
Earnings per shares - Diluted (one equity share of 10 each)	₹per share	**(A/D)**	**58.96**	**50.97**

* Refer note 16(a) for movement of shares.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

35. 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 Group 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 recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses it's existence in the Financial Statements.

Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

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

(₹ million)

		March 31, 2021	March 31, 2020
(i)	Outstanding corporate guarantees given on behalf of subsidiaries and Joint venture's (Refer note 35 (E))	-	1,243.87
(ii)	Taxation matters		
	Disputed liability in respect of sales tax /VAT demand & pending sales tax/VAT forms	4.30	8.80
	Disputed liability in respect of Service tax duty demand		-
	Disputed liability in respect of excise duty demand	8.60	86.47
	Disputed liability in respect of custom duty demand	17.04	16.94
(iii)	Claims made against the Company, not acknowledged as debts (Refer note (a) below)	-	634.21
(iv)	Customs Duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled	171.63	30.78
(v)	Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled	13.22	75.80

Notes:

(a) A vendor filed a commercial suit against the Parent Company in relation to the alleged breach of three product sourcing agreements entered between the parties. The matter is currently pending in High Court of Bombay. During the current year, based on the legal evaluation , the likelihood of any liability arising on the Company from the outcome of the suit is reassessed from 'possible' to 'remote'.

(b) 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.

(c) The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Group believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. the Group will evaluate its position and act, as clarity emerges.

(B) Commitments

(₹ million)

		Year ended March 31, 2021	Year ended March 31, 2020
(i)	**Capital commitments**		
	(Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances))		
	Towards Property, Plant and Equipment	1,241.81	1,127.98

Notes:

For Lease commitments, Refer note 4

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

36. Related party disclosure

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

(A) Enterprises where control exists

(₹ million)

	Country of incorporation	March 31, 2021	March 31, 2020
Joint Ventures			
Ryker Base Private Limited (Ryker) (a)	India	-	50%
Techno Electromech Private Limited (TEPL)	India	50%	50%

(a) Joint venture till May 5, 2020 and became wholly-owned subsidiary from May 6, 2020

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

AK Enterprises (A K)

Dowells Elektro Werke (DEW)

Dowells Electricals (DE)

D J Electricals Private Limited (DJEPL)

Tirupati Tradelinks Private Limited (TTPL)

EPMR Australia Pty. Ltd.

Polycab Social Welfare Foundation

T.P. Ostwal & Associates LLP

(C) Key Management Personnel

Key Management Personnel	
(i) Executive Directors	
Mr. Inder T. Jaisinghani	Chairman an Managing Director
Mr. Ramesh T. Jaisinghani [c]	Whole-time Director
Mr. Ajay T. Jaisinghani [c]	Whole-time Director
Mr. Shyam Lal Bajaj [a] [c]	Whole-time Director
(ii) Non-executive Directors	
Mr. R. S. Sharma	Independent Director
Mr. T. P. Ostwal	Independent Director
Mr. Pradeep Poddar	Independent Director
Ms. Hiroo Mirchandani	Independent Director
Mr. Gandharv Tongia	Chief Financial Officer (w.e.f. May 31, 2020)
Mr. Subramaniam Sai Narayana [b]	Company Secretary and Compliance Officer
Ms. Manita Gonsalves	Company Secretary and Compliance Officer (w.e.f. January 24, 2021)
(iii) Relatives of Key Management Personnel	
Mr. Bharat A. Jaisinghani [d]	Son of Mr. Ajay T. Jaisinghani
Mr. Girdhari T. Jaisinghani	Brother of Mr. Inder T. Jaisinghani, Mr. Ajay T. Jaisinghani & Mr. Ramesh T. Jaisinghani
Mr. Kunal I. Jaisinghani	Son of Mr. Inder T. Jaisinghani
Mr. Nikhil R. Jaisinghani [d]	Son of Mr. Ramesh T. Jaisinghani
Mr. Puneet Sehgal	Son in law of Ramesh T. Jaisinghani

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(a) Mr. Shyam Lal Bajaj resigned from CFO position w.e.f. closing business hours of May 30, 2020 and continues as a Whole-time Director.
(b) Mr. Subramaniam Sai Narayana resigned from Company Secretary and Compliance Officer position w.e.f. January 23, 2021.
(c) Resigned from Whole-time Director position w.e.f. closing business hours May 12, 2021.
(d) Appointed as Whole-time Director w.e.f. May 13, 2021.

(D) Transactions with group companies

(₹ million)

		Year ended March 31, 2021	Year ended March 31, 2020
(i) Sale of goods (including GST)			
Ryker Base Private Limited	Joint Venture	-	5.21
Techno Electromech Private Limited	Joint Venture	-	16.84
(ii) Purchase of goods (including GST)			
Techno Electromech Private Limited	Joint Venture	615.44	671.33
Dowells Elektro Werke (DEW)	Enterprises owned or significantly influenced by key managerial personnel	-	0.29
Tirupati Tradelinks Private Limited (TTPL)	-do-	116.51	192.55
(iii) Sub-contracting expense (including GST)			
Ryker Base Private Limited	Joint Venture	1.34	660.47
Techno Electromech Private Limited	Joint Venture	26.64	18.55
Tirupati Tradelinks Private Limited (TTPL)	Enterprises owned or significantly influenced by key managerial personnel	1.00	-
(iv) Other Charges			
Dowells Electricals (DE)	Enterprises owned or significantly influenced by key managerial personnel	-	1.77
D J Electricals Private Limited (DJEPL)	-do-	-	1.52
(v) Rent received			
Ryker Base Private Limited	Joint Venture	0.05	3.67
(vi) Interest received			
Techno Electromech Private Limited	Joint Venture	13.82	13.86
(vii) Testing charges paid			
Techno Electromech Private Limited	Joint Venture	8.83	1.42
(viii) Sale of Fixed Assets (including GST)			
Techno Electromech Private Limited	Joint Venture	34.81	50.39
(ix) Purchase of Fixed Assets (including GST)			
Ryker Base Private Limited	Joint Venture	-	12.45
Tirupati Tradelinks Private Limited (TTPL)	Enterprises owned or significantly influenced by key managerial personnel	-	1.53
(x) Investment made			
Techno Electromech Private Limited	Joint Venture	-	35.00
(xi) Commission paid			
EPMR Australia Pty. Ltd.	Enterprises owned or significantly influenced by key managerial personnel	10.34	-
(xii) Rent paid (including GST)			

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ million)

		Year ended March 31, 2021	Year ended March 31, 2020
AK Enterprises	Enterprises owned or significantly influenced by key managerial personnel	21.88	29.14

(E) Outstanding as at the year end:

(₹ million)

		Year ended March 31, 2021	Year ended March 31, 2020
(i) Loans			
Techno Electromech Private Limited	Joint Venture	115.21	115.21
(ii) Trade Receivables			
Techno Electromech Private Limited	Joint Venture	23.61	74.11
Ryker Base Private Limited	Joint Venture	-	0.37
(iii) Interest accrued on loan given			
Techno Electromech Private Limited	Joint Venture	3.18	-
(iv) Trade Receivables-FA			
Techno Electromech Private Limited	Joint Venture	85.19	50.39
(v) Trade Payables			
Techno Electromech Private Limited	Joint Venture	71.30	36.64
Ryker Base Private Limited	Joint Venture	-	3.49
Dowells Elektro Werke (DEW)	Enterprises owned or significantly influenced by key managerial personnel	0.34	1.26
Dowells Electricals (DE)	-do-	0.08	0.08
D J Electricals Private Limited (DJEPL)	-do-	0.20	1.13
Tirupati Tradelinks Private Limited (TTPL)	-do-	40.89	48.63
(vi) Commission Payable			
EPMR Australia Pty. Ltd.	Enterprises owned or significantly influenced by key managerial personnel	10.57	-
(vii) Security Deposits given			
AK Enterprises	Enterprises owned or significantly influenced by key managerial personnel	5.91	6.13

Note:

Parent Company had provided a guarantee for credit facility availed by the Ryker Base Private Limited amounting to ₹1,243.87 million ($12.50 million) for March 31, 2020. The fair value of corporate guarantee ₹11.21 million for March 31, 2020 had been included in carrying cost of investment.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(F) Transactions with KMP:

(i) Remuneration paid for the year ended and outstanding as on:[a]

(₹ million)

	March 31, 2021		March 31, 2020	
	For the year ended	Outstanding for the year end	For the year ended	Outstanding for the year end
Executive directors (Includes Salary, Performance Incentive and commission to MD)				
Mr. Inder T. Jaisinghani	141.05	99.05	115.13	75.35
Mr. Ramesh T. Jaisinghani	32.48	7.50	31.15	7.50
Mr. Ajay T. Jaisinghani	32.48	7.50	31.15	7.50
Mr. Shyam Lal Bajaj	28.34	6.17	31.34	6.17
Non-executive Directors (Includes sitting fees and commission)				
Mr. T. P. Ostwal	3.30	2.00	3.14	2.00
Mr. R. S. Sharma	3.22	2.00	3.06	2.00
Mr. Pradeep Poddar	3.14	2.00	3.06	2.00
Ms. Hiroo Mirchandani	2.98	2.00	2.90	2.00
Key Management Personnel (Includes Salary and Performance Incentive)				
Mr. Gandharv Tongia	14.61	1.67	NA	NA
Ms. Manita Gonsalves	0.96	0.22	NA	NA
Mr. Subramaniam Sai Narayana	2.31	-	4.57	0.41

(a) 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 and KMP are not included above.

(ii) Share based payments to KMP[a]

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Mr. Shyam Lal Bajaj	7.64	8.07
Mr. Gandharv Tongia	2.94	NA
Mr. Subramaniam Sai Narayana [b]	(0.46)	0.92

(a) Represents expense by way of share based payments attributable to directors and KMP

(b) During current year remaining options granted under Performance Scheme are forfeited post his resignation due to non-fulfilment of vesting criteria.

(iii) Sale of fixed assets to KMP (including GST)

(₹ million)

	March 31, 2021		March 31, 2020	
	For the year ended	Outstanding for the year end	For the year ended	Outstanding for the year end
Mr. Ramesh T. Jaisinghani	1.35	1.35	-	-
Mr. Ajay T. Jaisinghani	2.36	0.17	-	-
Mr. Puneet Sehgal	0.55	0.55	-	-

(iv) Transactions where KMP's are interested

(₹ million)

	Nature of transaction	March 31, 2021		March 31, 2020	
		For the year ended	Outstanding for the year end	For the year ended	Outstanding for the year end
Polycab Social Welfare Foundation	Donation	159.61	-	61.00	-
T.P. Ostwal & Associates LLP (excluding GST)	Professional fees for tax advisory	0.87	0.16	1.09	1.09

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(G) Transactions with relatives of KMP:

Remuneration paid for the year ended and outstanding as on:

(₹ million)

	March 31, 2021		March 31, 2020	
	For the year ended	Outstanding for the year end	For the year ended	Outstanding for the year end
Mr. Girdhari T. Jaisinghani	8.10	2.18	9.40	2.18
Mr. Bharat A. Jaisinghani	13.44	2.98	13.43	2.98
Mr. Nikhil R. Jaisinghani	13.44	2.98	13.43	2.98
Mr. Kunal I. Jaisinghani	2.42	0.01	2.42	0.01

37. Segment reporting

Accounting Policy

Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company's chief operating decision maker is Chairman and Managing Directors.

The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators by business segments and geographic segments.

Segment revenue and expenses:

1) It has been identified to a segment on the basis of relationship to operating activities of the segment.

2) The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

3) Intersegment revenue and profit is eliminated at group level consolidation.

4) Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Group level for segment reporting as the underlying instruments are managed on a group.

Segment assets and liabilities:

Segment assets and segment liabilities represent assets and liabilities of respective segments, however the assets and liabilities not identifiable or allocable on reasonable basis being related to enterprise as a whole have been grouped as unallocable.

The accounting policies of the reportable segments are same as that of Group's accounting policies described.

No operating segments have been aggregated to form the above reportable operating segments. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

The group is organised into business units based on its products and services and has three reportable segments as follows

Wire and Cable: Manufacture and sale of wires and cables.

Fast moving electrical goods (FMEG): Fans, LED lighting and luminaires, switches, switchgears, solar products, water heaters, conduits and domestic appliances.

Copper: Manufacturing, selling and job work on copper rods and wires.

Others: It comprise of EPC business which includes design, engineering, supply of materials, survey, execution and commissioning of power distribution, rural electrification projects on a trunkey basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(A) The following summary describes the operations in each of the Group's reportable segments:

(₹ million)

	March 31, 2021						March 31, 2020					
	Wires & Cables	FMEG	Copper	Others	Eliminations	Total	Wires & Cables	FMEG	Copper	Others	Eliminations	Total
Income												
External sales	72,921.04	10,341.09	4,332.49	2,443.76	-	90,038.38	75,192.34	8,355.78	-	5,230.30	-	88,778.42
Revenue	3,113.86	-	997.38	553.83	(4,665.07)	-	706.05	-	-	734.63	(1,440.68)	-
Total Income	**76,034.90**	**10,341.09**	**5,329.87**	**2,997.59**	**(4,665.07)**	**90,038.38**	**75,898.39**	**8,355.78**	**-**	**5,964.93**	**(1,440.68)**	**88,778.42**
Segment Results												
External	9,163.76	565.96	455.04	392.51	-	10,577.27	9,254.74	168.28	-	797.24	-	10,220.26
Inter segment results	23.55	-	104.76	63.75	(192.06)	-	54.12	-	-	105.82	(159.94)	-
Segment/Operating results	**9,187.31**	**565.96**	**559.80**	**456.26**	**(192.06)**	**10,577.27**	**9,308.86**	**168.28**	**-**	**903.06**	**(159.94)**	**10,220.26**
Un-allocated items:												
Finance income	-	-	-	-	-	509.00	-	-	-	-	-	449.05
Finance costs	-	-	-	-	-	531.49	-	-	-	-	-	495.35
Share of profit/(loss) of joint venture (Net of tax)	-	5.78		(8.08)	-	(2.30)	-	(11.06)	-	(63.02)	-	(74.08)
Exceptional items	-	-	-	-	-	97.18	-	-	-	-	-	-
Profit before tax	-	-	-	-	-	**10,649.66**	-	-	-	-	-	**10,099.88**
Income tax expenses							-	-	-	-	-	
Current tax	-	-	-	-	-	2,568.58	-	-	-	-	-	2,480.05
Adjustment of tax relating to earlier year	-	-	-	-	-	(999.98)	-	-	-	-	-	(34.05)
Deferred tax (credit)/charge	-	-	-	-	-	221.93	-	-	-	-	-	(2.30)
Profit for the year	-	-	-	-	-	**8,859.13**	-	-	-	-	-	**7,656.18**
Depreciation & amortisation expenses	1,548.30	177.10	103.00	37.31	-	1,865.71	1,451.36	135.14	-	22.37	-	1,608.87
Non-cash expenses/(Income) other than depreciation	(224.27)	61.99	(34.81)	80.20	-	(116.90)	1,051.11	69.26	-	70.63		1,191.00
Total cost incurred during the year to acquire segment assets (net of disposal)	1,517.99	354.11	29.24	9.59	-	1,910.92	2,698.15	177.80	-	14.91	-	2,890.86

(B) Revenue by Geography

The amount of its revenue from external customers analysed by the country, in which customers are located, are given below:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Within India	82,449.44	77,823.22
Outside India	7,588.94	10,955.20
	90,038.38	**88,778.42**

(C) Segment assets

(₹ million)

	March 31, 2021						March 31, 2020					
	Wires & Cables	FMEG	Copper	Others	Eliminations	Total	Wires & Cables	FMEG	Copper	Others	Eliminations	Total
Segment assets	44,278.50	5,896.31	3,314.41	5,001.61	-	58,490.83	43,265.39	5,379.76	-	6,287.45	-	54,932.60
Unallocated assets:												
Investment accounted for using the equity method						118.18						254.77
Current investments						6,231.27						400.00
Income tax assets (net)						269.66						191.51
Cash and cash equivalents and bank balance other than cash and cash equivalents						4,710.15						2,412.75
Loans						206.60						250.04
Goodwill						22.58						-
Other unallocable assets						97.84						1,174.27
Total assets						**70,147.11**						**59,615.94**

(D) Segment liabilities

(₹ million)

	March 31, 2021						March 31, 2020					
	Wires & Cables	FMEG	Copper	Others	Eliminations	Total	Wires & Cables	FMEG	Copper	Others	Eliminations	Total
Segment liabilities	12,643.75	2,666.93	1,829.10	3,376.25	-	20,516.03	13,186.76	1,587.47	-	3,093.76	-	17,867.99
Unallocated liabilities:												
Borrowings (Non-Current and Current, including Current Maturity)						918.73						1,455.60
Current tax liabilities (net)						267.45						1,184.20
Deferred tax liabilities (net)						337.64						174.00
Other unallocable liabilities						379.57						420.00
						22,419.42						**21,101.79**

(E) Non-current assets by Geography

The total of non-current assets excluding financial assets and deferred tax assets analysed by the country in which assets are located are given below:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Within India	22,420.57	19,116.50
Outside India	0.11	0.26
	22,420.68	**19,116.76**

38. Information for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

For the Year ended March 31, 2021

	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 total comprehensive income	Amount
Parent								
Polycab India Limited	97.42%	46,498.68	94.82%	8,400.20	99.81%	159.78	94.91%	8,559.98
Subsidiaries								
Indian								
Tirupati Reels Private Limited	0.23%	107.51	0.13%	11.11	0.07%	0.12	0.12%	11.23
Dowells Cable Accessories Private Limited	0.22%	104.43	0.34%	30.29	0.00%	-	0.34%	30.29
Ryker Base Private Limited	1.43%	682.40	4.04%	357.92	0.08%	0.13	3.97%	358.05
Polycab Electricals And Electronics Private Limited	0.00%	1.00	0.00%	-	0.00%	-		
Foreign								
Polycab Australia Pty. Ltd.	0.06%	27.18	0.18%	15.64	-0.03%	(0.05)	0.17%	15.59
Investment accounted for using the equity method								
Techno Electromech Private Limited	0.25%	118.18	0.07%	5.78	0.00%	-	0.06%	5.78
Non-controlling interest								
Indian								
Tirupati Reels Private Limited	0.18%	87.96	0.10%	9.09	0.06%	0.10	0.10%	9.19
Dowells Cable Accessories Private Limited	0.21%	100.33	0.33%	29.10	0.00%	-	0.32%	29.10
TOTAL	**100.00%**	**47,727.67**	**100.00%**	**8,859.13**	**100.00%**	**160.08**	**100.00%**	**9,019.21**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

For the year ended March 31, 2020

	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 total comprehensive income	Amount
Parent								
Polycab India Limited	98.50%	37,935.31	99.32%	7,604.11	100.60%	(164.88)	99.29%	7,439.23
Subsidiaries								
Indian								
Tirupati Reels Private Limited	0.25%	96.33	0.78%	59.72	-0.10%	0.17	0.80%	59.89
Dowells Cable Accessories Private Limited	0.19%	74.09	0.23%	17.42	0.00%	-	0.23%	17.42
Foreign								
Polycab Wires Italy SRL	0.01%	3.65	-0.22%	(16.60)	-0.41%	0.68	-0.21%	(15.92)
Investment accounted for using the equity method								
Techno Electromech Private Limited	0.29%	112.40	-0.14%	(11.06)	0.00%	-	-0.15%	(11.06)
Ryker Base Private Limited	0.37%	142.37	-0.82%	(63.02)	0.00%	-	-0.84%	(63.02)
Non-controlling interest								
Indian								
Tirupati Reels Private Limited	0.20%	78.82	0.64%	48.87	-0.09%	0.14	0.65%	49.01
Dowells Cable Accessories Private Limited	0.18%	71.18	0.22%	16.74	0.00%	-	0.22%	16.74
TOTAL	**100.00%**	**38,514.15**	**100.00%**	**7,656.18**	**100.00%**	**(163.89)**	**100.00%**	**7,492.29**

39. Financial Instruments and Fair Value measurments

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).

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

(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 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).

(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 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 recognised 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 recognised 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 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.

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

(iv) **Impairment of financial assets**
The 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 115

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

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 ECL at each reporting date, right from its initial recognition.The Group 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 Group 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 Group 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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs 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).

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group 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 Group 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 cedit 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 Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. 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 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 recognised as other expense in the of Statement of Profit & Loss.

Financial liabilities

(v) Initial recognition and measurement

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

(vi) Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for

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for the year ended March 31, 2021

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 recognised in OCI. These gains/loss 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 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) Embedded Derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-fincia host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

(viii) 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 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.

B) Fair value measurements

Accounting policy

The Group measures financial instruments, such as, derivatives, mutual funds etc. at fair value at each 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:

(a) In the principal market for the asset or liability, or

(b) 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 Financial Statements are categorised within the fair value hierarchy, to provide an indication about the reliability of inputs used in determining fair value, the group has classified its financial statements into three levels prescribed under the accounting standard as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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- 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.

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

	Carrying Value		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
Measured at amortised cost				
Trade receivables	15,641.27	15,996.90	15,641.27	15,996.90
Cash and cash equivalents	2,378.03	1,721.62	2,378.03	1,721.62
Bank balance other than cash and cash equivalents	2,935.15	1,091.45	2,935.15	1,091.45
Loans	208.24	297.78	208.24	297.78
Other financial assets	755.18	371.63	755.18	371.63
Measured at fair value through profit or loss account (FVTPL)				
Investment in mutual funds	6,231.27	400.00	6,231.27	400.00
Derivative Assets	33.79	1,084.54	33.79	1,084.54
	28,182.93	**20,963.92**	**28,182.93**	**20,963.92**
Financial liabilities				
Measured at amortised cost				
Borrowings-long-term including current maturities and short-term	2,486.85	1,570.58	2,603.89	1,570.58
Trade payables	13,480.32	13,536.83	13,480.32	13,536.83
Creditors for capital expenditure	273.78	275.53	273.78	275.53
Obligations under lease	338.17	331.55	348.53	331.55
Fair value of corporate guarantee	-	11.21	-	11.21
Other financial liabilities	56.51	65.67	56.51	65.67
Measured at fair value through profit or loss account (FVTPL)				
Derivative liabilities	976.64	232.51	976.64	232.51
	17,612.27	**16,023.88**	**17,739.67**	**16,023.88**

(a) 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).

(b) 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.

(c) 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.

(d) 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.

(e) The fair values of the mutual funds are based on NAV at the reporting date.

(f) The fair value of interest rate swaps are based on MTM bank rates as on reporting date.

(g) The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for the modelling equity value.

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(h) 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. 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.

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 liabilitiesas at March 31, 2021:

(₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Units of mutual funds	March 31, 2021	6,231.27	6,231.27	-	-
Derivative Assets					
Forward Contract	March 31, 2021	31.37	-	31.37	-
Interest rate and cross currency swap	March 31, 2021	2.42	-	2.42	-
Liabilities measured at fair value:					
Derivative liabilities:					
Embedded derivatives	March 31, 2021	320.09	-	320.09	-
Commodity contracts	March 31, 2021	656.55	-	656.55	-

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020:

(₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Units of mutual funds	March 31, 2021	400.00	400.00	-	-
Derivative Assets					
Embedded derivatives	March 31, 2021	1,075.35	-	1,075.35	-
Interest rate and cross currency swap	March 31, 2021	9.19	-	9.19	-
Liabilities measured at fair value:					
Derivative liabilities:					
Commodity contracts	March 31, 2021	169.03			
Foreign exchange forward contracts	March 31, 2021	13.73	-	13.73	-
Fair value of written put options	March 31, 2021	49.75	-	-	49.75

There is no transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Timing of transfer between the levels determined based on the following:

(a) the date of the event or change in circumstances that caused the transfer

(b) the beginning of the reporting period

(c) the end of the reporting period

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Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2021 and 2020 are shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Fair value of written put options	DCF method	Long-term growth rate for cash flows for subsequent years	March 31, 21: NA March 31, 20: 3.1%-5.1% (4%)	5% (March 31, 20: 5%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by ₹Nil (March 31, 20: ₹2.10 million)
		WACC	March 31, 21: NA March 31, 20: 7%-8% (7.27%)	5% (March 31, 20: 5%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by ₹Nil (March 31 20: ₹5.16 million)

Reconciliation of fair value measurement of Fair value of written put options:

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of the year	49.75	48.90
Remeasurement	-	0.85
Settled	(49.75)	-
At the end of the year	**-**	**49.75**

40. 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 Board of Directors of the Group has formed a Risk Management Committee to periodically review the risk management policy of the Group so that the management manages the risk through properly defined machanism.The Risk Management Committee's focus is to foresee the unpredictability and minimise 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 is also exposed to the risk of changes in market interest rates relates due to its investments in mutual fund units in overnight funds.

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 March 31, 2021, after taking into account the effect of interest rate swaps, approximately 64% of the Group's borrowings are at a fixed rate of interest (March 31, 2020: 53%).

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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
March 31, 2021	883.56		
Increase		+100	(8.84)
Decrease		-100	8.84
March 31, 2021	741.53		
Increase		+100	(7.42)
Decrease		-100	7.42

(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.

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 Statement of Profit & Loss. To some extent the Group manages its foreign currency risk by hedging transactions.

The Group is also exposed to foreign exchange risk arising on inter company transaction in foreign currencies.The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/depreciates against these currencies.

40. Financial Risk Management Objectives and Policies

Particulars of unhedged foreign currency exposures as at the reporting date:

(₹ million)

Currency	Currency Symbol	March 31, 2021		March 31, 2020	
		Foreign currency	Indian Rupees	Foreign currency	Indian Rupees
United States Doller	USD	(73.77)	(5,422.40)	(57.85)	(4,361.17)
EURO	Euro	1.32	113.33	0.36	30.18
Pound	GBP	1.00	101.39	0.16	15.32
Swiss Franc	CHF	0.05	3.86	0.02	1.75
Chinese Yuan	CNY	-	-	0.55	5.82
Australian Dollar	AUD	(7.10)	(395.77)	2.19	101.46

Figures shown in bracket represent payable.

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Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro, GBP, CHF, CNY and AUD 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	Currency Symbol	March 31, 2021		March 31, 2020	
		+2%	-2%	+2%	-2%
United States Doller	USD	(108.45)	108.45	(87.22)	87.22
EURO	Euro	2.27	(2.27)	0.60	(0.60)
Pound	GBP	2.03	(2.03)	0.31	(0.31)
Swiss Franc	CHF	0.08	(0.08)	0.04	(0.04)
Chinese Yuan	CNY	-	-	0.12	(0.12)
Australian Dollar	AUD	(7.92)	7.92	2.03	(2.03)

Figures shown in bracket represent payable.

(iii) Commodity price risk

The Group's exposure to price risk of copper and aluminium arises from:

- Trade payables of the Group where the prices are linked to LME prices. Payment is therefore sensitive to changes in copper and aluminium prices quoted on LME. The provisional pricing feature (Embedded Derivatives) are classified in the balance sheet as fair value through profit or loss. The option to fix prices at future LME prices works as a natural hedge against the movement in value of inventory of copper and aluminium held by the Group. The Group also takes Sell LME positions to hedge the price risk on Inventory due to ongoing movement in rates quoted on LME. The Group applies fair value hedge to protect its copper and aluminium Inventory from the ongoing movement in rates.
- Purchases of copper and aluminium results in exposure to price risk due to ongoing movement in rates quoted on LME affecting the profitability and financial position of the Group. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases.

Sensitivity analysis for unhedged exposure for the year ended March 31, 2021 are as follows:

Exposure of Company in Inventory

(₹ million)

Metal	Hedge instruments	March 31, 2021				31 Mar 2010			
		Exposure in Metric Tonne	Exposure in ₹million	Impact in Profit before tax		Exposure in Metric Tonne	Exposure in ₹million	Impact in Profit before tax	
				+2%	-2%			+2%	-2%
Aluminium	Embedded derivative	3,293	588.35	11.77	(11.77)	6,134	868.63	17.37	(17.37)

(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.

Trade receivables and contract assets
The Group has adopted a policy of only dealing with counterparties that have sufficient credit rating. The Group'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 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.

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The Group has sold without recourse trade receivable under channel finance arrangement for providing credit to its dealers. Evaluation is made as per the terms of the contract 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 arrangement with the banks. Derecognition does not result in significant gain/loss to the Group in the Statement of profit and loss.

In certain cases, the Group has sold with recourse trade receivables to a bank for cash proceeds. These trade receivables have not been derecognised from the statement of financial position, because the Group retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a financial liability (Refer note 18(B)). The arrangement with the bank is such that the customers remit cash directly to the bank and the bank releases the limit of facilty used by the Group. The receivables are considered to be held within a held-to-collect business model consistent with the Group's continuing recognition of the receivables.

Before evaluating whether, and to what extent, derecognition is appropriate, the Group determines whether these arrangements should be applied to a part of a financial asset (or a part of a group of similar financial assets) or a financial asset (or a group of similar financial assets) in its entirety, as follows.

The derecognition criteria are applied to a part of a financial asset (or a part of a group of similar financial assets) if, and only if, the part being considered for derecognition meets one of the following three conditions.

(i) The part comprises only specifically identified cash flows from a financial asset (or a Company of similar financial assets).

(ii) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a Company of similar financial assets).

(iii) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a Company of similar financial assets).

In all other cases, the derecognition criteria are applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety).

The carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities is amouting to ₹883.56 million.

Trade receivables of ₹14,357.67 million as at March 31, 2021 (March 31, 2020: ₹14,336.43) 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 Group has specifically evaluated the potential impact with respect to customers for all its segments.

The Group closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The collections pattern from the customers in the current period does not indicate stress beyond what has been factored while computing the allowance for expected credit losses. Basis this assessment, the expected credit loss allowance for trade receivables of ₹1,424.88 million as at March 31, 2021 is considered adequate.

The same assessment is done in respect of contract assets of ₹152.84 million as at March 31, 2021 while arriving at the level of provision that is required. Basis this assessment, the expected credit loss allowance for contract assets of ₹11.82 million as at March 31, 2021 is considered adequate.

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

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

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(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.

Further, the Group 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. Surplus funds not immediately required are invested in certain financial assets (including mutual funds) which provide flexibility to liquidate at short notice and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Group has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required. (Refer note 18)

Corporate guarantees given on behalf of Group Companies might affect the Liquidity of the Group if they are payable. However, the Group has adequate liquidity to cover the risk. (Refer note 35).

Maturity Analysis

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(₹ million)

	March 31, 2021			31 Mar 2020		
	< 1 year	> equal to 1 year	Total	< 1 year	> equal to 1 year	Total
Borrowings	889.65	1,698.66	2,588.31	1,114.53	106.55	1,221.08
Lease liability	136.59	274.03	410.62	125.85	275.21	401.06
Other financial liabilities	1,867.38	–	1,867.38	923.21	–	923.21
Trade payables	13,480.32	–	13,480.32	13,536.83	–	13,536.83
	16,373.94	**1,972.69**	**18,346.63**	**15,700.42**	**381.76**	**16,082.18**

The other finacial liabilities includes financial gurantees provided Ryker Base Pvt. Ltd. Refer note 20(C) for contractual undiscounted value of the same. W.e.f. May 6, 2020 the Ryker Base Pvt. Ltd. acquired by the parent (refer note 6(ii)) subsequant to which the financial guarantee liablity eliminated in Consolidated financial statement. It also includes derivative liability, for maturity analysis refer note 39(B).

(D) Risk due to outbreak of COVID-19 pandemic

The outbreak of COVID-19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Group's plants, warehouses and offices were shut post announcement of nationwide lockdown. The operations resumed post lifting of lockdown. The Group has considered external and internal information in assessing the impact of COVID-19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

41. Hedging activity and derivatives

(A) Fair value hedge of copper and aluminium price risk in inventory

(i) 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. 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.

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(ii) To use the Sell future contracts linked with LME to hedge the fair value risk associated with inventory of copper and aluminium. Once the purchases are concluded and its final price is determined, the Group starts getting exposed to price risk of these inventory till the time it is not been sold. The Group's policy is to designate the copper and aluminium inventory which are already priced and which is not been sold at that point in time in a hedging relationship against Sell LME future positions based on the risk management strategy of the Group. The hedged risk is movement in spot rates.

To test the hedge effectiveness between embedded derivatives/derivatives and LME prices of Copper and Aluminium, the Group uses the said prices during a stipulated time period and compares the fair value of embedded derivatives/derivatives against the changes in fair value of LME price of copper and aluminium attributable to the hedged risk.

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying embedded derivative/ derivative is identical to the LME price of Copper and Aluminium.

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/derivative, as described above.

(B) Cash flow hedge associated with highly probable forecasted purchases of copper and aluminium:

The Group has purchases of copper and aluminium which results in exposure to price risk due to ongoing movement in rates quoted on LME which affects the profitability and financial position of the Group. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases. The Group's policy is to designate the monthly copper and aluminium purchases as a highly probable forecasted transaction in a hedging relationship based on the risk management strategy of the Group.

As at March 31, 2021

(₹ million)

	Commodity price risk	Carrying amount			Maturity date	Hedge ratio	Balance sheet classification	Effective portion of hedge	Ineffective portion of hedge
		Asset	Liabilities	Equity					
Fair Value Hedge									
Hedged item	Inventory of Copper and aluminium	896.65	–	–	Range within 1 to 6 months	1:1	Inventory	896.65	79.99
	Embedded derivative in trade payables of Copper and aluminium	–	(320.08)	–		1:1	Current financial assets		
Hedging instrument	Buy Derivative Position		23.62	–		1:1	Current financial liabilities		
	Sell Derivative Position	–	(680.55)	–		1:1	Current financial liabilities		

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

	As at 31st March 2021 Cash Flow hedge release to P&L			
	Less than 3 Months	3 Months to 6 Months	6 Months to 12 Months	Total
Commodity Price risk				
Buy Future Contracts-Copper	(1.33)	–	–	**(1.33)**
Buy Future Contracts-Aluminium	24.29	–	–	**24.29**
Sell Future Contracts-Copper	(396.87)	(173.78)	–	**(570.65)**
Sell Future Contracts-Aluminium	(82.32)	(26.06)	(0.48)	**(108.86)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

As at March 31, 2020

(₹ million)

	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge	Ineffective portion of Hedge
		Asset	Liabilities	Equity					
Fair Value Hedge									
Hedged item	Inventory of Copper and aluminium	(852.14)	–	–	Range within 1 to 6 months	1:1	Inventory	(852.14)	(223.21)
Hedging instrument	Embedded derivative in trade payables of Copper and aluminium	–	(1,075.35)	–		1:1	Current financial assets		
Cash Flow Hedge									
Hedged item	Highly probable forecasted purchases	–	–	(169.03)	Range within 3 to 12 months	1:1	Cash flow hedge Reserve	(169.03)	–
Hedging instrument	Buy future contracts	–	169.03	–		1:1	Current financial liabilities		

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

	As at March 31, 2021			
	Cash Flow hedge release to P&L			
	Less than 3 Months	3 Months to 6 Months	6 Months to 12 Months	Total
Commodity Price risk				
Buy future contracts	64.49	85.30	19.24	**169.03**

The Board of Directors has constituted a Risk Management Committee (RMC) to frame, implement and monitor the risk management plan of the Group which inter alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the RMC, the Group uses various derivative instruments such as foreign exchange forward, currency options and futures contracts in which the counter party is generally a bank.For the purpose of the Group'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.

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forward contracts. The notional amount of outstanding contracts and loss/(gain) on fair valuation of such contracts are given below:

(₹ million)

	March 31, 2021	March 31, 2020
Foreign exchange forward contracts-Buy	3,150.01	–
Foreign exchange forward contracts-Sale	(457.25)	(1,130.79)
	2,692.76	**(1,130.79)**
Fair valuation gain on foreign exchange forward contracts	(31.37)	(13.72)

The Group, basis its assessment, believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID 19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

42. Capital management

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

(₹ million)

	March 31, 2021	March 31, 2020
Borrowings (Refer note-19)	1,926.40	1,221.08
Trade payables (Refer note-20)	13,480.32	13,536.83
Other payables (Refer note-21B)	1,979.21	964.13
Less: cash and cash equivalents (Refer note-10)	(2,378.03)	(1,721.62)
Net debt	**15,007.90**	**14,000.42**
Equity (Refer note-16 and 17)	47,727.69	38,514.15
Total capital	**47,727.69**	**38,514.15**
Capital and net debt	62,735.59	52,514.57
Gearing ratio	**23.92%**	**26.66%**

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 year ended March 31, 2021 and year ended March 31, 2020.

43. Events after the reporting period

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

44. Others

Figures representing ₹0.00 million are below ₹5,000.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No. 042070

Place: Mumbai
Date: May 13, 2021

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108

Bharat A. Jaisinghani
Whole-time Director
DIN: 00742995

Nikhil R. Jaisinghani
Whole-time Director
DIN: 00742771

Gandharv Tongia
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: May 13, 2021

Manita Gonsalves
Company Secretary
Membership No. A18321

Standalone Independent Auditors Report

for the year ended March 31, 2021

To the Members of
Polycab India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Polycab India Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition - Wires and cables and Fast-Moving Electrical Goods (FMEG) business	
(Refer note 23 Standalone Financial Statements) Wires and cables and FMEG business: Based on its business model in Wires and FMEG business, the Company has many different types of terms of delivery arising from different types of performance obligations with its customers. Revenue from sale of goods is recognised when control is transferred to the customers and when there are no other unfulfilled obligations. This requires detailed analysis of each contract regarding timing of revenue recognition. Inappropriate assessment could lead to risk of revenue getting recognised before control has been transferred. Accordingly, timing of recognition of revenue is a key audit matter.	Our audit procedures over the recognition of revenue included the following: • We assessed the compliance of the Company's revenue recognition accounting policies against the requirements of Indian Accounting Standards ("Ind AS") to identify any inappropriate policy; • We tested the design, implementation and operating effectiveness of key internal financial controls and processes for revenue recognition along with effectiveness of information technology controls built in automated processes; • On a sample basis, we tested revenue transactions recorded during the year, by verifying the underlying documents, including invoices and shipping documents for assessment of fulfillment of performance obligations completed during the year; We analysed the timing of recognition of revenue and any unusual contractual terms; • On a sample basis, we tested the invoice and shipping documents for revenue transactions recorded during the period closer to the year end and subsequent to the year end to verify recognition of revenue in the correct period. • We assessed the adequacy of disclosures in the standalone financial statements against the requirement of Ind AS 115, Revenue from contracts with customers.

Key audit matter	How our audit addressed the key audit matter
Inventory Valuation (Refer note 14 to the Standalone Financial Statements) • Copper and aluminum-based inventory forms a significant part of the Company's inventory for which the Company enters into commodity contracts. The Company takes a structured approach to the identification, quantification and hedging of risk of fluctuations in prices of copper and aluminum by using derivatives in commodities. • Inventories are measured at the lower of cost and net realizable value on first in first out basis, except for inventories qualifying as hedged items in a fair value hedge relationship. These inventories are measured at cost, adjusted for the hedging gain or loss on the hedged item. We focused on this area because of its size, the assumptions used in the valuation and the complexity, which are relevant when determining the amounts recorded.	Our audit procedures over inventory valuation included the following: • We tested the design, implementation and operating effectiveness of key internal financial controls, including controls over valuation of inventory, accounting of derivative and hedging transactions; • On a sample basis, tested the accuracy of cost for inventory by verifying the actual purchase cost. Tested the net realizable value by comparing actual cost with most recent retail price: • On a sample basis, tested the hedging relationship of eligible hedging instruments and hedged items; • We used the work of our internal subject matter experts for assistance in verifying hedge effectiveness requirements of Ind AS 109, including the economic relationship between the hedged item and the hedging instrument. • We assessed and tested adequacy and completeness of the Company's disclosures in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows 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. 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 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 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 financial statements, the Management and Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 with reference to standalone financial statements 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 the Management and Board of Directors.

Standalone Independent Auditors Report Contd.

for the year ended March 31, 2021

- Conclude on the appropriateness of the Management and Board of Directors' use of 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 standalone 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 financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 34 to the standalone 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- Refer Note 20(B) to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 21042070AAAABW1509

Mumbai
May 13, 2021

Annexure – A to the Independent Auditors' Report

March 31, 2021 on the Standalone financial statements

(Referred to in our report of even date)

With reference to the Annexure referred to in the Independent Auditors' Report to the Members of the Company on the standalone financial statements for the year ended March 31, 2021, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of the fixed assets (property plant and equipment).

(b) The Company has a regular programme of physical verification of its fixed assets (property plant and equipment) by which all fixed assets (property plant and equipment) are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets (property plant and equipment) has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 to the standalone financial statements, are held in the name of the Company, except for the following:

Particulars	Freehold land
Gross Block as at March 31, 2021	35.28
Net Block as at March 31, 2021	35.28

(ii) The inventory, except goods-in-transit and inventory lying with third parties, has been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of goods-in-transit subsequent goods receipts have been verified and in respect of inventory lying with third parties at the year-end, these have been confirmed by them. The discrepancies noticed on such verification between physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) The Company has granted unsecured loan to three companies covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the rate of interest and other terms and conditions of the grant of such loans is not prejudicial to the Company's interest.

(b) One of the aforesaid loans along with interest has been fully repaid during the year. In respect of loans to the other companies, the parties are repaying the principal amounts, as stipulated and are also regular in payment of interest as applicable.

(c) There are no amounts overdue for more than ninety days at the balance sheet date.

(iv) According to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans granted, investments made or loans or guarantees or securities provided, as applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by Reserve Bank of India, provisions of Sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess, professional tax and other material statutory dues as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess, professional tax and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise or value added tax, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Appendix I to this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks or financial institutions. The Company did not have any outstanding loans or borrowings from the Government nor has it issued any debentures.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, para 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on

Annexure – A to the Independent Auditors' Report Contd.

March 31, 2021 on the Standalone financial statements

the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, para 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, para 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act. Accordingly, para 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, para 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 21042070AAAABW1509

Mumbai
May 13, 2021

Appendix I as referred to in Clause 3(vii)(b) of the Annexure – A to the Auditors' Report

Name of the Statute	Nature of the Dues	Amount (₹ Millions)	Amount paid under protest (₹ Millions)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	128.23	21.39	2006-07, 2010-2011, 2012-2016, 2017-18	Asst. Comm / Comm / Comm (Appeals)/ GST Division
Service Tax (Finance Act, 1994)	Service tax	18.18	1.07	2007-11	Tribunal
State & Central Sales Tax, 1956	Tax, Interest & Penalty	30.62	4.01	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
Customs Act, 1962	Custom duty	17.08	17.08	2010-11	Comm. of Customs
Central Goods and Service Tax Act, 2017	Tax, Interest & Penalty	144.34	100.73	2017-18, 2018-19, 2020-21	Dy. Comm Appeal/Jt Comm (Appeal)/High Court
Income Tax Act, 1961	Income Tax	0.32	0.32	2016-17	ITAT

Annexure – B to the Independent Auditor's Report on Standalone Financial Statements of Polycab India Limited

for the year ended March 31, 2021

Report on the internal financial controls, with reference to aforesaid standalone financial statements, under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Polycab India Limited as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note")

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. 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 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 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 standalone 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 Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 21042070AAAABW1509

Mumbai
May 13, 2021

Standalone Balance Sheet
as at March 31, 2021

(₹ million)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,448.17	13,599.01
Capital work-in-progress	3	984.65	2,409.71
Right of use assets	4	338.81	334.99
Intangible assets	5	19.58	16.76
Financial assets			
(a) Investment in Subsidiaries	6A	633.28	83.29
(b) Investment in Joint Venture	6A	105.20	378.65
(c) Trade receivables	7	1,283.60	1,660.47
(d) Loans	8A	34.15	52.02
(e) Other financial assets	9A	557.20	3.44
Non-current tax assets (net)	12D	269.66	191.51
Other non-current assets	13A	417.59	299.87
		20,091.89	**19,029.72**
Current assets			
Inventories	14	19,511.78	19,063.20
Financial assets			
(a) Investments	6B	6,231.27	400.00
(b) Trade receivables	7	14,312.16	14,394.00
(c) Cash and cash equivalents	10	1,974.12	1,700.43
(d) Bank balance other than cash and cash equivalents	11	2,904.75	1,070.15
(e) Loans	8B	497.52	198.02
(f) Other financial assets	9B	211.31	1,441.85
Other current assets	13B	1,534.13	1,984.73
		47,177.04	**40,252.38**
TOTAL ASSETS		**67,268.93**	**59,282.10**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	1,491.19	1,488.79
(b) Other equity	17	45,581.11	36,914.10
		47,072.30	**38,402.89**
Liabilities			
Non-current liabilities:			
Financial liabilities			
(a) Borrowings	18A	-	29.93
(b) Other financial liabilities	20A	224.05	298.89
Other non-current liabilities	21A	206.37	171.24
Provisions	22A	247.80	255.76
Deferred tax liabilities (net)	12G	337.64	173.55
		1,015.86	**929.37**
Current liabilities:			
Financial liabilities			
(a) Borrowings	18B	888.80	1,114.53
(b) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		340.30	178.29
Total outstanding dues of creditors other than micro enterprises and small enterprises		12,721.13	13,268.82
(c) Other financial liabilities	20B	1,489.60	923.70
Other current liabilities	21B	3,238.37	3,042.49
Provisions	22B	235.12	237.81
Current tax liabilities (net)	12D	267.45	1,184.20
		19,180.77	**19,949.84**
TOTAL EQUITY AND LIABILITIES		**67,268.93**	**59,282.10**
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	34		
Other notes to accounts	35 to 42		

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

Bhavesh Dhupelia
Partner
Membership No. 042070

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108

Bharat A. Jaisinghani
Whole-time Director
DIN: 00742995

Nikhil R. Jaisinghani
Whole-time Director
DIN: 00742771

Place: Mumbai
Date: May 13, 2021

Gandharv Tongia
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: May 13, 2021

Manita Gonsalves
Company Secretary
Membership No. A18321

Standalone Statement of Profit and Loss
for the year ended March 31, 2021

(₹ million)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from operations	23	87,363.62	88,069.14
Other income	24	1,197.21	934.57
Total income		**88,560.83**	**89,003.71**
EXPENSES			
Cost of materials consumed	25	56,981.47	58,959.98
Purchases of stock-in-trade	26	6,240.52	4,056.79
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	701.85	(2,368.72)
Project bought outs and subcontracting cost	28	1,083.13	3,174.46
Employee benefits expense	29	3,493.01	3,617.25
Finance cost	30	411.23	479.03
Depreciation and amortisation expense	31	1,740.09	1,590.85
Other expenses	32	7,954.94	9,459.50
Total expenses		**78,606.24**	**78,969.14**
Profit before tax		**9,954.59**	**10,034.57**
Income tax expenses	12		
Current tax		2,533.59	2,449.49
Adjustment of tax relating to earlier periods		(1,001.95)	(34.18)
Deferred tax (credit)/charge		109.65	9.72
Total tax expense		**1,641.29**	**2,425.03**
Profit for the year		**8,313.30**	**7,609.54**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		47.29	(51.31)
Income tax relating to items that will not be reclassified to Profit or Loss		(11.90)	12.92
Items that will be reclassified to profit or loss			
Designated cash flow hedges		169.03	(169.03)
Income tax relating to items that will be reclassified to Profit or Loss		(42.54)	42.54
Other comprehensive income for the year, net of tax		**161.88**	**(164.88)**
Total comprehensive income for the year, net of tax		**8,475.18**	**7,444.66**
Earnings per share			
Basic (₹)	33	55.79	51.28
Diluted (₹)	33	55.57	51.10
Weighted average equity shares used in computing earnings per equity share			
Basic	33	149,008,751	148,381,220
Diluted	33	149,613,912	148,912,465
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	34		
Other notes to accounts	35 to 42		

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

Bhavesh Dhupelia
Partner
Membership No. 042070

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108

Bharat A. Jaisinghani
Whole-time Director
DIN: 00742995

Nikhil R. Jaisinghani
Whole-time Director
DIN: 00742771

Place: Mumbai
Date: May 13, 2021

Gandharv Tongia
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: May 13, 2021

Manita Gonsalves
Company Secretary
Membership No. A18321

Standalone Statement of Changes in Equity

for the year ended March 31, 2021

A) Equity Share Capital (Refer note 16)

(₹ million)

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	1,488.79	1,412.06
Issue of equity share on initial public offer	-	74.40
Issue of equity shares on exercise of employee stock options	2.40	2.33
Balance at the end of the year	**1,491.19**	**1,488.79**

B) Other Equity (Refer note 17)

(₹ million)

	Share application money pending allotment	Reserves & Surplus					Items of Other Comprehensive Income (OCI)	Total Other Equity
		Capital Reserve	Securities Premium	General Reserve	ESOP Outstanding	Retained Earnings	Effective portion of Cash Flow Hedges	
As at March 31, 2019	-	0.13	3,057.32	650.69	149.51	23,219.73	-	27,077.38
Impact on account of adoption of Ind AS 116 (Refer note 4)	-	-	-	-	-	(25.29)	-	(25.29)
Restated balance as at April 1, 2019	**-**	**0.13**	**3,057.32**	**650.69**	**149.51**	**23,194.44**	**-**	**27,052.09**
Profit after tax for the year	-	-	-	-	-	7,609.54	-	7,609.54
Items of OCI for the year, net of tax								
Re-measurement gains/(losses) on defined benefit plans	-	-	-	-	-	(38.39)	-	(38.39)
Designated cash flow hedges	-	-	-	-	-	-	(126.49)	(126.49)
Share issue expense	-	-	6.79	-	-	-	-	6.79
Share-based payments to employees	-	-	-	-	170.99	-	-	170.99
Exercise of employee stock option	79.05	-	-	-	(79.05)	-	-	-
Amount received on exercise of employee stock options	110.27	-	-	-	-	-	-	110.27
Issue of equity share on initial public offer	-	-	3,925.60	-	-	-	-	3,925.60
Issue of equity share on exercise of employee stock options	(162.17)	-	159.84	-	-	-	-	(2.33)
Final equity dividend (Refer note 16(e))	-	-	-	-	-	(445.94)	-	(445.94)
Tax on final dividend (Refer note 16(e))	-	-	-	-	-	(91.66)	-	(91.66)
Interim equity dividend (Refer note 16(e))	-	-	-	-	-	(1,042.15)	-	(1,042.15)
Tax on interim dividend (Refer note 16(e))	-	-	-	-	-	(214.22)	-	(214.22)
As at March 31, 2020	**27.15**	**0.13**	**7,149.55**	**650.69**	**241.45**	**28,971.62**	**(126.49)**	**36,914.10**
Profit after tax for the year	-	-	-	-	-	8,313.30	-	8,313.30
Items of OCI for the year, net of tax								
Re-measurement gains/(losses) on defined benefit plans	-	-	-	-	-	35.39	-	35.39
Designated cash flow hedges	-	-	-	-	-	-	126.49	126.49
Share-based payments to employees	-	-	-	-	108.71	-	-	108.71
ESOP charge recovered from group companies	-	-	-	-	1.48	-	-	1.48
Exercise of employee stock option	64.72	-	-	-	(64.72)	-	-	-
Amount received on exercise of employee stock options	84.04	-	-	-	-	-	-	84.04
Issue of equity share on exercise of employee stock options	(170.95)	-	168.55	-	-	-	-	(2.40)
As at March 31, 2021	**4.96**	**0.13**	**7,318.10**	**650.69**	**286.92**	**37,320.31**	**-**	**45,581.11**
Corporate Information and summary of significant accounting policies				1 & 2				
Contingent liabilities and commitments				34				
Other notes to accounts				35 to 42				

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

Bhavesh Dhupelia
Partner
Membership No. 042070

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Chairman & Managing Director
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Whole-time Director
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Whole-time Director
DIN: 00742771

Gandharv Tongia
Chief Financial Officer
Membership No. 402854

Manita Gonsalves
Company Secretary
Membership No. A18321

Place: Mumbai
Date: May 13, 2021

Place: Mumbai
Date: May 13, 2021

Standalone Statement of Cash flows

for the year ended March 31, 2021

Accounting policy

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

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. (Refer Note-10).

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

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**9,954.59**	**10,034.57**
Adjustments for:		
Depreciation and amortisation expense	1,740.09	1,590.85
(Gain)/Loss on disposal of property, plant and equipment	(1.13)	10.94
(Gain)/Loss on termination of lease	(0.92)	(1.42)
Interest income on financial assets	(356.46)	(270.26)
(Gain)/Loss on redemption of investment	(158.57)	(179.07)
Fair valuation MTM of investment	(8.47)	(0.01)
Finance cost	411.23	479.03
Employees share based payment expenses	108.71	170.99
Fair valuation of financial assets	(24.63)	(383.98)
Liabilities/provisions no longer required written back	(19.38)	(31.69)
Impairment allowance for trade receivable considered doubtful	(51.30)	260.30
Unrealised foreign exchange (gain)/loss	(96.08)	(244.01)
Fair value of written put options	-	0.85
Sundry advances written-off	15.13	65.15
Operating profit before working capital changes	**11,512.81**	**11,502.24**
Movements in working capital:		
(Increase)/Decrease in trade receivables	349.34	(1,736.91)
(Increase)/Decrease in inventories (net)	(448.58)	741.11
(Increase)/Decrease in financial assets (including contract assets)	1,281.13	(804.10)
(Increase)/Decrease in non-fincia assets	274.53	(28.46)
Increase/(Decrease) in trade payables	(148.03)	(1,189.86)
Increase/(Decrease) in financial liabilities and provisions	928.93	549.23
Increase/(Decrease) in non-fincia liabilities (including contract liabilities)	231.01	(3,698.50)
Cash generated from operations	**13,981.14**	**5,334.75**
Income tax paid (net of refunds)	(2,375.43)	(2,995.42)
Net cash generated from operating activities (A)	**11,605.71**	**2,339.33**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including CWIP)	(1,881.62)	(2,885.97)
Purchase of intangible assets	(18.44)	(0.32)
Proceeds from sale of property, plant and equipment	22.49	12.42
Payments to acquire mutual funds	(80,580.08)	(293,988.80)
Proceeds from sale of mutual funds	74,915.85	293,767.88
Bank deposit placed	(2,953.12)	(2,114.90)
Bank deposit matured	567.24	2,420.00
Investment made in equity shares of subsidiaries	(316.46)	-
Investment made in equity shares of joint ventures	-	(35.00)
Loan (given to)/repaid by related parties	(326.50)	6.87
Loan (given to)/repaid by employees	2.75	2.58
Interest received	191.51	243.80
Net cash used in investing activities (B)	**(10,376.38)**	**(2,571.44)**

Standalone Statement of Cash flows Contd.

for the year ended March 31, 2021

(₹ million)

		Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital (including securities premium) against offer for sale		-	4,000.00
Share issue expenses		-	(402.06)
Net adjustment of IPO expenses between company and selling shareholders		-	(47.19)
Amount received on exercise of employee stock options		84.04	110.27
Repayment of lease liabilities		(150.67)	(129.73)
Repayment of long-term borrowings		(312.59)	(1,220.18)
(Repayment)/Proceeds of short-term borrowings		(242.35)	52.81
Interest and other finance cost paid		(334.07)	(415.81)
Payment of dividends (including dividend distribution tax)		-	(1,793.01)
Net cash generated from/(used in) financing activities (C)		**(955.64)**	**155.10**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**273.69**	**(77.01)**
Cash and cash equivalents at the beginning of the year		1,700.43	1,777.44
Cash and cash equivalents at end of the year (Refer below note (c))		**1,974.12**	**1,700.43**
Supplemental Information			
(a) Cash Transactions from operating activities:			
Spent towards Corporate Social Responsibility		159.79	127.33
(b) Non-Cash Transactions from Investing and Financing Activities:			
Acquisition of property, plant and equipment by means of Government Grant		102.95	216.37
(c) Cash and cash equivalents comprises of			
Balances with banks			
In current accounts		725.03	355.71
Deposits with original maturity of less than 3 months		1,248.20	1,342.60
Cash in hand		0.89	2.12
Cash and cash equivalents in Cash Flow Statement (Refer note 10)		**1,974.12**	**1,700.43**
Net debt reconciliation	Refer note no. 18		
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	34		
Other notes to accounts	35 to 42		

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

Bhavesh Dhupelia
Partner
Membership No. 042070

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Chairman & Managing Director
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Whole-time Director
DIN: 00742771

Gandharv Tongia
Chief Financial Officer
Membership No. 402854

Manita Gonsalves
Company Secretary
Membership No. A18321

Place: Mumbai
Date: May 13, 2021

Place: Mumbai
Date: May 13, 2021

Notes to Standalone Financial Statements

for the year ended March 31, 2021

1. Corporate information

Polycab India Limited (the "Company") (CIN-L31300GJ1996PLC114183) was incorporated as 'Polycab Wires Private Limited' on January 10, 1996 at Mumbai as a private limited company under the Companies Act, 1956. The Company became a deemed public limited company under Section 43A(1) of the Companies Act, 1956, and the word 'private' was struck off from the name of the Company with effect from June 30, 2000. Thereafter, the Company was converted into a private limited company under Section 43A(2A) of the Companies Act, 1956, and the word 'private' was added in the name of the Company with effect from June 15, 2001. Subsequently, the Company was converted into a public limited company, the word 'private' was struck off from the name of the Company and consequently, a fresh certificate of incorporation dated 29 August 2018 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("ROC"), recording the change of the Company's name to 'Polycab Wires Limited'. Thereafter, the name of the Company was changed from 'Polycab Wires Limited' to 'Polycab India Limited', and a fresh certificate of incorporation dated October 13, 2018 was issued by the ROC.

During the current year, the registered office of the Company has been shifted to Unit 4, Plot Number 105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchmahal, Gujarat 389 350.

The Company is the largest manufacturer of Wires and Cables in India and fast growing player in the Fast Moving Electrical Goods (FMEG) space. The Company is also in the business of Engineering, Procurement and Construction (EPC) projects. The Company owns 23 manufacturing facilities, located across the states of Gujarat, Maharashtra, Uttarakhand, and U.T. Daman.

The Board of Directors approved the Standalone Financial Statements for the year ended March 31, 2021 and authorised for issue on May 13, 2021.

2. Summary of significant accounting policies

A) Basis of preparation

i. Statement of Compliance:

The Company prepares its Standalone Financial Statements to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These Standalone financial statements includes Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, Cash flows Statement and Statement of changes in equity for the year ended March 31, 2021, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

ii. Basis of Measurement:

The financial statements for the year ended March 31, 2021 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 or amortised cost at the end of each reporting period:

(a) Derivative financial instruments

(b) Certain financial assets and liabilities (Refer note 37 for accounting policy regarding financial instruments)

(c) Net defined benefit plan (Refer note 29 for accounting policy)

(d) Share Based Payments (Refer note 29 for accounting policy)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended March 31, 2020, except for adoption of new standard or any pronouncements effective from April 1, 2020.

The Company presents an additional balance sheet at the beginning of the earliest comparative period when: it applies an accounting policy retrospectively; it makes a retrospective restatement of items in its financial statements; or, when it reclassifies items in its financial statements, and the change has a material effect on the financial statements.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

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

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

Operating Cycle:

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

An asset is treated as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle

(b) Held primarily for the purpose of trading;

(c) Expected to be realised within twelve months after the reporting period; or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

(a) It is expected to be settled in normal operating cycle;

(b) It is held primarily for the purpose of trading;

(c) It is due to be settled within twelve months after the reporting period; or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

iv. Functional and Presentation Currency:

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company. All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest million up to two decimal places, as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

B) Use of estimates and judgements

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

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

i. Revenue Recognition:

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

Notes to Standalone Financial Statements
for the year ended March 31, 2021

contracts of sale includes volume rebates that give rise to variable consideration. In respect of long-term contracts significant judgements are used in:

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

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

ii. Cost to complete for long-term contracts

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 face by 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.

iii. Useful lives of property, plant and equipment

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

iv. 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. The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss. In considering the value in use, the Board of Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

v. Provisions

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

vi. 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.

vii. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (Refer note 37 for accounting policy on Fair value measurement of financial instruments).

viii. 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 period, 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

Notes to Standalone Financial Statements
for the year ended March 31, 2021

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.

ix. 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 period.

x. Impairment of non-fincia 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 Cash-generating-unit's (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 it recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

The Company estimates the value-in-use of the Cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset/CGU.

xi. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

xii. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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

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

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for the year ended March 31, 2021

C) Changes in significant accounting policies

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 has notified amendments to certain Ind AS. The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to Ind AS 1 and Ind AS 8 Definition of Material:

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Company.

Amendments to Ind AS 103: Definition of a Business:

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the standalone financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to Ind AS 107 and Ind AS 109 Interest Rate Benchmark Reform:

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the standalone financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments to Ind AS 116 COVID-19 Related Rent Concessions:

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The Company opted to apply the practical expedient and recognised income of ₹12.96 million (presented under ""Other income') during the current year.

Conceptual Framework for Financial Reporting:

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the standalone financial statements of the Company.

Amendments to CSR requirement

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through a notification dated January 22, 2021, These amendments have introduced some significant changes that require better understanding to ensure compliance. The amendments, amongst others, mandatorily require utilisation of the unspent amount earmarked for CSR activities, failing which it would be transferred to a fund specified in Schedule VII of the Companies Act, 2013. Resultantly, the Company will have to make a provision towards unspent CSR spent, if any, at the end of the year end, after deducting the provision created for the CSR activity completed, if applicable and as provided.

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The amendments also permit a company which spends an amount in excess of the prescribed CSR amount of 2%, to set-off excess amount against the requirement to spend up to immediately succeeding three financial years subject to the fulfilment of certain conditions. As per the guidance issued by the ICAI, in case the Company, decides to adjust excess amount spent against future obligation, then an asset would have to be recognised to the extent of such excess amount spent.

D) Recent pronouncement

On March 24, 2021 the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

(a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

(b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

(c) Specified format for disclosure of shareholding of promoters.

(d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

(e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

(f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

(a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

E) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2021

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 recognised 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 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 recognised in the Statement of Profit & Loss when the asset is derecognised.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realisable value. Any gain or losses arising on disposal of property, plant and equipment is recognised in the Statement of Profit and Loss. Once the assets classified as held-for-sale, property, plant and equipment are no longer depreciated.

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	Useful life
Buildings	30-60 years
Plant & equipments	3-15 years
Electrical installations	10 years
Furniture & 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'.

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. Borrowing cost incurred for constructed assets is capitalised up to the date by which asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. All other borrowing costs are expensed in the period they occur.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2021 are as follows:

(₹ million)

	Freehold land	Lease -hold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total	Capital Work-in-progress
Gross carrying value (at cost)												
As at April 1, 2020	1,018.20	-	7,094.48	10,320.78	596.51	157.05	293.38	294.99	113.56	4.51	19,893.46	2,409.71
Additions	11.95	-	1,325.58	1,842.08	199.66	32.23	52.71	-	2.45	-	3,466.66	1,779.92
Transfer (Refer below note c)	-	-	-	-	-	-	-	-	-	-	-	(3,204.98)
Disposals/Adjustments	(1.94)	-	(1.36)	(32.07)	-	(4.82)	(17.98)	-	(35.60)	(1.09)	(94.86)	-
As at March 31, 2021	**1,028.21**	**-**	**8,418.70**	**12,130.79**	**796.17**	**184.46**	**328.11**	**294.99**	**80.41**	**3.42**	**23,265.26**	**984.65**
Accumulated depreciation												
As at April 1, 2020	-	-	1,015.21	4,664.43	270.41	57.26	159.43	78.61	46.12	2.98	6,294.45	-
Depreciation charge for the year	-	-	292.23	1,158.01	56.45	15.83	47.77	15.72	12.90	0.56	1,599.47	-
Disposals/Adjustment	-	-	(0.15)	(27.32)	-	(3.32)	(16.45)	-	(28.59)	(1.00)	(76.83)	-
As at March 31, 2021	**-**	**-**	**1,307.29**	**5,795.12**	**326.86**	**69.77**	**190.75**	**94.33**	**30.43**	**2.54**	**7,817.09**	**-**
Net carrying value												
As at March 31, 2021	**1,028.21**	**-**	**7,111.41**	**6,335.67**	**469.31**	**114.69**	**137.36**	**200.66**	**49.98**	**0.88**	**15,448.17**	**984.65**

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2020 are as follows:

(₹million)

	Freehold land	Lease -hold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total	Capital Work-in-progress
Gross carrying value (at cost)												
As at April 1, 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
Additions	8.48	-	693.58	1,749.61	74.16	17.11	50.98	-	13.65	0.62	2,608.19	2,709.81
Transfer (Refer below note c)	-	-	-	-	-	-	-	-	-	-	-	(2,158.77)
Transferred to right of use assets (Refer note g)	-	(56.55)	-	-	-	-	-	-	-	-	(56.55)	-
Disposals/Adjustments	(0.27)	-	-	(103.00)	-	-	(5.96)	-	(5.34)	-	(114.57)	-
As at March 31, 2020	**1,018.20**	**-**	**7,094.48**	**10,320.78**	**596.51**	**157.05**	**293.38**	**294.99**	**113.56**	**4.51**	**19,893.46**	**2,409.71**
Accumulated depreciation												
As at April 1, 2019	-	14.77	759.46	3,687.48	213.99	42.43	121.37	62.89	36.36	2.55	4,941.30	-
Depreciation charge for the year	-	-	255.75	1,059.89	56.42	14.83	43.70	15.72	12.61	0.43	1,459.35	-
Transferred to right of use assets (Refer note g)	-	(14.77)	-	-	-	-	-	-	-	-	(14.77)	-
Disposals/Adjustment	-	-	-	(82.94)	-	-	(5.64)	-	(2.85)	-	(91.43)	-
As at March 31, 2020	**-**	**-**	**1,015.21**	**4,664.43**	**270.41**	**57.26**	**159.43**	**78.61**	**46.12**	**2.98**	**6,294.45**	**-**
Net carrying value												
As at March 31, 2020	**1,018.20**	**-**	**6,079.27**	**5,656.35**	**326.10**	**99.79**	**133.95**	**216.38**	**67.44**	**1.53**	**13,599.01**	**2,409.71**

Notes:-

(a) Capital Work-in-progress includes machinery in transit ₹1.89 million (March 31, 2020: ₹71.56 million).

(b) All property, plant and equipment are held in the name of the Company, except following:

(i) Title deed for freehold land amounting to ₹23.66 million (March 31, 2020: ₹24.06 million) are not in the name of Company. The Company has initiated process of transferring these properties in its name.

(ii) Title deed for freehold land amounting to ₹1.14 million (March 31, 2020: ₹1.14 million) are not available.

Notes to Standalone Financial Statements

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(iii) Title deed is in dispute for freehold land amounting to ₹10.48 million (March 31, 2020: ₹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 (CWIP) and capitalised during the year ended March 31, 2021 ₹3,204.98 million (March 31, 2020: ₹2,158.77 million) have been shown in addition in respective class of Property, Plant and equipments and as transfers in CWIP.

(d) Direct capitalisation of Property, Plant and equipments during the year are given as under:

(₹million)

	Freehold land	Leasehold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total
FY2020-21	11.95	-	-	212.46	8.37	6.32	20.13	-	2.45	-	261.68
FY2019-20	6.31	-	14.16	376.80	0.47	9.22	41.30	-	1.15	-	449.42

(e) The carrying value of Capital Work-in-progress (CWIP) as at March 31, 2021 is ₹984.65 million . This comprise of various routine projects and expansion spread over all units of which major amounts are in Plant and equipments ₹603.01 million and Buildings ₹273.67 million . Most of the project are expected to be completed by the year ending March 31, 2022. (The carrying value of Capital Work-in-progress (CWIP) as at March 31, 2020 was ₹2,409.71. This comprise of various routine projects and expansion spread over all units of which major amounts are in Plant and equipments ₹1,231.53 million and Buildings ₹1,059.38 million .)

(f) Assets pledged and Hypothecated against borrowings:

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 April 1, 2015.

(g) Net book value of leasehold land of ₹41.78 million as at April 1, 2019 were under finance lease, the same has now been transferred to ROU as per the adoption of new standard Ind AS 116 Leases

(h) For capital expenditures contracted but not incurred Refer note 34(B).

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 recognises 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 low value leases. For these short-term, variable lease and low value leases, the Company recognises 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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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 recognised 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.

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for the year ended March 31, 2021

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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised 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 if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Lease liabilities have been included in other financial liabilities. 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. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

iii. Transition

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹276.06 million and lease liability of ₹303.01 million . The cumulative effect of applying the standard resulted in ₹25.29 million being debited to retained earnings (net of deferred tax assets created of ₹8.51 million). The effect of this adoption is insignificant on the profit for the year and earnings per share.

The lease payments for operating leases as per Ind AS 17-Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

iv. 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. Accordingly, the Company has classified leasehold land as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of the lease asset on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹41.78 million has been reclassified from property, plant and equipment to right-of-use assets.

v. 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 recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application, variable lease and low value asset.

(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 9.0% p.a., with maturity between 2021-2030.

Following are the changes in the carrying value of right of use for the year ended March 31, 2021:

(₹ million)

	Category of ROU asset		Total
	Leasehold Land	Buildings	
Gross carrying value			
As at April 1, 2020	41.78	399.75	441.53
Additions	-	149.11	149.11
Disposals	-	(81.96)	(81.96)
As at March 31, 2021	**41.78**	**466.90**	**508.68**
Accumulated depreciation			
As at April 1, 2020	0.45	106.09	106.54
Depreciation charge for the year	0.46	127.87	128.33
Disposals	-	(65.00)	(65.00)
As at March 31, 2021	**0.91**	**168.96**	**169.87**
Net carrying value			
As at March 31, 2021	**40.87**	**297.94**	**338.81**

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

Following are the changes in the carrying value of right of use March 31, 2021:

(₹ million)

	Category of ROU asset		Total
	Leasehold Land	Buildings	
Gross carrying value			
As at April 1, 2019	-	-	-
Transition impact of Ind AS 116	-	276.06	276.06
Transferred from property, plant and equipment (Refer note 3(g))	41.78	-	41.78
Additions	-	139.71	139.71
Disposals	-	(16.02)	(16.02)
As at March 31, 2020	**41.78**	**399.75**	**441.53**
Accumulated depreciation			
As at April 1, 2019	-	-	-
Depreciation charge for the year	0.45	112.51	112.96
Disposals	-	(6.42)	(6.42)
As at March 31, 2020	**0.45**	**106.09**	**106.54**
Net carrying value			
As at March 31, 2020	**41.33**	**293.66**	**334.99**

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

The following is the break-up of current and non-current lease liabilities for the year ended March 31, 2021:

(₹ million)

	March 31, 2021	March 31, 2020
Non-current lease liabilities	224.05	298.89
Current lease liabilities	111.17	28.96
	335.22	**327.85**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

The following is the movement in lease liabilities for the year ended March 31, 2021:

(₹ million)

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	327.85	303.01
Additions	147.01	136.60
Finance cost accrued during the year	28.90	28.99
Deletions	(17.87)	(11.02)
Payment of lease liabilities	(150.67)	(129.73)
	335.22	**327.85**

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

(₹ million)

	March 31, 2021	March 31, 2020
Less than one year	135.35	125.85
One to five years	212.65	217.63
More than five years	59.20	57.58
	407.20	**401.06**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

(₹ million)

	March 31, 2021	March 31, 2020
Depreciation expense of right-of-use assets	127.87	112.96
Interest expense on lease liabilities	28.90	28.99
COVID-19 related Rent concessions	(12.96)	-
Interest income on fair value of security deposit	(3.10)	(1.04)
Expense relating to short-term leases (included in other expenses)	41.04	32.50
Expense relating to leases of low-value assets (included in other expenses)	8.80	9.87
Variable lease payments (included in other expenses)	20.81	38.22
	211.36	**221.50**

Lease contracts entered by the Company majorly pertains for warehouse taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

5. Intangible assets

Accounting policy

i. Intangible assets acquired separately

Intangible assets acquired are reported at cost less accumulated amortisation and accumulated 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.

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
Computer software	3 year

The residual values, useful lives and methods of amortisation of Intangible assets are reviewed at each financial year end and adjusted prospectively.

The Intangible Assets include license and software of Gross carrying amount of ₹70.28 million (March 31, 2020 ₹70.47 million) which has been fully amortised over the past periods and are being use by the Company.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

ii. Intellectual Property

Brands/trademarks acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, brands/trademarks are carried at cost less any accumulated amortisation and impairment losses, if any. A brand/trademark acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/trademark name will continue to trade and the expected lifetime of the brand/trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life. The carrying values of brands/trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The Company does not have any brands/trademarks with indefinite useful lives.

The Company owns 115 number as on March 31, 2021 (92 number as on March 31, 2020) registered trademarks pertaining to Brand, Sub-brands and Designs in India. The Company has also entered into royalty agreements with few companies for use of Polycab brand on specific products and charges fees for the same. These intellectual property and royalty income are solely owned and earned by the Company and is not shared with any stakeholder. Intellectual Property has not been capitalised in the books as it does not meet the recognition criteria in Ind AS 38.

iii. Research and development expenditure

During the year, the Company has incurred Capital R&D expenditure amounting to ₹31.94 million (March 31, 2020 ₹3.27 million) which have been included in property, plant and equipment. Further, Revenue R&D expenditure incurred amounting to ₹175.60 million (March 31, 2020 ₹72.33 million) which have been charged to the respective revenue accounts. Expenditure on research and development activities is recognised in the Statement of Profit and Loss as incurred. Development expenditure is capitalised as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

iv. De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

The changes in the carrying value of Intangible assets for the year ended March 31, 2021 are as follows:

(₹ million)

	Computer Software
Gross carrying value (at cost)	
As at April 1, 2020	105.14
Additions	18.44
Disposals/Adjustments	(11.60)
As at March 31, 2021	**111.98**
Accumulated amortisation	
As at April 1, 2020	88.38
Amortisation charge for the year	12.29
Disposals/Adjustments	(8.27)
As at March 31, 2021	**92.40**
Net carrying value	
As at March 31, 2021	**19.58**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

The changes in the carrying value of Intangible assets for the year ended March 31, 2020 are as follows:

(₹ million)

	Computer Software
Gross carrying value (at cost)	
As at April 1, 2019	168.86
Additions	0.32
Disposals	(64.04)
As at March 31, 2020	**105.14**
Accumulated amortisation	
As at April 1, 2019	133.88
Amortisation charge for the year	18.54
Disposals/Adjustments	(64.04)
As at March 31, 2020	**88.38**
Net carrying value	
As at March 31, 2020	**16.76**

6. Investment

Accounting policy

i. Interests in 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.

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company had elected to measure its investments in subsidiaries, associates and joint ventures at the Previous GAAP carrying amount and use it as its deemed cost on the transition date.

ii. Business Combinations

The Company uses the acquisition method of accounting to account for business combinations. The Company measures goodwill as of the acquisition date at the difference of the fair value consideration transferred (including fair value of previously held interest and contingent consideration) less the net fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed. When such difference results into deficit, the excess is recognised in equity as capital reserve.

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

Transaction costs that the Company incurs in connection with a business combination are charged to Statement of Profit and Loss account.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

A. Non-current investments

(₹ million)

	Face Value Per Unit	Number	March 31, 2021	Number	March 31, 2020
Investments carried at cost (Unquoted)					
Investment in Equity Instruments of Subsidiaries (Fully paid-up)					
Polycab Wires Italy SRL, Liquidated (Refer below note (c))	€ 1	-	-	150,000	10.89
Ryker Base Private Limited (Refer below note (a) & (b))	₹10	52,020,000	541.72	-	-
Tirupati Reels Private Limited	₹10	3,300,000	33.00	3,300,000	33.00
Dowells Cable Accessories Private Limited	₹10	4,590,000	45.90	4,590,000	45.90
Polycab Australia Pty. Ltd.	AU$1	205,000	11.66	-	-
Polycab Electricals And Electronics Private Limited	₹10	100,000	1.00	-	-
			633.28		**89.79**
Impairment of Investments					
Less: Impairment allowance for investment in Polycab Wires Italy SRL (Refer below note (c))	€ 1		-		(6.50)
			633.28		**83.29**
Investment in Equity Instruments of Joint Venture (Fully paid-up)					
Ryker Base Private Limited (Refer below note (a) & (b))	₹10	-	-	26,010,000	273.45
Techno Electromech Private Limited	₹10	4,040,000	105.20	4,040,000	105.20
			105.20		**378.65**
Total Non-current investments			**738.48**		**461.94**
Aggregate amount of unquoted investments			738.48		468.44
Aggregate amount of impairment in value of unquoted investments			-		(6.50)

Notes:

(a) The fair value of corporate guarantee 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:

(₹ million)

	March 31, 2021	March 31, 2020
Investment in Ryker at amortised cost	260.10	260.10
Add: Investment during the year	303.80	-
Less: Put option derecognised	(49.75)	-
Add: Guarantee provided on credit facility	27.57	13.35
	541.72	**273.45**

(b) On May 6, 2020, the Company acquired the balance 50% equity shares in Ryker Base Private Limited making it a wholly-owned subsidiary at consideration of ₹303.80 million , Put Option liability of ₹49.75 million derecognised against such consideration paid for. This acquisition would strengthen the Company's operations and help the Company deliver better quality products to consumers.

(c) During the current year, the Company has received in principle approval from Reserve Bank of India to wind up Polycab Wires Italy SRL (PWISRL). Accordingly, PWISRL was liquidated and closure certificate was issued on March 5, 2021 by the Italian authorities. The related closing formalities with RBI are in progress. The impact of closure of PWISRL on the financial statements is not material.

(d) Refer note 6 to the Consolidated Financial Statements for information on financial information, principal place of business and the Company's ownership interest in the above subsidiaries and joint venture.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

B. Current Investments held for sale

(₹ million)

	March 31, 2021	March 31, 2020
Investments measured at FVTPL (Quoted)		
Investments in Liquid/Overnight Mutual Funds	6,231.27	400.00
	6,231.27	**400.00**
Aggregate amount of quoted investments-At cost	6,222.79	400.00
Aggregate amount of quoted investments-At market value	6,231.27	400.00

Note: Refer note 37 for accounting policies on financial instruments for methods of valuation.

7. Trade receivables

(₹ million)

	March 31, 2021	March 31, 2020
Unsecured (at amortised cost)		
Non-Current		
Trade receivables-Considered Good	1,283.60	1,660.47
Non-current Trade receivables	**1,283.60**	**1,660.47**
Current		
Trade receivables-Considered Good	14,517.30	15,403.64
Trade receivables-Credit Impaired	254.36	327.08
Receivables from related parties-Considered Good (Refer note-35)	964.18	225.69
Trade receivables (Gross)	**15,735.84**	**15,956.41**
Less: Impairment allowance for trade receivables-Credit Impaired	(1,423.68)	(1,562.41)
Current Trade receivables (Net)	**14,312.16**	**14,394.00**

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of year	1,562.41	1,449.86
Provision during the year	(51.30)	256.06
Bad debts written off (net)	(87.43)	(143.51)
At the end of the year	**1,423.68**	**1,562.41**

Notes:-

(a) Trade receivables are usually non-interest bearing and are generally on credit terms up to 90 days except EPC business. The Company's term includes charging of interest for delayed payment beyond agreed credit days. Company entities charge interest for delayed payments in certain cases depending on factors, such as, market conditions and past realisation trend.

(b) For EPC business trade receivables are non-interest bearing and credit terms are specific to contracts.

(c) For explanations on the Company's credit risk management processes, Refer note 38(B).

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

(e) Trade receivables have been pledged as security against bank borrowings, the terms relating to which have been described in Note 18(B)

(f) Refer note 37 for accounting policies on financial instruments.

(g) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, except the dues referred in note 35(F)(iii). 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

8. Loans

A Loans Non-current

(₹ million)

		March 31, 2021	March 31, 2020
At amortised cost			
Security deposits and Earnest money deposits, Unsecured, considered good	(A)	15.72	19.97
Rental deposits , unsecured, considered good			
Related Parties (Refer note-35)		-	6.13
Others		18.43	25.92
	(B)	18.43	32.05
	(A+B)	**34.15**	**52.02**

B Loans Current

(₹ million)

		March 31, 2021	March 31, 2020
At amortised cost			
Security deposits and Earnest money deposits, Unsecured, considered good	(A)	24.15	59.07
Rental deposits, unsecured, considered good			
Related Parties (Refer note-35)		5.91	-
Others		19.73	9.06
	(B)	**25.64**	**9.06**
Loans to related party (Refer note-35)			
Unsecured, considered good		440.27	119.68
Credit Impaired		-	32.25
Less: Impairment allowance for loan recoverable		-	(32.25)
	(C)	440.27	119.68
Loans to employees , Unsecured, considered good	(D)	7.46	10.21
	(A+B+C+D)	**497.52**	**198.02**

Note: Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of Companies Act, 2013.

(A) Amount of loans/advances in the nature of loans outstanding from Subsidiaries and Associates as at March 31, 2021, on standalone basis.

(₹ million)

	Interest Rate	Outstanding as at		Maximum amount outstanding during the year	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(i) Subsidiaries					
Ryker Base Private Limited (has utilised this loan for ECB loan repayment and general corporate purpose)	MCLR + 100 BP	300.00	-	300.00	-
Dowells Cable Accessories Private Limited (has utilised this loan for general corporate purpose)	12.00%	-	4.47	4.47	11.44
Polycab Wires Italy SRL (has utilised this loan for general corporate purpose)	0.00%	-	32.25	32.25	32.25
Polycab Australia Pty. Ltd. (has utilised this loan for general corporate purpose)	LIBOR + 400 BP	25.07	-	25.07	-
(ii) Associates					
Techno Electromech Private Limited (has utilised this loan for general corporate purpose)	12.00%	115.21	115.21	115.21	115.21

(B) Details of investments made and outstanding are given in Note 6A and 35D.

(C) Details of guarantee issued and outstanding are given in Note 35E. Guarantees are issued by the Company in accordance with Section 186 of the Companies Act, 2013 read with rules issued thereunder.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

9. Other financial assets

A. Other financial assets Non-current

(₹ million)

	March 31, 2021	March 31, 2020
Other financial assets (at amortised cost)-Non-current		
Deposits with bank having maturity period of more than 12 months	557.20	3.44
	557.20	**3.44**

B. Other financial assets current

(₹ million)

		March 31, 2021	March 31, 2020
At amortised cost			
Contract asset (Refer below note(a))			
Unsecured, considered good		141.02	316.78
Credit Impaired		11.82	11.82
Less: Impairment allowance for Contract Assets-Credit Impaired (Refer below note (b))		(11.82)	(11.82)
	(A)	**141.02**	**316.78**
Others			
Insurance claim receivables		-	0.73
Interest accrued on bank deposits		29.90	37.71
Interest receivables			
Related Parties (Refer note-35)		5.57	-
Others		1.03	-
Incentive receivable from government authorities		-	2.09
	(B)	**36.50**	**40.53**
At FVTPL			
Derivative Assets (Refer below note (c))	(C)	33.79	1,084.54
	(A+B+C)	**211.31**	**1,441.85**

Notes:-

(a) Reconciliation of Contract assets:

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of year	316.78	252.93
Unbilled revenue for year	1,267.98	313.82
Billed to customer revenue from opening balance	(1,443.74)	(245.73)
Impairment allowance	-	(4.24)
At the end of the year	**141.02**	**316.78**

The Company follows life time expected credit loss provisioning model for contract asset. Accordingly, deterioration in credit risk is not required to be evaluated annually.

(b) Change in impairment allowance

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of year	11.82	7.58
Provision during the year	-	4.24
At the end of the year	**11.82**	**11.82**

(c) Derivative Assets

(₹ million)

	March 31, 2021	March 31, 2020
Embedded derivatives	-	1,075.35
Forward Contract	31.37	-
Interest rate and cross currency swap	2.42	9.19
	33.79	**1,084.54**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

10. Cash and cash equivalents

(₹ million)

	March 31, 2021	March 31, 2020
Cash and cash equivalents (at amortised cost)		
Balances with banks		
In current accounts	725.03	355.71
Deposits with original maturity of less than 3 months	1,248.20	1,342.60
Cash in hand	0.89	2.12
	1,974.12	**1,700.43**

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

11. Bank balance other than cash and cash equivalents

(₹ million)

	March 31, 2021	March 31, 2020
Bank balance other than cash and cash equivalents (at amortised cost)		
Deposits with original maturity for more than 3 months but less than 12 months *	2,903.88	1,069.17
Earmarked balance	0.87	0.96
Margin money deposit	-	0.02
	2,904.75	**1,070.15**

* ₹500 million (March 31, 2020: ₹1,000 million) is restricted for withdrawal, as it is lien against project specific advance.

12. Income taxes

Accounting policy

Income tax expenses comprise current tax and deferred income tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the 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 and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax received/receivable pertains to prior period recognised when reasonable certainty arise for refund acknowledged by the Income-tax department. Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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 realised.

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 realised. 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

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

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

The major tax jurisdiction of the Company is India. The Company's tax return for past years are generally subject to examination by the tax authorities. The Company has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions or manner of computation of certain income, expenses. However, there are no pending tax demands from Income-tax authorities as on March 31, 2021. The Company is contesting some of the claims made by it before tax authorities in tax returns, assessments. The management of the Company is of the opinion that such claims will, most likely result in refund of taxes from Income-tax department aggregating to ₹ 46.15 million. The Company has made provisions for taxes basis its best judgement, considering past resolutions to disputed matters by adjudicating authorities, prior year assessments and advice from external experts, if required. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

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

A. Income tax expense in the statement of profit and loss comprises:

(₹ million)

	March 31, 2021	March 31, 2020
Current tax:		
In respect of current year	2,533.59	2,449.49
Adjustments of tax relating to earlier years	(1,001.95)	(34.18)
	1,531.64	**2,415.31**
Deferred tax:		
In respect of current year	17.62	66.05
Effect of decrease in applicable tax rate in India	-	(71.06)
Adjustments of tax relating to earlier years	92.03	14.72
	109.65	**9.72**
	1,641.29	**2,425.03**

B. OCI section Deferred tax related to items recognised in OCI during the period:

(₹ million)

	March 31, 2021	March 31, 2020
Net loss/(gain) on remeasurements of defined benefit plans	11.90	(12.92)
Net loss/(gain) on Designated Cash Flow Hedges	42.54	(42.54)
	54.44	**(55.46)**

C. Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ million)

	March 31, 2021	March 31, 2020
Profit before tax	9,954.59	10,034.57
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expenses	2,505.37	2,525.50
Effect of differential tax impact due to the following (tax benefit)/tax expenses:		
CSR expenses	40.22	32.05
Deferred government grants	(19.83)	(70.50)
Others	25.45	28.50
Adjustments of tax relating to earlier years	(909.92)	(19.46)
Effect of decrease in applicable tax rate in India	-	(71.06)
	1,641.29	**2,425.03**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

Notes:

The tax rate used for the March 31, 2021 and March 31, 2020 reconciliations above is the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

During the previous year, the Company elected to exercise the option of reduced Corporate income-tax rate from 34.94% to 25.17% as permitted under Section 115BAA of the Income-tax Act, 1961 as per the amendment notified in the official Gazette dated December 12, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year ended March 31, 2020 and re-measured its Deferred Tax Assets or Liabilities basis the reduced tax rate prescribed in the said section. The impact of the said change recognised in the statement of Profit & Loss of ₹71.06 million pertaining to earlier years is recognised during the previous year.

D. The details of Non-current/(Current) tax assets/(liabilities) as at March 31, 2021

(₹ million)

	March 31, 2021	March 31, 2020
Non-current tax assets (net of provision for taxation)	269.66	191.51
Current tax liabilities (net of advance tax)	(267.45)	(1,184.20)
Net current income tax asset/(liability) at the end	**2.21**	**(992.69)**

E. The movement in the gross current tax assets/(liability) for the year ended March 31, 2021

(₹ million)

	March 31, 2021	March 31, 2020
Net current tax asset/(liability) at the beginning	(992.69)	(1,572.80)
Income tax Paid	2,375.43	2,995.42
Effect of interest on income-tax order	162.87	-
Interest liability adjusted against advance tax	(11.76)	-
Current tax expense	(2,533.59)	(2,449.49)
Adjustments of tax relating to earlier years	1,001.95	34.18
Net current tax asset/(liability) at the end	**2.21**	**(992.69)**

F. The movement in gross deferred tax assets and liabilities

For the year ended March 31, 2021

(₹ million)

	Carrying value as at April 1, 2020	Changes through profit and loss	Changes through OCI	Impact on Account of Ind AS 116	Carrying value as at March 31, 2021
Deferred tax assets/(liabilities) in relation to					
Property, plant and equipment and intangible assets	(605.85)	(23.73)	-	-	(629.58)
Provision for employee benefits	115.47	(16.55)	(11.90)	-	87.02
Cash flow hedges	42.54	-	(42.54)	-	-
Receivables, financial assets at amortised cost	426.13	(233.26)	-	-	192.87
Lease liabilities	8.51	(7.73)	-	-	0.78
Others	(160.35)	171.62	-	-	11.27
Total deferred tax assets/(liabilities)	**(173.55)**	**(109.65)**	**(54.44)**	**-**	**(337.64)**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

For the year ended March 31, 2020

(₹ million)

	Carrying value as at April 1, 2019	Changes through profit and loss	Changes through OCI	Impact on Account of Ind AS 116	Carrying value as at March 31, 2020
Deferred tax assets/(liabilities) in relation to					
Property, plant and equipment and intangible assets	(833.50)	227.65	-	-	(605.85)
Provision for employee benefits	115.50	(12.95)	12.92	-	115.47
Cash flow hedges	-	-	42.54	-	42.54
Receivables, financial assets at amortised cost	550.43	(124.30)	-	-	426.13
Lease liabilities	-	-	-	8.51	8.51
Others	(60.23)	(100.12)	-	-	(160.35)
Total deferred tax assets/(liabilities)	**(227.80)**	**(9.72)**	**55.46**	**8.51**	**(173.55)**

G. Reconciliation of deferred tax assets/liabilities (net):

(₹ million)

	March 31, 2021	March 31, 2020
Net deferred tax asset/(liability) at the beginning	(173.55)	(227.80)
Tax (income)/expense due to tax rate change (reinstatement of Opening Balance)	-	71.06
Tax (income)/expense on Ind AS 116 transition	-	8.51
Tax (income)/expense on adjustment of tax relating to earlier year	(92.03)	(14.72)
Tax (income)/expense recognised in profit or loss	(17.62)	(66.06)
Tax (income)/expense recognised in OCI	(54.44)	55.46
Net deferred tax asset/(liability) at the end	**(337.64)**	**(173.55)**

Notes:-

(a) During the year, the Company had received a favourable order from the Honourable Income-Tax Appellate Tribunal for AY 2012-13 to 2015-16 resulting into write back of income-tax provision of ₹839.52 million and recognition of interest on income tax refund of ₹163.89 million .

(b) The Company has not recognised deferred tax assets on long-term capital losses of ₹ 0.32 million arose in Assessment Year (AY) 2016-17 (Year of expiry AY 2024-25) and ₹ 0.70 million arose in AY 2021-22 (Year of expiry 2029-30), as presently it is not probable of recovery. Tax impact on the said losses is amounting to ₹ 0.24 million .

13. Other assets

A. Other assets Non-current

(₹ million)

		March 31, 2021	March 31, 2020
Capital advances			
Unsecured, considered good		271.56	263.92
Unsecured, considered doubtful		-	65.99
Gross Capital Advances		**271.56**	**329.91**
Less: Impairment allowance for doubtful advance		-	(65.99)
Net Capital Advances	(A)	**271.56**	**263.92**
Advances other than capital advances			
Unsecured, considered good			
Prepaid expenses		12.02	19.27
Balances with Statutory/government authorities		134.01	16.68
	(B)	**146.03**	**35.95**
	(A+B)	**417.59**	**299.87**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

B. Other assets Current

(₹ million)

	March 31, 2021	March 31, 2020
Advances other than capital advances, Unsecured, considered good		
Advances for materials and services	936.20	618.33
Others		
Unsecured, considered good		
Prepaid expenses	55.35	67.38
Balances with statutory/government authorities	197.33	938.41
Export incentive receivable	85.64	127.28
Refund Assets	222.21	232.46
Others	37.40	0.87
	1,534.13	**1,984.73**

14. Inventories

Accounting policy

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 or net realisable 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, including inward freight, incurred in bringing goods to their present location and condition.

Work-in-progress and finished goods are valued at lower of cost or net realisable 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.

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

The stocks of scrap materials have been taken at net realisable value.

Net realisable 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.

Copper and aluminium is purchased on provisional price with option to fix the purchase price based on current or future pricing model based on LME. 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. Since, the value of the copper and aluminium changes with response to change in commodity pricing index, embedded derivatives (ED) is identified and segregated in the contract. The ED so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with respect to 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 (Refer note 39).

(₹ million)

	March 31, 2021	March 31, 2020
Raw materials	7,967.09	6,740.22
Work-in-progress	1,405.07	2,070.04
Finished goods	8,005.96	8,020.04
Stock-in-trade	1,158.24	1,276.54
Stores and spares	237.46	248.58
Packing materials	289.30	306.25
Scrap materials	226.64	131.14
Project materials for long-term contracts	222.02	270.39
	19,511.78	**19,063.20**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

Notes:-

(a) The above includes goods in transit as under:

(₹ million)

	March 31, 2021	March 31, 2020
Raw Material	1,058.36	2,911.99
Stock-in-trade	72.44	99.52
Stores and spares	0.61	-
Project materials for long-term contracts	22.31	5.32

(b) The above includes inventories held by third parties amounting to ₹1,613.14 million (March 31, 2020 ₹1,817.95 million)

(c) During the year ended March 31, 2021, ₹13.01 million (March 31, 2020-₹7.97 million) was recognised as an expense for inventories carried at net realisable value.

(d) Inventories are hypothecated with the bankers against working capital limits (Refer note 18).

15. Non-current assets classified as held for sale

Accounting policy

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

(i) Decision has been made to sell.

(ii) The assets are available for immediate sale in its present condition.

(iii) The assets are being actively marketed and

(iv) Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

(v) Subsequently, such non-current assets or disposal groups classified as 'held for sale' are measured at the lower of its carrying value or fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

On March 31, 2021, the Company classified certain property, plant and equipment ₹Nil million (March 31, 2020 ₹Nil million) and other asset ₹Nil (March 31, 2020 ₹Nil) 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.

16. Equity share capital

(₹ million)

	March 31, 2021	March 31, 2020
Authorised share capital		
Equity shares, ₹10 per value 18,62,50,000 (18,62,50,000) equity shares*	1,862.50	1,862.50
Issued, subscribed and fully paid-up shares		
Equity shares, ₹10 per value 14,91,18,814 (14,88,79,373) equity shares	1,491.19	1,488.79
	1,491.19	**1,488.79**

* Number of equity shares reserved for issue under employee share based payment Number 15,51,942 (March 31, 2020: Number 18,76,918)

Note:

(a) **The reconciliation of shares outstanding and the amount of share capital as at March 31, 2021 and March 31, 2020 are as follow:**

(₹ million)

	March 31, 2021		March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	14,88,79,373	1,488.79	14,12,05,838	1,412.06
Add: Fresh issue of Shares	-	-	74,40,067	74.40
Add: Shares issued on exercise of employee stock option	2,39,441	2.40	2,33,468	2.33
At the end of the year	**14,91,18,814**	**1,491.19**	**14,88,79,373**	**1,488.79**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(b) **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 final 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.

(c) **The details of shareholders holding more than 5% shares as at March 31, 2021 and March 31, 2020 are as follows:**

(₹ million)

	March 31, 2021		March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Mr. Inder T. Jaisinghani	2,14,32,476	14.37%	2,14,50,976	14.41%
Mr. Girdhari T. Jaisinghani	1,82,34,916	12.23%	2,13,44,220	14.34%
Mr. Ajay T. Jaisinghani	1,94,11,281	13.02%	2,12,70,541	14.29%
Mr. Ramesh T. Jaisinghani	1,88,00,016	12.61%	2,06,68,001	13.89%
International Finance Corporation (IFC)	37,85,630	2.54%	1,41,16,154	9.48%

(d) **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:**

There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

(e) **Dividend**

Accounting policy

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividend in Indian rupees in accordance with its dividend distribution policy . The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Dividend on equity share

(₹ million)

	March 31, 2021	March 31, 2020
Dividend on equity shares declared and paid during the year		
Final dividend of ₹3.00 per share for FY 2018-19 (Proposed by Board of Directors in the meeting held on May 14, 2019 and was approved by Shareholders in the meeting held on June 26, 2019)	-	445.94
Dividend distribution tax on final dividend	-	91.66
Interim dividend of ₹7.00 per share for FY2019-20 (declared by the Board of Directors in the meeting held on 3 March 2020)	-	1,042.15
Dividend distribution tax on interim dividend	-	214.22
	-	**1,793.97**

(f) **Employee stock Option Plan (ESOP)**

Accounting policy

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 expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "ESOP Outstanding". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates. Corresponding balance of a ESOP Outstanding is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

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.

Employee stock option plan

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 August 30, 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 22,12,500 equity shares vide ESOP Performance Scheme and 142,250 equity shares vide ESOP Privilege Scheme of ₹10 each were granted to eligible employee including group companies at an exercise price of ₹405/-.

Subject to terms and condition of the scheme, options are classified into three categories:

	Performance Scheme			Privilege Scheme
	I	II	III	IV
Number of options	21,02,500	45,000	65,000	1,42,250
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting period	5 years graded vesting	5 years graded vesting	5 years graded vesting	1 year
Grant date	30-Aug-18	18-Oct-18	23-Jan-21	30-Aug-18
Exercise/Expiry date	29-Aug-26	17-Oct-26	22-Jan-29	29-Aug-23
Exercise period	8 years from the date of grant	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	₹860.21	₹860.21	₹860.21	₹860.21
Grant/Exercise price	₹405	₹405	₹405	₹405
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled
Weighted average remaining contractual life of options (in days)	918	918	918	NIL

The model inputs for fair value of option granted as on the grant date (In respect of shares granted on August 30, 2018 and October 18, 2018):

	Performance Scheme				
	Year 1 15% vesting	I Year 2 15% vesting	Year 3 20% vesting	Year 4 20% vesting	Year 5 30% vesting
Exercise price	₹405	₹405	₹405	₹405	₹405
Dividend yield	0.19%	0.19%	0.19%	0.19%	0.19%
Risk free interest rate	8.20%	8.20%	8.20%	8.20%	8.30%
Expected volatility	48.30%	48.20%	49.20%	48.20%	47.30%
Fair value per option	₹310.10	₹321.90	₹335.10	₹343.00	₹350.40
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

Notes to Standalone Financial Statements
for the year ended March 31, 2021

The model inputs for fair value of option granted as on the grant date (In respect of shares granted on January 23, 2021):

	Performance Scheme				
	Year 1 15% vesting	I Year 2 15% vesting	Year 3 20% vesting	Year 4 20% vesting	Year 5 30% vesting
Exercise price	₹405	₹405	₹405	₹405	₹405
Dividend yield	0.12%	0.11%	0.12%	0.11%	0.13%
Risk free interest rate	5.10%	5.29%	5.44%	5.59%	5.73%
Expected volatility	34.37%	34.25%	34.88%	35.42%	37.10%
Fair value per option	₹955.87	₹967.70	₹978.57	₹990.75	₹1,003.15
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

	Privilege Scheme Year 1 100% vesting
Exercise price	₹405
Dividend yield	0.19%
Risk free interest rate	8.30%
Expected volatility	47.30%
Fair value per option	₹350.40
Model used	Black Scholes

The activity in the ESOP Plan 2018 (ESOP Performance Scheme and ESOP Privilege Scheme) is as follows:

	March 31, 2021		March 31, 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
ESOP Performance Scheme				
Outstanding at the beginning	18,43,318	405	21,12,500	405
Granted	65,000	405	-	-
Exercised and alloted	1,81,766	405	1,38,568	405
Exercised and pending allotment	5,925	405	26,575	405
Forfeited	1,82,435	405	1,04,039	405
Outstanding at the end	**15,38,192**	**405**	**18,43,318**	**405**
ESOP Privilege Scheme				
Outstanding at the beginning	33,600	405	1,42,250	405
Exercised and alloted	18,850	405	94,900	405
Exercised and pending allotment	1,000	405	12,250	405
Forfeited	-	405	1,500	405
Outstanding at the end	**13,750**	**405**	**33,600**	**405**

Shares allotted under ESOP during the year	March 31, 2021		March 31, 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
FY2020-21				
ESOP Performance Scheme	1,81,766	405	1,38,568	405
ESOP Privilege Scheme	18,850	405	94,900	405
FY2019-20				
ESOP Performance Scheme	26,575	405	-	405
ESOP Privilege Scheme	12,250	405	-	405
	2,39,441	**405**	**2,33,468**	**405**

Options Vested but not excercised

(Number of Options)

	March 31, 2021	March 31, 2020
ESOP Performance Scheme	1,54,392	1,08,893
ESOP Privilege Scheme	13,750	33,600

Notes to Standalone Financial Statements

for the year ended March 31, 2021

The break-up of employee stock compensation expense is as follow:

(₹ million)

	March 31, 2021	March 31, 2020
Granted to		
KMP	10.13	8.99
Employees other than KMP	98.58	162.00
	108.71	**170.99**

17. Other equity

(₹ million)

	March 31, 2021	March 31, 2020
Share application money pending allotment	4.96	27.15
Capital reserve	0.13	0.13
Securities premium	7,318.10	7,149.55
General reserve	650.69	650.69
ESOP Outstanding	286.92	241.45
Retained earnings	37,320.31	28,971.62
Cash Flow Hedging Reserve	–	(126.49)
	45,581.11	**36,914.10**

Notes:

(a) Capital Reserve:

The Company has created the reserve pursuant to amalgamation in an earlier year.

(b) Securities premium:

Amount received in excess of face value of the equity shares is recognised in Securities Premium . The Company's share of IPO expenses has been adjusted with securities premium account considering the successful completion of IPO process on April 16, 2019. In case of equity-settled share based payment transactions difference between fair value on grant date and nominal value of share is accounted as Securities Premium. It will be used as per the provision of Companies Act, 2013

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance	7,149.55	3,057.32
Add: Adjustment of Fresh issue	–	3,925.60
Add: Adjustment for exercise of stock option	168.55	159.84
Add: Adjustment of Share issue expenses	–	6.79
	7,318.10	**7,149.55**

(c) General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013. 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.

(c) ESOP Outstanding

Fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding . 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance	241.45	149.51
Add: ESOP charge during the year	108.71	170.99
Add: ESOP charge recovered from group companies	1.48	–
Less: Adjustment for exercise of stock option	(64.72)	(79.05)
	286.92	**241.45**

(e) Cash Flow Hedging Reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of Profit and Loss upon the occurrence of the related forecasted transaction.

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance	(126.49)	–
Add: Other Comprehensive Income for the year	126.49	(126.49)
	–	**(126.49)**

(f) Retained earnings

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

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance	28,971.62	23,219.73
Add: Profit during the year	8,348.69	7,571.15
Less: Transition impact of Ind AS 116	–	(25.29)
Less: Final equity dividend	–	(445.94)
Less: Interim equity dividend	–	(1,042.15)
Less: Tax on final equity dividend	–	(91.66)
Less: Tax on interim equity dividend	–	(214.22)
	37,320.31	**28,971.62**

(g) Share application money pending allotment

Share application money pending allotment, represents amount received from employees who has exercised Employee Stock Option Scheme (ESOS) for which shares are pending allotment as on balance sheet date.

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance	27.15	–
Add: Adjustment for exercise of stock option	64.72	79.05
Add: Amount received on exercise of employee stock options	84.04	110.27
Less: Transfer to equity share capital & Securities premium for fresh issue	(170.95)	(162.17)
	4.96	**27.15**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

18. Borrowings

A Borrowings non-current

(₹ million)

	Rate of Interest	Tenure end date	March 31, 2021 Gross/Carrying Value	March 31, 2020 Gross/Carrying Value
At amortised cost				
External commercial borrowing (secured)				
Foreign currency loan from HSBC Bank (Mauritius) Ltd	3 Months LIBOR + 1.65%	June 23, 2020	-	251.29
Rupee loan (secured)				
Indian rupee loan from Citibank N.A.	8.80%	August 23, 2021	29.93	89.78
			29.93	**341.07**
Less: Current maturities of long-term borrowings			(29.93)	(311.14)
			-	**29.93**

Notes:

(a) The above loans are secured by way of

(i) 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 April 1, 2015.

(ii) Second pari passu charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on March 31, 2015 and on all current assets of the Company.

(iii) Charges with respect to above borrowing has been created in favour of security trustee. No separate charge created for each of the borrowing.

(b) Maturity profile of non-current borrowings

(₹ million)

	March 31, 2021		March 31, 2020	
	< 1 Year	> 1 Year	< 1 Year	> 1 Year
External commercial borrowing (secured)				
Foreign currency loan from HSBC Bank (Mauritius) Limited	-	-	251.29	-
Rupee loan (secured)				
Indian rupee loan from Citibank N.A.	29.93	-	59.85	29.93
	29.93	**-**	**311.14**	**29.93**

(c) Others

(i) The term loan from citibanks N.A. of ₹29.93 million is to be repaid in 2 quantity instalments from May 2021 to August 2021 .

B Borrowings-current

(₹ million)

	March 31, 2021	March 31, 2020
At amortised cost		
Short-term loan from banks (Unsecured)	883.56	741.53
Short-term loan from banks (Secured)	5.24	-
Packing Credit (Secured)	-	373.00
	888.80	**1,114.53**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

Note:

(a) The above loans are secured by way of

(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 equipments 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 March 31, 2015.

(iv) Pari passu second charge by way of registered mortgage on all movable assets acquired on or after April 1, 2015.

(v) Charges with respect to above borrowing has been created in favour of security trustee. No separate charge has been created for each of the borrowing.

(b) Credit facilities

The Company has fund based and non-fund based revolving credit facilities amounting to ₹39,580 million (March 31, 2020: ₹37,730 million), towards operational requirements that can be used for the short-term loan, issuance of letters of credit and bank guarantees. The unutilised credit line out of these working capital facilities at the year end are given as below:

(₹ million)

	March 31, 2021	March 31, 2020
Fund based	3,780.00	4,350.00
Non fund-based	15,310.00	11,930.00
	19,090.00	**16,280.00**

(c) Reconciliation of movement in borrowings to cash flows from financing activities

(₹ million)

	March 31, 2021	March 31, 2020
Opening balance		
Long-term Borrowings	29.93	785.83
Short-term Borrowings (excluding Cash Credit from banks)	1,114.53	1,023.47
Current maturities of Long-term borrowings	311.14	773.18
	1,455.60	**2,582.48**
Cash flow movements		
Repayment of long-term borrowings	(312.59)	(1,220.18)
(Repayment)/Proceeds of short-term borrowings	(242.35)	52.81
	(554.94)	**(1,167.37)**
Non-cash movements		
Foreign exchange translation	18.06	40.49
	18.06	**40.49**
Closing Balance		
Long-term Borrowings	-	29.93
Short-term Borrowings (excluding Cash Credit from banks)	888.80	1,114.53
Current maturities of Long-term borrowings	29.93	311.14
	918.73	**1,455.60**

Refere note 4 for reconciliation of movement in lease liabilities to cash flows from financing activities.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

19. Trade payables

Accounting policy

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition other than usance letter of credit. Trade payables are presented as current financial liabilities.

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 payables.

(₹ million)

	March 31, 2021	March 31, 2020
At amortised cost		
Total outstanding dues of micro and small enterprises		
Trade payables to related parties (Refer Note 35)	117.03	-
Trade payables Others	223.27	178.29
	340.30	**178.29**
Total outstanding dues of creditors other than micro and small enterprises		
Acceptances (Refer note below (a))	6,537.51	8,135.98
Other than acceptances		
Trade payables Others (Refer note below (b))	5,970.85	4,886.15
Trade payables to related parties (Refer note 35)	212.77	246.69
	12,721.13	**13,268.82**

Notes:-

(a) 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. The arrangements are interest-bearing. Non-fund limits are secured by first pari passu charge over the present and future current assets of the Company.

(b) Others includes amount payable to vendors, employees liability and accrual of expenses that are expected to be settled in the Company's normal operating cycle or due to be settled within twelve months from the reporting date.

(c) For explanations on the Company's liquidity risk management processes Refer note 38 (C).

(d) 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 March 31, 2021 and year ended March 31, 2020 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)

		March 31, 2021	March 31, 2020
(i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	337.41	178.29
	Interest	2.89	2.65
(ii)	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.	2.65	-
(iii)	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.	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	2.89	2.65
(v)	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	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2021

20. Other financial liabilities

A Other financial liabilities non-current

(₹ million)

	March 31, 2021	March 31, 2020
At amortised cost		
Lease liability	224.05	298.89
	224.05	**298.89**

B Other financial liabilities current

(₹ million)

	March 31, 2021	March 31, 2020
At Amortised Cost		
Current maturities of long-term borrowings (Refer note-18)	29.93	311.14
Security deposit	42.22	40.68
Interest accrued but not due	3.01	18.19
Interest accrued and due	-	4.95
Creditors for capital expenditure	273.78	275.10
Lease liability	111.17	28.96
Unclaimed dividend (Refer below note (b))	0.87	0.96
Other (Refer below note (c))	15.31	11.21
At FVTPL		
Derivative liability (Refer below note (a))	1,013.31	232.51
	1,489.60	**923.70**

Notes:-

(a) Derivative Liability

(₹ million)

	March 31, 2021	March 31, 2020
Put Option	-	49.75
Forward contract	-	13.73
Embedded derivatives	356.38	-
Commodity contracts	656.93	169.03
	1,013.31	**232.51**

(b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

(c) Company has provided a guarantee for credit facility availed by the Ryker Base Private Limited and Tirupati Reels Private Limited, amounting to ₹4,184.62 million [$ 25 million and 2,347 million] (March 31, 2020: ₹1,243.87 million [$ 12.5 million]) and ₹520.00 million (March 31, 2020: ₹520.00 million) respectively. The fair value of corporate guarantee ₹15.31 million (March 31, 2020: ₹11.21 million) has been included in carrying cost of investment.

21. Other liabilities

A. Other liabilities non-current

(₹ million)

	March 31, 2021	March 31, 2020
Deferred government grant (Refer below note (a))	123.72	99.55
Deferred liability	82.65	71.69
	206.37	**171.24**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

B. Other liabilities current

(₹ million)

	March 31, 2021	March 31, 2020
Advance from customers	391.38	1,153.20
Contract Liability (Refer below note (b))	1,805.39	1,407.77
Deferred liability	27.55	14.34
Refund liability (Refer below note (c))	487.49	360.25
Other statutory dues		
Employee Recoveries and Employer Contributions	16.69	17.10
Taxes Payable (Other than Income tax)	509.87	89.83
	3,238.37	**3,042.49**

Notes:-

(a) 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. The Company expects to meet its export obligation during the next 3-5 years.

Reconciliation of Deferred government grant:

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of the year	99.55	163.29
Grants received during the year	102.95	216.37
Grants recognised for the year	(78.78)	(280.11)
At the end of the year	**123.72**	**99.55**

(b) **Reconciliation of Contract liabilities:**

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of year	1,407.77	1,415.23
Contract liability recognised during the year	1,360.12	491.72
Revenue recognised from amount included in contract liabilities at the beginning of the year	(962.50)	(499.18)
At the end of the year	**1,805.39**	**1,407.77**

(c) **Reconciliation of Refund liability:**

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of the year	360.25	318.33
Arising during the year	479.53	417.29
Utilised during the year	(352.29)	(375.37)
At the end of the year	**487.49**	**360.25**

22. Provisions

Accounting policy:

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 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.

Provision is recognised for expected warranty claims and after sales services when the product is sold or service provided to the customer, based on past experience of the level of repairs and returns. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. 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.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A. Provisions non-current

(₹ million)

	March 31, 2021	March 31, 2020
Provision for employee benefits (Refer note 30)		
Gratuity	165.42	162.60
Compensated absences	82.38	93.16
	247.80	**255.76**

B. Provisions current

(₹ million)

	March 31, 2021	March 31, 2020
Provision for employee benefits (Refer note 29)		
Gratuity	102.20	112.18
Compensated absences	25.69	27.91
Provision for warranty (Refer note below)	107.23	97.72
	235.12	**237.81**

Note:

Reconciliation of Warranty provision:

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of the year	97.72	83.54
Arising during the year	70.39	87.47
Utilised during the year	(60.88)	(73.29)
At the end of the year	**107.23**	**97.72**

23. Revenue from operations

Accounting Policy

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

(i) Measurement of Revenue

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

(ii) Sale of goods

Revenue from contracts with customers involving sale of these products is recognised 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 recognised when control of goods or services are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The point of time of transfer of control to customers depends on the terms of the trade-CIF, CFR or DDP, ex-works, etc.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(iii) Revenue from Construction contracts

Performance obligation in case of revenue from long-term contracts is satisfied over the period of time, the 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. However, the same may not be possible if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In some circumstances, if the Company is not able to reasonably measure the outcome of a performance obligation, but expects to recover the costs incurred in satisfying the performance obligation, the Company shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The timing of the transfer of Control varies depending on individual terms of the sales agreements.

The total costs of contracts are estimated based on technical and other estimates. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract.

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".

(iv) Variable consideration

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

(v) Schemes

The Company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, tours, kind etc. Revenue from contract with customer is presented deducting cost of all these schemes.

(vi) Significant Financing Components

In respect of advances from its customers, using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle. Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

(vii) 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 as per note 22. 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.

(viii) 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.

At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Company has a right to recover the product when customers exercise their right of return. Consequently, the Company recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

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.

(ix) Onerous Contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on assets associated.

(x) 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. Export incentives income is recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(xi) 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. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

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, it's recognition as income in the Statement of Profit & Loss is linked to fulfilment of associated export obligations.

The Company has chosen to present export incentive and grants received as other operating revenue in the Statement of Profit & Loss.

Revenue from operations

(₹ million)

	March 31, 2021	March 31, 2020
Revenue from contracts with customers		
Revenue on Sale of Products		
Finished goods	75,401.95	76,362.66
Traded goods	7,947.05	4,856.50
Revenue from Construction Contracts	1,890.26	4,688.76
	85,239.26	**85,907.92**
Other operating revenue		
Job work income	7.48	-
Scrap sales	1,532.04	1,160.10
Total revenue from contracts with customers	**86,778.78**	**87,068.02**
Export incentives	70.15	202.91
Government grant	514.69	798.21
Total Revenue from operations	**87,363.62**	**88,069.14**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(a) Disaggregated revenue information

(₹ million)

	March 31, 2021	March 31, 2020
Type of Goods or Services		
Wires & Cables	74,553.86	74,024.67
Fast Moving Electrical Goods (FMEG)	10,334.66	8,354.59
Revenue from construction contracts	1,890.26	4,688.76
Total revenue from contracts with customers	**86,778.78**	**87,068.02**
Location of customer		
India	79,357.20	76,112.85
Outside India	7,421.58	10,955.17
Total revenue from contracts with customers	**86,778.78**	**87,068.02**
Timing of revenue recognition		
Goods transferred at a point in time	84,905.21	82,333.38
Goods and Services transferred over a period of time	1,873.57	4,734.64
Total revenue from contracts with customers	**86,778.78**	**87,068.02**
Revenue from B2B and B2C Vertical		
Business to Customer	33,722.46	28,307.56
Business to Business	50,150.30	58,657.72
Others(i)	2,906.02	102.74
Total revenue from contracts with customers	**86,778.78**	**87,068.02**

Notes:

(i) Others includes discounts, scrap sales, raw material sales and job work income.

(b) Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

(₹ million)

	March 31, 2021	March 31, 2020
Total revenue from contracts with customers	86,778.78	87,068.02
Export incentives (i)	70.15	202.91
Government grant (ii)	514.69	798.21
Other income excluding finance income	673.71	485.23
Total income as per Segment (Refer note 36)	**88,037.33**	**88,554.37**

Notes:

(i) Export incentive includes merchandise export from India scheme (MEIS) incentives and duty drawback incentives.

(ii) Government grant includes advance licence benefits and deferred income released to the statement of profit and loss on fulfilment of export obligation under the export promotion capital goods (EPCG) scheme.

(c) Reconciliation between revenue with customers and contracted price as per Ind AS 115:

(₹ million)

	March 31, 2021	March 31, 2020
Revenue as per contracted price	89,418.98	89,888.77
Less: Adjustments		
Price adjustments such as Discounts, Rebates and Sales Promotion Schemes	(836.23)	(1,745.54)
Contract liabilities (excess billing over revenue EPC)	(1,805.39)	(1,407.77)
Provisions for expected sales return	(127.24)	(41.92)
Other adjustments	(24.17)	45.88
Add: Adjustments		
Contract assets (Unbilled Revenue EPC)	152.84	328.60
Revenue from contract with customers	**86,778.78**	**87,068.02**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(d) Disclosure in terms of Ind AS 115 on the accounting of construction contract is as under:

(₹ million)

	March 31, 2021	March 31, 2020
Contract revenue recognised for the period (Net of tax)	1,890.26	4,688.76
Contract that are in progress as on reporting date		
(i) Contract costs incurred and recognised profits (less recognised losses)	1,890.26	4,688.76
(ii) Amount of retentions*	1,265.08	1,564.46
(iii) Contract balances recognised and included in financial statement as:		
Contract asset	141.02	316.78
Contract liabilities	1,805.39	1,407.77

*Retentions are specific to projects and are generally receivable within 6 months from completion of project.

(e) Trade receivables are usually non-interest bearing and are generally on credit terms up to 90 days except EPC business. Provision for expected credit losses on trade receivables recognised/(reversed) during the year of ₹(51.30) million (March 31, 2020: ₹256.06 million). 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.

(f) No single customer contributed 10% or more to the Company's revenue for the year ended March 31, 2021 and March 31, 2020.

(g) 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 decrease in contract assets as on March 31, 2021 is on account of acceptance/Certification of installation services for which work were done by the Company in earlier period. During the year ₹Nil (March 31, 2020: ₹4.24 million) was recognised as provision for expected credit losses on contract assets.

(h) 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 2020-21 due to the continuous increase in the Company's customer base and contracts where billing is in excess of revenue.

(i) Set out below is the amount of revenue recognised from:

(₹ million)

	March 31, 2021	March 31, 2020
Amounts included in contract liabilities at the beginning of the year	962.50	499.18
Performance obligations satisfied in previous years	1,443.74	245.73

(j) Right of refund assets and refund liabilities as at year end:

(₹ million)

	March 31, 2021	March 31, 2020
Refund assets	222.21	232.46
Refund liabilities	487.49	360.25

24. Other income

Accounting Policy:

Other income is comprised primarily of interest income, dividend income, gain on investments and exchange gain on forward contracts and on translation of other assets and liabilities.

Interest income on financial asset measured either at amortised cost or FVTPL is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

Foreign Currency

The Company's Financial Statements are presented in Indian rupee (₹) 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 Balance sheet date:

(i) Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

(ii) 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.

(iii) Exchange differences:

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the Statement of Profit & Loss.

(₹ million)

	March 31, 2021	March 31, 2020
(a) Interest income on financial assets		
carried at amortised cost		
Bank deposits	108.45	207.47
Others (refer note (i) below)	231.00	59.08
carried at FVTPL		
Others	17.01	3.71
(b) Income from Investments designated at FVTPL		
Gain on liquid/overnight mutual funds	158.57	179.07
Fair valuation on gain on overnight mutual funds	8.47	0.01
(c) Fair value gain/loss on financial instruments		
Derivatives at FVTPL (refer note (ii) below)	24.63	392.91
(d) Other non-operating income		
Exchange differences (net)	560.28	-
Gain on sale of property, plant and equipment	1.13	-
Gain on termination of Lease	0.92	1.42
Sundry balances written back	36.59	46.52
Miscellaneous income	50.16	44.38
	1,197.21	**934.57**

(i) Includes interest on Income Tax refund of ₹ 163.89 million (refer note 12).

(ii) Gain on fair valuation of financial instruments at FVTPL includes foreign exchange fluctuation on forward contracts that did not qualify for hedge accounting and on embedded derivatives, which have been separated.

25. Cost of materials consumed

(₹ million)

	March 31, 2021	March 31, 2020
Inventories at the beginning of the year	7,046.47	9,720.81
Add: Purchases	58,191.39	56,285.64
	65,237.86	**66,006.45**
Less: Inventories at the end of the year	(8,256.39)	(7,046.47)
	56,981.47	**58,959.98**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

Notes:

Details of Material Consumed

(₹ million)

	March 31, 2021	March 31, 2020
Copper	34,603.79	35,014.18
Aluminium	8,592.89	8,259.69
Steel	2,000.11	2,527.48
PVC Compound/ HDPE/ LDPE/ XLPE/ Resin	7,546.37	7,762.73
Packing Materials	1,553.03	1,733.49
Others *	2,685.28	3,662.41
	56,981.47	**58,959.98**

* Others includes Raw material for consumer products

26. Purchases of stock-in-trade

(₹ million)

	March 31, 2021	March 31, 2020
Electrical wiring accessories	281.41	318.90
Electrical appliances	3,414.64	3,195.27
Others	2,544.47	542.62
	6,240.52	**4,056.79**

27. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ million)

	March 31, 2021	March 31, 2020
Inventory at the beginning of the year		
Finished goods	8,020.04	6,611.88
Stock-in-trade	1,276.54	918.02
Scrap materials	131.14	197.29
Work-in-progress	2,070.04	1,401.85
	11,497.76	**9,129.04**
Inventory at the end of the year		
Finished goods	8,005.96	8,020.04
Stock-in-trade	1,158.24	1,276.54
Scrap materials	226.64	131.14
Work-in-progress	1,405.07	2,070.04
	10,795.91	**11,497.76**
Changes in Inventories	**701.85**	**(2,368.72)**

28. Project bought outs and subcontracting cost

(₹ million)

	March 31, 2021	March 31, 2020
Project bought outs	692.69	1,994.13
Subcontracting Expenses for EPC	390.44	1,180.33
	1,083.13	**3,174.46**

29. Employee benefits expense

Accounting Policy

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, incentives, special awards, medical benefits etc. and the expected cost of ex-gratia are charged to the Statement of Profit & Loss account in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(ii) Compensated absences

The Company has revised its leave policy applicable to all employees except for certain categories of employees in Daman factory location effective April 1, 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 absences 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 Profit & Loss and are not deferred.

(iii) 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 Profit & Loss as incurred.

(iv) 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. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. 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 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 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) 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 (Refer note 17(g)).

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 (Refer note 33).

Employee benefits expense

(₹ million)

	March 31, 2021	March 31, 2020
Salaries, wages and bonus	3,090.03	3,175.41
Employees share based payment expenses	108.71	170.99
Contribution to provident and other funds	204.52	169.17
Staff welfare expense	89.75	101.68
	3,493.01	**3,617.25**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

Gratuity and other post-employment benefit plans

(A) Defined Benefit plan

Gratuity Valuation As per actuary

In respect of Gratuity, the Company makes annual contribution to the employee group gratuity scheme of the Life Insurance Corporation of India, funded defined benefits plan for qualified employees. The scheme provided for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method.

Defined benefit plans expose the Company to actuarial risks such as

(i) Interest rate risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

(ii) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(iii) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

(iv) Asset Liability Matching Risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk. If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

(vi) Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(vii) Variability in withdrawal rates

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

(viii) Regulatory Risk

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

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 at 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 most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at March 31, 2021 an external independent fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

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)

	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	62.71	51.36
Net interest cost	18.03	14.94
Past service cost	26.14	-
Net benefits expense	**106.88**	**66.30**

Net remeasurement (gain)/loss on defined benefit plans recognised in Other comprehensive income for the year:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain) /loss on obligations	(52.96)	53.05
Return on plan assets, excluding interest income	5.66	(1.74)
Net (Income)/Expense for the year recognised in OCI	**(47.30)**	**51.31**

Balance sheet

Benefits liability

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Present value of defined benefit obligation	(577.06)	(527.94)
Fair value of plan assets	309.44	253.16
Plan liability	**(267.62)**	**(274.78)**

Changes in the present value of the defined benefit obligation are as follows:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Opening defined benefit obligation	527.95	409.38
Interest cost	34.63	31.28
Current service cost	62.71	51.36
Past service cost	26.14	-
Benefits paid	(21.41)	(17.12)
Actuarial (gains)/losses on obligations		
Due to change in financial assumptions	3.06	39.48
Due to experience	(56.01)	13.57
Closing defined benefit obligation	**577.07**	**527.95**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

Changes in the fair value of plan assets are as follows:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Opening fair value of plan assets	253.16	213.88
Interest Income	16.61	16.34
Contribution by employer	66.74	38.32
Benefits paid	(21.41)	(17.12)
Actuarial gains	(5.66)	1.74
Closing fair value of plan assets	**309.44**	**253.16**

The Group expects to contribute ₹102.20 million to gratuity in the next year (March 31, 2020: ₹112.18 million).

Current & non-current bifurcation of provision for gratuity as per actuarial valuation is as follows:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Non-current	165.42	162.60
Current	102.20	112.18

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Investment with insurer	100%	100%

The principal assumptions used in determining gratuity for the Group's plans are shown below:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.49%	6.56%
Expected rate of return on plan assets	6.49%	6.56%
Employee turnover	10.00%	10.00%
Salary escalation	11.00%	11.00%
Weighted average duration	9	9
Mortality rate during employment	Indian assured lives mortality (2006-08) Ult	Indian assured lives mortality (2006-08) Ult
Mortality rate after employment	N.A.	N.A.

The average expected future service as at March 31, 2021 is 7 years (March 31, 2020 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 March 31, 2021 is as shown below:

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

Sensitivity analysis

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Projected benefit obligation on current assumptions	577.06	527.94
Delta effect of +1% change in rate of discounting	(41.01)	(36.75)
Delta effect of-1% change in rate of discounting	47.11	42.32
Delta effect of +1% change in rate of salary increase	44.63	36.80
Delta effect of-1% change in rate of salary increase	(39.78)	(33.39)
Delta effect of +1% change in rate of employee turnover	(12.87)	(10.70)
Delta effect of-1% change in rate of employee turnover	14.46	12.04

Methodology for Defined Benefit Obligation:

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits.

Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

Projected benefits payable in future years from the date of reporting.

Maturity analysis of projected benefit obligation from the fund:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
1st following year	52.96	64.92
2nd following year	44.60	39.20
3rd following year	48.63	42.74
4th following year	49.30	43.87
5th following year	52.97	43.09
Sum of years 6 to 10	239.97	212.17
Sum of years 11 years and above	574.98	530.87

(B) Other Defined Benefit and contribution Plans

Provident Fund

The Company contribute towards Provident Fund to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company contributes towards Provident Fund managed by Central Government and has recognised ₹77.45 million (31st March, 2020-₹82.86 million) for provident fund contributions in the Statement of Profit and Loss.

Pension Fund

Contribution to National Pension Scheme, a defined contribution scheme, is made at predetermined rates to the asset management companies under National Pension Scheme and is charged to the statement of profit and loss. The Company contributes has recognised ₹9.25 million (March 31, 2020 ₹7.56 million) for contribution to National Pension Scheme in the Statement of Profit and Loss.

Compensated absences (unfunded)

In respect of Compensated absences, accrual is made on the basis of a year-end actuarial valuation except for Halol worker in pursuance of the Company's leave rules. The Company has provided for compensated absences based on the actuarial valuation done as per Project Unit Credit Method except for Halol worker. The Company had provided for compensated absences for Halol worker based on the Company's leaves rules. The leave obligation cover the Company's liability for earned leave. The amount of the provision of ₹82.38 million (year ended March 31, 2020 ₹93.16 million) is presented as non-current and ₹25.69 million (year ended March 31, 2020 ₹27.91 million) is presented as current. The Company contributes has recognised ₹0.82 million (March 31, 2020 ₹43.00 million) for Compensated absences in the Statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

30. Finance cost

Accounting Policy

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing cost includes interest expense on financial liabilities, interest on tax matters, exchange differences arising from the foreign currency borrowings, gain/loss on fair value of forward cover and it's premium and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(₹ million)

	March 31, 2021	March 31, 2020
Interest expense on financial liabilities at amortised cost [i]	215.27	229.80
Interest expense on financial liabilities at FVTPL	28.90	28.99
Exchange differences regarded as an adjustment to borrowing costs	18.06	40.49
Other borrowing costs [ii]	149.00	179.75
	411.23	**479.03**

(i) Interest expense includes ₹47.43 million (March 31, 2020 ₹12.23 million) paid/payable to Income Tax Department

(ii) Other borrowing costs would include bank commission charges, bank guarantee charges, letter of credit charges, premium on forward contract, fair value loss/(gain) on forward contracts, other ancillary costs incurred in connection with borrowings

31. Depreciation and amortisation expenses

(₹ million)

	March 31, 2021	March 31, 2020
Depreciation of Property, Plant and Equipment (Refer note 3)	1,599.47	1,459.35
Depreciation of right-of-use assets (Refer note 4)	128.33	112.96
Amortisation of intangible assets (Refer note 5)	12.29	18.54
	1,740.09	**1,590.85**

32. Other expenses

(₹ million)

	March 31, 2021	March 31, 2020
Consumption of stores and spares	571.12	490.68
Sub-contracting expenses	1,678.98	1,833.90
Power and fuel	1,151.88	1,273.41
Rent	70.65	80.59
Rates and taxes	83.36	91.82
Insurance	117.36	50.72
Repairs and maintenance		
Plant and machinery	32.87	32.39
Buildings	61.10	65.95
Others	86.79	94.20
Advertising and sales promotion	682.10	1,086.42
Brokerage and commission	376.29	465.14
Travelling and conveyance	154.09	286.51
Communication Cost	34.68	36.55
Legal and professional fees	327.64	409.43
Director Sitting Fees	4.64	4.16
Freight & forwarding expenses	1,906.88	1,860.40
Payment to auditor (Refer note (a) below)	9.92	10.47

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ million)

	March 31, 2021	March 31, 2020
Sundry advances written off	15.13	65.15
Loss on sale of property, plant and equipment and non-current assets held for sale	-	10.94
Derivatives at FVTPL (Refer below note (b))	-	8.93
Fair value of written put options	-	0.85
Exchange differences (net)	-	282.27
Impairment allowance for trade receivable considered doubtful (Refer note 7 and 9)	(51.30)	260.30
CSR expenditure (Refer note (c) below)	159.79	127.33
Miscellaneous expenses	480.97	530.99
	7,954.94	**9,459.50**

Notes:

(a) Payments to auditor:

(₹ million)

	March 31, 2021	March 31, 2020
As auditor		
(i) Audit fee	9.40	9.43
(ii) Certification fees	0.21	0.20
(iii) Out of pocket expenses	0.31	0.84
	9.92	**10.47**

(b) Loss on fair valuation of financial instruments at FVTPL relates to foreign exchange fluctuation on forward contracts that did not qualify for hedge accounting and on embedded derivatives, which have been separated.

(c) Details of Corporate Social Responsibility Expenses:

(i) No amount has been spent on construction/acquisition of an asset of the Company.

(ii) CSR Spent consist of following:

(₹ million)

		March 31, 2021	March 31, 2020
Gross amount required to be spent by the Parent Company during the year as per provisions of Section 135 of the Companies Act, 2013 i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.	**(A)**	**159.57**	**120.26**
Gross amount spent by the Parent Company during the year			
Rural development programmes		-	2.38
Social empowerment		2.49	9.18
Promotion of education		109.82	11.34
Flood relief activity		-	19.87
Disaster management		-	5.76
Health care facility & awareness		16.66	14.97
Conservation of Natural Resource		14.83	-
Women empowerment		0.64	-
Environmental awareness		5.58	0.08
Contribution made into CSR foundation trust		-	61.00
Administration cost		3.33	-
Others		6.44	2.75
Total CSR spent in actual	(B)	**159.79**	**127.33**
Shortfall/(Excess)	(A-B)	**(0.22)**	**(7.07)**

(d) Out of the note (c) above, ₹159.61 million (March 31, 20 ₹61.00 million) contributed to Polycab Social Welfare Foundation where KMP's are interested.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

33. Earnings per share

Accounting Policy

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

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

Employee Stock Option Plan 2018

Pursuant to the resolutions passed by the Company's 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.

(a) Basic Earnings per share

			March 31, 2021	March 31, 2020
Profit attributable to equity holders for basic earnings	₹in million	A	8,313.30	7,609.54
Weighted average number of equity shares for basic earning per share *	Number	B	14,90,08,751	14,83,81,220
Earnings per shares-Basic (one equity share of ₹10 each)	₹ per share	**(A/B)**	**55.79**	**51.28**

(b) Diluted Earnings per share

			March 31, 2021	March 31, 2020
Profit after taxation	₹in million	A	8,313.30	7,609.54
Weighted average number of equity shares for basic earning per share *	Number	B	14,90,08,751	14,83,81,220
Effect of dilution				
Share options	Number	C	6,05,161	5,31,245
Weighted average number of equity shares adjusted for effect of dilution	Number	D=(B+C)	14,96,13,912	14,89,12,465
Earnings per shares-Diluted (one equity share of ₹10 each)	₹ per share	**(A/D)**	**55.57**	**51.10**

* Refer note 16(a) for movement of shares.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

34. 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses it's existence in the Financial Statements.

Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

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

(₹ million)

	March 31, 2021	March 31, 2020
(i) Outstanding corporate guarantees given on behalf of subsidiaries and Joint venture's (Refer note 35 (E))	4,704.62	1,763.87
(ii) Taxation matters		
Disputed liability in respect of sales tax /VAT demand & pending sales tax/VAT forms	4.30	8.80
Disputed liability in respect of Service tax duty demand	18.17	-
Disputed liability in respect of excise duty demand	8.60	86.47
Disputed liability in respect of custom duty demand	17.04	16.94
Claims made against the Company, not acknowledged as debts (Refer note (a) below)	-	634.21
(iii) Customs Duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled	37.05	30.78
(iv) Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled	13.22	75.80

Notes:

(a) A vendor filed a commercial suit against the Company in relation to the alleged breach of three product sourcing agreements entered between the parties. The matter is currently pending in High Court of Bombay. During the current year, based on the legal evaluation , the likelihood of any liability arising on the Company from the outcome of the suit is reassessed from 'possible' to 'remote'

(b) 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.

(c) There is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Honourable Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

(B) Commitments

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Capital commitments		
(Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances))		
Towards Property, Plant and Equipment	1,241.81	1,127.98

Notes:

For Lease commitments, Refer note 4.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

35. Related party disclosure

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

(A) Enterprises where control exists

(₹ million)

	Country of incorporation	March 31, 2021	March 31, 2020
(i) Subsidiaries			
Polycab Wires Italy SRL Liquidated (PWISRL) (Ceased to be Wholly-Owned Subsidiary w.e.f. March 5, 2021)	Italy	-	100%
Tirupati Reels Private Limited (TRPL)	India	55%	55%
Dowells Cable Accessories Private Limited (DCAPL)	India	51%	51%
Polycab Electricals & Electronics Private Limited (PEEPL) [(a)]	India	100%	100%
Polycab USA LLC (PUL) [(a)]	USA	100%	100%
Polycab Australia Pty. Ltd. [(b)]	Australia	100%	NA
Polycab Support Force Private Limited (PSFPL) [(d)]	India	100%	NA
Uniglobus Electricals and Electronics Private Limited (UEEPL) [(e)]	India	100%	NA
Ryker Base Private Limited (Ryker) (Refer note 2A) [(c)]	India	100%	-
(ii) Joint Ventures			
Ryker Base Private Limited (Ryker) (Refer note 2A) [(c)]	India	-	50%
Techno Electromech Private Limited (TEPL)	India	50%	50%

(a) incorporated in FY2019-20

(b) incorporated on July 1, 2020

(c) Joint venture till May 5, 2020 and became wholly-owned subsidiary from May 6, 2020

(d) incorporated on March 13, 2021

(e) incorporated on March 24, 2021

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

AK Enterprises (A K)

Polycab Social Welfare Foundation

T.P. Ostwal & Associates LLP

(C) Key Management Personnel

(i) Executive Directors	
Mr. Inder T. Jaisinghani	Chairman an Managing Director
Mr. Ramesh T. Jaisinghani [(c)]	Whole-time Director
Mr. Ajay T. Jaisinghani [(c)]	Whole-time Director
Mr. Shyam Lal Bajaj [(a) (c)]	Whole-time Director
(ii) Non-Executive Directors	
Mr. R. S. Sharma	Independent Director
Mr. T. P. Ostwal	Independent Director
Mr. Pradeep Poddar	Independent Director
Ms. Hiroo Mirchandani	Independent Director
(iii) Key Management Personnel	
Mr. Gandharv Tongia	Chief Financial Officer (w.e.f. May 31, 2020)
Mr. Subramaniam Sai Narayana [(b)]	Company Secretary and Compliance Officer
Ms. Manita Gonsalves	Company Secretary and Compliance Officer (w.e.f. January 24, 2021)

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(iv) Relatives of Key Management Personnel	
Mr. Bharat A. Jaisinghani [d]	Son of Mr. Ajay T. Jaisinghani
Mr. Girdhari T. Jaisinghani	Brother of Mr. Inder T. Jaisinghani, Mr. Ajay T. Jaisinghani & Mr. Ramesh T. Jaisinghani
Mr. Kunal I. Jaisinghani	Son of Mr. Inder T. Jaisinghani
Mr. Nikhil R. Jaisinghani [d]	Son of Mr. Ramesh T. Jaisinghani
Mr. Puneet Sehgal	Son in law of Ramesh T. Jaisinghani

(a) Mr. Shyam Lal Bajaj resigned from CFO position w.e.f. closing business hours May 30, 2020 and continues as a Whole-time Director.

(b) Mr. Subramaniam Sai Narayana resigned from Company Secretary and Compliance Officer position w.e.f. January 23, 2021.

(c) Resigned from Whole-time Director position w.e.f. closing business hours May 12, 2021.

(d) Appointed as Whole-time Director w.e.f. May 13, 2021.

(D) Transactions with group companies

(₹ million)

		Year ended March 31, 2021	Year ended March 31, 2020
(i) Sale of goods (including GST)			
Tirupati Reels Private Limited	Subsidiary	25.24	380.24
Dowells Cable Accessories Private Limited	Subsidiary	5.08	4.55
Ryker Base Private Limited	Subsidiary	3,544.78	5.21
Techno Electromech Private Limited	Joint Venture	41.79	16.84
Polycab Australia Pty. Ltd.	Subsidiary	511.54	-
(ii) Purchase of goods (including GST)			
Tirupati Reels Private Limited	Subsidiary	613.64	821.06
Dowells Cable Accessories Private Limited	Subsidiary	5.94	2.47
Ryker Base Private Limited	Subsidiary	636.96	-
Techno Electromech Private Limited	Joint Venture	615.44	671.33
(iii) Sub-contracting expense (including GST)			
Dowells Cable Accessories Private Limited	Subsidiary	-	0.08
Ryker Base Private Limited	Subsidiary	512.50	660.47
Techno Electromech Private Limited	Joint Venture	26.64	18.55
(iv) Job work Income (including GST)			
Ryker Base Private Limited	Subsidiary	6.21	-
(v) Recovery for Employee Stock Options granted			
Ryker Base Private Limited	Subsidiary	1.48	-
(vi) Reimbursement of Gas Expense			
Ryker Base Private Limited	Subsidiary	4.94	-
(vii) Commission received (including GST)			
Tirupati Reels Private Limited	Subsidiary	3.07	0.22
(viii) Rent received (including GST)			
Dowells Cable Accessories Private Limited	Subsidiary	8.19	7.50
Ryker Base Private Limited	Subsidiary	0.62	3.67
(ix) Interest received			
Tirupati Reels Private Limited	Subsidiary	-	4.18
Dowells Cable Accessories Private Limited	Subsidiary	0.18	0.98
Ryker Base Private Limited	Subsidiary	22.44	-
Polycab Australia Pty. Ltd.	Subsidiary	0.25	
Techno Electromech Private Limited	Joint Venture	13.82	13.86

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ million)

		Year ended March 31, 2021	Year ended March 31, 2020
(x) Testing charges paid (including GST)			
Techno Electromech Private Limited	Joint Venture	8.83	1.42
(xi) Other charges recovered (including GST)			
Tirupati Reels Private Limited	Subsidiary	-	0.02
Dowells Cable Accessories Private Limited	Subsidiary	2.89	1.80
Ryker Base Private Limited	Subsidiary	0.67	1.43
(xii) Sale of Fixed Assets (including GST)			
Techno Electromech Private Limited	Joint Venture	34.81	50.39
Ryker Base Private Limited	Subsidiary	0.44	-
(xiii) Purchase of Fixed Assets (including GST)			
Ryker Base Private Limited	Subsidiary	-	12.45
(xiv) Investment made			
Techno Electromech Private Limited	Joint Venture	-	35.00
Polycab Electricals & Electronics Private Limited (PEEPL)	Subsidiary	1.00	-
Polycab Australia Pty. Ltd.	Subsidiary	11.66	-
(xv) Loans given			
Tirupati Reels Private Limited	Subsidiary	-	40.00
Ryker Base Private Limited	Subsidiary	300.00	-
Polycab Australia Pty. Ltd.	Subsidiary	25.61	
(xvi) Loan given repaid			
Tirupati Reels Private Limited	Subsidiary	-	40.00
Dowells Cable Accessories Private Limited	Subsidiary	4.47	6.97
(xvii) Corporate guarantee given (Refer note below)			
Tirupati Reels Private Limited	Subsidiary	-	520.00
Ryker Base Private Limited	Subsidiary	4,184.62	-
(xviii) Fair value Corporate guarantee (Refer note below)			
Ryker Base Private Limited	Subsidiary	12.25	-
(xix) Rent paid (including GST)			
AK Enterprises	Enterprises owned or significantly influenced by key managerial personnel	21.88	29.14

(E) Outstanding as at the year end:

(₹ million)

		Year ended March 31, 2021	Year ended March 31, 2020
(i) Loans			
Polycab Wires Italy SRL, Liquidated	Subsidiary	-	32.25
Dowells Cable Accessories Private Limited	Subsidiary	-	4.47
Ryker Base Private Limited	Subsidiary	300.00	-
Polycab Australia Pty. Ltd.	Subsidiary	25.07	-
Techno Electromech Private Limited	Joint Venture	115.21	115.21
(ii) Provision against loans			
Polycab Wires Italy SRL, Liquidated	Subsidiary	-	32.25
(iii) Trade Receivables			
Tirupati Reels Private Limited	Subsidiary	3.20	149.98
Dowells Cable Accessories Private Limited	Subsidiary	-	1.23
Techno Electromech Private Limited	Joint Venture	23.61	74.11
Ryker Base Private Limited	Subsidiary	456.69	0.37
Polycab Australia Pty. Ltd.	Subsidiary	480.67	-

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ million)

		Year ended March 31, 2021	Year ended March 31, 2020
(iv) Trade Receivables-FA			
Techno Electromech Private Limited	Joint Venture	85.19	50.39
(v) Receivable under liquidation			
Polycab Wires Italy SRL, Liquidated	Subsidiary	1.03	-
(vi) Advance given for material and services			
Ryker Base Private Limited	Subsidiary	28.62	-
(vii) Interest accrued on loan given			
Techno Electromech Private Limited	Joint Venture	3.18	-
Polycab Australia Pty. Ltd.	Subsidiary	0.25	-
Ryker Base Private Limited	Subsidiary	2.14	-
(viii) Trade Payables			
Polycab Wires Italy SRL, Liquidated	Subsidiary	-	4.72
Tirupati Reels Private Limited	Subsidiary	117.03	86.49
Dowells Cable Accessories Private Limited	Subsidiary	3.03	1.17
Techno Electromech Private Limited	Joint Venture	71.30	36.64
Ryker Base Private Limited	Subsidiary	-	3.49
(ix) Security Deposits given			
AK Enterprises	Enterprises owned or significantly influenced by key managerial personnel	5.91	6.13

Note:

Company has provided a guarantee for credit facility availed by the Ryker Base Private Limited and Tirupati Reels Private Limited, amounting to ₹4,184.62 million [$25 million and ₹2,347 million] and (March 31, 2020: ₹1,243.87 million [$12.50 million] and ₹520.00 million (March 31, 2020: ₹520.00 million) respectively. The fair value of corporate guarantee ₹15.31 million (March 31, 2020: ₹11.21 million) has been included in carrying cost of investment.

(F) Transactions with KMP:

(i) Remuneration paid for the year ended and outstanding as on: [(a)]

(₹ million)

	March 31, 2021		March 31, 2020	
	For the year ended	Outstanding for the year end	For the year ended	Outstanding for the year end
Executive directors (Includes Salary, Performance Incentive and commission to MD)				
Mr. Inder T. Jaisinghani	141.07	99.07	115.13	75.35
Mr. Ramesh T. Jaisinghani	32.48	7.50	31.15	7.50
Mr. Ajay T. Jaisinghani	32.48	7.50	31.15	7.50
Mr. Shyam Lal Bajaj	28.34	6.17	31.34	6.17
Non-Executive directors (Includes sitting fees and commission)				
Mr. T. P. Ostwal	3.30	2.00	3.14	2.00
Mr. R. S. Sharma	3.22	2.00	3.06	2.00
Mr. Pradeep Poddar	3.14	2.00	3.06	2.00
Ms. Hiroo Mirchandani	2.98	2.00	2.90	2.00
Key Management Personnel (Includes Salary and Performance Incentive)				
Mr. Gandharv Tongia	14.61	1.67	NA	NA
Ms. Manita Gonsalves	0.96	0.22	NA	NA
Mr. Subramaniam Sai Narayana	2.31	-	4.57	0.41

(a) 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 and KMP are not included above.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(ii) Share based payments to KMP[(a)]

(₹million)

	March 31, 2021	
	For the year ended	Outstanding for the year end
Mr. Shyam Lal Bajaj	7.64	8.07
Mr. Gandharv Tongia	2.94	NA
Mr. Subramaniam Sai Narayana[(b)]	(0.46)	0.92

(a) Represents expense by way of share based payments attributable to directors and KMP

(b) During current year remaining options granted under Performance Scheme are forfeited post his resignation due to non-fulfilment of vesting criteria.

(iii) Sale of fixed assets to KMP (Including GST)

(₹million)

	March 31, 2021		March 31, 2020	
	For the year ended	Outstanding for the year end	For the year ended	Outstanding for the year end
Mr. Ramesh T. Jaisinghani	1.35	1.35	-	-
Mr. Ajay T. Jaisinghani	2.36	0.17	-	-
Mr. Puneet Sehgal	0.55	0.55	-	-

(iv) Transactions where KMP's are interested

(₹million)

	Nature of transaction	March 31, 2021		March 31, 2020	
		For the year ended	Outstanding for the year end	For the year ended	Outstanding for the year end
Polycab Social Welfare Foundation	Donation	159.61	-	61.00	-
T.P. Ostwal & Associates LLP (excluding GST)	Professional fees for tax advisory	0.87	0.16	1.09	1.09

(G) Transactions with relatives of KMP:

Remuneration paid for the year ended and outstanding as on:

(₹ million)

	March 31, 2021		March 31, 2020	
	For the year ended	Outstanding for the year end	For the year ended	Outstanding for the year end
Mr. Girdhari T. Jaisinghani	8.10	2.18	9.40	2.18
Mr. Bharat A. Jaisinghani	13.44	2.98	13.43	2.98
Mr. Nikhil R. Jaisinghani	13.44	2.98	13.43	2.98
Mr. Kunal I. Jaisinghani	2.42	0.01	2.42	0.01

36. Segment Reporting

Accounting Policy

Identification of segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company's chief operating decision maker is the Chairman & Managing Director.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators by business segments and geographic segments.

Segment revenue and expenses:

1. It has been identified to a segment on the basis of relationship to operating activities of the segment.
2. The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.
3. Intersegment revenue and profit is eliminated at group level consolidation.
4. Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting as the underlying instruments are managed on a group.

Segment assets and liabilities:

Segment assets and segment liabilities represent assets and liabilities of respective segments, however the assets and liabilities not identifiable or allocable on reasonable basis being related to enterprise as a whole have been grouped as unallocable.

The accounting policies of the reportable segments are same as that of Group's accounting policies described.

No operating segments have been aggregated to form the above reportable operating segments. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

The Company is organised into business units based on its products and services and has three reportable segments as follows:

Wire and Cable: Manufacture and sale of wires and cables.

Fast moving electrical goods (FMEG): Fans, LED lighting and luminaires, switches, switchgears, solar products, water heaters, conduits and domestic appliances.

Others: It comprise of EPC business which includes design, engineering, supply of materials, survey, execution and commissioning of power distribution, rural electrification projects on a trunkey basis.

(A) The following summary describes the operations in each of the Company's reportable segments:

(₹ million)

	March 31, 2021					March 31, 2020				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Income										
External sales	75,793.81	10,341.09	1,902.43	-	88,037.33	75,508.81	8,355.78	4,689.78	-	88,554.37
Inter segment revenue	63.11	-	-	(63.11)	-	389.58	-	-	(389.58)	-
Total Income	**75,856.92**	**10,341.09**	**1,902.43**	**(63.11)**	**88,037.33**	**75,898.39**	**8,355.78**	**4,689.78**	**(389.58)**	**88,554.37**
Segment Results										
External	8,973.02	565.96	303.34	-	9,842.32	9,174.32	168.28	721.66	-	10,064.26
Inter segment results	7.54	-	-	(7.54)	-	47.64	-	-	(47.64)	-
Segment/Operating results	**8,980.56**	**565.96**	**303.34**	**(7.54)**	**9,842.32**	**9,221.96**	**168.28**	**721.66**	**(47.64)**	**10,064.26**
Un-allocated items:										
Finance income					523.50					449.34
Finance costs					411.23					479.03
Profit before tax					**9,954.59**					**10,034.57**
Income tax expenses										
Current tax					2,533.59					2,449.49
Adjustment of tax relating to earlier year					(1,001.95)					(34.18)
Deferred tax (credit)/charge					109.65					9.72
Profit for the year					**8,313.30**					**7,609.54**
Depreciation & amortisation expenses	1,559.46	177.10	3.53	-	1,740.09	1,451.36	135.14	4.35	-	1,590.85
Non-cash expenses/(Income) other than depreciation	(224.27)	61.99	85.35	-	(76.93)	25.05	69.26	69.40	-	163.71
Total cost incurred during the year to acquire segment assets (net of disposal)	1,523.46	354.11	-	-	1,877.57	2,696.07	177.80	-	-	2,873.87

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(B) Revenue by Geography

The amount of its revenue from external customers analysed by the country, in which customers are located, are given below:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Within India	80,615.75	77,599.20
Outside India	7,421.58	10,955.17
	88,037.33	**88,554.37**

(C) Segment assets

(₹ million)

	March 31, 2021					March 31, 2020				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Segment assets	44,545.63	5,896.31	4,247.92	-	54,689.86	43,417.11	5,379.76	5,594.72	-	54,391.59
Unallocated assets:										
Investment (Non-Current and Current)					6,969.75					861.94
Income tax assets (net)					269.66					191.51
Cash and cash equivalents and bank balance other than cash and cash equivalents					4,710.15					2,412.75
Loans					531.67					250.04
Other unallocable assets					97.84					1,174.27
Total assets					**67,268.93**					**59,282.10**

(D) Segment liabilities

(₹ million)

	March 31, 2021					March 31, 2020				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Segment liabilities	12,723.64	2,666.93	2,902.67	-	18,293.24	13,277.14	1,587.47	2,781.31	-	17,645.92
Unallocated liabilities:										
Borrowings (Non-Current and Current, including Current Maturity)					918.73					1,455.60
Current tax liabilities (net)					267.45					1,184.20
Deferred tax liabilities (net)					337.64					173.55
Other unallocable liabilities					379.57					419.94
					20,196.63					**20,879.21**

(E) Non-current assets by Geography

The total of non-current assets excluding financial assets and deferred tax assets analysed by the country in which assets are located are given below:

(₹ million)

	Year ended March 31, 2021	Year ended March 31, 2020
Within India	18,035.66	16,855.29
Outside India	-	-
	18,035.66	**16,855.29**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

37. Financial Instruments and Fair Value measurments

A) Financial Instruments

Accounting policy

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

Financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(a) Financial assets at amortised cost

(b) Financial assets at fair value

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

(a) Financial assets carried at amortised cost

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

(i) **Business Model test:** The objective of the Company's business model is to hold the financial assets to collect the contractual cash flow (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

(ii) **Cash flow characteristics test:** The contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised 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 recognised 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:

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(a) The rights to receive cash flows from the asset have expired, or

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

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

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

(iv) Impairment of financial assets

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

(a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

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

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

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

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

Ind AS 109 requires 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.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

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 recognised as other expense in the Statement of Profit & Loss.

Financial liabilities

(v) Initial recognition and measurement

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

(vi) Subsequent measurement

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

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

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

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) Embedded Derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-fincia host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

(viii) 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.

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(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 of Ind AS 109 and the amount recognised less cumulative amortisation.

Fair value measurements

Accounting policy

The Company measures financial instruments, such as, derivatives, mutual funds etc. at fair value at each 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:

(a) In the principal market for the asset or liability, or

(b) 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 Financial Statements are categorised within the fair value hierarchy, to provide an indication about the reliability of inputs used in determining fair value, the Company has classified its financial statements into three levels prescribed under the accounting standard 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.

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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
Measured at amortised cost				
Trade receivables	15,595.76	16,054.47	15,595.76	16,054.47
Cash and cash equivalents	1,974.12	1,700.43	1,974.12	1,700.43
Bank balance other than cash and cash equivalents	2,904.75	1,070.15	2,904.75	1,070.15
Loans	531.67	250.04	531.67	250.04
Other financial assets	734.72	360.75	734.72	360.75
Measured at fair value through profit or loss account (FVTPL)				
Investment in mutual funds	6,231.27	400.00	6,231.27	400.00
Derivative Assets	33.79	1,084.54	33.79	1,084.54
	28,006.08	**20,920.38**	**28,006.08**	**20,920.38**
Financial liabilities				
Measured at amortised cost				
Borrowings-long-term including current maturities and short-term	918.73	1,455.60	919.51	1,455.60
Trade payables	13,061.43	13,447.11	13,061.43	13,447.11
Creditors for capital expenditure	273.78	275.10	273.78	275.10
Obligations under lease	335.22	327.85	345.58	327.85
Fair value of corporate guarantee	15.31	11.21	15.31	11.21
Other financial liabilities	46.10	64.78	46.10	64.78

Notes to Standalone Financial Statements

for the year ended March 31, 2021

	carrying value		Fair value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Measured at fair value through profit or loss account (FVTPL)				
Derivative liabilities	1,013.31	232.51	1,013.31	232.51
	15,663.88	**15,814.16**	**15,675.02**	**15,814.16**

(a) 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).

(b) 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.

(c) 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.

(d) 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.

(e) The fair values of the mutual funds are based on NAV at the reporting date.

(f) The fair value of interest rate swaps are based on MTM bank rates as on reporting date.

(g) The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for the modelling equity value.

(h) 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. 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.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Comapny's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilitiesas at March 31, 2021:

(₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Units of mutual funds	March 31, 2021	6,231.27	6,231.27	–	–
Derivative Assets					
Forward Contract	March 31, 2021	31.37	–	31.37	–
Interest rate and cross currency swap	March 31, 2021	2.42	–	2.42	–
Liabilities measured at fair value:					
Derivative liabilities:					
Embedded derivatives	March 31, 2021	356.38	–	356.38	–
Commodity contracts	March 31, 2021	656.93	–	656.93	–

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for the year ended March 31, 2021

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020:

(₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Units of mutual funds	March 31, 2020	400.00	400.00	–	–
Derivative Assets					
Embedded derivatives	March 31, 2020	1,075.35	–	1,075.35	–
Interest rate and cross currency swap	March 31, 2020	9.19	–	9.19	–
Liabilities measured at fair value:					
Derivative liabilities:					
Commodity contracts	March 31, 2020	169.03	–	169.03	–
Foreign exchange forward contracts	March 31, 2020	13.73	–	13.73	–
Fair value of written put options	March 31, 2020	49.75	–	–	49.75

There is no transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Timing of transfer between the levels determined based on the following:

(a) the date of the event or change in circumstances that caused the transfer

(b) the beginning of the reporting period

(c) the end of the reporting period.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2021 and 2020 are shown below:

	Valuation technique	"Significant unobservable inputs"	Range (weighted average)	Sensitivity of the input to fair value
Fair value of written put options	DCF method	Long-term growth rate for cash flows for subsequent years	March 31, 21: NA March 31, 20: 3.1%-5.1% (4%)	5% (March 31, 20: 5%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by ₹Nil (March 31, 20: ₹2.10 million)
		WACC	March 31, 21: NA March 31, 20: 7%-8% (7.27%)	5% (March 31, 20: 5%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by ₹Nil (March 31, 20: ₹5.16 million)

Reconciliation of fair value measurement of Fair value of written put options:

(₹ million)

	March 31, 2021	March 31, 2020
At the beginning of the year	49.75	48.90
Remeasurement	–	0.85
Settled	(49.75)	–
At the end of the year	**–**	**49.75**

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for the year ended March 31, 2021

38. 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 Board of Directors of the Company has formed a Risk Management Committee to periodically review the risk management policy of the Company so that the management manages the risk through properly defined machanism.The Risk Management Committee's focus is to foresee the unpredictability and minimise 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 is also exposed to the risk of changes in market interest rates relates due to its investments in mutual fund units in overnight funds.

The Company manages its interest rate risk by having a fixed and variable rate loans and borrowings. The Company 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 March 31, 2021, after taking into account the effect of interest rate swaps, approximately 4% of the Company's borrowings are at a fixed rate of interest (March 31, 2020: 49%). Total borrowing as on March 31, 2021 is ₹919.73 million (March 31, 2020 ₹1,455.60 million).

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
March 31, 2021	883.56		
Increase		+100	(8.84)
Decrease		-100	8.84
March 31, 2020	741.53		
Increase		+100	(7.42)
Decrease		-100	7.42

(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.

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 Statement of Profit & Loss. To some extent the Company manages its foreign currency risk by hedging transactions.

Particulars of unhedged foreign currency exposures as at the reporting date:

(₹ million)

Currency	Currency Symbol	March 31, 2021		March 31, 2020	
		Foreign currency	Indian Rupees	Foreign currency	Indian Rupees
United States Doller	USD	(54.07)	(3,974.68)	(57.85)	(4,361.17)
EURO	Euro	1.32	113.33	0.36	30.18
Pound	GBP	1.00	101.39	0.16	15.32
Swiss Franc	CHF	0.05	3.86	0.02	1.75
Chinese Yuan	CNY	-	-	0.55	5.82
Australian Dollar	AUD	1.52	84.91	2.19	101.46

Figures shown in bracket represent payable.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro, GBP , CHF, CNY and AUD 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. Sensitivity due to unhedged Foreign Exchange Exposures is as follows:

Impact on profit before tax and equity

(₹ million)

Currency	Currency Symbol	March 31, 2021		March 31, 2020	
		+2%	-2%	+2%	-2%
United States Doller	USD	(79.49)	79.49	(87.22)	87.22
EURO	Euro	2.27	(2.27)	0.60	(0.60)
Pound	GBP	2.03	(2.03)	0.31	(0.31)
Swiss Franc	CHF	0.08	(0.08)	0.04	(0.04)
Chinese Yuan	CNY	-	-	0.12	(0.12)
Australian Dollar	AUD	1.70	(1.70)	2.03	(2.03)

Figures shown in bracket represent payable.

(iii) Commodity price risk

The Company's exposure to price risk of copper and aluminium arises from:

- Trade payables of the Company where the prices are linked to LME prices. Payment is therefore sensitive to changes in copper and aluminium prices quoted on LME. The provisional pricing feature (Embedded Derivatives) are classified in the balance sheet as fair value through profit or loss. The option to fix prices at future LME prices works as a natural hedge against the movement in value of inventory of copper and aluminium held by the Company. The Company also takes Sell LME positions to hedge the price risk on Inventory due to ongoing movement in rates quoted on LME. The Company applies fair value hedge to protect its copper and aluminium Inventory from the ongoing movement in rates.
- Purchases of copper and aluminium results in exposure to price risk due to ongoing movement in rates quoted on LME affecting the profitability and financial position of the Company. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases. There are no outstanding buy future contracts link to LME as of March 31, 2021 and March 31, 2020.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

Sensitivity analysis for unhedged exposure for the year ended March 31, 2021 are as follows:

Exposure of Company in Inventory

(₹ million)

Metal	Hedge instruments	March 31, 2021				March 31, 2020			
		Exposure in Metric Tonne	Exposure in ₹million	Impact in Profit before tax		Exposure in Metric Tonne	Exposure in ₹million	Impact in Profit before tax	
				+2%	-2%			+2%	-2%
Aluminium	Embedded derivative	3,293	588.35	11.77	(11.77)	6,134	868.63	17.37	(17.37)

(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.

Trade receivables and contract 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 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 Ind AS 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 sold without recourse trade receivable under 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. Derecognition does not result in significant gain/loss to the Company in the Statement of profit and loss.

In certain cases, the Company has sold with recourse trade receivables to a bank for cash proceeds. These trade receivables have not been derecognised from the statement of financial position, because the Company retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a financial liability (Refer note 18(B)). The arrangement with the bank is such that the customers remit cash directly to the bank and the bank releases the limit of facility used by the Company. The receivables are considered to be held within a held-to-collect business model consistent with the Company's continuing recognition of the receivables.

Before evaluating whether, and to what extent, derecognition is appropriate, the Company determines whether these arrangements should be applied to a part of a financial asset (or a part of a Company of similar financial assets) or a financial asset (or a Company of similar financial assets) in its entirety, as follows.

The derecognition criteria are applied to a part of a financial asset (or a part of a Company of similar financial assets) if, and only if, the part being considered for derecognition meets one of the following three conditions.

(i) The part comprises only specifically identified cash flows from a financial asset (or a Company of similar financial assets).

(ii) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a Company of similar financial assets).

(iii) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a Company of similar financial assets).

In all other cases, the derecognition criteria are applied to the financial asset in its entirety (or to the Company of similar financial assets in their entirety).

The carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities is amounting to ₹883.56 million.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

Trade receivables (net of expected credit loss allowance) of ₹14,312.16 million as at March 31, 2021 (March 31, 2020: ₹14,394 million) forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of delayed payments, increased credit risk and consequential default considering emerging situations while arriving at the carrying value of these assets. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers. The Company has specifically evaluated the potential impact with respect to customers for all of its segments.

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

The expected credit loss allowance for trade receivables of ₹1,423.68 million as at March 31, 2021 is considered adequate.

The same assessment is done in respect of contract assets of ₹152.84 million as at March 31, 2021 while arriving at the level of provision that is required. The expected credit loss allowance for contract assets of ₹11.82 million as at March 31, 2021 is considered adequate.

Other financial assets

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

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

(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.

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. Surplus funds not immediately required are invested in certain financial assets (including mutual funds) which provide flexibility to liquidate at short notice and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required. (Refer note 18)

Corporate guarantees given on behalf of Group Companies might affect the Liquidity of the Company if they are payable. However, the Company has adequate liquidity to cover the risk. (Refer note 34(A))

Maturity Analysis

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ million)

Metal	March 31, 2021			31 Mar 2020		
	< 1 year	> equal to 1 year	Total	< 1 year	> equal to 1 year	Total
Borrowings	888.88	-	888.88	1,114.53	29.93	1,144.46
Lease liability	135.35	271.85	407.20	125.85	275.21	401.06
Other financial liabilities	1,363.12	-	1,363.12	883.53	-	883.53
Trade payables	13,061.43	-	13,061.43	13,447.11	-	13,447.11
	15,448.79	**271.85**	**15,720.63**	**15,571.02**	**305.14**	**15,876.16**

The other financial liabilities includes financial guarantees provided Ryker Base Pvt. Ltd. Refer note 20(C) for contractual undiscounted value of the same. It also includes derivative liability, for maturity analysis refer note 39(B).

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(D) Risk due to outbreak of COVID-19 pandemic

The outbreak of COVID-19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. The operations resumed post lifting of lockdown. The Company has considered external and internal information in assessing the impact of COVID-19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

39. Hedging activity and derivatives

(A) Fair value hedge of copper and aluminium price risk in inventory

(i) 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 is no longer qualifies for hedge accounting or when the hedged item is sold.

(ii) To use the Sell future contracts linked with LME to hedge the fair value risk associated with inventory of copper and aluminium. Once the purchases are concluded and its final price is determined, the Company starts getting exposed to price risk of these inventory till the time it is not been sold. The Company's policy is to designate the copper and aluminium inventory which are already priced and which is not been sold at that point in time in a hedging relationship against Sell LME future positions based on the risk management strategy of the Company. The hedged risk is movement in spot rates.

To test the hedge effectiveness between embedded derivatives/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 derivatives/ derivatives 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/ derivative is identical to the LME price of Copper and Aluminium.

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 and Sell future contracts, as described above.

(B) Cash flow hedge associated with highly probable forecasted purchases of copper and aluminium:

The Company has purchases of copper and aluminium which results in exposure to price risk due to ongoing movement in rates quoted on LME which affects the profitability and financial position of the Company. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases. The Company's policy is to designate the monthly copper and aluminium purchases as a highly probable forecasted transaction in a hedging relationship based on the risk management strategy of the Company.

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As at March 31, 2021

(₹ million)

	Commodity price risk	Carrying amount			Maturity date	Hedge ratio	Balance sheet classification	Effective portion of hedge	Ineffective portion of hedge
		Asset	Liabilities	Equity					
Fair Value Hedge									
Hedged item	Inventory of Copper and aluminium	896.65	-	-		1:1	Inventory		
	Embedded derivative in trade payables of Copper and aluminium	-	(356.38)	-	Range within 1 to 6 months	1:1	Current financial assets	896.65	116.66
Hedging instrument	Buy Derivative Position		23.62	-		1:1	Current financial liabilities		
	Sell Derivative Position	-	(680.55)	-		1:1	Current financial liabilities		

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

	As at March 31, 2021			
	Cash Flow hedge release to P&L			
	Less than 3 months	3 months to 6 months	6 months to 12 months	Total
Commodity Price risk				
Buy Future Contracts Copper	(0.67)	-	-	**(0.67)**
Buy Future Contracts Aluminium	24.29	-	-	**24.29**
Sell Future Contracts Copper	(397.91)	(173.78)	-	**(571.69)**
Sell Future Contracts Aluminium	(82.32)	(26.06)	(0.48)	**(108.86)**

As at March 31, 2020

(₹ million)

	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge	Ineffective portion of Hedge
		Asset	Liabilities	Equity					
Fair Value Hedge									
Hedged item	Inventory of Copper and aluminium	(852.14)	-	-	Range within 1 to 6 months	1:1	Inventory	(852.14)	(223.21)
Hedging instrument	Embedded derivative in trade payables of Copper and aluminium	-	(1,075.35)	-		1:1	Current financial assets		
Cash Flow Hedge									
Hedged item	Highly probable forecasted purchases	-	-	(169.03)	Range within 3 to 12 months	1:1	Cash flow hedge Reserve	(169.03)	-
Hedging instrument	Buy future contracts	-	169.03	-		1:1	Current financial liabilities		

Notes to Standalone Financial Statements
for the year ended March 31, 2021

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and loss

	As at March 31, 2020			
	Cash Flow hedge release to P&L			
	Less than 3 Months	3 Months to 6 Months	6 Months to 12 Months	Total
Commodity Price risk				
Buy future contracts	64.49	85.30	19.24	169.03

The Board of Directors has constituted a Risk Management Committee (RMC) to frame, implement and monitor the risk management plan of the Company which inter alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the RMC, the Company uses various derivative instruments such as foreign exchange forward, currency options and futures contracts in which the counter party is generally a bank. 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.

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forward contracts. The notional amount of outstanding contracts and loss/(gain) on fair valuation of such contracts are given below:

(₹ million)

	March 31, 2021	March 31, 2020
Foreign exchange forward contracts-Buy	3,150.01	-
Foreign exchange forward contracts-Sale	(457.25)	(1,130.79)
	2,692.76	**(1,130.79)**
Fair valuation gain on foreign exchange forward contracts	(31.37)	(13.72)

The Company, basis its assessment, believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID 19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

40. Capital management

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

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

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

(₹ million)

	March 31, 2021	March 31, 2020
Borrowings (Refer note 18)	888.80	1,144.46
Trade payables (Refer note 19)	13,061.43	13,447.11
Other payables (Refer note 20B)	1,489.60	923.70
Less: cash and cash equivalents (Refer note 10)	(1,974.12)	(1,700.43)
Net debt	**13,465.71**	**13,814.84**
Equity (Refer notes-16 and 17)	47,072.30	38,402.89
Total capital	**47,072.30**	**38,402.89**
Capital and net debt	60,538.01	52,217.73
Gearing ratio	**22.24%**	**26.46%**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

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 March 31, 2021 and year ended March 31, 2020.

41. Events after the reporting period

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

42. Others

Figures representing ₹0.00 million are below ₹5,000.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No. 042070

Place: Mumbai
Date: May 13, 2021

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

Inder T. Jaisinghani
Chairman & Managing Director
DIN: 00309108

Bharat A. Jaisinghani
Whole-time Director
DIN: 00742995

Nikhil R. Jaisinghani
Whole-time Director
DIN: 00742771

Gandharv Tongia
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: May 13, 2021

Manita Gonsalves
Company Secretary
Membership No. A18321

NOTICE

25th Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of the Members of Polycab India Limited will be held on Wednesday, July 21, 2021 at 9.00 a.m. through Video Conferencing ('VC')/ other Audio Visual Means ('OAVM') to transact the following business:

Ordinary business

1. Adoption of Audited Standalone Financial Statements.

To consider and adopt the Audited Standalone Financial Statements for the financial year ended March 31, 2021, together with the reports of the Board of Directors and Auditors thereon and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 along with the reports of the Board of Directors and Auditors thereon, be and are hereby considered and adopted."

2. Adoption of Audited Consolidated Financial Statements.

To consider and adopt the Audited Consolidated Financial Statements for the financial year ended March 31, 2021 together with the report of the Auditors thereon and if thought fit, to pass, the following resolutions as an **Ordinary Resolution:**

"**RESOLVED THAT** the Audited Consolidated financial statements of the Company for the financial year ended March 31, 2021 along with the reports of Auditors thereon, be and are hereby considered and adopted."

3. Declaration of dividend.

To declare a dividend of ₹10/- per equity share of face value of ₹10/- each for the financial year ended March 31, 2021 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** a dividend at the rate of ₹10/- (Rupee Ten only) per Equity Share on fully paid-up Equity Shares of face value of ₹10/- (Rupees Ten only) each, as recommended by the Board of Directors of the Company, be and is hereby declared for payment for the Financial Year ended March 31, 2021, to those eligible shareholders whose name appear in the Register of Members of the Company as on July 13, 2021."

Special business

4. Appointment of Mr. Rakesh Talati (DIN:08591299) as Director liable to retire by rotation.

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

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions if any under the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Rakesh Talati (DIN: 08591299) who was appointed by the Board of Directors as an Additional Director of the Company, with effect from May 13, 2021 under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Director of the Company, liable to retire by rotation."

5. Appointment of Mr. Rakesh Talati (DIN:08591299) as Whole-time 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 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with 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 pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Rakesh Talati (DIN:08591299) as a Whole-Time Director of the Company for a period of 5 (Five) years commencing from May 13, 2021 to May 12, 2026 and whose period of office shall be liable to determination by retirement of Directors by rotation, on such terms and conditions including payment of remuneration as set out in the Explanatory Statement attached to the Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary such terms and conditions of appointment and remuneration within the limits specified in Schedule V and other applicable Sections of the Act or any statutory modifications thereof as may be agreed to between the Board of Directors and Mr. Rakesh Talati."

6. Appointment of Mr. Bharat A. Jaisinghani (DIN: 00742995) as a Director liable to retire by rotation.

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

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions if any under the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Bharat A. Jaisinghani who was appointed by the Board of Directors as an Additional Director of the Company, with effect from May 13, 2021 under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Director of the Company, liable to retire by rotation."

7. Appointment of Mr. Bharat A. Jaisinghani (DIN: 00742995) as Whole-time 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 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with 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 pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Bharat A. Jaisinghani (DIN: 00742995) as a Whole-Time Director of the Company for a period of 5 (Five) years commencing from May 13, 2021 to May 12, 2026 and whose period of office shall be liable to determination by retirement of Directors by rotation, on such terms and conditions including payment of remuneration as set out in the Explanatory Statement attached to the Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary such terms and conditions of appointment and remuneration within the limits specified in Schedule V and other applicable Sections of the Act or any statutory modifications thereof as may be agreed to between the Board of Directors and Mr. Bharat A Jaisinghani."

8. Appointment of Mr. Nikhil R. Jaisinghani (DIN: 00742771) as a Director liable to retire by rotation.

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

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions if any under the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Nikhil R. Jaisinghani who was appointed by the Board of Directors as an Additional Director of the Company, with effect from May 13, 2021 under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Director of the Company, liable to retire by rotation."

9. Appointment of Mr. Nikhil R. Jaisinghani (DIN: 00742771) as Whole-time 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 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with 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 pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Nikhil R. Jaisinghani (DIN: 00742771) as a Whole-Time Director of the Company for a period of 5 (Five) years commencing from May 13, 2021 to May 12, 2026 and whose period of office shall be liable to determination by retirement of Directors by rotation, on such terms and conditions including payment of remuneration as set out in the Explanatory Statement attached to the Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary such terms and conditions of appointment and remuneration within the limits specified in Schedule V and other applicable Sections of the Act or any statutory modifications thereof as may be agreed to between the Board of Directors and Mr. Nikhil R. Jaisinghani."

10. Appointment of Mrs. Sutapa Banerjee (DIN:02844650) as an Independent Director of the Company.

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

"**RESOLVED THAT** in accordance with, the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Sutapa Banerjee (DIN: 02844650), who was appointed as an Additional Director of the Company with effect from May 13, 2021, pursuant to Section 161 of the Act and Articles of Association of the Company and who has submitted the declaration that she meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting, be and is hereby appointed

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as an Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from May 13, 2021 to May 12, 2026 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s)/ authorised representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. Ratification of remuneration payable to the Cost auditors for the financial year 2021-2022.

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 ₹4,80,000 (Rupees Four Lakh Eighty Thousand only) plus applicable taxes and out of pocket expenses at actuals, if any, payable to M/s. V. J. Talati & Co., Mumbai, (Firm Registration No.: R/00213), 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 March 31, 2022."

12. Amendment(s) under Clause 7.3 of Polycab Employee Stock Option Performance Scheme 2018 ('Performance Scheme').

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

"RESOLVED THAT pursuant to provisions of Section 62(1)(b) of Companies Act, 2013 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable rules/ notifications/ guidelines/ regulations/ circular issued in this regard (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of members be and is hereby accorded to amend/ alter the existing Clause 7.3 of the Performance Scheme with the revised Clause 7.3 as detailed in the explanatory Statement, subject to such approval(s)/ consent(s)/ permission(s)/ sanction(s), as may be required, from the appropriate regulatory authorities including but not limited to the Stock Exchange(s), Securities and Exchange Board of India, Reserve Bank of India and further subject to such terms and conditions as may be prescribed while granting such approval(s)/ consent(s)/ permission(s)/ sanction(s) which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which expression shall include Nomination and Remuneration Committee constituted by the Board for this purpose.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorised to implement, administer/superintend including grant of options, issue and allotment of shares under the performance scheme pursuant to the exercise of options by the eligible employees."

13. Revision in remuneration of Mr. Kunal I. Jaisinghani, Senior Management Personnel 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 188(1)(f) and Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any Statutory modification or re-enactment thereof for the time being in force), approval of members, be and is hereby accorded for the revision in the remuneration of Mr. Kunal I. Jaisinghani, Senior Management Personnel as set out in the Explanatory Statement attached to the notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary and/or expedient for implementing and giving effect to the aforesaid resolution on behalf of the Company."

By Order of the Board of Directors
of **Polycab India Limited**

Manita Carmen A. Gonsalves
Company Secretary & Compliance Officer
M. No.: A18321

Place: Mumbai
Date: May 13, 2021

Registered Office: Unit 4, Plot No. 105, Halol Vadodara Road Village: Nurpura, Taluka Halol, Panchmahal, Gujarat – 389 350

Website: www.polycab.com

NOTES

1. No Directors are liable to retire by rotation at this meeting.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) may be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business under Item No. 4 to 13 to be transacted at the Annual General Meeting (AGM) is annexed hereto.
4. Pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional/ Corporate Members are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution/ Authorisation letter etc. authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution/ authorisation shall be sent to the scrutiniser by e-mail through its registered e-mail address dilipbcs@gmail.com.
6. 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 Wednesday, July 14, 2021 to Wednesday, July 21, 2021 (both days inclusive).
7. 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 at the AGM is attached as Annexure forming part of this Notice.
8. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the depository participant(s). Members who have not registered their e-mail address are requested to register the same with their respective depository participant(s). In case of any assistance, the members are requested to write an email to Kfin at einward.ris@kfintech.com.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 13, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report of FY 2020-21 will also be available on the Company's website www.polycab.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com
10. **BOOK CLOSURE:** The Register of Members and Transfer Books of the Company will be closed from Wednesday, July 14, 2021 to Wednesday, July 21, 2021 (both days inclusive) for the purpose of Dividend and AGM.
11. **DIVIDEND:** The dividend, as recommended by the Board of Directors, if approved at the Annual General Meeting, would be paid subject to deduction of tax at source, as may be applicable, after July 21, 2021, to those persons or their mandates:
    a) whose names appear as Beneficial Owners as at the end of the business hours on Tuesday, July 13, 2021 (Record date) in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
    b) whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Tuesday, July 13, 2021 after giving effect to valid request(s) received for transmission/ transposition of shares.
12. **TDS on dividend:** In terms of the provisions of the Income-tax Act, 1961, ("the Act"), dividend paid or distributed by a Company on or after April 1, 2020 is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend. The deduction of tax at source will be based on the category of shareholders and subject to fulfilment of conditions as provided herein below:

a) For resident shareholders

Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during financial year does not exceed ₹5,000.

Tax at source will not be deducted in cases where a shareholder provides Form 15G (applicable to individual)/ Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G

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and 15H can be downloaded from the link given at the end of this communication. Please note that all fields mentioned in the Form are mandatory and Company may reject the forms submitted, if it does not fulfil the requirement of law.

Valid Permanent Account Number ("PAN") will be mandatorily required. If, as required under the law, any PAN is found invalid, TDS would be deducted at higher rates u/s206AA of the Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AA in your case.

NIL/ lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration (as per format attached) as listed below:

b) **Insurance companies:** Declaration (refer format) by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card;

c) **Mutual Funds:** Declaration (refer format) by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income-tax Act, 1961 along with self-attested copies of registration documents and PAN card;

d) **Alternative Investment Fund (AIF) established in India:** Declaration (refer format) that the shareholder is eligible for exemption under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN card should be provided.

e) **New Pension System Trust:** Declaration (refer format) along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

f) **Other shareholders:** Declaration (refer format) along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

g) **Shareholders who have provided a valid certificate issued u/s. 197 of the Act for lower/ nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration (refer format).**

h) **For non-resident shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors)**

Tax is required to be withheld in accordance with the provisions of Section 195 and Section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

i) Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities;

j) Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;

k) Self-declaration in Form 10F (refer format), if all the details required in this form are not mentioned in the TRC;

l) Self-declaration (refer format) by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of Section 206AB of the IT Act).

m) In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.

n) In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation

o) **Avoidance Agreement (DTAA).**

The self-declarations referred to in point nos. (iii) to (iv) can be downloaded from the link given at the end of this communication.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non- resident shareholders and meeting requirement of Act read with applicable tax treaty. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend amounts.

p) **Section 206AB of the Act**

Rate of TDS @10% u/s 194 of the Act is subject to provisions of Section 206AB of Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in Section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where Sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of Section 206AB who satisfies the following conditions:

- A person who has not filed the income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the I-T Act has expired; and
- The aggregate of TDS and TCS in his case is ₹50,000 or more in each of these two previous years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

While your Company is awaiting the guidelines from the Government prescribing the mechanism to determine who fulfils the conditions of being a 'specified person'. Therefore, in order to comply with the provisions of the Act, and unless any mechanism is prescribed by the authorities in this regard, Company will proceed on the assumption that all shareholders are in compliance with the provisions of Section 206AB of the IT Act. However, we request you to inform us well in advance and before record date if you are covered under the definition of 'specified person' as provided in Section 206AB of the IT Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AB in your case.

To enable us to determine the appropriate TDS/ withholding tax rate applicable, we request you to provide the above details and documents not later than Tuesday, July 13, 2021 (Record date).

To summarise, dividend will be paid after deducting the tax at source as under:

i. NIL for resident shareholders receiving dividend upto ₹5000 or in case Form 15G/ Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.

ii. 10% for other resident shareholders in case copy of PAN card is provided/ available.

iii. 20% for resident shareholders if copy of PAN card is not provided/ not available.

iv. Tax will be assessed on the basis of documents submitted by the non-resident shareholders.

v. 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.

vi. Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

Aforesaid rates will be subject to applicability of Section 206AB of the Act.

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration (refer format) with Company in the manner prescribed by the Rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details/ documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted.

q) **Updation of PAN, email address and other details**

Shareholders holding shares in dematerialised mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to KFin Technologies Private Limited ("Registrar and Transfer Agent/ RTA") at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, or at e-mail id : einward.ris@kfintech.com. The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

r) **Update of Bank account details:**

While on the subject, we request you to submit/ update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by you, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with Kfin. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

Shareholders can click on the following link to download the relevant documents:

a. Click here to download - 15H

b. Click here to download - 15G

c. Click here to download - 10F

d. Click here to download - Self Declaration (Resident shareholder)

e. Click here to download - Self Declaration (Non-resident shareholder)

Kindly note that the aforementioned documents should be uploaded with the Registrar and Transfer Agent viz. KFin Technologies Private Limited ("RTA") at https://ris.kfintech.com/form15 on or before July 13, 2021 or emailed to einward.ris@kfintech.com. No communication on the tax determination/ deduction shall be entertained after July 13, 2021.

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are

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advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

13. 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 Thursday, July 15, 2021 (cut-off date) are entitled to vote on the resolutions set forth in this Notice.

14. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

15. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

17. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

18. Members who are present in the meeting through VC/OAVM and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.

19. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

20. The Company has appointed M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries, Mumbai, to act as the Scrutiniser, to scrutinise 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.

21. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

22. 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 electronic mode. Members can inspect the same by sending an e-mail to shares@polycab.com.

23. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 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 Kfin 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.

24. 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 through e-mail on shares@polycab.com. The same shall be replied by the Company suitably.

25. 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 this, 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.

26. 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.

27. 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 by sending an e-mail to shares@polycab.com.

28. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

29. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

30. The result declared along with the scrutiniser's report shall be placed on the Company's website www.polycab.com under the head "Investor Relations – Latest updates" after the result is 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, not later than 48 hours of the conclusion of the AGM.

31. Instructions for e-voting and joining the AGM are as follows:

How do I vote electronically using NSDL e-Voting system?

The remote e-voting period will commence at 9.00 a.m. on Sunday, July 18, 2021 and will end at 5.00 p.m. on Tuesday, July 20, 2021. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the cut-off date i.e. Thursday, July 15, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 15 July 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "Login" which is available under "**IDeAS**" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/ Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or https://www.cdslindia.com/ and click on New System Myeasi. 2. After successful login of Easi/ Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider** i.e. **NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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 etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to dilipbcs@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

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Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (shares@polycab.com).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (Shares@polycab.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively, shareholder/ members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above-mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (Shares@polycab.com). The same will be replied by the Company suitably.

6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at shares@polycab.com latest by July 17, 2021 till 5:00 p.m. IST. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

7. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / or on toll free no. 1800-222-990.

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

Item Number 4 and 5

As per succession policy of the Company, Mr. Shyam Lal Bajaj, resigned from the post of Whole-Time Director due to which the Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members at the ensuing General Meeting of the Company, appointed Mr. Rakesh Talati (DIN: 08591299) as an Additional Director and designated him as Whole-time Director of the Company for a period of 5 years commencing from May 13, 2021 to May 12, 2026. He holds office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 ("the Act").

Currently, Mr. Rakesh Talati is designated as Director (Non-Board Member), working as Location Head at Halol and looks after the Administration, Industrial Relations(IR), Projects at Pan India level since August 25, 2018 and prior to joining the Company he worked as Civil Consultant for the Company effective from April 1, 2014. Mr. Talati holds a Diploma in Civil Engineering and Interior Design Course from the Maharaja Sayajirao University of Baroda. He has vast experience in Planning and Designing in Civil Construction, Interior Designing and Administration - Industrial Relations related works.

The Company has received notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

Mr. Rakesh Talati is not disqualified from being 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. He 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.

Taking into consideration the experience and substantial involvement of Mr. Rakesh Talati in the operations of the Company, it would be of immense benefit to appoint him as Whole-Time Director of the Company.

The broad terms and conditions of the proposed appointment of and remuneration payable to Mr. Rakesh Talati are mentioned below:

A. Remuneration

a) **Salary per month**
Basic salary not exceeding ₹7.05 Lakhs per month, with an annual increment not exceeding 20% 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 various allowances, including the following, in aggregate not exceeding 50% of the basic salary vis.:

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

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

In any financial year during the currency of the tenure of Mr. Rakesh Talati, 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.

Except Mr. Rakesh Talati, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned, financially or otherwise, in these resolutions.

The Board recommends the ordinary resolutions set out at Item Number 4 and 5 for approval of the Members.

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Item Number 6 and 7

As per succession policy of the Company, Mr. Ajay T. Jaisinghani, resigned from the post of Whole-Time Director due to which the Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members at the ensuing General Meeting of the Company, appointed Mr. Bharat A. Jaisinghani (son of Mr. Ajay T. Jaisinghani) as an Additional Director and designated him as Whole-time Director of the Company for a period of 5 years commencing from May 13, 2021 to May 13, 2026. He holds office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 ("the Act").

Currently, Mr. Bharat A. Jaisinghani is designated as Director - FMEG Business (non-board member) since October 16, 2018. He joined the Company on January 1, 2012. He holds a master's degree in operations management from the University of Manchester. He has also completed his Executive Education Programme called Programme for Leadership Development from Harvard Business School and also completed an Executive Programme from Singularity University. He has the experience of working in different areas of sales, marketing, IT, production and other support services and has played a key leadership role in the Company.

The Company has received notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

Mr. Bharat A. Jaisinghani is not disqualified from being 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. He 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.

Taking into consideration the experience and substantial involvement of Mr. Bharat A Jaisinghani in the operations of the Company, it would be of immense benefit to appoint him as Whole-Time Director of the Company.

The broad terms and conditions of the proposed appointment of and remuneration payable to Mr. Bharat A. Jaisinghani are mentioned below:

A. Remuneration

a) Salary per month
Basic salary not exceeding ₹6.95 Lakhs per month, with an annual increment not exceeding 20% 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 various allowances, including the following, in aggregate not exceeding 50% of the basic salary vis.:

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

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
In any financial year during the currency of the tenure of Mr. Bharat A. 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.

Taking into consideration the size of the Company, the profile of Mr. Bharat A. Jaisinghani, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

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.

Except Mr. Inder T. Jaisinghani, Mr. Bharat A Jaisinghani and Mr. Nikhil R. Jaisinghani, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned, financially or otherwise in these resolutions.

The Board recommends the ordinary resolutions set out at Item Number 6 and 7 for approval of the Members.

Item Number 8 and 9

As per succession policy of the Company, Mr. Ramesh T. Jaisinghani, resigned from the post of Whole-Time Director due to which the Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members at the ensuing General Meeting of the Company, appointed Mr. Nikhil R. Jaisinghani (son of Mr. Ramesh T. Jaisinghani) as an Additional Director and designated him as Whole-time Director of the Company for a period of 5 years commencing from May 13, 2021 to May 12, 2026. He holds office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 ("the Act").

The Company has received notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

Mr. Nikhil R. Jaisinghani is not disqualified from being 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. He 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.

Currently, Mr. Nikhil R. Jaisinghani is Director - LDC Business (non-board member) of the Company since October 16, 2018. He joined the Company on January 1, 2012. He holds a master's degree in business administration (MBA) from Kellogg School of Management, Northwestern University, Illinois, USA. He has worked in different areas of sales, marketing, production and other support services and has played a key leadership role in the Company.

Taking into consideration the experience and substantial involvement of Mr. Nikhil R. Jaisinghani in the operations of the Company, it would be of immense benefit to appoint him as Whole-Time Director of the Company.

The broad terms and conditions of the proposed appointment of and remuneration payable to Mr. Nikhil R. Jaisinghani are mentioned below:

A. Remuneration

a) Salary per month
Basic salary not exceeding ₹6.95 Lakhs per month, with an annual increment not exceeding 20% 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 various allowances, including the following, in aggregate not exceeding 50% of the basic salary vis.:

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

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
In any financial year during the currency of the tenure of Mr. Nikhil R. 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.

Taking into consideration the size of the Company, the profile of Mr. Nikhil R. Jaisinghani, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

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.

Except Mr. Inder T. Jaisinghani, Mr. Bharat A Jaisinghani and Mr. Nikhil R. Jaisinghani, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned, financially or otherwise, in these resolutions.

The Board recommends the ordinary resolution set out at Item Number 8 and 9 for approval of the Members.

Notice Contd.

Item Number 10

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mrs. Sutapa Banerjee as an Additional Director (Independent Director) of the Company, with effect from May 13, 2021 under Section 149, 150 and 152 of the Companies Act, 2013.

Mrs. Sutapa Banerjee holds office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto (5) five consecutive years.

Mrs. Banerjee has over 30 years of professional experience. Mrs. Banerjee had spent 24 years in the financial services industry across 2 large multinational banks (ANZ Grindlays and ABN AMRO), and a boutique Indian investment bank (Ambit) where she built and headed several businesses. Mrs. Banerjee is a gold medallist in Economics from the XLRI school of Management in India, and an Economics major from Presidency College Kolkata.

Mrs. Banerjee is an Advanced Leadership Fellow (2015) at Harvard University and Visiting Faculty with IIM-Ahmedabad. Mrs. Banerjee is also an adjunct faculty with Indian Institute of Corporate Affairs – the Government of India think tank under the Ministry of Corporate Affairs.

Mrs. Banerjee is serving as Independent Director in several listed Companies.

The Company has received notice under Section 160 of the Companies Act, 2013 signifying her candidature as an Independent Director of the Company. The Company has also received a declaration of independence from her.

The Board is of the view that the association of Mrs. Banerjee and rich experience and knowledge in Strategy & Planning, Administration & Management, Sales & Marketing, Governance and Finance would definitely benefit the Company and support the Board to discharge its functions and duties effectively.

In the opinion of the Board, she fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the proposed appointment as an Independent Director of the Company and is independent of the management. Further, Mrs. Banerjee is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. She would be entitled for sitting fee and commission as per the approval received from the members at the Annual General Meeting held on June 26, 2019.

The other details of Mrs. Banerjee in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is given in **Annexure I** to this Notice.

A copy of draft letter of appointment constituting terms and conditions of appointment would be available for inspection by the Members in electronic mode. Members can inspect the same by sending an e-mail to shares@polycab.com

Except Mrs. Banerjee, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board recommends the ordinary resolution set out at Item Number 10 for approval of the Members.

Item Number 11

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 13, 2021, had appointed M/s. V.J. Talati & Co., Cost Accountants as Cost Auditors of the Company for auditing the cost records maintained by the Company for the financial year 2021-22 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.

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.

The Board recommends the ordinary resolution set out at Item Number 11 for approval of the Members.

Item Number 12

The Company had implemented the Polycab Employee Stock Option Performance Scheme 2018 for its employees and employees of its subsidiary Company the with a view to attract, retain, incentivise and motivate employees of the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The plan was originally approved by the members at the extraordinary General Meeting held on August 30, 2018 and subsequently ratified by the members through Postal Ballot on January 20, 2020.

Currently, the options get vested to the eligible employees under Polycab Employee Stock Option Performance scheme on the basis of the following criteria as detailed below:

3.6: **Gold options** means 30% of the total granted options to an eligible employee considered as Gold options.

3.7 Performance Rating shall mean the annual performance rating of the Participant as per the annual performance evaluation of the Company

3.8: **Platinum options** means 30% of the total granted options to an eligible employee considered as Platinum options

3.9 **Titanium options** means 40% of the total granted options to an eligible employee considered as Titanium options.

7.3: The existing vesting schedule for exercising the options are as under:

Sr. No.	Vesting period	Options to be vested
1.	Upon achieving a rating of 3	Gold Options that are allocable as per Clause 7.2 above shall vest to the Participant. Platinum Options and Titanium Options that are allocable as per Clause 7.2 above shall lapse and the contract referred in Clause 9.3 of the Plan shall automatically stand terminated without surviving any right/ liability for any party
2.	Upon achieving a rating of 4	Gold Options and Platinum Options that are allocable as per Clause 7.2 above shall vest to the Participant. Titanium Options that are allocable as per Clause 7.2 above shall lapse and the contract referred in Clause 9.3 of the Plan shall automatically stand terminated without surviving any right/ liability for any party
3.	Upon achieving a rating of 5	Gold Options, Platinum Options and Titanium Options that are allocable as per Clause 7.2 above shall vest to the Participant.

As per above, on achieving rating 3, 4, 5, based on the performance assessment by the Company, an employee would be entitled to vesting of 30%, 60% and 100% of the ESOP options granted, respectively. In order to make the ESOP Performance Scheme more attractive for the employees and considering the challenges employees and Company are facing in the current times, it is proposed to enhance ESOP options vesting entitlements of eligible employees through an amendment under Clause 7.3 in the Performance Scheme by delegating requisite powers to the Nomination & Remuneration Committee (NRC) to decide that such options will vest full or partial.

The amended Clause 7.3 of the Performance Scheme shall be read as under:

Sr. No.	Vesting period	Options to be vested
1.	Upon achieving a rating of 3	Gold Options that are allocable as per Clause 7.2 above shall vest to the Participant. Platinum Options and Titanium Options that are allocable as per Clause 7.2 above shall lapse **unless the Board/ Committees at their discretion, decides that such options will vest (full or partial)* and the contract referred in Clause 9.3 of the Plan shall automatically stand terminated without surviving any right/ liability for any party
2.	Upon achieving a rating of 4	Gold Options and Platinum Options that are allocable as per Clause 7.2 above shall vest to the Participant. Titanium Options that are allocable as per Clause 7.2 above shall lapse **unless the Board / Committees at their discretion, decides that such options will vest (full or partial)* and the contract referred in Clause 9.3 of the Plan shall automatically stand terminated without surviving any right/ liability for any party
3.	Upon achieving a rating of 5	Gold Options, Platinum Options and Titanium Options that are allocable as per Clause 7.2 above shall vest to the Participant.

***Note:** to be inserted under S.No.1 & 2 subject to obtaining members approval at the Annual General Meeting.

Except the above amendment, there is no other changes in the scheme.

Further, the above amendment is not detrimental to the interests of the employees.

None of the Director or and Key Managerial Personnel of the Company or their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the resolution set out at Item Number 12, except to the extent of their shareholding and to the extent of ESOPs that may be granted under the respective Performance Scheme.

The Board recommends the passing of special resolution set out at Item Number 12 for approval of the Members.

Item Number 13

Kunal I. Jaisinghani is the Senior Management Personnel of the Company since October 16, 2018. He joined our Company on August 1, 2015. He holds a degree in business management studies from University of Mumbai. He has experience in factory operations, MIS and pricing.

Taking into consideration the performance of Mr. Kunal I. Jaisinghani in Agri products division and in the manufacturing plants and on the recommendation of the Nomination and Remuneration Committee and Audit Committee, the Board of Directors at its meeting held on May 13, 2021 had approved the revision in his remuneration as detailed below.

A. Remuneration ('Effective from the date of obtaining prior approval of members')

a) Salary per month

Basic salary not exceeding ₹1.10 Lakhs per month, with an annual increment not exceeding 20% 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 various allowances, including the following, in aggregate not exceeding 50% of the basic salary vis.:

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

Notice Contd.

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.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies(Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, prior approval of the members by way of an Ordinary Resolution is being sought for revising the remuneration of Mr. Kunal I. Jaisinghani.

The details of related party transaction which are required to be disclosed in accordance with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 are as follows:

Name of Related party	Mr. Kunal I. Jaisinghani
Name of the Director / KMP who is related	Mr. Inder T. Jaisinghani, Chairman & Managing Director
Nature of Relationship	Son
Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement	Mentioned above
Any other information relevant or important for the members to take decision on the proposed resolution	Nil

Except Mr. Inder T. Jaisinghani, Mr. Bharat A. Jaisinghani, Mr. Nikhil R. Jaisinghani, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board recommends the ordinary resolution set out at Item Number 13 for approval of the Members.

By Order of the Board of Directors
of **Polycab India Limited**

Manita Carmen A. Gonsalves
Company Secretary & Compliance Officer
M. No.: A18321

Place : Mumbai
Date: May 13, 2021

Registered Office: Unit 4, Plot No. 105, Halol Vadodara Road Village: Nurpura, Taluka Halol, Panchmahal, Gujarat–389 350

Phone No.: +91 2676 – 227600 / 227700
Website: www.polycab.com

Annexure I

INFORMATION OF DIRECTORS SEEKING APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING OF THE COMPANY AS PER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

Particulars	Mr. Rakesh Talati	Mr. Bharat A Jaisinghani
Date of Birth	16/02/1963	21/04/1984
Date of Appointment	13/05/2021	13/05/2021
Qualification	He holds a Diploma in Civil Engineering and Interior Design Course from the Maharaja Sayajirao University of Baroda	He holds a master's degree in operations management from the University of Manchester. He has completed his Executive Education Programme called Programme for Leadership Development from Harvard Business School and also completed an Executive Programme from Singularity University
Expertise in specific functional area	Administration, IR, Projects at Pan India level.	Sales, marketing, IT, production and other support services.
Disclosure of relationship between Directors inter-se	Nil	Nephew of Mr. Inder T. Jaisinghani, Chairman & Managing Director Cousin of Mr. Nikhil R Jaisinghani Additional (Whole-Time) Director
Directorship held in other Companies	Nil	Transigo (OPC) Private Limited
Memberships / Chairmanships of Committees of other Companies	Nil	Nil
No. of shares held in the Company as on March 31, 2021	12,205 Equity Shares	54,72,572 Equity Shares

Particulars	Mr. Nikhil R. Jaisinghani	Mrs. Sutapa Banerjee
Date of Birth	04/12/1985	24/03/1965
Date of Appointment	13/05/2021	13/05/2021
Qualification	He holds a master's degree in business administration (MBA) from Kellogg School of Management, Northwestern University, Illinois, USA	Mrs. Banerjee is a gold medalist in Economics from the XLRI school of Management in India, and an Economics major from Presidency College Kolkata
Expertise in specific functional area	Sales, Marketing, production and other support services	Strategy & Planning, Administration & Management, Sales & Marketing, Governance & Finance
Disclosure of relationship between Directors inter-se	Nephew of Mr. Inder T. Jaisinghani, Chairman & Managing Director Cousin of Mr. Bharat A. Jaisinghani Additional (Whole-Time) Director	Nil
Directorship held in other Companies	Nil	• Godrej Properties Limited • JSW Ispat Special Products Limited • Manappuram Finance Limited • Niyogin Fintech Limited • JSW Holdings Limited • JSW Cement Limited • Axis Capital Limited • Camlin Fine Sciences Limited • Zomato Limited
Memberships / Chairmanships of Committees of other Companies	Nil	**Committee Chairperson & Member:** • JSW Ispat Special Products Limited – NRC • Manappuram Finance Limited – CSRC • Niyogin Fintech Limited – AC • JSW Holdings Limited – SRC **Committee Membership:** • Godrej Properties Limited – AC & NRC • JSW Ispat Special Products Limited – CSRC • Manappuram Finance Limited – AC & NRC • Niyogin Fintech Limited – NRC • JSW Holdings Limited – AC, CSRC & RMC • JSW Cement Limited – AC, CSRC, SC, PMC • Camlin Fine Sciences Limited – AC & NRC • Axis Capital Limited – AC & RMC
No. of shares held in the Company as on March 31, 2021	54,72,472 Equity Shares	Nil

Note: Audit Committee (AC), Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSRC), Risk Management Committee (RMC), Sustainability Committee (SC), Project Management Committee (PMC)

Glossary

A	**Performance Ratios**	
	EBITDA/Net Sales %	EBITDA = PBT + Interest + Depreciation – Other Income Net Sales = Revenue from operations
	EBIT/Net Sales %	EBIT = PBT + Finance Cost – Other Income
	Fixed Assets Turnover ratio	Net Sales/ Total Fixed Assets
	Asset Turnover	Net sales/ Total assets
	Debtors Turnover	Closing Current Trade Receivables/ Net Sales
	Inventory Turnover	Closing Inventory/ Net Sales
	Return on Capital Employed %	(PBT+Finance Cost)/Capital Employed
	Return on Equity	PAT/ Shareholder's Funds
	International Revenue share	International Revenue/ Net Sales
B	**Leverage Ratios**	
	Interest Coverage Ratio	EBITD/Interest cost
	Debt Equity Ratio	Total Debt/Shareholders Funds
	Debt/Total Assets	Total Debt/Total Assets
C	**Liquidity Ratio**	
	Current Ratio	Current Assets/ Current Liabilities
	Quick Ratio	(Current Assets – Inventories)/ Current Liabilities
D	**Activity Ratio**	
	Inventory days	Inventory / Turnover * 365
	Receivable days	Receivables / Turnover * 365
	Payables days	(Trade Payables + Other Current Liabilities) / Turnover * 365
	Net Cash Cycle days	Inventory days + Receivables days – Payables days
E	**Investor related Ratios**	
	Price to Earnings Ratio	Period closing share price / EPS
	Enterprise Value	Period closing market capitalisation + Debt + Non controlling interest – Cash & Cash equivalents
F	**Others**	
	Cash and cash equivalents	Cash + Bank Balances + Current Investments
	CY	Year ending December
	FY	Year ending March
	mn	Million

Corporate Information

Board of Directors

Inder T. Jaisinghani
Chairman and Managing Director

Bharat A. Jaisinghani
Executive Director
(Appointed w.e.f. May 13, 2021)

Nikhil R. Jaisinghani
Executive Director
(Appointed w.e.f. May 13, 2021)

Rakesh Talati
Executive Director
(Appointed w.e.f. May 13, 2021)

Pradeep Poddar
Independent Director

R. S. Sharma
Independent Director

Sutapa Banerjee
Independent Director
(Appointed w.e.f. May 13, 2021)

T. P. Ostwal
Independent Director

Ajay T. Jaisinghani
Whole-Time Director
(Resigned w.e.f. May 12, 2021)

Ramesh T. Jaisinghani
Whole-Time Director
(Resigned w.e.f. May 12, 2021)

Hiroo Mirchandani
Independent Director
(Resigned w.e.f. May 12, 2021)

Shyam Lal Bajaj
Whole-Time Director
(Resigned as CFO w.e.f. May 30, 2020)
(Resigned as
Whole-Time Director w.e.f.
May 12, 2021

Chief Financial Officer (CFO)

Gandharv Tongia
(Appointed w.e.f. May 31, 2020)

Company Secretary & Compliance Officer

Subramaniam Sai Narayana
(Resigned w.e.f. January 23, 2021)

Manita Carmen A. Gonsalves
(Appointed w.e.f. January 24, 2021)

Auditors

B S R & Co LLP
Chartered Accountants
14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400 063
Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

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
Bank of Baroda
ICICI Bank

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Mumbai – 400016
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Fax: +91 22 24327075
Email: info@polycab.com

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Website: www.polycab.com

/Concept, content and design at AICL (hello@aicl.in)

POLYCAB
Connection Zindagi Ka

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