



**Finolex**  
**Cables Limited**  
AN IS/ISO 9001 CERTIFIED COMPANY

FCL:SEC:SE:23:96

5<sup>th</sup> September, 2023

Corporate Relations Department BSE Limited 1st Floor, New Trading Ring Rotunda Building, P J Towers Dalal Street, Fort Mumbai – 400 001 in	The Manager Listing Department National Stock Exchange of India Ltd 'Exchange Plaza', C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	Mr Tom Schmit Luxembourg Stock Exchange PO Box 165 L-2011 Luxembourg Grand-Duchy of Luxembourg EUROPE
Scrip Code: 500144	Scrip Code: FINCABLES	

Dear Sir/Madam,

**Subject: Submission of the 55<sup>th</sup> Annual Report**

**Ref: Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations)**

Pursuant to the above mentioned Regulation, we enclose herewith a copy of the Notice along with 55<sup>th</sup> Annual Report of the Company for the financial year 2022-23.

The 55<sup>th</sup> Annual General Meeting of the Company will be held on Friday, 29<sup>th</sup> September, 2023 at 3.00 p.m. through Video Conferencing ("VC")/Other Audio Video Means ("OAVM") at the deemed venue Registered Office of the Company at 26-27, Mumbai Pune Road, Pimpri, Pune - 411018.

In terms of the subject referred Regulation read with MCA & SEBI Circulars the 55<sup>th</sup> Annual Report for the Financial Year 2022-23 is being sent only through electronic mode to the shareholders of the Company, whose email addresses are registered with the Company / Registrar and Share Transfer Agent ("RTA") / their respective Depository Participants ("DP").

A copy of the said Annual Report is also available on the website of the Company at <https://finolex.com/investor/>

You are requested to kindly take the same on your record.

Thanking you,

Yours truly,

**For FINOLEX CABLES LIMITED**

**Gayatri Kulkarni**  
**Assistant Company Secretary**  
**& Compliance Officer**

**Registered Office:**

26-27, Mumbai-Pune Road, Pimpri, Pune – 411018. Tel: 020 27506200.  
Visit us at: [www.finolex.com](http://www.finolex.com) | Email: [sales@finolex.com](mailto:sales@finolex.com) | CIN: L31300MH1967PL016531

**XCEEDS**  
**EXPECTATIONS**

Finolex Cables Limited

# POWERING A BIGGER TOMORROW

22 23

ANNUAL  
REPORT

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### Forward-looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified those information independently.





# POWERING A BIGGER TOMORROW

Pursuing growth with perseverance and resilience has been our steadfast focus since inception, making the brand 'Finolex' synonymous with quality and high customer confidence and loyalty. Our ability to leverage our manufacturing prowess, innovative spirit and technology has allowed us to diversify our product offerings across the market and widen our reach throughout India, propelling our stature as one of the most prominent Indian wires and cables brands.

The rebound in economic activity during the past fiscal has set the right precedent for sectors to reinvent themselves and regain lost ground from pandemic-led disruptions in the past two years. Today, consumer preferences have evolved as they demand quality and aspirational products. Multiple opportunities are also unfolding in the wires and cables sector with increased infrastructure development and construction activity.

We continue to invest in product development, operational efficiencies, capacity expansion, brand positioning and the distribution network for diversifying our product categories and expanding across states to cater to the evolving needs of a larger customer base. With right growth levers and strategic investments in place, we are poised for accelerated growth and a stronger future.



# FINOLEX AT A GLANCE

Founded in 1958, Finolex Cables is the most diversified and leading manufacturer of electrical and telecommunication cables in India. Over the years, we have established ourselves as a reputable and quality manufacturer supported by our strategic pillars of manufacturing excellence, innovation and technical expertise. We ventured into the manufacturing of fast-moving electrical goods (FMEG) to become a full-service electrical products company and capitalise on rising prospects in the B2C consumer segment. Our commitment to maintaining the highest standards of quality and corporate governance practices has helped foster trust and a deep connection with our customers.

Finolex Cables is a debt-free Company having a turnover of over Rs. 4,481.1 crores, 5 manufacturing sites and 1,546 employees.

## POWERING AHEAD WITH A STRONG LEGACY

Since inception, our constant pursuit of growth backed by strong perseverance has seen us brave umpteen obstacles while achieving significant milestones. Throughout the year, we have focussed on continuous expansion and modernisation to capitalise on opportunities and address challenges. Our ability to reinvent ourselves, persevere and rise above innumerable challenges dates back to the time of India’s difficult partition phase. During the 1950s, when we were the first to introduce the concept of using stranded conductors

for electrical wire manufacturing; in the late 1980s, when we were the first Indian private sector company to manufacture Jelly Filled Telephone Cables (JFTC); and our aggressive approach to portfolio diversification to offset the adverse effects of mobile phone usage in India on our JFTC business. Inspired by our rich and resilient past, we are poised for an accelerated growth phase amidst our relentless pursuit to tap opportunities across a challenging and demanding landscape.



## Vision

**To maintain Leadership as the Largest and most Diversified Cable Company in India, we prioritise total Quality, Latest Technology and the Best Customer Service.**



- First in India to make multistrand wires
- First in India to launch FRLS wires and cables
- First in India to manufacture LAN cables with UL verification
- First in India to manufacture auto cables
- First in India to manufacture co-axial cables using the physical foam process
- First and only company in India to manufacture power cables up to 500 kV through Joint Venture
- First across the Indian private sector to manufacture and supply JFTC to DoT
- First in India to make aerial cable designs
- First in the industry to be integrated backwards, capturing the entire value chain

OUR KEY NUMBERS

5

Manufacturing sites

26

Depots

5,000

Channel Partners

2,00,000

Retailers

1,546

Employees

22%

Market Share in the organised wires industry

4,481.1

Revenue

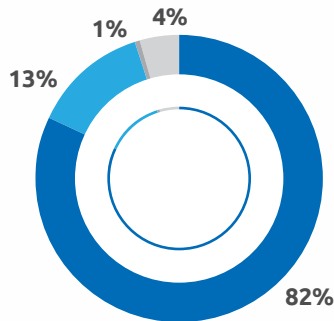
693.7

EBITDA

501.7

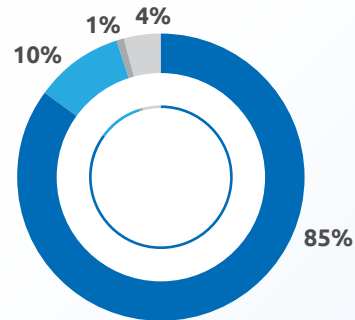
PAT

Revenue break-up (as on FY 2023)



- Electrical Cables
- Communication Cables
- Copper Rods
- Other Products

Revenue break-up (as on FY 2022)



- Electrical Cables
- Communication Cables
- Copper Rods
- Other Products



**EFFICIENT MANUFACTURING CAPABILITIES**

Our five modern manufacturing facilities, strategically located, are equipped with the latest technology, to enable us to manufacture high-quality products and ensure timely delivery of products to our pan-India customers. We are actively expanding our existing capacities to enhance operational efficiencies and meet the growing demand.

**TECHNOLOGY PARTNERSHIPS**

Our tie-ups with technology partners have helped us adapt and align our product and process capabilities to advanced technologies. Through our partnerships, we have developed innovative solutions to cater to the highly evolving Indian market segment.

**PROMINENT BRAND POSITIONING**

Our customers strong trust and confidence in our commitment to quality, safety and resilience has helped us emerge as an established brand and resulted in sound growth.

**BACKWARD INTEGRATION**

As part of our backward integration strategy, we manufacture compounds, copper rods, glass fibers and other raw materials in-house. It gives us greater control over raw material availability, pricing and quality, improving overall manufacturing efficiency and delivering high-quality products at affordable prices.

**DIVERSIFIED PRODUCT SUITE**

As a complete electrical products company, we offer a wide array of products comprising wires, cables, lighting solutions, electrical accessories, switchgear, fans, water heaters, LAN passive components and irons to serve the various needs of our diverse customers.

**WIDESPREAD DISTRIBUTION NETWORK**

Our focus on maintaining a diversified distribution network, with a specific emphasis on the FMEG sector has allowed us to deepen our market penetration and expand our customer outreach.

**STRONG FINANCIALS**

Our healthy financials, with zero net debt, have solidified our business growth while initiating long-term value creation for all our stakeholders.



**OUR KEY DIFFERENTIATORS**



# OUR MANUFACTURING EXCELLENCE



## ROORKEE, UTTARAKHAND

### Product Focus

Electrical wires for construction; wires for automobile; switches; switchgear and agricultural applications



## URSE, PUNE, MAHARASHTRA

### Product Focus

All electrical wires, optic fiber, optic fiber cables, all communication and power cables



## PIMPRI, PUNE, MAHARASHTRA

### Product Focus

Telephone cables; winding wire for pump set industry



## VERNA, GOA

### Product Focus

Electrical wires, optic fiber cables, co-axial cables, jelly filled telephone and conduits



## PONDA, GOA

### Product Focus

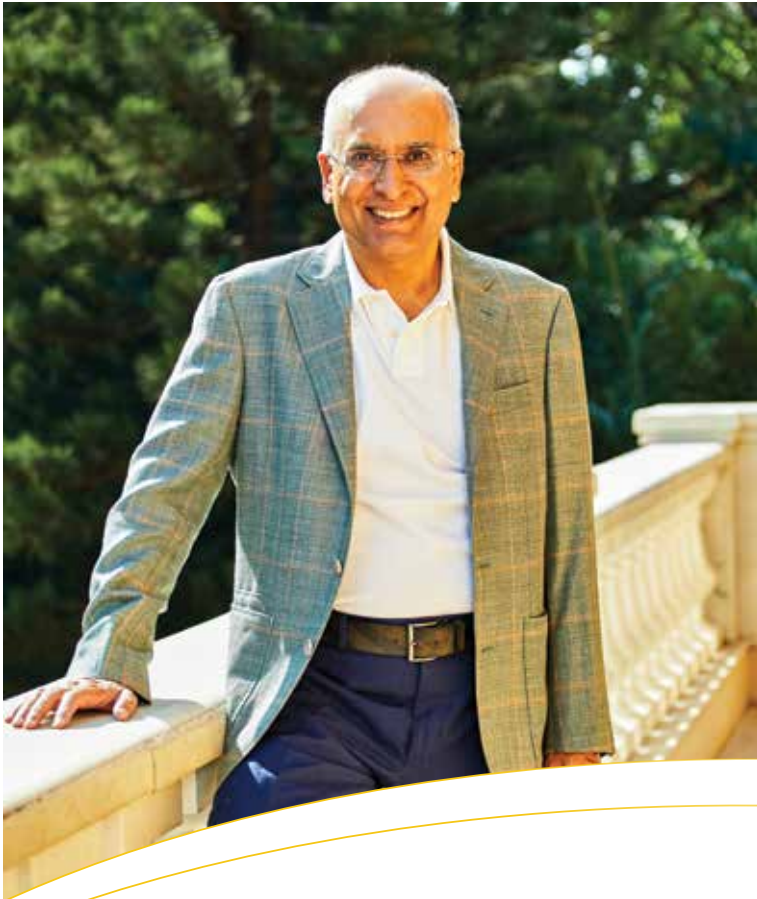
Copper rods



We are nearing the completion of capacity expansion at our Goa and Urse plants, which will enable us to meet the growing demand more efficiently.



# CHAIRMAN'S MESSAGE



At Finolex Cables, we are well-positioned to seize the opportunities presented by these market dynamics and accelerate our performance. To effectively convert these opportunities into tangible results, we remain dedicated to strengthening our dealer and distributor channels across various regions, bolstering product availability.

## Dear Shareholders,

I am pleased to reconnect with you to discuss our Company's performance and future direction. Our focussed efforts to strengthen our business and leverage improving market conditions have resulted in promising outcomes during the past year. Additionally, our plans for investments in capacity expansion using internal resources exemplify our commitment to sustainable, long-term value creation.

**Entering** FY 2022-23, the Indian economy witnessed a robust revival as numerous businesses returned to normalcy, driven by growing public confidence in pandemic management. Favourable macro-economic indicators, coupled with government emphasis on infrastructure development and digitalisation, created a positive environment for India's wires and cables industry. The revival in the real estate sector further fuelled the industry's growth. Our Company's performance for FY 2022-23 reflects our success in capitalising on these opportunities. The volume of our electrical wires segment grew by around 16%, optic fiber cable volumes increased by

over 50%, and all other products within the communication segment exhibited volume growth exceeding 25%.

**The** year, however, was not without challenges. The repercussions of Russia's invasion of Ukraine triggered significant inflation and interest rate impacts on a global scale. The Indian economy experienced a sustained inflationary trend, especially notable during the first half of the year. Escalating prices outpaced the growth of consumer incomes, resulting in weakened consumer sentiment. Consequently, discretionary spending remained sluggish, leading to muted

growth within our FMEG segment. Additionally, regulatory changes to energy efficiency norms during the year impacted the volumes of new products within our FMEG segment.

**Combining** our performance across business segments, we achieved revenue from operations of Rs. 4,481 crores, representing a growth of 19% compared to Rs. 3,768 crores in the previous year. This growth can be attributed to improvements in volume and increased retail penetration. Our Profit before Taxes reached Rs. 646 crores, demonstrating a growth of over 22% compared to Rs. 526 crores in the previous year. Our firm financial standing, characterised by a debt-free balance sheet and strong cash position, empowers us with the capability to internally finance our capital expenditure and working capital needs. Operationally, we expanded our distribution network by 25,000 touchpoints, reaching a total of 2,00,000 retailers while our overall plant utilisation remained healthy at 70%.

**We** have consistently invested in enhancing our manufacturing capabilities and capacities to meet the growing demands of our customers and drive higher growth. With the Indian economy projected to maintain its growth momentum in the coming years, the demand for wires and cables will remain robust across various sectors. Keeping the future in focus, we have planned a capital expenditure of Rs. 500 crores over the next 18-20 months to expand our plant capacities in all product categories. We are also investing in backward integration to manufacture optical fiber preforms and expand our fiber draw capacity. We are expanding our auto cable capacity by 50% and building additional compound manufacturing capacity. The upcoming capacities are slated to be commercialised by the second half of FY 2024-25. Additionally, we are progressing with the establishment of an e-beam facility as part of our ongoing expansion plans.

**We** also remain Focussed on improving our systems and processes to drive operational excellence. This includes closely monitoring inventory levels and streamlining cycles whenever feasible. In this regard, we have initiated a project aimed at optimising the end-to-end supply chain, leading to inventory reduction from raw materials to finished goods. Simultaneously, this project aims to improve delivery and customer service. To accomplish these objectives, we are collaborating with a reputable consultant and leveraging automation, AI and technology. Although the project is in its early stages, we anticipate significant results within a 12 to 18-month timeframe. Another key focus area will be

enhancing order execution speed to safeguard margins and drive profitability.

**The** wires and cable industry outlook remains highly promising, driven by demand from key sectors including automobiles, construction and industrials. The government's sustained focus on infrastructure development is expected to enhance the demand environment for the wires and cables industry. Furthermore, government initiatives such as Bharat Net Phase II, aimed at improving broadband connectivity, will continue to drive growth for communication cables. The capital expenditure by telecom players on optic fiber cables will contribute to increased demand in the communication cables segment. The Indian FMEG sector is also poised for substantial growth, propelled by macro drivers such as evolving consumer aspirations, rising awareness, increasing income levels, rural electrification and urbanisation.

**At** Finolex Cables, we are well-positioned to seize the opportunities presented by these market dynamics and accelerate our performance. To effectively convert these opportunities into tangible results, we remain dedicated to strengthening our dealer and distributor channels across various regions, bolstering product availability. Our focus on capacity expansion and backward integration ensures increased volumes, superior quality and safeguarded margins. Furthermore, we are committed to introducing new products within the FMEG domain and making strategic investments to enhance our brand visibility. By executing these initiatives, we are confident in maximising our growth potential.

**In** conclusion, I would like to express my appreciation to our employees for their contributions throughout the year. Their dedication and hard work have been instrumental in our success. I would also like to extend my sincere gratitude to our esteemed Board Members for their invaluable guidance and insights. Additionally, I want to acknowledge and thank our stakeholders, including customers, bankers, financial institutions, channel partners, business associates and suppliers, for their support. Guided by an ambitious vision that is backed by right investments and capabilities, I firmly believe that our Company is on the path to power a bigger tomorrow and deliver sustained value.

**Warm Regards,**  
**Deepak Chhabria**  
Executive Chairman

# STRENGTHENING EFFICIENCIES TO ACCELERATE GROWTH

We are equipped with the right drivers to tap the growing opportunities across our segments. We remain committed to expanding our geographical foothold, enhancing capacities, and diversifying our business to meet rising demand, increase revenues, and drive growth.

## WIDENING OUR DISTRIBUTION REACH

We continue to strengthen our distribution network and expand our retail touchpoints to explore new markets and increase our geographic presence. We have implemented a two-tier distribution approach for distributors and retailers with well-defined policy parameters. Each distributor is assigned a territory with the potential to encompass around 2,00,000 retail outlets. To help deepen our distributors and retailer connections, we initiate various activities like wallets and introduced some trading discounts during the year. Our extensive distribution network is spread across 5,000 channel partners and 2,00,000 retailer outlets covering 26 depots across the country. We intend to create a separate network for each of our product lines to increase distribution efficiency

and outreach. We maintain our brand building and channel partner engagements to make our products accessible to a greater number of customers and increase volumes.

## STRENGTHENING CAPABILITIES

Strong levers have boosted the demand for our products during the year. To meet the rise in demand and maintain our growth momentum, we continue to expand our existing capacities and invest in a backward integration approach. Our five manufacturing facilities strategically located pan-India are well-suited to adapt to evolving needs of customers while ensuring timely product delivery.

With the business environment gaining pace, our capacity expansion plan is in full swing with a planned capex investment of nearly Rs. 500 crores. It includes the expansion of production capacity for fiber-optic cables, industrial wires, and the FMEG segment. Our recently launched 'Conduits' has been successful with the plant operating at full capacity. We are now increasing capabilities by adding more machines and exploring possibilities of setting up an additional plant to cater to the needs of the regional markets across North and Eastern India.





## EXPANDING REVENUE STREAMS

We are continually looking for innovative ways to diversify our business and enhance revenue across multiple electrical product categories. Our foray into the FMEG segment was part of our diversification strategy to establish a firm presence in the competitive consumer electric market. Electrical wires and cables account for 82% of our revenues whereas communication cables and electrical appliances account for 13% and 5% (including Copper Rod) respectively. In the future, diversifying our product mix will help de-risk our business from market downturns in any specific category and generate revenues from consumer electric goods.

**WITH THE BUSINESS ENVIRONMENT GAINING PACE, OUR CAPACITY EXPANSION PLAN IS IN FULL SWING WITH A PLANNED CAPEX INVESTMENT OF NEARLY RS. 500 CRORES. IT INCLUDES THE EXPANSION OF PRODUCTION CAPACITY FOR FIBER-OPTIC CABLES, INDUSTRIAL WIRES, AND THE FMEG SEGMENT**



# DRIVING INNOVATION-LED PRODUCT DIFFERENTIATION

Innovation is the key to our customer-centricity and success. Innovative processes and technology have enabled us to invest in new product development, achieve operational excellence and meet evolving customer demands and achieve strong brand recall. We continue to prioritise innovation to develop new products, scale our business, and acquire a competitive advantage.

## EXTENSIVE PRODUCT OFFERINGS

Today’s new-age consumers seek environmentally friendly, low maintenance and easy-to-use products. As conscious customers, they are looking out for Make in India products with contemporary designs, superior quality, and aesthetics. The emergence of this New India trend has led us to invest in product development and develop innovative homegrown products that match international standards.

As a leading B2B electrical wires and cables brand, we offer a diverse portfolio of products across the segment. Our legacy of driving innovation led us to further explore the FMEG segment and launch products that include lighting products, electrical accessories, switchgear, fans and water heaters. The excellent quality, unique designs and superior performance of our products have helped us expand our market outreach and become a key B2C player.

This year, we have added Irons along with a complete range of BEE certified Ceiling Fans; products across our FMEG category to further diversify our product mix. We have also added LAN components to our product range.

## NEW PRODUCT LAUNCHES

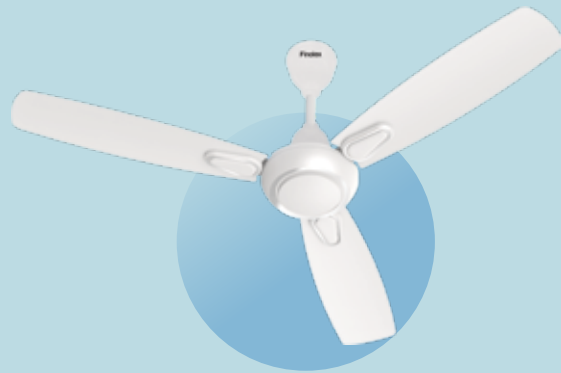
### Crease-Free Irons

In line with diversifying our product mix across categories, we ventured into the small domestic appliances market during the year. We launched Crease-Free Irons to suit the needs of the varied consumers in this segment. Built with cutting-edge technology, our 750W - 1600W iron range include state-of-the-art steam and dry irons with an aim to provide our consumers with affordable and long-lasting products.



### Energy-Efficient Ceiling Fans

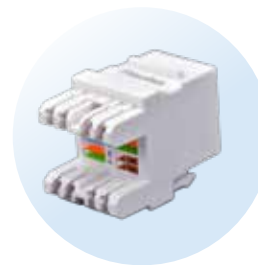
We have launched an entirely new line of BEE (Bureau of Energy Efficiency) compliant decorative & BLDC Fans. These fans employ brushless direct current electric motors (BLDC motors) technology which uses an electronic motor controller to drive the rotor. Our new ceiling fans use 60%-70% less energy compared to traditional induction motor fans. Models in our elegant BEE 1-5 star rated BLDC fan range offer virtually noise-free operation, unparalleled air supply, high energy efficiency and exceptional performance. Our star rated ceiling fans have been built to help consumers make informed choices while buying energy-efficient appliances that help save energy and reduce electricity bills.



### LAN Passive Components

In India, the rise in internet penetration has seen an increase in demand for high bandwidth owing to its increased data transfer capability, low cost and flexibility. To cater to this high demand, structured cabling becomes the need of the hour for the smooth functioning of high bandwidth across commercial operations.

In keeping with evolving market dynamics and tap the growing opportunity, we developed LAN Passive Components in addition to our existing business of LAN cables during the year. Our LAN Passive Components comprise patch cords, information outlets, patch cards and faceplates. These components have been specifically developed to serve the needs of our consumers across high bandwidth demand areas like data centres, IT networks, conference rooms and branch office connections with high-density switches.



# Our Product Portfolio

## WIRES & CABLES

### Light Duty Cables



FR PVC Insulated Industrial Cables



FLAMEGARD - Flame Retardant Low Smoke (FR-LSH) Insulated Industrial Cables



3 Core Flat Cables

### Communication Cables



CCTV Cable



CAT6 LAN Cable



Speaker Cable



Optic Fiber Cable



RG6 Coaxial Cable



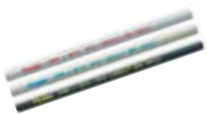
Telephone Cable

### Power Cables



Power & Control Cables

## CONDUITS & FITTINGS



Conduit



Inspection Bend



Circular Box -Tee



Coupler

## LIGHTING PRODUCTS



COB Downlight



LED Bulb



LED PC Panel Square



LED Street Light



2W Cabinet Light - Round



Flicker Control Concealed Light



LED Spot Light



Track Light

FANS



Boomerang NS



Boomerang NS  
Table Fan



Pedestal Fan



Finfresh - Smasher



Flyneto Ceiling Fan



Fleenor Ceiling Fan



Cupid Anti-Bacteria Anti-Dust Fan



BLDC Fans- WIGGLE ES

WATER HEATER



Alessandro Instant Water  
Heater & Immersion Rods

SWITCHGEAR



Phase Selector DB



SP MCB



4 Pole RCCB



DP MCB Isolater



FP MCB



Single door SPN DB

ACCESSORIES



Ding Dong Bell Selfie



PVC Insulation Tape



Fancy Batten Holder



Spike Guard



Extension Board



3 Pin Multiplug



32A Surface DP



# ENHANCING BRAND VALUE WITH ASSERTIVE MARKETING INITIATIVES

Our strong value proposition along with a digitally-enabled marketing approach has helped establish us as a premium brand in the wires and cables space, while gradually becoming a household name in the consumer electronics industry.



## STRONG NETWORK OF CHANNEL PARTNERS

We have maintained a robust channel partner network with whom we enjoy strong relationships. We keep redefining our distribution strategy to stay updated with emerging market trends across our business and obtain a larger market share for both wires and cables and FMEG segments. Our unique two-tier distribution system and the strategy of positioning the right product at the right point have helped us to increase our product outreach. It has helped to build an extensive distribution network across new towns and ensure our products are available across the width and breadth of the country.

We regularly undertake diverse marketing initiatives to strengthen our channel partner bonds, enhance distribution management systems and promote our products. Increasing our channel partner outreach has helped us to build stronger retail interactions and achieve greater brand visibility across our segment.

During the year, our distribution network comprised 5,000 authorised Channel Partners with 26 branch offices spread across 28 states in India. Our retail touchpoints increased from 1,75,000 in FY 2021-22 to over 2,00,000 in FY 2022-23. After gaining a strong foothold in the urban and semi-urban markets wherein we received a positive response for our products resulting in an increase in sales volume, we are focussing on expanding our network across the rural markets.

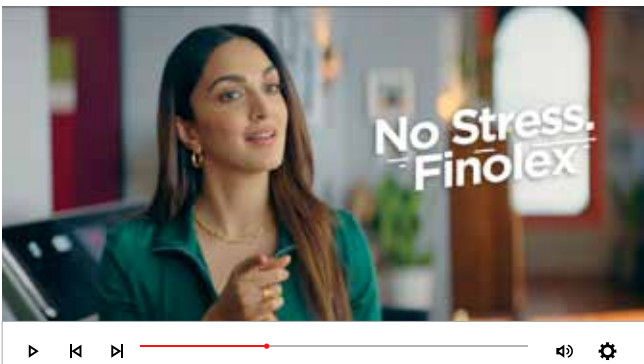
## DEEPENING CUSTOMER CONNECT

Despite being known as a prominent wires & cables manufacturer, we have strategically diversified to consumer facing categories that demand strong brand building initiatives to connect and engage with our end users. Excellent customer service and trust are the core of our marketing strategy. Our assertive promotion drives, marketing activities and brand-building campaigns have helped maintain customer loyalty while reaching out to new customers across new markets and categories.

# No Stress. Finolex

Our **'No Stress. Finolex'** brand campaign was launched expressly to cater to the needs of today's 'work smart – less stress' generation. Through stylish and dependable products, the campaign seeks to provide them with easily accessible solutions. It reaffirms the Company's long-standing commitment of over 60 years to surpass customer expectations by churning out high quality and reliable products.

To further strengthen our connection with customers, Bollywood superstars Kartik Aaryan & Kiara Advani were chosen as the brand ambassadors for our **'No Stress. Finolex'** campaign. As youth icons, their zest and energy helped Finolex Cables forge a strong connect with the new generation of customers.



The campaign also served as the launchpad for the Company's new positioning of 'Xceeds Xpectations', which builds on the rich legacy of quality and reliability that our brand has established over time. The campaign, inspired by the 'X' from Finolex has helped reinvigorate the brand image and provide



a contemporary look and feel to the communicate. It has reinforced the customer's belief in our product performance while helping us connect better with today's youth.

Social media is a powerful tool to reach and engage our target audience, increase brand awareness, and drive sales. However, to achieve these goals, we have developed a structured communication strategy that is a mix of promoting our brand's product range, developing interactive posts, and sharing topical creatives. Our social media strategy is based on three pillars of product promotion, engagement and creativity aligning with our marketing objectives and brand campaign.

**Product Promotion:** This pillar involves showcasing our product range and highlighting its features, benefits, and value proposition. We have used formats such as images, videos, stories and reels, and live sessions to demonstrate how our products can solve our customers' problems and enhance their lives. Our aim is to generate interest and desire for our products and encourage conversions. We have collaborated with celebrities - Kartik Aaryan & Kiara Advani, to expand our reach and exposure. Our aim is to create buzz and a positive image for our brand.

**Engagement:** This pillar involves engaging our audience and building a loyal community around our brand. We have used tactics such as polls, quizzes and challenges to invite participation and feedback from our followers. We have been responding to comments and messages promptly and courteously. Our aim is to create a dialogue and a relationship with our customers and prospects.

**Creativity:** This pillar involves sharing topical creative content that is relevant, entertaining, and informative. We use sources such as trending topics, memes, news, events, and festivals to create content that resonates with our audience and showcases our brand personality.

# POWERING A STRONGER TOMORROW WITH INFINITE OPPORTUNITIES

The rebound in economic activity and growing infrastructure development are unfolding tremendous opportunities in the wires and cables sector. With the domestic demand improving due to revival in consumer sentiment and spending coupled with higher market penetration, the FMEG segment is set for a sustained growth trajectory.

## POWERED BY MULTIPLE OPPORTUNITIES

The Indian economy is getting back to normalcy and witnessing improved domestic demand across multiple sectors. The wires and cables sector accounts for 40-45% of the electrical equipment industry in India. Supported by robust growth drivers, the industry expects the demand momentum in construction and realty segments to remain strong along with huge growth potential across industrial and automobile sectors. The Government has launched National Infrastructure Pipeline (NIP) for FY 2020-25. With projected infrastructure investment of Rs. 111 lakh crores, to facilitate implementation of world-class infrastructure projects in India. To give a further boost to infrastructure development in the country, the Union Budget

2023-24 has earmarked Rs. 10 lakh crores capital expenditure for FY 2023-24. This is expected to boost infrastructure activity and improve demand for the wires and cable industry.

In the Union Budget 2023-24, the government has allocated Rs. 2,158 crores for an OFC-based network for Defence Services and Rs. 715.8 crores for telecom projects across the North East states. These major drivers for OFC are expected to fuel the sector's transformation in the coming years. The ongoing government-initiative Bharat Net Phase II is aimed to improve broadband connectivity and related technologies in India. This is expected to boost demand for communication cables and drive growth for the sector.

The rise in domestic demand has been supplemented by a resurgence in demand for consumer goods. This has provided the Indian FMEG sector with potential for growth. Evolving customer preferences, the need for quality products, increased income, an increase in brand awareness, rural electrification and digital penetration are the macro drivers for the sector's growing potential.

**THE GOVERNMENT HAS LAUNCHED NATIONAL INFRASTRUCTURE PIPELINE (NIP) FOR FY 2020-25. WITH PROJECTED INFRASTRUCTURE INVESTMENT OF RS. 111 LAKH CRORES, TO FACILITATE IMPLEMENTATION OF WORLD-CLASS INFRASTRUCTURE PROJECTS IN INDIA**

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1693183>







## THE WAY FORWARD

We have a commendable market share of 22% in wires, healthy cash flows, zero debt, and solid working capital management. To tap growing opportunities in the wires and cables segment and FMEG category, we are well equipped with the right growth levers for augmenting our potential growth journey. As a market leader in the wires and cables segment, we offer an extensive product portfolio and distribution presence for both institutional and retail clients. We continue to extend our growth visibility across the FMEG sector by launching new products and increasing our distribution network to increase volumes and market share going forward.

Our sustained investments in product development, operational efficiencies, capacity expansion, brand positioning and widespread distribution network are expected to set the momentum for a strong future.





# EMPOWERING COMMUNITIES

We strive to create a positive impact on our communities and the larger society through our holistic CSR initiatives. As a responsible entity, we focus on the progress and development of underserved communities while creating long-term value for our stakeholders. Our proactive approach will help create a meaningful and sustainable impact ensuring a better future for them.

We aim to uplift and empower communities by equipping them with the necessary tools and knowledge to create positive change from within and meet their fundamental needs. Our programmes focussed on providing access to education, healthcare, clean water, and infrastructure among others.

## FY 2022-23 CSR INITIATIVES

### Promoting Healthcare

We have undertaken various healthcare initiatives during the year. These included providing support to the Maharaj Jagat Singh Medical Trust in Beas, Punjab. We aided in the treatment of diabetic children at Jehangir Hospital in Pune. We helped establish and maintain an ambulance running service at Pawana Hospital in Urse. At the Mangeshkar Medical Foundation in Pune, we installed Intensive Care Units (ICUs) and a TV control system. Likewise, we installed a CIM machine and a MIC analyser machine for Morya Hospital Lab in Pune. Our contribution extends to supporting paediatric heart surgery for underprivileged children. We also distributed TRAX AMBULANCE VAN, artificial limbs, and an anaesthesia machine to Inlaxhs Hospital in Pune apart from providing furniture for its cancer unit. We have also provided free daily breakfast to 100 underprivileged children from Yerwada Basti through the Sadhu Vaswani Mission in Pune.



### Promotion of Education

As part of our drive to promote education, we have actively participated in the construction of school buildings and infrastructure during the year. Our efforts extended to supplying projectors, water filters, and benches to various schools in Roorkee while also supporting the renovation of colleges and schools in the region. We also provided cupboards, floor mats, library books and scientific lab equipment at Shree Mahalasa Narayani School, Verna Goa. Additionally, we have distributed a bus for meeting the transportation needs of Deaf & Dumb School, Chinchwad Pune. We have also endorsed the development of Art Centres on Artificial intelligence at Vidya Prathisthan, Baramati.

### Conserving Environment

During the year, we supported the Amrit Sarovar Scheme, Roorkee and construction work for the Storm Water Drain Pipeline project, Urse as part of our endeavour to support environmental initiatives.

### Providing Food and Nutrition

We distributed food and nutrition via the Akshaya Patra Foundation to help serve the needy and poor segments of society.

### Rural Development

As part of our rural development initiatives, we distributed a Bolero vehicle to the Roorkee Police and supported Urse police station by providing them with an inverter.



### Social Welfare Initiatives

Our social welfare schemes included distributing a three-wheeler carrier to the old age home at Shankar Maharaj Seva Samithi, Pune, supporting Purna Bhavan, Thathavde, Pune and Missionaries of Charity, Mother Teresa's Home, Chinchwad Pune and supplying grocery, bedsheets and blankets at SAMPARC, Bhaje, Pune.



# FINANCIAL PERFORMANCE FOR 10 YEARS

(Rs. in crores)

	IGAAP					Ind-AS				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>PROFIT AND LOSS ACCOUNT DATA</b>										
Gross Revenue*	2,558.3	2,633.3	2,676.5	2,771.0	3,011.6	3,199.6	3,049.2	2,845.1	3,919.9	<b>4,679.2</b>
Materials and Manufacturing Cost (Including Excise Duty)	1,973.1	1,998.3	1,960.8	1,952.8	2,103.3	2,264.9	2,083.4	2,051.4	2,966.3	<b>3,544.5</b>
Employee cost	84.8	94.0	107.6	119.2	135.5	140.7	149.5	137.9	146.1	<b>162.7</b>
Depreciation	48.4	64.0	57.2	48.0	43.8	40.6	38.9	39.0	38.8	<b>46.4</b>
Interest and Finance charges	14.5	13.6	9.5	4.3	1.4	0.9	1.6	0.7	1.5	<b>1.2</b>
Other Expenses	193.5	200.2	205.1	227.3	223.2	220.6	274.5	223.9	240.6	<b>278.4</b>
<b>Profit Before Tax</b>	<b>244.0</b>	<b>263.1</b>	<b>336.3</b>	<b>419.3</b>	<b>504.5</b>	<b>531.9</b>	<b>501.3</b>	<b>392.1</b>	<b>526.6</b>	<b>646</b>
Taxation	36.3	64.5	87.6	103.4	146.3	187.8	98.9	109.2	122.0	<b>144.3</b>
<b>Profit After Tax</b>	<b>207.7</b>	<b>198.6</b>	<b>248.8</b>	<b>315.9</b>	<b>358.2</b>	<b>344.1</b>	<b>402.5</b>	<b>282.9</b>	<b>404.6</b>	<b>501.7</b>
Other Comprehensive Income	-	-	-	3.8	13.5	(24.6)	(40.6)	33.3	(7.4)	<b>35.9</b>
Total Comprehensive Income for the year	-	-	-	319.7	371.7	319.5	361.9	316.2	397.2	<b>537.6</b>
Dividend (Including Tax on Dividend Distribution if applicable)**	28.6	33.1	46.0	55.2	73.6	83	84.1	84.1	91.7	<b>107.1</b>
<b>BALANCE SHEET DATA</b>										
Share Capital	30.6	30.6	30.6	30.6	30.6	30.6	30.6	30.6	30.6	<b>30.6</b>
Reserves	1,072.8	1,234.2	1,437.0	1,846.9	2,163.3	2,409.1	2,688.0	2,920.1	3,233.2	<b>3,679.1</b>
Net Worth	1,103.4	1,264.8	1,467.6	1,877.4	2,193.9	2,439.7	2,718.6	2,950.7	3,263.8	<b>3,709.7</b>
Loan Funds	147.0	126.7	51.2	-	-	-	-	-	-	<b>-</b>
Other Liability	-	-	-	6.6	7.5	9.8	18.2	16.2	16.6	<b>20.5</b>
Deferred Tax (Net)	29.5	30.0	23.0	18.9	34.9	58.3	36.1	34.1	26.1	<b>33.1</b>
<b>Total Liabilities</b>	<b>1,279.9</b>	<b>1,421.5</b>	<b>1,541.8</b>	<b>1,903.0</b>	<b>2,236.4</b>	<b>2,507.8</b>	<b>2,772.9</b>	<b>3,001.0</b>	<b>3,306.5</b>	<b>3,763.3</b>
Gross Block	1,072.8	1,096.0	1,107.4	1,148.5	1,181.2	1,213.8	1,238.6	1,293.5	1,315.2	<b>1,405.0</b>
Net Block	507.4	470.4	424.8	414.9	414.2	414.6	404.5	411.9	456.4	<b>442.8</b>
Investments	403.1	494.2	619.5	895.9	1,214.8	1,381.8	725.9	937.2	1,120.5	<b>1,712.8</b>
Net Current Assets	369.4	456.9	497.5	592.2	607.4	711.4	1,642.5	1,651.9	1,729.6	<b>1,607.7</b>
<b>Total Assets</b>	<b>1,279.9</b>	<b>1,421.5</b>	<b>1,541.8</b>	<b>1,903.0</b>	<b>2,236.4</b>	<b>2,507.8</b>	<b>2,772.9</b>	<b>3,001.0</b>	<b>3,306.5</b>	<b>3,763.3</b>
<b>KEY RATIOS</b>										
Growth in Revenue (%)	4.5	2.9	1.6	3.5	8.7	6.2	(4.7)	(6.7)	37.8	<b>19.4</b>
PAT to Revenue (%)	8.1	7.5	9.3	11.5	12.3	10.0	11.9	11.1	10.7	<b>11.5</b>
Return on Net Worth (%)	18.8	15.7	16.9	16.8	16.3	14.1	14.8	9.6	12.4	<b>13.5</b>
Earnings per Share Rupees (for face value of Rs. 2/- each)	13.6	13.0	16.3	20.7	23.4	22.5	26.3	18.5	26.5	<b>32.8</b>
Asset Turnover Ratio (Revenue to Total Assets)	2.0	1.9	1.7	1.5	1.3	1.3	1.1	0.9	1.2	<b>1.2</b>
Return on Capital Employed (%)	21.3	21.9	23.6	22.6	22.6	21.3	18.1	13.1	16.0	<b>17.4</b>
Debt to Equity Ratio	0.1	0.1	0.03	-	-	-	-	-	-	<b>-</b>
Payout Ratio (incl. Dividend Tax) Distribution to PAT (%)	13.8	16.7	18.5	17.5	20.6	24.1	20.9	29.7	22.7	<b>21.3</b>
Interest Coverage Ratio	14.3	14.6	26.2	73.6	248.7	374.0	259.7	404.1	266.2	<b>404.6</b>
Operating Profit Margin (%)	22.9	24.1	26.7	29.5	30.2	29.2	31.7	27.9	24.3	<b>24.3</b>
Net Profit Margin (%)	8.1	7.5	9.3	11.4	11.9	10.8	13.2	9.9	10.3	<b>10.7</b>

Note: \* Comprises Income from Operations (including excise duty till June 2017) and Other Income

\*\* Dividend Distribution Tax is not applicable for FY 2019-20 and onwards

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Deepak Chhabria**

Executive Chairman

**Mr. Ratnakar Barve**

Executive Director - Operations

**Mr. Zubin Billimoria**

Independent Director

**Mr. Sriraman Raghuraman**

Independent Director

**Mrs. Vanessa Singh**

Independent Woman Director

**Mr. Nikhil Naik**

Non-Executive Director

## BANKERS

Central Bank of India

Union Bank of India

State Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

Axis Bank Ltd.

## CHIEF FINANCIAL OFFICER

**Mr. Mahesh Viswanathan**

## COMPANY SECRETARY AND PRESIDENT (LEGAL)

**Mr. Richard George D'Silva**

(up to 3<sup>rd</sup> April 2023)

## COMPANY SECRETARY AND GENERAL MANAGER (LEGAL)

**Mr. Siddhesh Mandke**

(w.e.f. 4<sup>th</sup> April 2023)

## AUDITORS

**Deloitte Haskins and Sells LLP**

Chartered Accountants

## COST AUDITORS

**Joshi Apte & Associates**

Cost Accountants

## SECRETARIAL AUDITORS

**Jog Limaye & Associates**

Company Secretaries

## SOLICITORS & ADVOCATES

**Juris Corp**

## REGISTERED OFFICE

26-27, Mumbai-Pune Road,  
Pimpri, Pune - 411 018, India

**Tel:** 020-27506200/27475963

**CIN:** L31300MH1967PLC016531



# Board's Report

To the Members,

Your Board of Directors have pleasure in presenting the 55<sup>th</sup> Annual Report and Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023.

## FINANCIAL RESULTS

The summarized financial results for the year are as under:

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
	(Rs. in Crores)			
<b>INCOME</b>				
Revenue From Operations (Net)	4481.1	3768.1	4481.1	3768.1
Other Income	198.1	151.8	117.7	71.5
<b>Total</b>	<b>4679.2</b>	<b>3919.9</b>	<b>4598.8</b>	<b>3839.6</b>
<b>EXPENDITURE</b>				
Material Costs	3544.5	2966.3	3544.5	2966.3
Employee Benefit Expenses	162.7	146.1	162.7	146.1
Finance Costs	1.2	1.5	1.2	1.5
Depreciation, Amortization and impairment	46.4	38.8	46.4	38.8
Other Expenses	278.4	240.6	264.6	227.3
<b>Total</b>	<b>4033.2</b>	<b>3393.3</b>	<b>4019.4</b>	<b>3380.0</b>
Profit Before Tax	646.0	526.6	579.4	459.6
Share of Net Profits of an Associate and Joint Ventures accounted for using equity Method			69.9	327.0
<b>Profit Before Tax</b>	<b>646.0</b>	<b>526.6</b>	<b>649.3</b>	<b>786.6</b>
<b>Tax Expenses:</b>				
Current Tax	145.0	127.9	145.0	127.9
Deferred Tax	(0.7)	(5.9)	0.1	59.6
Total Tax	144.3	122.0	145.1	187.5
<b>Profit After Tax</b>	<b>501.7</b>	<b>404.6</b>	<b>504.2</b>	<b>599.1</b>
<b>Total Other Comprehensive Income/(Expenses) For the year</b>	<b>35.9</b>	<b>(7.4)</b>	<b>35.8</b>	<b>(7.4)</b>
<b>Total Comprehensive Income for the year</b>	<b>537.6</b>	<b>397.2</b>	<b>540</b>	<b>591.7</b>

## ECONOMIC REVIEW

### Global Economy

The global economy is witnessing signs of resilience in 2023 after the sharp economic slowdown in 2022. The slowdown is expected to be less pronounced in 2023 than previously anticipated. However, higher inflation, tighter monetary conditions, and the Russia-Ukraine war continue to impact the global economy. Further, the banking crisis in March 2023 and a debt-ceiling crisis in the United States have raised concerns over fragile global economic conditions and an impending recession. However, key factors such as the rebounding of China's economy, the gradual unwinding of supply chains, and the recent decline in energy and food prices indicate the

improvement in economic activity and sentiment in 2023. Moreover, inflation is projected to decline from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024.

As per International Monetary Fund (IMF), global GDP growth is projected to decline from 3.4% in 2022 to 2.8% in 2023 and rise to 3.0% in 2024. Growth across Advanced Economies (AEs) is expected to decline from 2.7% in 2022 to 1.3% in 2023 before rising to 1.4% in 2024. Emerging and Developing Economies (EMDEs) fared better and grew at 4.0% in 2022 and are expected to grow at 3.9% in 2023 and 4.2% in 2024. Asia-Pacific will be the most dynamic of the world's major regions in 2023, with China and India leading the growth.

Source: IMF World Economic Outlook, April 2023

### Indian Economy

India continues to be among the fastest growing economies in the world. India's recovery from the pandemic has been remarkable. The Indian economy continues to show strong resilience to external shocks and persistent inflation. The accelerated pace of economic reforms has led to strong and sustainable growth and strengthened the position of the Indian economy in the world. India's GDP growth is estimated at 7% in FY 2022-23 as against 9.1% in FY 2021-22. Despite the weak external demand, the merchandise exports registered healthy growth. Further, increasing disposable income will stimulate consumption and boost the demand for goods and services across industries.

As per the International Monetary Fund (IMF), the Indian economy is expected to advance steadily at 5.9% in FY 2023-24 before rising to 6.3% in FY 2024-25. The economic growth is primarily driven by robust domestic consumption, improvement in capacity utilization, and private investments on the back of the government's growth-enhancing policies such as production-linked incentives (PLI) scheme, 'Make in India' and 'Atmanirbhar Bharat', increased allocation for infrastructure and logistics development and affordable housing among others. Further, the government is focused on the core and emerging sectors to enhance the ease of doing business to make India a global manufacturing hub. With multiple growth levers in place, the Indian economy is poised to reach US\$ 5 trillion mark by FY 2026-27.

Source: IMF World Economic Outlook, April 2023; National Statistical Office

### Performance of the Company

Your Company registered total revenue of Rs. 4,481.1 crore in FY 2022-23 as against Rs. 3,768.1 crore in the previous year, registering a 19 % YoY growth in value terms. While part of the growth resulted from commodity price increases, volume growth came in due to higher activity levels in Real Estate, Automobile and Communication sectors.

The segment-wise revenue growth was:

Electrical Cables by 15.4%

Communication Cables by 52.5%

Other products segment registered a growth of 10.8%

For more details, please refer to the Management Discussion and Analysis (MDA), forming part of this Report in "Annexure A", inter-alia, which deals adequately with the operations as well as the current and future outlook of the Company.

### Exports

Exports stood at Rs. 39.9 crores as against Rs. 27.6 in the previous year, with geographies in focus being the Middle East and Eastern Africa. With increasing focus and better market coverage, it is expected that exports will play a bigger role in the revenue pool over the years to come.

### Finance (Credit Rating)

The short-term debt programs of your Company continue to be rated by CRISIL. Since the last several years, these have been accorded the highest ratings that CRISIL issues (A1+). CRISIL has also rated your Company's long term debt offerings at AA+/stable. During the year, no debt papers were issued. As on the date of this report, your Company continues to remain debt free.

Financial costs have been contained to the minimum required levels. The Company continues to meet all its financial commitments in a timely manner.

### Dividend

Based on the Company's performance, the Directors are pleased to recommend a Dividend of Rs. 7.00 Per equity share i.e., 350 % of the face value of Rs. 2 each, for approval of the members at the ensuing Annual General Meeting. The total dividend outgo would involve a cash outflow of Rs. 107.1 Crores.

In compliance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") the Company has formulated Dividend Distribution Policy and the same is available on the Company's website at <https://finolex.com/wp-content/uploads/2017/04/Dividend-Distribution-Policy.pdf>

### Transfer to Reserves

The Company has not transferred any amount to the reserves during the current financial year.

### Fixed Deposits

During the year, your Company has not invited, accepted or renewed any fixed deposits from the public and accordingly, there is no principal or interest outstanding in respect thereof.

### Change in Nature of Business

There has been no change in the nature of business of the Company during the year under review.

### Expansion

As reported in the previous year, your Company had committed a capex of Rs.500 crore over 18 months for enhancing manufacturing capabilities at Urse and Goa.

During the year, Electrical Wire capacity was enhanced at both Urse and Goa. Factory buildings for the E-Beam facility and additional OFC lines are nearing completion and will be populated with equipment soon thereafter – it is expected that both these facilities would be operational by March 2024.

#### Joint Ventures, Subsidiaries and Associates:

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules 2014, the statement containing salient features of the financial statements of the Company's Joint Ventures / Associates (in form AOC-1) is attached to this Report as "**Annexure G**".

The Company does not have any subsidiaries.

#### Corning Finolex Optical Fiber Private Limited

Winding up formalities in respect of this JV are in progress and are awaiting final regulatory clearances. These are expected by end of Q2 for the Financial Year 2023-24.

#### Finolex J-Power Systems Limited

During the year, the JV made significant strides towards achieving profitability – the JV bagged several orders during the year and has an order backlog of approximately Rs. 260 Cr going into the financial year 2023-24. Based on current trends, it is expected that the JV will be able to breakeven as well as become profitable going forward; during the year your Company infused Rs. 10.8 Crores as equity in the JV and the Company's total participation in the JV remains at Rs. 231.3 Crores at the end of FY 2022-23.

#### Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the "**Annexure F**" to this Report.

In terms of provisions of Section 197(12) of Companies Act, 2013 read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided in the "**Annexure F1**" to this Report.

#### Key Managerial Personnel

The following persons continued as Key Managerial Personnel during the Financial Year 2022-23.

Name	Title
Mr. Deepak Chhabria	Executive Chairman
Mr. Mahesh Viswanathan	Chief Financial Officer
*Mr. R. G. D'Silva	Company Secretary & President (Legal)
**Mr. Siddhesh Mandke	Company Secretary & General Manger (Legal)

\*Mr. R.G. D'Silva, Company Secretary of the Company retired from service on 03<sup>rd</sup> April, 2023.

\*\*Mr. Siddhesh Mandke is appointed as Company Secretary with effect from 4<sup>th</sup> April, 2023.

#### Human Resources

The Company engaged approximately 1546 and 1589 permanent employees as at 31<sup>st</sup> March, 2023 and 2022, respectively. The number of flexible (contractual, trainee and temporary) employees as at 31<sup>st</sup> March, 2023 was 1608, compared to 1588 as of 31<sup>st</sup> March 2022.

#### Corporate Governance

The Company has always and responsibly followed the corporate governance guidelines and best practices sincerely. As a responsibility and service to all its shareholders, the Company promptly discloses timely and accurate information regarding its operations and performance, as well as the leadership and governance of the Company. Your Company is in full compliance with the Corporate Governance guidelines asset out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and is committed to good corporate governance. Accordingly, all Directors and Senior Management employees confirm in writing their adherence to the Company's Code of Conduct.

A separate report on Corporate Governance ("**Annexure B**") is provided together with a Certificate from the Secretarial Auditors of the Company regarding compliance with conditions of Corporate Governance as "**Annexure C**", as mandated under SEBI LODR Regulations, 2015. There are no qualifications, reservations or adverse remarks or disclaimers made by the auditor in their report.

#### Corporate Social Responsibility (CSR)

Your Company strives to provide best products and services not only to its customers, employees and shareholders, but also to the society as a whole. Your Company commits itself to utmost care and help for sections of the society in need of such a hand and this is visible through the CSR initiatives undertaken by the Company. Your Company undertakes such CSR related activities which promote women empowerment, better health management, sanitation, education and poverty alleviation.

Annual Report on CSR, forming part of this Report, inter-alia, provides the details of all CSR activities during the year under review and other related information is given as an **"Annexure I"** to this Report.

The Company's Policy on CSR as approved by the Board is also available on the website of the Company at <https://finolex.com/wp-content/uploads/2023/03/CSR-Policy.pdf>.

#### **Management Discussion and Analysis Report (MDAR)**

Management Discussion and Analysis Report for the financial year under review, as stipulated under regulation 34 (2) (e) of SEBI Listing Regulations, 2015 is presented in a separate section forming part of this Annual Report.

#### **Business Responsibility and Sustainability Report:**

Business Responsibility and Sustainability Report for the financial year under review, as stipulated under regulation 34 (2) (f) of SEBI Listing Regulations, 2015 is presented in a separate section forming part of this Annual Report as **Annexure J**.

#### **Environmental, Social and Governance (ESG):**

Recognizing its role as a responsible corporate citizen, the Company is keenly aware of its environmental and societal obligations. For more information on our ESG initiatives, please refer to the Business Responsibility and Sustainability Report (BRSR) Annexure J and the Corporate Governance Report Annexure B.

#### **Directors:**

The Board of Directors of the Company comprises of 6 (Six) Directors out of which 3 (Three) Directors are appointed as Independent Directors, 2 (Two) Directors are appointed as Whole Time Directors out of which 1 is Executive Chairman and 1 (One) Director is appointed as a Non Independent Non-Executive Director.

- The Shareholders have, at the 54<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2022, approved the appointment of Mr. Sriraman Raghuraman (DIN 00228061), Mr Zubin Billimoria (DIN 07144644) and Mrs Vanessa Singh (DIN 09342022) as Independent Directors of the Company for a period of 5 (Five) years with effect from 30<sup>th</sup> September, 2021.
- At the same meeting, the Shareholders have also confirmed the appointment of Mr Nikhil Naik (DIN 00202779) as Non Independent Non-Executive Director, liable to retire by rotation with effect from 30<sup>th</sup> September, 2021.

- Mr. Ratnakar Barve (DIN 09341821) was appointed as an Additional Director of the Company in the category of Executive Director with effect from 30<sup>th</sup> September, 2021. The Shareholders at the 54<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2022 have approved his appointment as an Executive Director of the Company with effect from 30<sup>th</sup> September, 2021.
- Mr. Shishir Desai (DIN 01453410) and Mr. Aakash Gupta (DIN 00533766) were appointed as Additional Director in the category of Non-Executive Directors with effect from 01<sup>st</sup> October, 2022. However, they resigned due to other commitments and ceased to be the Directors with effect from 30<sup>th</sup> December, 2022.

The Board places on record its sincere appreciation towards the contribution made by them during their tenure as directors of the Company.

Mr. Nikhil Manohar Naik (DIN 00202779) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A resolution proposing his reappointment, for the consideration and due approval of the Members at the ensuing AGM is included in the notice convening the AGM.

Mr. Deepak Chhabria (DIN 01403799) Executive Chairman completed his current term of office on 30<sup>th</sup> June 2023. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its meeting of 29<sup>th</sup> June 2023, approved his re-appointment for a further period of five years effective 1<sup>st</sup> July 2023. The terms and conditions of his re-appointment are being put up to the Members for their approval at the ensuing AGM. Accordingly, suitable resolution which appears in the Notice of the ensuing AGM has been proposed for the consideration and due approval of Members.

#### **Compliance under the Companies Act, 2013**

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules of 2014, your Company has complied with the requirements. The details of such compliances are enumerated below:

- **Web link to the Annual Return:** Pursuant to Section 92 (3) of the Act and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the annual return is available on the website of the Company at <https://finolex.com/wp-content/uploads/2023/02/Annual-Return-2021-22.pdf>



- **Number of meetings of the Board:** The Board met on **9 (Nine)** occasions during the year. The details of the meetings are furnished in the Report on Corporate Governance which is attached as “**Annexure B**” to this Report.
- **Directors’ Responsibility Statement:** Pursuant to Sections 134(3)(c) and 134(5) of the Companies Act, 2013, (the “Act”), the Directors, to the best of their knowledge and belief and according to the information and explanations provided to them, confirm that:
  - In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
  - the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
  - the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
  - the Directors have prepared the annual accounts on a going concern basis.
  - the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and;
  - the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- **Declaration By Independent Directors:** The Company has received necessary declarations from each Independent Director under Section 149(7) of the Act, that he/she meets the criteria of Independence laid down under Section 149(6) of the Act and Regulation 25 of the SEBI Listing Regulations, 2015.
- **Nomination and Remuneration Policy:** The Board of Directors have framed the policy which lays down a framework in relation to Appointment and Remuneration of Directors, Key Managerial Personnel of the Company including the criteria for determining qualifications, selection and appointment. Further details are provided in the Corporate Governance Report which is attached as “**Annexure B**” to this Report.
 

The Nomination and Remuneration Policy is available on the website of the Company at <https://finolex.com/wp-content/uploads/2023/08/Nomination-and-Remuneration-Policy.pdf>.
- **Board Evaluation:** Pursuant to the relevant provisions of Companies Act, 2013, the Independent Directors at their meeting dated 15<sup>th</sup> March 2023 without the participation of the non-independent directors and Management, considered and evaluated the Board’s performance, performance of the Chairman and other non-independent directors. The evaluation was performed taking into consideration the various aspects of the Board’s functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The Board of Directors expressed its satisfaction with the evaluation process.
- **Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013:** During the year, the Company has given corporate guarantee to the extent of Rs. 106.8 Cr to Axis Bank, in respect of loans availed by Finolex J-Power Systems Limited – please refer Note no. 32 A III (b) of Standalone Financial Statements which form part of the Notes to the financial statements provided in the Annual Report.
 

As mentioned elsewhere, an amount of Rs. 10.8 Crores was infused as equity investment in the Finolex J-Power Systems Limited.
- **Particulars of Contracts or arrangements with related parties:** All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm’s length basis. Each of these transactions was reviewed by the Audit Committee prior to being entered into and where necessary, was approved by the Board of Directors and the Members. In respect of transactions of a repetitive nature, an omnibus approval was obtained from the Audit Committee. The Company

has not entered into material transactions during the Financial Year 2022-23. At every quarterly meeting, the Audit Committee reviews the transactions that were entered into during the immediately preceding quarter. Details of related party transactions have been disclosed under Note 35A to the financial statements. Details of the same are also reproduced in Form **AOC-2** which is **attached as an "Annexure H"** to this Report.

The Company's Policy on transactions with related parties as approved by the Board is also available on the website of the Company at <https://finolex.com/wp-content/uploads/2023/03/Related-party-transactions-policy.pdf>.

- **Material changes and commitments affecting the financial position of the Company which have occurred between 31<sup>st</sup> March, 2023 and date of this report:**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

- **Significant and material orders passed by the regulators or Court or Tribunals impacting the going concern status of the Company:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals that would impact the going concern status of the Company or the Company's operations in the future.

- **Adequacy of Internal Financial Controls with reference to the Financial Statements:**

Having regard to Rule 8 (5) (viii) of the Companies (Accounts) Rules, 2014, the details in respect of adequacy of internal financial controls with reference to the financial statements of the Company are as follows:

Your Company maintains appropriate systems of internal control including monitoring procedures. These internal control systems ensure reliable and accurate financial reporting, safeguarding of assets, keeping constant check on cost structure and adhering to management policies. The internal controls are commensurate with the size, scale and complexity of the Company's operations and facilitate timely detection of any irregularities and early remedial steps against factors such as loss from unauthorized use and disposition. The Company policies, guidelines and procedures provide for adequate checks and balances which are meant to ensure that all transactions are authorized, recorded and reported correctly. The internal controls

are continuously assessed and improved / modified to meet the changes in business conditions, statutory and accounting requirements

Constant monitoring of the effectiveness of controls is ensured by periodical audits performed by an in-house internal audit team as well as assignments entrusted to M/s. Ernst & Young. Both these teams in their respective assignments, test and review controls, challenge business processes for their robustness and benchmark practices in line with industry norms.

The Audit Committee regularly meets and reviews the results of the various internal control audits both with the Auditors as well as with the respective Auditees. The Audit Committee is apprised of the findings as well as the corrective actions that are taken. Periodical meetings between the Audit Committee and the Company Management also ensure the necessary checks and balances that may need to be built into the control system.

- **Risk Management Policy:**

Your Company has set up a Risk Management Committee of the Board of Directors which comprises Mr. Zubin Bilimoria-Chairman, Mr. Deepak Chhabria, Mrs. Vanessa Singh, Mr. Ratnakar Brave and Mr. Mahesh Viswanathan being other members of the Committee. More details of the risks faced by the Company are available in the Management Discussion and Analysis (MDA), attached as "**Annexure A**" to this Report. The Risk Management policy is available at the Company's website at <https://finolex.com/wp-content/uploads/2023/03/Risk-Management-Policy.pdf>

- **Vigil Mechanism / Whistle Blower Policy:**

As required under Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Boards and its Powers) 2014 and Regulation 22 of the SEBI Listing Regulations 2015, the Company has adopted a policy on vigil mechanism / whistle blower. The policy provides direct access to the Chairman of the Audit Committee, in case any employee should choose to report or bring up a complaint. Your Company affirms that no one has been denied access to the Chairman of the Audit Committee. There were no complaints received during the year. Brief details about the policy are provided in the Corporate Governance Report which is attached as an "**Annexure B**" to this Report. The Whistle Blower policy is available at the Company's website at <https://finolex.com/wp-content/uploads/2023/08/Whistle-Blower-Policy.pdf>

- **Prevention of Sexual Harassment Policy:**

The Company has in place a policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Sr. No	Particulars	Status
1	No of Complaints received in the year	0
2	No of Complaints disposed-off in the year	NA
3	Cases pending for more than 90 days	NA
4	No. of workshops / awareness programs conducted	2
5	Nature of action by employer or district officer, if any	NA

#### Statutory Audit-

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W / W100018) were appointed as Statutory Auditor of the Company at the 54<sup>th</sup> Annual General Meeting (AGM) of the Members held on 28<sup>th</sup> September, 2022 pursuant to Sections 139 to 144 of the Companies Act, 2013 and Rules 3 to 6 of the Companies (Audit And Auditors) Rules, 2014, for a term of 5 (Five) years to hold office from the conclusion of the 54<sup>th</sup> (Fifty- Fourth) AGM, till the conclusion of the 59<sup>th</sup> (Fifty- Ninth) Annual General Meeting to be held in the financial year 2027-28.

Further as required under the provisions of Section 139 and Section 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014, the said Auditors have confirmed their consent as well as eligibility to continue to act as Auditor of the Company.

#### Statutory Auditors' Report

There are no qualifications, reservations or adverse remarks made by M/s. Deloitte Haskins & Sells LLP (Firm Registration No.117366W/W100018), Statutory Auditors, in their report for the Financial Year ended on 31<sup>st</sup> March, 2023. The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory. Pursuant to the provisions of Section 143 (12) of the Act, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

#### Cost Audit

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read

with Companies (Cost Records and Audit) Rules of 2014 as amended from time to time, your Company has been carrying out an audit of cost records every year. At the previous Annual General Meeting, the members had approved the appointment of M/s. Joshi Apte & Associates as Cost Auditors, for the Financial Year 2022-23, at a remuneration of Rs. 6 lakh plus GST, as applicable and reimbursement of out of pocket expenses.

#### Secretarial Audit

In accordance with the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under, M/s Jog Limaye & Associates, a firm of Company Secretaries in practice, was appointed by the Board to conduct the Secretarial Audit of the Company for the Financial Year 2022-23.

Their Report dated 24<sup>th</sup> May 2023 is attached as an **"Annexure D"** to this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### Secretarial Standards

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1<sup>st</sup> October, 2017. Your Company is in compliance with the said secretarial standards.

#### Listing of Securities

Your Company's equity shares are listed on the two premier stock exchanges of the country namely BSE Limited and National Stock Exchange of India Limited. Your Company had issued Global Depository Receipts which are listed on the Luxembourg Stock Exchange. Your Company has not issued any Non-Convertible Debentures ("NCDs") in Financial Year 2022-23 and no NCDs were outstanding as on 31<sup>st</sup> March 2023.

#### General

1. During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:
  - a) Details relating to deposits covered under Chapter V of the Act;
  - b) Issue of equity shares with differential rights as to Dividend, voting or otherwise;
  - c) Issue of shares (Including Sweat equity shares) to employees of the Company under any scheme, save and except Employee Stock Options Schemes referred to in this Report;

- d) Raising of funds through preferential allotment or qualified institutions placement;
- e) Pendency of any proceeding against the Company under the Insolvency and Bankruptcy Code, 2016
2. A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year – The Board of Directors is of the opinion that the Independent Non-Executive Directors are of integrity and possess the requisite expertise and experience (including the proficiency).
3. No Company has become ceased or ceased to be a subsidiary or associate or joint venture company of the Company during the year.
4. Cash flow statement for the Financial Year March 2023 is attached to the Balance sheet.
5. The Company has duly constituted the following mandatory committees in terms of the provisions of the Act & SEBI Listing Regulations, 2015 read with rules framed thereunder viz.
- Audit Committee
  - Nomination and Remuneration Committee
  - Stakeholder's Relationship Committee
  - Corporate Social Responsibility
  - Risk Management Committee

The Composition of all above Committees, number of meeting held during the year review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report.

All recommendations made by the Committees were accepted by the Board.

#### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and Research and Development**

Information on conservation of energy, technology absorption, foreign exchange earnings & outgo and the Research and Development activities carried out by the Company as required to be given pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached to this Report as an "**Annexure E**".

#### **Investor Education and Protection Fund (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend which are not subject to any legal requirements has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. The Company has transferred 17,606 shares on which dividends were unclaimed for seven consecutive years as per the requirements of the IEPF Rules. Mr. Mahesh Viswanathan is appointed as a nodal officer of the company and his details are provided on <https://finolex.com/>.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

However, pursuant to Section 124 (5) of the Act, the unpaid dividend that will be due for transfer to the IEPF are as follows:

<b>Type and year of dividend declared/paid</b>	<b>Date of declaration of dividend</b>	<b>% of dividend to face value</b>	<b>Unclaimed dividend amount as on 31<sup>st</sup> March, 2023</b>	<b>Due for transfer to IEPF</b>
Dividend 2015-16	8 <sup>th</sup> September, 2016	125%	38,06,578.00	15 <sup>th</sup> October, 2023
Dividend 2016-17	28 <sup>th</sup> September, 2017	150%	36,13,755.00	3 <sup>rd</sup> November, 2024
Dividend 2017-18	25 <sup>th</sup> September, 2018	200%	47,54,500.00	31 <sup>st</sup> October, 2025
Dividend 2018-19	18 <sup>th</sup> September, 2019	225%	51,39,329.00	24 <sup>th</sup> October, 2026
Dividend 2019-20	29 <sup>th</sup> September, 2020	275%	41,20,362.50	4 <sup>th</sup> November, 2027
Dividend 2020-21	29 <sup>th</sup> September, 2021	275%	45,30,417.50	4 <sup>th</sup> November, 2028
Dividend 2021-22	28 <sup>th</sup> September, 2022	300%	38,47,056.00	3 <sup>rd</sup> November, 2029



### **Disclosure of Agreements in terms of Regulation 30 A (2) of SEBI Listing Regulations, 2015**

The details of agreements entered in to by the promoters of the listed entity whose purpose and effect is to impact the management or control of the listed entity that subsist as on the date as date of notification i.e. 13<sup>th</sup> July 2023 of clause 5A to para A of part A of schedule III of SEBI Listing Regulations, 2015 including their salient features are given in an “**Annexure K**”

The link to the webpage where the complete details of such agreements are available: <https://finolex.com/wp-content/uploads/2023/08/Listing-Obligations-and-Disclosure-Requirements-2023.pdf>

### **Cautionary Statement**

Statements in this Boards’ Report and Annexure may contain forward looking statements within the meaning of applicable Securities laws and regulations. Actual results could differ materially from those expressed or implied. Various factors including commodity prices, cyclical demand, changes in Government regulations, tax laws, general economic development could all have a bearing on the Company’s operations and would impact eventual results.

### **Details of Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)**

Your Company neither made any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year.

### **The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof**

Your Company has not obtained any one-time settlement of loan from the Banks or Financial Institutions.

### **Acknowledgements**

The Company’s Directors are grateful to the Central and State Governments, Statutory Authorities, Local Bodies, Banks and Financial institutions for their continued support and cooperation. Your Directors warmly acknowledge the trust and confidence reposed in your Company by its channel partners, dealers, customers and construction organizations in supporting its business activities and growth. Your Directors express their gratitude to the other business associates for their unstinting support. Your Directors value the commitment and contribution of the employees towards the Company. Last but not the least; your Directors are thankful to the Members for extending their constant trust and for the confidence shown in the Company.

For and on behalf of the Board of Directors  
**Finolex Cables Limited**

**Place:** Pune

**Date:** 12<sup>th</sup> August, 2023

**Deepak Chhabria**  
Executive Chairman

## Annexure A

# Management Discussion & Analysis

## ECONOMIC REVIEW

### GLOBAL ECONOMY SCENARIO

The global economy is showing signs of resilience in 2023 after a turbulent year in 2022. However, inflationary pressures, tighter monetary conditions and the prolonged war between Russia and Ukraine continue to weigh on economic activity. Inflationary pressures are eroding real incomes, triggering a global cost-of-living crisis and substantially weakening investment growth. Furthermore, the global banking crisis in the United States has raised concerns over macroeconomic stability across the markets and an impending global recession. With the central banks' efforts to curb inflation by tightening monetary policy, global inflation is projected to decrease from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024. Key factors in the improvement in economic activity and sentiment in 2023 are the rebounding of China's economy, the gradual unwinding of supply chains and the recent decline in energy and food prices.

Notwithstanding the headwinds, the real Gross Domestic Product (GDP) grew in the United States, the European Union and major emerging market and developing economies.

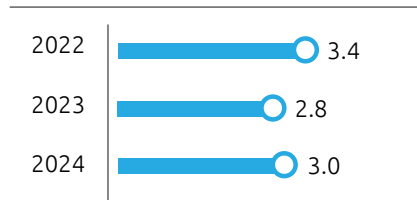
The real GDP of the United States grew by 2.1% in 2022, on the back of increased private investment and consumer spending. It is projected to grow by 1.6% in 2023 and 1.1% in 2024. The European economy recorded 2.7% growth in 2022 and is projected to grow at 0.8% in 2023 before rising to 1.4% in 2024.

The International Monetary Fund (IMF) has projected global GDP growth to decline from 3.4% in 2022 to 2.8% in 2023 and rise to 3.0% in 2024. The growth of Advanced Economies (AEs) is projected to decline sharply from 2.7% in 2022 to 1.3% in 2023 before rising to 1.4% in 2024. Economic prospects for Emerging Markets and Developing Economies (EMDEs) are, on average, stronger than those for Advanced Economies. EMDEs grew at 4.0% in 2022 and are expected to grow at 3.9% in 2023 and 4.2% in 2024. The Asia-Pacific region will be the most dynamic of the world's major regions in 2023, predominantly driven by the buoyant outlook for China and India, which will be the major contributors to global economic growth in 2023.

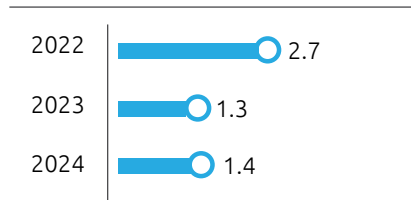
Source: IMF World Economic Outlook, April 2023

### Growth Projections (Real GDP growth, percent)

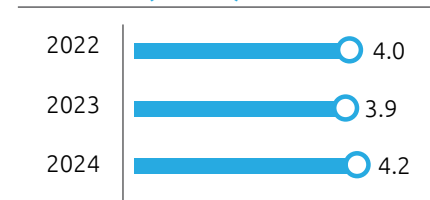
#### Global Economy



#### Advanced Economies



#### Emerging Markets and Developing Economies (EMDEs)



Source: IMF World Economic Outlook, April 2023

### INDIAN ECONOMY SCENARIO

India continues to be among the fastest-growing economies in the world. Despite the spill overs of the global slowdown, the Indian economy is exhibiting resilience and overall economic activity remains strong. As per the second advance estimates released by the National Statistical Office (NSO), India's GDP growth is estimated at 7% in FY 2022-23, as compared to the 9.1% growth achieved in FY 2021-22. Furthermore, despite the weakening external demand, the merchandise exports have registered the highest-ever annual exports of US\$ 447.46 billion with 6.03% growth during FY 2022-23 surpassing the previous year record of US\$ 422.00 billion in FY 2021-22.

As per the IMF, India's GDP per capita at current prices is US\$ 2,600 in 2023, leading to a surge in household consumption. The economic growth rate is projected to decline to 5.9% in FY 2023-24 due to inflationary pressures. Higher inflation remains a challenge and the Reserve Bank of India (RBI) increased the repo rate by 25 basis points in FY 2022-23 to tame inflationary pressures. As a result, India's CPI inflation rate eased to 5.66% in March 2023 from 6.95% in March 2022.

India has a long runway for growth, and as per the IMF, the Indian economy is expected to grow at 6.3% in FY 2024-25. Factors such as a conducive domestic policy environment, various dynamic reforms undertaken by the government such

as higher capital expenditure, production-linked incentives (PLI) scheme and Atmanirbhar Bharat initiative, a focus on domestic manufacturing and infrastructure development, strong domestic demand, export growth, technology-enabled development, and energy transition, among others, will stimulate growth in FY 2023-24.

*Source: National Statistical Office; Ministry of Commerce & Industry; Groww.in; Ministry of Statistics and Programme Implementation; IMF World Economic Outlook, April 2023*

### Outlook

Expanding infrastructure spending occupies a central position in the government's strategy to assist overall economic growth. Investment in infrastructure is one of the seven priorities of the Union Budget 2023-24 and the government has increased capital investment outlay by 33.4% to Rs. 10 lakh crores in FY 2023-24 from Rs. 7.50 lakh crores in FY 2022-23 to boost the infrastructure sector. Furthermore, in the Budget, 66% increase in Pradhan Mantri Awas Yojana outlay to Rs. 79,000 crores has been announced.

There is a surge in private investment in the real estate sector driven by increasing transparency and returns. In addition, the government has allowed FDI of up to 100% for townships and settlements development projects. Private equity investment in real estate remained stable in FY 2022-23 at US\$ 4.2 billion, of which foreign investors' contribution stood at more than 75% and 22% contribution came from domestic investors. The key regulatory reform, Real Estate (Regulation and Development) Act (RERA), is creating a culture of transparent transactions in the real estate sector. Other regulatory reforms such as the introduction of REITs in 2014, the Benami Transactions (Prohibition) Act, GST and the progressive relaxation of foreign direct investment (FDI) norms also led to increased capital flows. The government's thrust for public infrastructure development, higher allocation towards affordable housing and private investments are propelling the growth of the infrastructure and real estate sectors.

*Source: IBEF; Ministry of Finance; Economic Times; Economic Survey 2022-23*

### COMPANY REVIEW

Established in 1958, Finolex Cables Limited (hereinafter referred to as "Finolex" or "the Company") is India's largest and leading manufacturer of electrical and telecommunication cables. The Company has established its reputation as an innovative leader and one of the most trusted brands in the cables and wires (C&W) industry through its strong innovation and technical capabilities, vast portfolio, manufacturing excellence and ability to provide quality products to its esteemed customer base. Its foray into the Fast-Moving Electrical Goods (FMEG) segment driven by its ambition of becoming a one-stop shop solution for all electrical products requirements provides diversification into the B2C business and new growth avenues for the Company.

The Company has five state-of-the-art manufacturing facilities located at Pimpri and Urse in Pune, Roorkee (Uttarakhand) and Goa. All these plants are ISO 9001 and ISO 14000 certified. The Goa plant manufactures Continuous Cast Copper Rods (CCC rods), a key raw material input for producing copper-based electrical and communication cables. Backward integration ensures greater control over the raw material costs and quality of the final products. Most of the production in the Goa plant is used for the captive requirement of the Company, and the surplus is sold to third parties, the results of which are covered under the 'Copper' segment.

The Company is adding capacity to its existing plants in Goa and Urse. The Company is also actively exploring setting up an additional plant to cater to the needs of the North and Eastern markets in India.

### Major Products and Segments

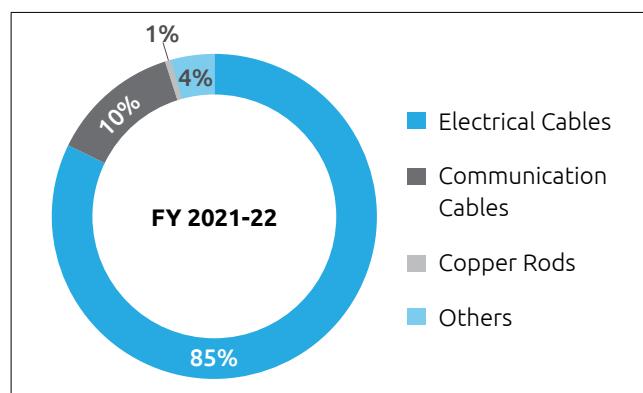
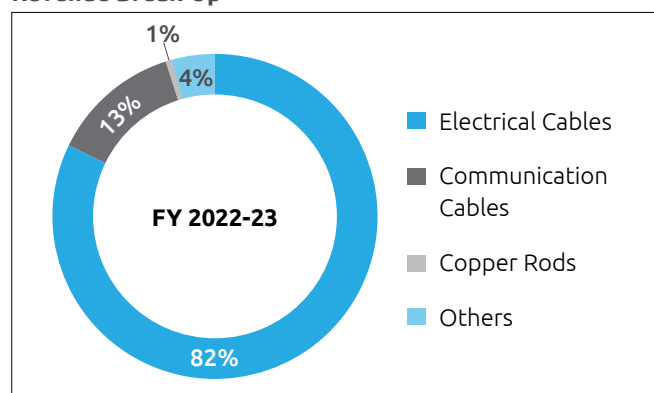
Finolex is well-recognised as a 'Total Cable Solutions' provider and caters to diverse electrical requirements in commercial, industrial and consumer markets through its wide range of electrical wires and cables. Furthermore, its FMEG product portfolio comprises LED lights, electrical switches, fans, water heaters, switchgear, irons and other products.

## Product Portfolio

Group	Product Covered	Application
<b>Electrical Cables</b>	1100V PVC insulated cables	Electrification of industrial establishments, used by construction industry, electrical panel wiring and consumer electrical goods
	Motor winding PVC insulated cables	Submersible pumps and electrical motors
	Automotive/battery cables	Wiring harness for the automobile industry and battery cables for various applications
	UPS cables	For providing power from the UPS to the computer/appliances in the networking environment
	Heavy-duty, underground, low voltage, power and control cables	Connection to the user point from the main supply of power
	Heavy-duty, underground, high voltage, power cable	Intra-city power distribution network
	Elevator cables	For use by the elevator industry
	Solar cables	Specially insulated cables for use in solar parks
<b>Communication Cables</b>	Optic fiber cables	Networks requiring high-speed transfer of large bandwidth for voice image and data transmission
	Optic fiber	The principal raw material for optic fiber cables
	Coaxial cables	Cable TV network solutions, microwave communications and mobile towers
	Local area network (LAN) cables	Indoor and outdoor networking, voice and data transmission and broadband usage
	CCTV cables	CCTV cables for better quality of CCTV images
	Speaker cables	Broadcasting applications in buildings and electronic goods
	Jelly-filled telephone cables (JFTCs)	Telephone line connections to exchanges and users
	PE insulated telephone cables (Switchboard cables)	Telephone instrument connections to EPABX
<b>Copper Rods</b>	V-SAT cables	For connecting V-SAT dish to a base station
	CCC rods of 8mm in diameter	Used as raw material for manufacturing copper-based cables
<b>Electrical Switches</b>	Premium and classic switches, sockets, regulators, etc.	For power supply to equipment in domestic, commercial and industrial environment
<b>Lamp</b>	LED bulbs and LED tube lights	Lighting for homes, hotels, shops, offices and factories (indoor and outdoor applications), street light applications
<b>Electrical Fans</b>	Ceiling fans, table fans, wall fans, pedestal fans, exhaust fans	For use in domestic, commercial and industrial environment
<b>Switchgear</b>	Miniature circuit breaker (MCB), residual current circuit breaker (RCCB), moulded case circuit breaker (MCCB), distribution boards (DB)	For use in voltage surge protection and safety applications in the domestic and commercial environment
<b>Water Heater</b>	Instant and storage water heaters	For use in domestic and commercial environment
<b>Irons</b>	Steam and dry irons	For use in domestic and commercial environment
<b>Conduits</b>	Conduit Pipes and Fittings	For use in domestic and commercial environment



**Revenue Break-Up**



**Production**

- **Electrical Cables:** 59,082 MT in FY 2022-23 compared to 48,166 MT in FY 2021-22.
- **Communication Cables:** Metal-based at 7,127 MT as against 5,961 MT in the previous year.
- **Communication Cables:** Optic fiber cables of 2,626,842 fiber kilometre (FKM) compared to 1,472,435 FKM in the previous year.

**Revenue**

- **Electrical Cables:** Rs. 3,683.5 crores as against Rs. 3,193.2 crores in FY 2021-22.
- **Communication Cables:** Rs. 579.0 crores compared to Rs. 379.8 crores in the previous year.
- **Copper Rods:** Rs. 23.2 crores compared to Rs. 18.8 crores in the previous year.
- **Other Products:** Rs. 195.3 crores as against Rs. 176.4 crores in the previous year.

Finolex registered total revenue of Rs. 4,481.1 crores in FY 2022-23 as against Rs. 3,768.1 crores in FY 2021-22, registering a 18.9% YoY growth across all major segments, supported by growth in infrastructure and real estate sectors, domestic manufacturing and recovery in consumer demand among others.

The segment-wise revenue growth was:

- Electrical Cables – 15.4%
- Communication Cables – 52.5%
- Other Products Segment – 10.8%

The Electrical Cables segment, which contributes approximately 82.2% of the Company's total revenue, caters primarily to the real estate sector. The performance of the electrical cables segment is linked with the performance of the real estate sector.

The real estate sector has witnessed high growth in recent times, with a rise in demand for office as well as residential spaces and this momentum is expected to continue in FY 2023-24. The growth of the real estate sector can be attributed to factors such as rising urbanisation, increasing business activity, the importance of home ownership, population growth and rising incomes. The residential sector has gained momentum and will remain largely insulated as demand continues to be high. While higher interest rates and rising costs of commodities and construction-related products due to inflation may impact the real estate market to a certain extent; however, the industry is poised for steady growth in the coming years as consumer sentiment is likely to remain positive. The real estate sector is expected to reach a market size of US\$1 Trillion by 2030, accounting for 18-20% of India's GDP.

The following factors are expected to drive the growth of the real estate sector:

- The Office and residential markets in almost all the major cities of India are showcasing improvement, while the warehousing, manufacturing and retail sectors are witnessing a stable demand.

Source: <https://www.jll.co.in/en/trends-and-insights/research/pulse-real-estate-monthly-monitor-march>

- The stock of organised retail real estate is projected to increase by 28% to 82 million sq. ft. by 2023.

Source: <https://www.ibef.org/industry/real-estate-india>

- The expanding e-commerce sector is catalysing the demand for warehousing facilities, providing a positive thrust to the real estate market.

Source: <https://economictimes.indiatimes.com/industry/services/property/-construction/demand-for-warehousing-to-continue-robust-growth-led-by-e-commerce-rise/articleshow/84195678.cms?from=mdr>

- Due to the growing use of digital technology and the migration of IT infrastructure to third-party providers, India's data centre industry has witnessed tremendous growth in recent years. It is expected to drive demand for 9.1 million sq ft of real estate space by 2025.

Source: *Economic Times* <https://economictimes.indiatimes.com/industry/services/property/-cstruction/indias-data-centre-industry-to-drive-9-1-million-sq-ft-realty-demand-by-2025/articleshow/99462205.cms?from=mdr>

- The government's ambitious initiative, the 'Smart Cities Mission' might get an extension beyond the June 2023 deadline and benefit the real estate sector.

Source: *Economic Times* <https://economictimes.indiatimes.com/news/india/amid-delays-government-may-extend-smart-city-mission-deadline/articleshow/99474252.cms?from=mdr>

### Exports

Despite the slowdown in the global economic activity, Finolex's total exports stood at Rs. 40 crores in FY 2022-23 as against Rs. 28 crores during FY 2021-22, registering a growth of 44% Y-o-Y.

### Key Financial Ratios

Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires reporting of significant changes (change of 25% or more compared to the immediately previous year financial) in the key financial ratios, along with detailed explanations thereof. During the FY 2022-23 except inventory turnover ratio and unquoted investment ratio none of the key ratios registered significant changes i.e., a change of 25% or more compared to the immediately previous financial year. Financial performance and key financial ratios for the last ten years are included elsewhere in the Annual Report and are available on the Company's website <https://finolex.com/>.

### KEY STRENGTHS

- **Strong Brand Positioning:** With over five decades of industry expertise, Finolex has created a strong brand presence by leveraging its manufacturing and technical prowess, offering the highest quality products, high brand recall, and pan-India distribution network. The Company's foray into the fast-growing FMEG segment has successfully established it as a consumer validated 'Superbrand'. It also continues to augment its brand visibility and strengthen its unique presence through visual and digital media marketing.
- **Comprehensive Portfolio:** The Company has a diversified product portfolio comprising over 50,000 SKUs in wires and cables, FMEG, and home appliances segments. It has established itself as a one-stop solutions provider for all cabling and electrical requirements across institutional and government clients. Its FMEG segment has been generating encouraging market traction and steadily increasing its share in the revenue mix.
- **Superior Product Quality:** The Company continuously aims to deliver quality products and enhance customer satisfaction by adhering to the highest standards of quality, reliability, and durability. Its high-quality products at competitive prices provide a compelling value proposition to the customers. The Company stays consistent with its tagline 'Behtar ElektrikAL Ke Liye' by consistently investing in advanced manufacturing facilities, machinery, modern technology and robust R&D to enhance its manufacturing capabilities and deliver innovative and highest quality products.
- **Pan India Network:** The Company's wide distribution network, comprising 600 distributors, 5,000 channel partners and over 2,00,000 retailers, has a pan-India presence. This empowers Finolex to penetrate deeper into the market and efficiently supply large volumes of products to all the key markets across India. The Company has also launched an e-retail site to capitalise on the growing e-commerce trend, increase its presence in the retail segment and expand its customer base. The Company currently has 6 exclusive retail stores named 'Finolex House' and further plans to launch 15 stores by FY 2024. The Company aims to increase its retail touchpoints from the current 2,00,000 to approximately 2,50,000.
- **Backward Integration:** Finolex's backward integration and in-house manufacturing of key raw materials such as PVC compound, copper rods, optic fiber and FRP rods enable it to ensure the uninterrupted availability of key raw materials at a lower cost and desired quality. This enables the Company to deliver superior products at competitive prices.
- **Technical Collaborations:** The Company's partnerships with several competent and technologically superior companies enable it to deliver dynamic solutions with advanced technologies to cater to the emerging needs of consumers and create new growth avenues.

## BUSINESS ENVIRONMENT FOR PRODUCT SEGMENTS WITH OUTLOOK

### Impact of the Union Budget 2023-24

The Budget, inter alia consisted of the following initiatives that would provide lucrative opportunities in the real estate, power and telecom sectors:

- Increased capital investment outlay of Rs. 10 lakh crores in FY 2023-24 for infrastructure development will bolster the demand for wires and cables and other electrical products.

Source: Ministry of Finance <https://www.indiabudget.gov.in/doc/bh1.pdf>

- Reduction in custom duties on several components and extension of the concessional custom duty on several input parts by one more year will promote electronics manufacturing in India.

Source: Economic Times [https://economictimes.indiatimes.com/news/economy/policy/domestic-manufacturing-gets-a-push-in-budget-with-changes-in-custom-duty/articleshow/97521125.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/economy/policy/domestic-manufacturing-gets-a-push-in-budget-with-changes-in-custom-duty/articleshow/97521125.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

- Increased allocation of Rs. 79,000 crores for PM Awas Yojana for the development of affordable housing in the country.

Source: Ministry of Finance <https://pib.gov.in/PressReleasePage.aspx?PRID=1895315>

- Push for creating urban infrastructure in tier 2 and tier 3 cities through Urban Infrastructure Development Fund (UIDF) of Rs. 10,000 crores per annum.

Source: Ministry of Housing & Urban Affairs <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1914187>

- A new tax exemption for the notified Affordable Rental Housing Projects to promote the supply of affordable rental housing for migrant workers.

Source: <https://www.bankbazaar.com/tax-benefit-on-home-loan.html>

- Allocation of Rs. 97,579 crores, an increase of 19% over the revised estimates of FY 2022-23 to the Department of Telecommunications (DOT) under the Ministry of Communications, mainly for financial support to BSNL.

Source: PRS [https://prsindia.org/files/budget/budget\\_parliament/2023/Telecom\\_DFG\\_Analysis\\_2023-24.pdf](https://prsindia.org/files/budget/budget_parliament/2023/Telecom_DFG_Analysis_2023-24.pdf)

- Set-up of 100 labs across the country for developing 5G applications for various verticals such as smart

classrooms, precision farming, intelligent transport systems and healthcare.

Source: [https://www.ey.com/en\\_in/alerts-hub/2023/02/budget-2023-telecom-sector](https://www.ey.com/en_in/alerts-hub/2023/02/budget-2023-telecom-sector)

- Allocation of Rs. 10,222 crores to the Ministry of New and Renewable Energy to boost the renewable energy sector.

Source: Ministry of New and Renewable Energy <https://www.indiabudget.gov.in/doc/eb/sbe71.pdf>

- Adequate funds to support the Vehicle scrapping policy to scrap and replace old vehicles of the central government will generate higher demand for Auto cables.

Source: Economic Times <https://economictimes.indiatimes.com/industry/auto/auto-news/adequate-funds-allocated-for-scrapping-and-replacing-old-govt-vehicles-says-fm/articleshow/97519523.cms>

The Company is focussed on deploying efforts to benefit from the exponential opportunities in the infrastructure, real estate, power and telecom sectors, among others. It aims to upscale its capabilities and project execution strategy to strengthen its position and gain a competitive edge in the market. Furthermore, the Company has consistently been enhancing capacity in existing product lines basis the foreseen opportunities.

### Electrical Cables

The electrical cables segment is the core business of Finolex, commanding the largest share of the revenue mix. Finolex manufactures high-quality, light-duty electrical cables and power and control cables that meet stringent international standard benchmarks.

- Light-duty electrical cables are primarily used for general purpose lighting. They are also utilised in industrial establishments and electrical panel wiring in various industrial facilities for electrification. These cables also find application in consumer durable goods, automobiles, agricultural pumps and small generators.
- The Company manufactures high-voltage power and control cables, designed exclusively for underground applications. These cables are insulated with fire retardant compounds and meet international technical and quality specifications. Finolex is equipped to manufacture cables from 1.1 kV to 66 kV. While power cables below 3.3 kV are used for connecting user points with the main power supply, cables above this threshold find extensive applications in intra-city electricity distribution networks.

## Performance

Revenue from the Electrical Cables segment in FY 2022-23 stood at Rs. 3,683.51 crores as against Rs. 3,193.21 crores in the previous year. It accounted for 82.20% of total sales for the year under review. Volumes sold increased by 16% compared to the previous year.

Revival in the Realty and Infrastructure sector has helped boost the sales quantities for the company in the current year. The distribution network is proving to be beneficial, with the active participation from retail outlets resulting in increased sales volume. Additionally, focussing on project sales has led to growth in sales volume during the current period.

Due to sustained cost pressures Electrical Cable EBIT margin decreased from 13.00% in FY 2021-22 to 12.42% FY 2022-23.

## Growth Drivers

The cables and wires (C&W) industry is expected to grow at a compound annual growth rate (CAGR) of 12% over FY 2021-26 driven by the government's initiatives for the growth of the power and infrastructure sectors and upbeat construction activities in the housing sector. Furthermore, electrification in rural regions, improved transmission and distribution systems along with increased demand for renewable power generation will augment the demand for electrical wires and cables.

- **Favourable government initiatives to improve electrification**

The demand for electricity in India has been growing rapidly, driven by the growing population, urbanisation, accelerating industrial and economic activities, infrastructure development, rising electrification and per-capita consumption. The Government's initiative 'Power for All' through several schemes such as Saubhagya, Deendayal Upadhyay Gram Jyoti Yojana (DDUGJY), Ujjwal Discom Assurance Yojana (UDAY) and Integrated Power Development Scheme (IPDS) has accelerated capacity addition in the country. Increased power consumption in India which grew 9.5% to 1,503.65 BU Y-o-Y in FY 2022-23, is driving demand for electrical cables and other electrical products.

The government is pushing for SG (Smart Grid) and broadband connections in villages, which will drive growth in communication cables, including optical fiber cables.

- **National Infrastructure Pipeline (NIP)**

The government launched the National Infrastructure Pipeline (NIP) with a forward-looking approach and a projected infrastructure investment of around

Rs. 111 lakh crores during FY 2020-25 to provide high-quality infrastructure across the country. The NIP currently has 8,964 projects with a total investment of more than Rs. 108 lakh crores under different stages of implementation. Additionally, PM Gati Shakti - National Master Plan and increased capital expenditure of Rs. 10 lakh crores for infrastructure will lead to the growth of the infrastructure sector, resulting in higher demand for wires and cables. Other initiatives such as 'Make in India' and the PLI scheme will also attract capital investment and further benefit the W&C industry. Furthermore, increased investments in railway electrification and metro trains have created opportunities for the wires and cables industry. Electrification of 6,542 RKM has been achieved during FY 2022-23 compared to 6,366 RKM in FY 2021-22, registering an increase of 2.76%.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1693183>

- **Clean energy transition**

The government targets of achieving 450 GW of installed renewable energy capacity by 2030 and about 280 GW (over 60%) is expected from solar. Increasing renewable power generation is creating considerable demand for electrical and speciality solar cables. Additionally, the government has set a target of 30 GW of offshore wind turbine installations by 2030 to exploit the wind energy potential of the Indian Coast. These offshore wind turbines will require a large volume of power cables and subsea umbilical cables.

- **Growth in urbanisation and the housing sector**

Rapid urbanisation and housing demand will lead to increased infrastructure development, resulting in an increased requirement for wires and cables. The increased allocation of Rs. 79,000 crores for PM Awas Yojana for the development of affordable housing in the country and the push for creating urban infrastructure in tier 2 and tier 3 cities through Urban Infrastructure Development Fund (UIDF) of Rs. 10,000 crores per annum in the Union Budget FY 2023-24 will further boost the demand for wires and cables.

## Outlook

Backed by significant growth drivers, the electrical cables segment is well-poised to witness strong demand growth in the coming years. The Company's electrical cables cater to the critical requirements of the core sectors such as Energy, Transportation, Real Estate, and Building Materials, among others. The government continues to provide substantial capital outlay and pro-policy support for the growth of these industries as they are crucial in the holistic economic



development of the country. Finolex is well positioned to benefit from these strategic investments by the government in the coming years. The government's thrust towards infrastructure projects, pick-up in construction and real estate activity, and healthy demand from the power sector augur well for the demand for cables and wires. The Company expects demand momentum to continue from the construction and realty segments for electric cables.

### Communication Cables

Finolex manufactures state-of-the-art, new generation communication cables and traditional telephone cables.

- The communication cables segment includes Copper-Based Cables and Optical Fiber (glass-based) Cables (OFC). Copper-based cables are categorised into LAN cables, Coaxial cables, PE insulated switchboard cables, and V-SAT cables. LAN cables are used for high-speed data transfer, whereas Coaxial cables are used in microwave connections, mobile towers, and feeding content to TV receiving sets. PE insulated switchboard cables are used in telephone instruments and EPABX (voice communication) systems. V-SAT cables facilitate last-mile connectivity by establishing a connection between V-SAT dish and a base station. Furthermore, the Company has also launched innovative special cables used for image capture, CCTV cameras and in-power solutions to leverage the growing demand for video surveillance.
- Optic Fiber Cables (OFC) are glass-based cables, capable of carrying maximum bandwidth and transmitting data at high speed. They are primarily used for data distribution by telecom companies and multi-service organisations. They are also used as trunk cables for long-distance networks.
- Communication cables are critical for infrastructure development and digitalisation across the country due to their demonstrated ability to transmit digital data at high speed and high bandwidth.
- Traditional telephone cables include copper-based JFTCs, which are laid underground and primarily used for landline telephone connectivity. Finolex is gradually reducing its focus on this segment as there is a significant decline in demand for JFTCs due to the increasing penetration of smartphones and technically advanced substitute OFCs. However, the Company continues to manufacture JFTCs with broadband features for public and private telecom companies and export markets as per the clients' requirements.
- The Company has introduced LAN Passive Components to its existing business of LAN cables. The product range includes patch cords, information outlet, patch card and faceplates. These components are especially useful in places like data centres, IT networks, conference rooms and branch office connections with high-density switches.

### Performance

The communication cables segment (including optical fiber) recorded healthy sales of Rs. 579.0 crores in FY 2022-23 as against Rs. 379.8 crores in FY 2021-22. Fiber and fiber-based cables which almost doubled in volume and strong traction in optic fiber cables (52.5% YoY) contributed to revenue growth. Volume of all metal-based cables increased by 26%, and Optic Fiber cable volume grew by over 54.4%. However, margins in this segment were lower and more volatile than in wires. Communication cables continued to have poor profitability with EBIT margin of 2.2% compared to -3.4% in the previous year due to challenges faced by India's telecom sector.

### Growth Drivers and Outlook

The government's thrust on digitalisation, the Bharat Net Scheme initiative and the rapid rollout of 5G to provide high-speed broadband access in the country are key driving factors for the growth of the communication cables segment. There is a dire need to replace the existing cables with quality fiber optic cables for high-speed broadband accessibility and seamless 5G services. Furthermore, the burgeoning need for data across industries has attracted several new players to set up large data centres in India, which is expected to trigger demand for optic fiber cables.

Going forward, the communication cable segment is expected to gain growth momentum, driven by strong traction in optic fiber volumes as 5G gains traction, aided by the government's planned capex. The Company expects revenue from this segment to grow by 18% compound annual growth rate (CAGR) over FY 2022-24. Additionally, BSNL's Department of Telecommunications (DoT) is planning to purchase a large volume of communication cables in the coming period, which is likely to provide an opportunity for the Company.

### Copper Rods

Finolex integrated backwards to manufacture Continuous Cast Copper Rods (CCC rods), which are used in the production of copper-based electrical and communication cables. The Company engages in long-term contracts with local players for bulk purchase and cost-effective procurement of copper cathodes,

the key raw material for copper rods. Production exceeding captive requirements is sold to third-party customers.

### Performance

The Company consumes majority of the production of copper rod segment. Third-party sales during FY 2022-23 stood at Rs. 23.22 crores compared to Rs. 18.82 crores in the previous year. The Company's business of copper rods was impacted by higher premiums on copper cathodes and lower premiums on copper rods, which lowered margins for third-party sales of copper rods. Finolex restricted its third-party copper rod sales to already committed parties or contracts with acceptable margin levels.

### Growth Drivers and Outlook

As a key input for all copper-based electrical and communication cables, the demand for copper rods is expected to grow in line with the growth of the C&W industry. The demand for copper rods in the electrical segment is growing due to rapid infrastructure development activities in the country. Furthermore, the Company intends to benefit from selling surplus copper rods to third parties under the GST regime. The surge in sales of domestic and consumer appliances, transportation equipment, industrial machinery and other durable goods has also been leading to an increased demand for copper rods.

### Others (FMEG and Home Appliances)

#### a. Electrical Switches, Switchgears and Lighting

The Company strategically diversified into the margin accretive FMEG segment to increase its B2C sales and reduce dependence on the C&W industry. The FMEG product portfolio includes lighting products, electrical switches, and low-duty switchgear. Its electrical wire accessories include doorbell, extension boxes, spike guard, angle holders, and batten holders, among others. The Company is focussed on leveraging its strong brand equity, technical expertise, vast distribution network, and competent sales team to grow its FMEG segment. It continues to strengthen its distribution network and nurture relationships with channel partners to increase its reach. It also continues to focus on building a strong loyal customer base by supplying high-quality products. The segment recorded sales of Rs. 71.56 crores during FY 2022-23 compared to Rs. 69.12 crores in the FY 2021-22. The increasing outreach with an ever-expanding distribution network and quality products provide a positive outlook.

#### b. Fans and Water Heaters

The Company's fans and water heaters segment is well accepted in the market owing to its quality, performance, aesthetics, and value-for-money proposition. The Company's strengths of the brand and reach, along with its after-sales service available at the customer's doorstep across the country have been supporting the product sales of this segment. This segment witnessed a sales of Rs. 52.8 crores in FY 2022-23 compared to Rs. 51.8 crores in the previous year. Volume growth in the appliances sector was impacted by inflationary pressures as well as subdued consumer sentiment. Furthermore, destocking due to anticipated changes in BEE (Bureau of Energy Efficiency) norms impacted the growth of the fans segment in FY 2022-23. The Company has launched new range of decorative and BLDC Fans. The innovative BEE 1-5 star rated BLDC fans deliver high energy efficiency, superior performance and premium aesthetics.

#### c. Irons

The Company launched Crease Free Irons in its home appliances segment. The 750W - 1600W range includes state-of-the-art steam and dry irons to provide consumers with affordable yet built-to-last products. The Company is optimistic about the positive performance of this product.

### Outlook

The domestic demand for FMEG products is expected to remain robust. The Indian FMEG industry is poised to grow, driven by the government's thrust on supplying and ensuring energy supply across the country, urbanisation, evolving consumer aspirations, increasing awareness, rising incomes, digital connectivity and a shift to value-added branded products. Furthermore, the rise in dual-income households due to growing population of working women, increased disposable incomes and fast-paced lifestyles has propelled the demand for household appliances. To capitalise on the growing popularity of e-commerce and increasing digital and distribution penetration in the country, Finolex has developed an in-house dedicated online retail store. Additionally, it has launched exclusive retail stores named 'Finolex Houses' to improve its offline visibility. It has received positive response for both e-commerce and Finolex House channels.

The Company plans to achieve Rs. 500 crores of revenue from the FMEG segment in the next two to three years and scale up significantly. The addition of new products such as irons and other products is likely to add incremental margins. The Company is also likely to pursue inorganic growth opportunities in this segment.

## FINANCIAL PERFORMANCE

PARTICULARS	(Rs. in Crores)	
	STANDALONE	
	FY 2022-23	FY 2021-22
<b>INCOME</b>		
Revenue from Operations (Net)	4481.1	3768.1
Other Income	198.1	151.8
<b>Total</b>	<b>4679.2</b>	<b>3919.9</b>
<b>EXPENDITURE</b>		
Material Costs	3544.5	2966.3
Employee Benefit Expenses	162.7	146.1
Finance Costs	1.2	1.5
Depreciation, Amortisation and Impairment	46.4	38.8
Other Expenses	278.4	240.6
<b>Total</b>	<b>4033.2</b>	<b>3393.3</b>
<b>Profit Before Tax</b>	<b>646.0</b>	<b>526.6</b>
Tax Expenses:		
Current Tax	145.0	127.9
Deferred Tax	(0.7)	(5.9)
Total Tax	<b>144.3</b>	<b>122.0</b>
Profit After Tax	<b>501.7</b>	404.6
Total Other Comprehensive Income / (Expense) for the year	35.9	(7.4)
<b>Total Comprehensive Income for the year</b>	<b>537.6</b>	<b>397.2</b>

**Revenue**

The Company achieved a revenue of Rs. 4,481.1 crores as against Rs. 3,768.1 Crores in the previous year, marking a growth of 19%.

**Costs**

**Material Cost:** For the most part, the year saw elevated commodity prices, especially copper. While the Company operates on a principle of "pass-through" i.e. passing cost increases in the value chain the transmission is gradual and could have temporary effect on margins mix.

**Staff Cost:** Employees expenses increased in proportion to increase in production activity as compared to previous year.

**Other Expenses:** Other expenses increased in proportion to increase in overall activity as compared to previous year.

**Depreciation:** Depreciation expenses did not see any significant change during the year.

**Finance Cost:** The Company remains debt-free and finance costs during the year pertain to bill discounting and other finance charges.

## Balance Sheet

SUMMARY OF STATEMENT OF BALANCE SHEET	(Rs. in Crores)	
	FY 2022-23	FY 2021-22
	<b>SOURCES OF FUND:</b>	
Shareholder's Fund	3709.6	3263.8
Non-Current Liabilities	53.6	42.7
Current Liabilities	320.1	293.7
<b>Total</b>	<b>4083.3</b>	<b>3600.2</b>
<b>APPLICATIONS OF FUND:</b>		
Fixed Assets	456.0	466.9
Investments	1712.7	1120.5
Loan & Other Non-Current Assets	48.7	42.9
Current Assets	1865.9	1969.9
<b>Total</b>	<b>4083.3</b>	<b>3600.2</b>

**Capital Expenditure and Investments in JV:** During the year, the Company incurred Rs. 31.02 towards capital expenditure, predominantly towards the sustenance of existing capacity and product development activities. Of the above, the Company invested Rs. 10.78 crores in its Joint venture.

**Liquidity:** The Company continued with the "cash and carry" system of sales for all retail customers during the year. For institutional & OEM customers, the Company continued with the credit period mutually agreed as per the purchase order contract. The Company manages its liquidity through rigorous weekly monitoring of cash flows.

**Profitability:** The Company's profit before tax improved due to an increase in revenue in FY 2022-23, tighter control on operating expenses and dividends received from Associates.

**Credit Rating:** The Company's debts have been rated by CRISIL as depicted below:

Agency	Long-Term Loan	Short-Term Loan
CRISIL	AA+/Stable	A1+

During the year, the Company has serviced all its debt obligations on time.

**Results of Operations:** The Company registered a net cash inflow of Rs. 356.3 crores from its operations compared to Rs. 473.0 crores generated the previous year. Profit before tax and exceptional items stood at Rs. 646.0 crores as against Rs. 526.6 crores in last year.

**Taxation:** Tax outflow during the year increased proportionately with the increase in profit before taxation.

### Cash Flow

PARTICULARS	(Rs. in Crores)	
	FY 2022-23	FY 2021-22
Profit from operations before tax	646.0	526.6
(Inc)/Dec in Net working capital	(158.0)	78.3
Income tax paid	(131.8)	(131.9)
Net cash flow from operating activities	356.2	473.0
Cash outflow for investing activities	(224.6)	(378.3)
Cash outflow for financing activities	(96.7)	(86.9)
Net cash flow / (Outflow)	34.9	7.8

### RISK MANAGEMENT

The Company has a comprehensive risk management framework for the timely and effective identification, assessment, and mitigation of key business and operational risks. It has a dedicated Risk Management Committee to oversee the risk management framework. The risk management committee regularly monitors the mitigation plans during the execution of the projects and ensures that risk management processes are strictly adhered to across all functional departments from the top management of the Company to managers operating at various execution levels. Furthermore, the Company also appoints external advisors to formulate strategies for managing key risks. While the segment-specific risks have been covered under 'Business Environment for Product Segments with Outlook', the key general risks and their corresponding mitigation measures are depicted below:

#### 1. Competition Risk

The Company faces intense competition from both organised as well as unorganised players in the industry.

##### Mitigation

The Company has created a strong brand identity with its wide product portfolios and technical capabilities. It is strongly focussed in offering innovative and superior products that fulfil dynamic market requirements in terms of quality parameters and technical specifications. Furthermore, superior control over key raw materials through backward integration enables the Company to sell its products at competitive prices. With its foray into FMEG segment, it has become a one-stop shop solution for all electrical requirements. These attributes provide the Company competitive advantage in the market.

#### 2. Policy Risk

The changes in government regulations and policies pertaining to housing and infrastructure sectors may impact the Company's revenues, order book and profitability. Furthermore, unfavourable changes in monetary policy may result in a rise in borrowing costs and impact project viability.

##### Mitigation

The Company caters to diverse industries which reduces the concentration risk of depending on an individual sector. It also positions Finolex to leverage growth in these sectors supported by sectorial allocations by the government. The Company's diversification into the FMEG segment reduces its dependence on cables and wires industry and insulates the overall business from negative policies or sectoral downturn. It also continues to focus on increasing exports to reduce domestic market exposure.

#### 3. Volatility in Cost of Raw Material Risk

Sharp volatility in prices of raw materials such as copper, aluminium and fiber optics may significantly impact the Company's manufacturing cost, further resulting in the inability to supply the products to customers at competitive prices. While fluctuations in raw material prices are a pass-through for the Company, increasing volatility, especially in copper prices can still reduce its margins and may lead to a loss in market share.

##### Mitigation

Raw material hedging is a key mitigation action for the Company, and it engages in long-standing relationships with key suppliers to procure bulk quantities at competitive rates. Furthermore, it maintains adequate inventory levels at optimal costs by forecasting based on past and present trends for seamless production. The Company strives to maintain margin levels by linking product sales price to the raw material costs to mitigate the impact of unforeseen price fluctuations.

#### 4. Exchange Rate Volatility Risk

The Company is exposed to foreign exchange fluctuation risk as it exports final products and imports key raw materials from the international markets. An adverse change in the currency exchange rate may result in lower realisations or higher input costs leading to lower profit margins.

##### Mitigation

The Company follows an efficient hedging policy to minimise the impact of adverse currency fluctuations. It also engages in appropriate long-term contracts with



foreign customers and suppliers to safeguard revenue and margins and lower currency rate risk.

#### 5. Economic Risk

The geopolitical turmoil and global economic slowdown has a direct impact on the export business of the Company. In addition, supply chain disruptions may also restrict the export market and dampen customer demand.

#### Mitigation

The Company regularly assesses the geographical risks and feasibility of operating in a particular country or region through extensive market research to ensure low impairment risk. It also follows a lean operational and cost structure while proactively monitoring cash flows. Furthermore, it has established a comprehensive business continuity by leveraging the deep experience of its top management team to ensure agility and resilience in the crisis period. Additionally, the domestic

market will continue to provide sizeable business opportunities for the Company.

#### INTERNAL CONTROLS

The Company maintains a robust internal control system commensurate with the size, nature and complexity of its business. The internal control system is responsible for addressing the evolving risks in the business, reliability of financial information, timely reporting of operational and financial transactions, safeguarding of assets and ensuring strict adherence to the applicable laws and regulations. The internal auditors of the Company are responsible for regular monitoring and review of these controls. In addition, it has also appointed an external team to ensure the adequacy and efficacy of the control mechanism. The Audit Committee periodically reviews the audit reports submitted by the internal audit team and ensures correction of any variances, as may be required. Key observations are communicated to the management who undertakes prompt corrective actions.

## ANNEXURE B

# Corporate Governance

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of transparency, accountability and propriety in the total functioning of the Company and in the conduct of its business internally and externally, including its interactions with employees, members, deposit holders, creditors, consumers and institutional and other lenders.

The Company believes that its systems and actions must be dovetailed for enhancing the performance and shareholder value in long term.

The Company has adopted certain practices to achieve good corporate governance; the salient ones being fairness and transparency in dealings, accountability for performance, effective management control by the Board of Directors of the Company (the "Board"), constitution of Board Committees as a part of internal control system, fair representation of professional, qualified, non-executive and Independent Directors on Board, adequate and timely disclosure of financial and

other information and prompt discharge of statutory obligations and duties. The Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. The Code of Conduct has been hosted on the website (<https://finolex.com/>) of the Company.

## 2. BOARD OF DIRECTORS:

### 2.1 Constitution of the Board:

The Company believes that a diverse Board will further enhance the quality of the decisions made by the Board by utilizing the different skills, qualifications, professional experience, gender, knowledge, etc. of the members of the Board, necessary for achieving sustainable and balanced development.

The composition of the Board with reference to the number of executive and non-executive directors, amply meets the requirement of Corporate Governance provisions as specified in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"). None of the Directors on the Board are related to each other.

The composition of the Board and category of Directors as on date of this report is as follows:

Category	Name of Directors
Promoter-Executive Director	Mr. Deepak Chhabria, Executive Chairman
Non Promoter- Executive Director	Mr. Ratnakar Barve, Executive Director- Operations
Independent Directors	Mr. Zubin Billimoria
	Mr. Sriraman Raghuraman
	Mrs. Vanessa Singh
Non Independent Non-Executive Director	Mr. Nikhil Naik

### 2.2 Meetings and Attendance records:

The Board meetings are to be held at least four times during the year coinciding with the presentation of each quarterly financial result. During the last Financial Year 9 (nine) Board Meetings were held i.e. on 28<sup>th</sup> May 2022, 12<sup>th</sup> August 2022, 27<sup>th</sup> August, 2022, 24<sup>th</sup> September 2022, 9<sup>th</sup> November 2022, 7<sup>th</sup> December 2022, 29<sup>th</sup> December 2022, 9<sup>th</sup> February 2023 and 28<sup>th</sup> March, 2023.

Attendance at meetings of the Board in Financial Year 2022-23 and at last Annual General Meeting (AGM) held on 28<sup>th</sup> September 2022, number of other Directorship, details of designation/ category and membership/ Chairmanship(s) of Board Committees of each Director in other companies as on the date of this report, is set out below:

Name of Director	Category	No of Meetings attended	Whether attended last AGM	No of Directorship(s)			No of Membership (s) of Board Committees in other companies**	
				Public		Private	As Member	As Chairman
				Listed	Unlisted			
Mr. Deepak Chhabria <sup>§</sup>	Chairman-Executive Director	9	Yes	-	1	3	2	0
Mr. Ratnakar Barve <sup>§</sup>	Executive Director	9	Yes	0	0	0	0	0
Mr. Zubin Billimoria <sup>§</sup>	Non-Executive Independent Director	9	Yes	0	0	0	0	0
Mr. Sriraman Raghuraman <sup>§</sup>	Non-Executive Independent Director	9	Yes	0	2	0	0	0
Mrs. Vanessa Singh <sup>§</sup>	Non-Executive Independent Director	8	Yes	0	0	0	0	0
Mr. Nikhil Naik <sup>§</sup>	Non-Executive Director	9	Yes	0	5	0	5	0
Mr. Shishir Desai*	Non-Executive Independent Director	3	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Aakash Gupta <sup>#</sup>	Non-Executive Director	3	N/A	N/A	N/A	N/A	N/A	N/A

\*Mr. Shishir Desai was appointed by the Board as Non-Executive Independent Director w.e.f 01<sup>st</sup> October, 2022. However, he has ceased to be the Director w.e.f 30<sup>th</sup> December, 2022 due to personal and unavoidable circumstances.

<sup>#</sup>Mr. Aakash Gupta was appointed by the Board as Non-Executive Director w.e.f 01<sup>st</sup> October, 2022. However, he has ceased to be the Director w.e.f 30<sup>th</sup> December, 2022 due to personal reasons and work commitments.

\*\*In accordance with the provisions of Regulation 26 (1)(b) of SEBI Listing Regulations, 2015, memberships/chairmanships of Audit Committee and Share Transfer/ Stakeholders Relationship Committees of all public limited companies whether listed or not have been considered excluding for Section 8 companies, if any.

<sup>§</sup>None of the Directors of the Company are on the Board of other listed company.

### 2.3 Remuneration to Executive Directors/Chief Financial Officer (CFO):

Particulars	(Rs. Per Annum)		
	Mr. Deepak Chhabria - Executive Chairman*	Mr. Mahesh Viswanathan- CFO**	Mr. Ratnakar Barve - Executive Director*
Salary and Allowances	1,02,00,000	1,51,28,400	26,11,758
Contribution to Provident and Superannuation Funds	27,54,000	23,13,360	3,87,180
Other Perquisites	1,02,00,000	4,80,000	4,40,000
<b>*Commission/**Incentive – payable</b>	<b>8,75,00,000</b>	<b>2,45,00,000</b>	<b>10,54,831</b>
<b>Total</b>	<b>11,06,54,000</b>	<b>4,24,21,760</b>	<b>44,93,769</b>

**Notes:**

1. There was no scheme of "Employee Stock Options" during the year.
2. The above does not include contributions to group gratuity fund as the contributions/benefits are on group basis.
3. In the case of Mr. Deepak Chhabria and Mr. Ratnakar Barve, the service contracts are for a period of five years from the date of their respective appointment/ re-appointment.  
Notice period/severance fees applicable are 180 days for Mr. Deepak Chhabria, 90 days in case of Mr. Mahesh Viswanathan and for Mr. Ratnakar Barve as per his terms of appointment.
4. Performance is evaluated by the Nomination and Remuneration Committee ("NRC"), which, inter alia, considers and recommends payment of commission/incentive based on the performance of the Company and contemporary practices in the industry. The recommendations of the NRC are further considered by the Board and a collective decision taken without participation of concerned interested Directors.

**2.4 Remuneration to Non-Executive Directors:**

Non-Executive Directors are entitled to sitting fees for attending each meeting of the Board or any Committee(s) of the Board and profit related commission. The details of payment of sitting fees and commission to Non-Executive Directors for the Financial Year 2022-23 are set out below:

<b>Name of Non-Executive Director</b>	<b>Sitting Fees (Rs.)</b>	<b>Commission Payable (Rs.)</b>	<b>Total (Rs.)</b>	<b>Shareholding (in Nos. of shares) of Non-Executive Directors in the Company</b>	<b>Remarks</b>
Mr. Zubin Billimoria	5,15,000	16,68,117	21,83,117	NIL	-
Mr. Sriraman Raghuraman	6,05,000	16,68,117	22,73,117	NIL	-
Mrs. Vanessa Singh	5,10,000	14,82,771	19,92,771	NIL	-
Mr. Nikhil Naik	4,05,000	16,68,117	20,73,117	NIL	-
Mr. Shishir Desai	90,000	5,56,039	6,46,039	NIL	-
Mr. Aakash Gupta	90,000	5,56,039	6,46,039	NIL	-
<b>Total</b>	<b>22,15,000</b>	<b>75,99,200</b>	<b>98,14,200</b>	NIL	-

**Notes:**

- a) Sitting fees paid to each non-executive Director was uniform for attending each Board Meeting @Rs.30,000/-, Audit Committee Meetings @Rs.20,000/- and for each Meeting of all other Committees @Rs.15,000/-.
- b) Commission as may be decided by the Board but not exceeding one percent of the net profits of the Company as per the provisions of Section 197 of the Companies Act, 2013 or Rupees Two Crores, whichever is less, which is the ceiling limit approved in this regard by the Members at the AGM held on 25<sup>th</sup> September, 2018 is payable to non-executive Directors for a period of five years from the accounting year commencing from 1<sup>st</sup> April 2018. The said commission, as may be determined by the Board for each financial year, is payable to non-executive Directors. Such commission is divisible amongst such Directors in such proportion as the Nomination and Remuneration Committee may recommend and approved by the Board.
- c) The Company does not have any convertible instruments

**2.5 Information placed before the Board:**

In terms of quality and importance, the information supplied by Management to the Board of the Company includes the information as per the list mandated under Regulation 17 (7) read with Para A of Schedule II to the SEBI Listing Regulations, 2015. In advance of each meeting, the agenda and notes on agenda in specific format is circulated to all Board members. The Board is presented with all relevant information on various matters covering Finance, Sales, Taxation, Marketing, the Company's major business segments and their operations, material legal cases, overview of business operations including business opportunities and strategy and risk management practices of the Company.

The Company Secretary records minutes of proceedings of each Board and Committee meeting including therein the material comments and suggestions and dissent votes, if any, made by the Directors. Draft minutes are circulated, within fifteen days of each meeting, to the Board / Committee members for their comments followed thereafter by the final



minutes within the time as prescribed under Secretarial Standard-1. The minutes are entered in the Minutes Book within 30 days from the date of the respective meeting.

## 2.6 Familiarization Programs:

Pursuant to Regulation 25 (7) of the SEBI Listing Regulations, 2015 the Company holds familiarization programs and plant visits especially for the new directors whether independent or otherwise on an ongoing basis. Induction of the new appointed directors were made and also at meetings of the Board of Directors, presentations were made of the various business segments in which the Company operates and of their operations risks/threats faced, potential, etc. for information.

Periodic presentations are also made at the Board and Committee meetings on business and performance updates of the Company, business environment, business strategy, important items on the agenda and risks involved. Updates on relevant statutory, regulatory changes and landmark judicial pronouncements encompassing important laws are included in the agenda of the Board meetings and even circulated to the Directors. The details of such familiarization programs for Independent Directors are put up on the website of the Company and can be accessed at <https://finolex.com/wp-content/uploads/2022/08/Familiarisation-Programme-for-Independent-Directors.pdf>

## 2.7 Independent Directors :

On the basis of the written declarations received from the Independent Directors of the Company up to the date of this report and pursuant to the recommendations of the Nomination and Remuneration Committee in this regard, the Board confirms that, nothing has come to the attention of the Board that, any of the Independent Directors do not fulfill the conditions specified in the Companies Act, 2013 and Rules framed thereunder (the "Act") and in SEBI Listing Regulations, 2015. All Independent Directors have confirmed that, as required, their names are duly entered in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs. All such Directors are independent of the management and of the Promoters of the Company. Therefore, in the opinion of the Board, the Independent Directors do fulfill the requisite criteria of independence given in the Act and in the Listing Regulations.

None of the Independent Director has resigned during the Financial Year 2022-23.

## 2.8 Matrix setting out the skills/expertise/ competence of the Board of Directors:

The Board endeavors to implement and maintain a skills matrix setting out the mix of skills and diversity that the Board currently has and/ or aims to achieve in the context of its business operations and diversification strategies including in newer product segments.

The list of core skills/ expertise / competencies identified by the Board of Directors as required in the context of business of the Company and sectors for it to function effectively and those actually available with the Board are as under:

Skills/expertise/ competencies	Description	Name of Directors
Strategic Management	Ability to think strategically; identify and critically assesses strategic opportunities and threats. Develop effective strategies in the context of the business situation and strategic objectives of the Company relevant policies and priorities	Mr. Deepak Chhabria Mr. Zubin Billimoria
Strategic Marketing	Knowledge of and experience in marketing services, experience in, or a thorough understanding of, the prevailing business situations communication with industry groups and/or end users through a range of relevant communication channels and media.	Mr. Deepak Chhabria Mr. Zubin Billimoria Mr. Ratnakar Barve Mr. Nikhil Naik
Finance & Accounting	Qualifications and experience in accounting, finance including treasury management and investment scenario the ability to: <ul style="list-style-type: none"> <li>Analyze key financial statements;</li> <li>Critically assess financial viability and performance;</li> <li>Contribute to strategic financial planning;</li> <li>Oversee budgets and the efficient use of resources;</li> </ul>	Mr. Zubin Billimoria Mr. Sriraman Raghuraman Mrs. Vanessa Singh

Skills/expertise/competencies	Description	Name of Directors
Industry experience	A broad range of commercial/business experience, preferably in the medium to large enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement. Experience in managing government relations and industry advocacy strategies.	Mr. Deepak Chhabria Mr. Ratnakar Barve
Corporate Governance and Legal matters	Expertise to ensure compliance with legislative and regulatory requirements, including transparency requirements under SEBI regulations.	Mr. Zubin Billimoria Mr. Sriraman Raghuraman Mr. Deepak Chhabria Mrs. Vanessa Singh
Information Technology (IT)	Qualification and experience in IT and/or Digital industries with ability to apply new technology to the business interests of the Company strengthening controls and operational efficiencies by IT.	Mr. Sriraman Raghuraman Mr. Deepak Chhabria Mr. Nikhil Naik (with advice of specialised agencies as and when required)
Human Resource Management	Qualification and experience in human resource management with an understanding of: <ul style="list-style-type: none"> <li>• Manufacturing cycle of business</li> <li>• Expertise in labour laws and industrial relations</li> <li>• Ability to effectively engage and retain skilled manpower.</li> </ul>	Mr. Zubin Billimoria Mr. Deepak Chhabria Mr. Ratnakar Barve
Risk Management	Ability to identify key risks to the Company in a wide range of areas including business/ product segments, political scenario and legal and regulatory compliance.	Mr. Zubin Billimoria Mr. Deepak Chhabria Mr. Ratnakar Barve

### 3. AUDIT COMMITTEE

#### Constitution and Composition:

The Audit Committee was formed in February 1997 and subsequently re-constituted by the Board from time to time to meet prevailing exigencies. The Composition of the Audit Committee of members as on the date of this report is as under:

Name of Member	Category	Designation
Mr. Zubin Billimoria	Non- Executive Independent Director	Chairperson
Mr. Sriraman Raghuraman	Non- Executive Independent Director	Member
Mrs. Vanessa Singh	Non- Executive Independent Director	Member

Mr. R. G. D'Silva, Company Secretary & President (Legal) acted as the Secretary to the Committee.

#### Terms of reference:

The Audit Committee acts as a link between the management, external and internal auditors and the Board. The Audit Committee oversees the financial reporting process of the Company and provides direction to the Audit function besides monitoring the scope and quality of internal and statutory audit.

- A.** The terms of reference of the Audit and Finance Committee include the matters specified in Schedule II (Part C) of the SEBI Listing Regulations, 2015.

#### **B. The role of the audit committee includes the following:**

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for other services, if any, rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings; if any
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions;
    - Modified opinion(s) in the draft audit report;
  5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the listed entity with related parties;
  9. Scrutiny of inter-corporate loans and investments; if any;
  10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up thereon;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the whistle blower mechanism;
  19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
  21. The Audit Committee oversees and reviews the Reports as may be submitted from time to time by the Compliance Officer under the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015.
- C. The audit committee shall mandatorily review the following information:**
- 1) Management discussion and analysis of financial condition and results of operations;
  - 2) Management letters/letters of internal control weaknesses issued by the statutory auditors;

- 3) Internal audit reports relating to internal control weaknesses;
- 4) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 5) statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### Meetings and Attendance:

The Audit Committee has met 7 (seven) times during the Financial Year ended on 31<sup>st</sup> March 2023, as against the minimum requirement of four meetings i.e., on 28<sup>th</sup> May 2022, 27<sup>th</sup> July, 2022, 12<sup>th</sup> August 2022, 24<sup>th</sup> September 2022, 09<sup>th</sup> November 2022, 9<sup>th</sup> February, 2023 and 15<sup>th</sup> March 2023. The necessary quorum was present for each of the meetings of the Committee. The following table sets out the attendance of Audit Committee members:

Sr. No.	Name of the Member	Designation	Category	No. of meetings attended
1	Mr. Zubin Billimoria	Chairperson	Non- Executive Independent Director	7 out of 7
2	Mr. Sriraman Raghuraman	Member	Non- Executive Independent Director	7 out of 7
3	Mrs. Vanessa Singh	Member	Non- Executive Independent Director	6 out of 7

The Company has an internal audit department which carries out internal audit as per the annual plan approved. The internal audit report and action taken on audit recommendations/ suggestions are regularly reviewed by the Audit Committee. In addition, the Company has appointed M/s. Ernst & Young LLP a leading firm of Chartered Accountants, as an external internal auditor for carrying out specialized internal audit as per the detailed program approved for strengthening the financial controls including for checks and balances built into the SAP system of the Company based on their years of experience in Industry.

The date of the meeting of the Committee for considering finalization of accounts for the year ending 31<sup>st</sup> March, 2023 was held on 26<sup>th</sup> May, 2023.

The Company had filed Cost Audit Report for the FY 2021-22 in XBRL format within the time permissible (on 20/10/2022).

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

##### Constitution and Composition:

In view of the importance given by the Company to good corporate governance, the Nomination and Remuneration Committee ("NRC") was constituted by the Board at its meeting held on 21<sup>st</sup> October, 2000. Composition of the NRC as on the date of this report is as under:

Name of Member	Category	Designation
Mrs. Vanessa Singh	Non-Executive Independent Director	Chairperson
Mr. Sriraman Raghuraman	Non-Executive Independent Director	Member
Mr. Zubin Billimoria	Non-Executive Independent Director	Member
Mr. Nikhil Naik	Non-Executive Non- Independent Director	Member

Mr. R. G. D'Silva, Company Secretary & President (Legal) acted as the Secretary to the Committee.



The Nomination and Remuneration Policy of the Company is placed on Company's website at <https://finolex.com/wp-content/uploads/2023/08/Nomination-and-Remuneration-Policy.pdf>.

The salient features of this policy are as follows:

**Philosophy:** The Company recognizes the importance of attracting, retaining and motivating personnel of high caliber and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company.

**Objective:** The objective of the policy is to assist the Board of Directors of the Company and its controlled entities in fulfilling its responsibilities to shareholders by ensuring that the Board of Directors is comprised of individuals who are best able to discharge the responsibilities of directors in consonance with the Companies Act, 2013 and the norms of corporate governance and as per Role of Nomination and Remuneration Committee contained in Part D of Schedule II of SEBI Listing Regulations, 2015; and ensuring that the nomination processes and remuneration policies are equitable and transparent.

**Coverage:** The policy covers remuneration to Executive, Non-Executive Directors, and Key Managerial Personnel.

**Terms of reference:**

The Nomination and Remuneration Committee has been set up to determine on behalf of the Board and on behalf of the members with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights, any compensation payment and recommendation in respect of commission, if any, payable to non-executive Directors.

- A** The terms of reference of the Nomination and Remuneration Committee include the matters specified in Schedule II (Part D) of the SEBI Listing Regulations, 2015.

The role of the Nomination and Remuneration Committee includes the following:

- a) To identify any persons who are qualified to become Directors and who may be appointed in senior management in accordance with criteria laid down.
- b) To recommend to the Board their appointment and removal.

- c) To carry out evaluation of every Director's performance.
- d) To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- e) To recommend to the Board a Remuneration Policy relating to the remuneration in whatever form for Directors, Key Managerial Personnel and Senior Management and also device a policy on Board diversity.
- f) While formulating the Remuneration Policy the Committee shall ensure that: -
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
  - Remuneration to Directors, Key Managerial Personnel, Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- g) Recommend to the Board to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Director.
- h) Approve/decide any matters/issues incidental/necessary or connected with the aforesaid premises.
- i) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**The criteria for evaluation of Independent Directors include the following:**

- a) Whether he/she upholds ethical standards of integrity and probity;
- b) Whether he/she exercises his/ her duties with due reasonable care, skill, diligence and acts objectively and constructively while exercising his/her duties;
- c) Whether he/she acts in a bona fide manner in the interests of the Company;

- d) Whether he/she allows or does not allow any extraneous considerations to influence or vitiate his/her exercise of objective independent judgment in the paramount interest of the Company;
- e) Whether he/she refrains from any action that would lead to loss of his/her independence;
- f) Whether he/she assists the Company in implementing best corporate governance practices;
- g) The degree of commitment to his/her responsibilities as an independent director;
- h) Degree of participation in Board or Committee discussions and contribution to the decision making process;
- i) Familiarity with the business model of the Company;
- j) Taking initiative on matters of common interest of the Company; and
- k) Keeping abreast of the latest developments in corporate governance and regulations applicable to the Company.

#### Meetings and Attendance:

The Nomination and Remuneration Committee has met 3 (three) times during the Financial Year ended on 31<sup>st</sup> March 2023 i.e. 28<sup>th</sup> May 2022, 24<sup>th</sup> September 2022 and 3<sup>rd</sup> February, 2023. The following table sets out the attendance of Committee members:

Sr. No.	Name of the Member	Designation	Category	No. of meetings attended
1	Mrs. Vanessa Singh	Chairperson	Non Executive Independent Director	3 out of 3
2	Mr. Sriraman Raghuraman	Member	Non Executive Independent Director	3 out of 3
3	Mr. Zubin Billimoria	Member	Non Executive Independent Director	3 out of 3
4	Mr. Nikhil Naik	Member	Non-Executive Non-Independent Director	3 out of 3

## 5. SHARE TRANSFER-CUM-STAKEHOLDERS RELATIONSHIP COMMITTEE:

### Constitution and Composition:

The Share Transfer – Cum- Stakeholders Relationship Committee was re-constituted in the Board Meeting held on 12<sup>th</sup> August, 2022 wherein Mr. Nikhil Naik was appointed as member of the Committee in place of Mr. Mahesh Viswanathan who ceased to be a member of the Company w.e.f 11<sup>th</sup> August 2022. Mr. Sriraman Raghuraman being the Chairperson, Mrs. Vanessa Singh, Mr. Deepak Chhabria and Mr. Ratnakar Barve being the other members of the Committee

The Composition of the Share Transfer- Cum- Stakeholders Relationship Committee of members as on the date of this report is as under:

Name of Member	Category	Designation
Mr. Sriraman Raghuraman	Non- Executive Independent Director	Chairperson
Mrs. Vanessa Singh	Non- Executive Independent Director	Member
Mr. Deepak Chhabria	Executive Chairman	Member
Mr. Ratnakar Barve	Executive Director	Member
Mr. Nikhil Naik	Non-Executive Non- Independent Director	Member

Mr. R. G. D'Silva, Company Secretary & President (Legal) acted as the Secretary to the Committee. Mr. Kamlesh Shinde was Compliance Officer of the Company.

- B.** The terms of reference of the Stakeholder's Relationship Committee include the matters specified in Schedule II (Part D) of the SEBI Listing Regulations, 2015.

**Terms of reference:**

The Committee in addition to considering matters of share transfers oversees redressal of shareholders' and investors' complaints/grievances and recommends measures to improve the level of investor services. The role of the Share Transfer-cum-Stakeholders Relationship Committee includes the following:

- To resolve the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.
- To attend to transfer of securities formalities at least once in a fortnight, as may be required.
- To redress security holders complaints/grievances and recommend measures to improve the level of investors/stakeholders' services.
- To approve/decide any matters/issues incidental/necessary or connected with the aforesaid premises.

**Meetings and Attendance:**

The Committee meets as and when required, depending on the receipt of requests for share transfers, etc. from members / investors and there were 5 (five) meetings held during the year i.e. 21<sup>st</sup> May, 2022, 04<sup>th</sup> July, 2022, 19<sup>th</sup> September, 2022, 28<sup>th</sup> November, 2022 and 18<sup>th</sup> February, 2023. The following table sets out the attendance of Share Transfer-cum-Stakeholders Relationship Committee members:

Sr. No.	Name of the Member	Designation	Category	No. of meetings attended
1	Mr. Sriraman Raghuraman	Chairperson	Non-Executive Independent Director	5 out of 5
2	Mr. Deepak Chhabria	Member	Executive Chairman	5 out of 5
3	Mr. Mahesh Viswanathan <sup>#</sup>	Member	Chief Financial Officer	2 out of 2
4	Mr. Ratnakar Barve	Member	Executive Director	5 out of 5
5	Mrs. Vanessa Singh	Member	Non-Executive Independent Director	4 out of 5
6	Mr. Nikhil Naik <sup>§</sup>	Member	Non-Executive Director	3 out of 3

<sup>#</sup>Mr. Mahesh Viswanathan ceased to be a Member of the Committee w.e.f 11<sup>th</sup> August, 2022.

<sup>§</sup>Mr. Nikhil Naik was appointed as the Member of the Committee w.e.f 12<sup>th</sup> August, 2022.

**Investor's complaints attended and resolved during 2022-2023:**

8 (Eight) complaints were received from investors during the Financial Year 2022-2023 and no complaint was outstanding as on 31<sup>st</sup> March, 2023.

**6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**Constitution and Composition:**

The composition of the Corporate Social Responsibility Committee ("CSR Committee"), its terms of reference and activities are in line with the requirements of the Section 135 of the Companies Act, 2013 (the "Act") read with the applicable Rules of Companies (Corporate Social Responsibility Policy) Rules, 2014. Composition of the CSR Committee is as under:

Name of Member	Category	Designation
Mr. Sriraman Raghuraman	Non-Executive Independent Director	Chairperson
Mr. Nikhil Naik	Non-Executive Non Independent Director	Member
Mr. Deepak Chhabria	Executive Chairman	Member
Mr. Ratnakar Barve	Executive Director	Member

Mr. R. G. D'Silva, Company Secretary & President (Legal) acted as the Secretary to the Committee.

**Terms of reference:**

The terms of reference of the CSR Committee are as follows:

- a) Formulate and recommend to the Board, CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act read with applicable Rules and guidelines framed under the Act.
- b) Recommend the amount of expenditure to be incurred on CSR activities.
- c) Monitor the CSR Policy of the Company from time to time by instituting a transparent monitoring mechanism for implementing CSR Projects.
- d) Ensure that the Company's CSR policy and activities are in due compliance with the provisions of the Companies Act, 2013 and Rules framed thereunder, Memorandum of Association and Articles of Association of the Company and all other laws, regulations and guidelines as may be or become applicable in this regard;
- e) Approve/decide any other matters/issues incidental/necessary or connected with the aforesaid premises and to settle all questions, difficulties or doubts that may arise in relation to the implementation of the CSR Policy and/or activities of the Company;
- f) Meet from time to time for purpose of considering the aforesaid matters, forward the Committee's recommendations on CSR activities for due consideration of the Board and cause the tabling of the minutes thereof at the next meeting of the Board, and

- g) Review and comply with the requirements of the provisions of the Act, Companies (Corporate Social Responsibility Policy) Rules, 2014 and periodical disclosure requirements.

The CSR Committee has formulated a Corporate Social Responsibility Policy ("CSR Policy") which has been approved by the Board. The CSR Policy has been placed on the website of the Company <https://finolex.com/wp-content/uploads/2023/03/CSR-Policy.pdf>.

The salient features of this policy are as follows:

**Philosophy:** The Company recognizes the importance of CSR. The Company is committed to operate in an economically, socially and environmentally sustainable manner and to work in these areas in order to meet the norms of corporate governance.

**Objective:** The Company shall give preference to the local area and areas around it where it operates to improve the quality of life of people living, lay special emphasis on education, skill enhancement, environment, health, Community development, social welfare, empowerment of women and promotion of cultural activities as envisaged in the relevant provisions of law.

**Coverage:** CSR means and includes but is not limited to Projects or programs relating to activities specified in Schedule VII of the Act or Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the Corporate Social Responsibility Committee of the Board as per this policy of the Company and will cover subjects enumerated in Schedule VII of the Act.

**Meetings and Attendance:**

The CSR Committee has met 3 (three) times in the Financial Year 2022-23 i.e. 27<sup>th</sup> May, 2022, 11<sup>th</sup> August, 2022 and 03<sup>rd</sup> February, 2023. The following table sets out the attendance of Corporate Social Responsibility Committee members:

Sr. No.	Name of the Director	Status	Category	No. of meetings attended
1	Mr. Sriraman Raghuraman	Chairperson	Non-Executive Independent Director	3 out of 3
2	Mr. Deepak Chhabria	Member	Executive Chairman	3 out of 3
3	Mr. Ratnakar Barve	Member	Executive Director	3 out of 3
4	Mr. Nikhil Naik	Member	Non-Executive Non-Independent Director	3 out of 3

## 7. RISK MANAGEMENT COMMITTEE

The constitution of the Committee meets the requirements of the Act and of Regulation 21 of SEBI Listing Regulations, 2015.

The terms of reference of the Risk Management Committee include the matters specified in Schedule II (Part D) of the SEBI Listing Regulations, 2015.

### Constitution and Composition as on the date of this report:

Name of director	Category	Designation
Mr. Zubin Billimoria	Non-Executive Independent Director	Chairperson
Mrs. Vanessa Singh	Non-Executive Independent Director	Member
Mr. Deepak Chhabria	Executive Chairman	Member
Mr. Mahesh Viswanathan	Chief Financial Officer (CFO)	Member
Mr. Ratnakar Barve	Executive Director	Member

Mr. R. G. D'Silva, Company Secretary & President (Legal) acts as the Secretary to the Committee.

### Terms of reference:

The Role and responsibilities of the Committee includes the following:

- a) The Committee has a primary responsibility and accountability to the Board to use its best efforts to ensure that the Company's Risk Management framework is properly managed and improved on a regular basis so as to protect the Company's interests and enhance its risk mitigating effort to meet its Risk Management objectives;
- b) The Committee shall consider matters relating to the identification, assessment, monitoring and management of risks associated with the operations of the Company. The Committee shall also examine any other matters referred to it by the Board and/or the Executive Chairman of the Company;
- c) The Committee has oversight of the development and implementation of internal control systems and procedures to manage risks;
- d) The Committee to assess and monitor the effectiveness of controls instituted;
- e) Review and making of recommendations to the Board in relation to risk management, overall current and future risk appetite and risk management strategy suitable for the Company;
- f) Oversight of implementation of risk management strategy by the Senior Management/Functional Heads or Heads of Department of the Company and their performance in this regard;
- g) Review and constructive analysis of the proposals and decisions on all aspects of risk management arising from the Company's operations;
- h) Assessing and reporting to the Board on any material changes to the risk profile of the Company;
- i) Reporting to the Board in connection with the Company's annual risk management reporting responsibilities to be given in the Board's Report attached to the financial statement of the Company in the format prescribed, if any,
- j) Monitoring the risks associated with all material outsourcing arrangements, if any, by the Company and
- k) Review of policies, processes, and control measures, designed to protect information and systems from security events that could compromise the achievement of the entity's cyber security objectives and to detect, respond to, mitigate, and recover from, on a timely basis, security events that were not prevented.

### Meetings and Attendance:

The Risk Management Committee has met 2 (twice) in the Financial Year i.e. 11<sup>th</sup> August, 2022 and 03<sup>rd</sup> February, 2023. The following table sets out the attendance of Risk Management Committee members:



Sr. No.	Name of the Director	Status	Category	No. of meetings attended
1	Mr. Zubin Billimoria	Chairperson	Non-Executive Independent Director	2 out of 2
2	Mrs. Vanessa Singh	Member	Non-Executive Independent Director	1 out of 2
3	Mr. Deepak Chhabria	Member	Executive Chairman	2 out of 2
3	Mr. Mahesh Viswanathan	Member	Chief Financial Officer (CFO)	2 out of 2
5	Mr. Ratnakar Barve	Member	Executive Director	2 out of 2

The Management Discussion and Analysis Report provide information on the principle risks faced by the Company and the strategies, procedures and efforts to contain/mitigate risks.

Evaluation of risks faced in the business of the Company, assessment of issues, the strategy and measures to be undertaken to mitigate risks to the extent possible, is a continuous ongoing process and these aspects are periodically examined by the Committee/ the Board as part of the risk management strategy of the Company.

Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact:** Zero Instances of data breach
- Percentage of data breaches involving personally identifiable information of customers:** 0 %

## 8. GENERAL BODY MEETINGS

### Information on general body meetings and details of Special Resolution(s) passed:

Details of AGM	Date, Time and Venue of AGM	Details of Special Resolution(s) proposed/passed at the AGM, if any
52 <sup>nd</sup> AGM	<b>Date:</b> 29/09/2020 <b>Time:</b> 11.30 am. <b>Mode of Holding:</b> VC/OAVM Deemed Venue- 26-27, Bombay Poona Road, Pimpri, Pune- 411018.	a) Offer or invitation for subscription of Redeemable Non – Convertible Debentures on private placement (enabling resolution – not implemented due to prevailing scenario of interest rates). b) Approval for related party transaction with Corning Finolex Optical Fibre Private Limited.
53 <sup>rd</sup> AGM	<b>Date:</b> 29/09/2021 <b>Time:</b> 11.30 am. <b>Mode of Holding:</b> VC/OAVM Deemed Venue- 26-27, Bombay Poona Road, Pimpri, Pune- 411018.	a) Appointment of Mr. Padmanabh Barpande as an Independent Director of the Company for a term of five consecutive years with effect from 30 <sup>th</sup> September, 2020. b) Offer or invitation for subscription of Redeemable Non – Convertible Debentures on private placement (enabling resolution – not implemented due to prevailing scenario of interest rates). c) Approval for related party transaction with Corning Finolex Optical Fibre Private Limited.
54 <sup>th</sup> AGM	<b>Date:</b> 28/09/2022 <b>Time:</b> 11.30 am. <b>Mode of Holding:</b> VC/OAVM Deemed Venue- 26-27, Bombay Poona Road, Pimpri, Pune- 411018.	a) Appointment of Mr. Zubin Billimoria [DIN: 07144644] as an Independent Director of the Company for a term of five consecutive years. b) Appointment of Mr. Sriraman Raghuraman [DIN: 00228061] as an Independent Director of the Company for a term of five consecutive years. c) Appointment of Mrs. Vanessa Singh [DIN: 09342022] as an Independent Woman Director of the Company for a term of five consecutive years. d) To offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating upto Rs.150 Crores (Rupees One Hundred Fifty Crores Only) on private placement basis.

No special resolution was passed through Postal ballot last year and no such resolution is proposed to be passed by Postal Ballot in this year.

## 9. INDEPENDENT DIRECTORS' MEETING:

Section 149 (8) of the Act has prescribed the Code for Independent Directors in Schedule IV for every company that has Independent Directors. Clause VII of this Schedule requires every company to convene a separate meeting of the Independent Directors.

The Independent Directors at their meeting held on 15<sup>th</sup> March, 2023, without the participation of the Non-Independent Directors, considered and evaluated the Board's performance, performance of the Chairman and other Non-Independent Directors. The evaluation was performed taking into consideration the various aspects of the Board's functioning, composition of the Board, its Committees, culture, execution and performance of specific duties, obligations and governance and assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Board of Directors expressed its satisfaction with the evaluation process.

## 10. DISCLOSURES

- a) Disclosures regarding materially significant Related Party Transactions: For details please refer Note No. 35 of Notes forming part of the Accounts.
- b) There were no instances of non-compliance or penalty, strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets, during the last three financial years.
- c) The Company has complied with the requirements of Corporate Governance including establishment of vigil mechanism, whistle blower policy, etc. under SEBI Listing Regulations, 2015 as amended from time to time.
- d) The Company does not have any subsidiary at present and accordingly there is no policy for determining material subsidiaries.
- e) The policy on dealing with related party transactions is available on Company's website: <https://finolex.com/wp-content/uploads/2023/03/Related-party-transactions-policy.pdf>
- f) Disclosure of commodity price risks and commodity hedging activities, if any, is given in Management Discussion and Analysis Report (Ref. Annexure A to Boards' Report)

- g) The Company has not raised any funds through preferential allotment of qualified institutions placement as specified under regulations 32 (7A) during the Financial Year 2022-23.
- h) There are no such instances where the Board had not accepted any recommendations of the committee of the Board during the Financial Year 2022-23.
- i) Disclosure with respect to demat suspense account/unclaimed suspense account:

At present, there are no such shares in the demat suspense account or unclaimed suspense account and accordingly there are no disclosures to be made in this regard for the Financial Year ended on 31<sup>st</sup> March, 2023.

- j) The certificate from Practicing Company Secretary affirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is duly obtained by the Company. The Copy of the same is attached with this Report.
- k) Details of total fees paid for all services on consolidated basis, to the statutory auditor and all entities in the network firm/ network entities of which the statutory auditor is part: For details please refer Note No. 31.1 of Notes forming part of the Accounts.
- l) The Company had duly informed the Stock Exchanges that the Company does not fall under the criteria of "Large Corporate Entity" as per the applicability criteria given under the SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated 26<sup>th</sup> November 2018.
- m) The Company always takes security and privacy seriously and have implemented appropriate measures to safeguard both internal data and external data. To achieve this, the Company continues to maintain continuous adherence to multiple global standards which demonstrates our ability to deliver solutions and services effectively and consistently to customers.
- n) The Company has not provided any loans and advances in the name of loans to firm/ companies in which directors are interested.

- o) All mandatory requirements of the SEBI Listing Regulations, 2015 have been complied with by the Company.

The extent of adoption of non-mandatory requirements is given hereunder:

**Discretionary requirements as per Schedule II Part E:**

**1. Shareholders' Rights:**

The quarterly, half-yearly and annual financial results are published in the English and Vernacular newspapers and are also displayed on the Company's website. No separate circulation of the financial performance was sent to the shareholders for the year under consideration.

**2. Modified Opinion in Audit Report:**

The Company is already in the regime of financial statements with unmodified audit opinion.

**3. Reporting of Internal Auditor:**

The Internal Auditor's reports are presented to the Audit Committee.

p) **Prevention of Sexual Harassment Policy**

The Company has in place a policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Sr. No.	Particulars	Status
1	No of Complaints received in the year	0
2	No of Complaints disposed-off in the year	NA
3	Cases pending for more than 90 days	0
4	No. of workshops / awareness programs conducted	2
5	Nature of action by employer or district officer, if any	NA

**MEANS OF COMMUNICATIONS:**

- a) The quarterly results of the Company are published in leading newspapers viz, normally Financial Express (all editions) and Loksatta (Pune edition) and also displayed on the corporate website (<https://finolex.com/>). The same are also available on the websites of National Stock Exchange of India Limited (NSE) and BSE Limited (formerly Bombay Stock Exchange Limited) pursuant to the filing made by the Company on the said stock exchanges. Official news / media releases, blank forms / formats for convenience of members and other information of the Company are uploaded on its said website and where relevant are also informed to the stock exchanges for taking the same on record. The management provides detailed analysis of Company's operations in the Boards' Report and Management Discussion and Analysis section, which forms a part of the Annual Report.
- b) National Stock Exchange of India Limited (NSE) Electronic Application Processing System (NEAPS): NEAPS is a web based application designed by NSE and BSE Limited (formerly Bombay Stock Exchange Limited) – Listing Centre for corporates. In addition to being uploaded on the Company's website, the Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS and BSE Listing Center on a quarterly basis for information of stakeholders.
- c) Securities and Exchange Board of India (SEBI) Complaints Redressal System (SCORES): Investor complaints are processed in centralized web based complaints redressal system, which provides for centralized database of 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 status.
- d) Investor Services Email ID: The Company has designated a dedicated Email ID namely [investors@finolex.com](mailto:investors@finolex.com) exclusively for investor servicing.

**12. GENERAL SHAREHOLDER INFORMATION:**

The Annual report includes financial statements, key financial data and detailed information in the Management Discussion and Analysis Report and the Shareholders' information section of Corporate Governance Report (Reference Annexure A and Annexure B to the Boards' Report respectively.)

**13. CODE OF CONDUCT:**

The Board had laid down a code of conduct for all Board members and Senior Management of the Company. The Code of Conduct anchors ethical and legal behavior within the Company. In accordance with Regulation 26(3) of SEBI Listing Regulations, 2015, the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct of the Company in the year under review.

The Company also has in place a “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information”, in accordance with amended

SEBI (Prohibition of Insider Trading) Regulations, 2015 which is effective from 1<sup>st</sup> April, 2019. The said code has been hosted on the website (<https://finolex.com/wp-content/uploads/2023/08/Code-of-Conduct-to-Regulate-Monitor-and-Report-Tading-by-Insiders.pdf>) of the Company.

For and on behalf of the Board of Directors  
**Finolex Cables Limited**

Date: 12<sup>th</sup> August 2023  
Place: Pune

**Deepak Chhabria**  
Executive Chairman

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Finolex Cables Limited**  
26/27, Bombay Poona Road,  
Pimpri, Pune – 411 018

Dear Sir,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Finolex Cables Limited having CIN L31300MH1967PLC016531 and having registered office at 26/27, Bombay Poona Road, Pimpri, Pune – 411 018 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below at the Financial Year ending on **31<sup>st</sup> March, 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>DIN</b>	<b>Date of appointment as Director in the Company</b>
1.	Deepak Kisandas Chhabria	01403799	13/02/1992
2.	Nikhil Manohar Naik	00202779	30/09/2021
3.	Sriraman Raghuraman	00228061	30/09/2021
4.	Zubin Framroze Billimoria	07144644	30/09/2021
5.	Ratnakar Prakash Barve	09341821	30/09/2021
6.	Vanessa Singh	09342022	30/09/2021

Ensuring the eligibility of 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 **Jog Limaye & Associates**  
Company Secretaries

**Mandar Shrikrishna Jog**

Partner

Membership No.- F9552

CP No.- 9798

UDIN- F009552E000369714

PR No. 738/2020

Date: 24/05/2023

Place: Pune



## Annexure C

**CERTIFICATE OF COMPLIANCE**

[Pursuant to Regulation 34(3) and Schedule V Para E of SEBI  
(Listing Obligations and Disclosures requirements) Regulations, 2015]

To,  
The Members of  
**Finolex Cables Limited**  
26/27, Bombay Poona Road,  
Pimpri, Pune – 411018

We have examined the compliance of conditions of corporate governance by Finolex Cables Limited (hereinafter referred to as “the Company”), for the year ended on 31<sup>st</sup> March, 2023 as stipulated in Regulation 17 and 34 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015, as amended (“Listing Regulations”).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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, as applicable,

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Jog Limaye & Associates**  
Company Secretaries

**Mandar Shrikrishna Jog**

Partner

Membership No.- F9552

CP No.- 9798

UDIN- F009552E000369758

Date: 24/05/2023

Place: Pune

## Annexure D

**SECRETARIAL COMPLIANCE REPORT  
of Finolex Cables Limited for the financial year ended 31<sup>st</sup> March 2023**

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Finolex Cables Limited** (hereinafter referred as 'the listed entity'), having its Registered **Office at 26/27, Bombay Poona Road, Pimpri, Pune – 411 018**. The Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on 31<sup>st</sup> March 2023 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter :

We, M/s.Jog Limaye & Associates, have examined:

- (a) all the documents and records made available to us and explanation provided by Finolex Cables Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this report, for the financial year ended 31<sup>st</sup> March 2023 ("Review Period") in respect of compliance with the provisions of :
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable during reporting period)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable during reporting period)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (not applicable during reporting period)
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (not applicable during reporting period)
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period:

- I. (a) (\*\*) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Re- marks of the Practicing Company Secretary	Management Response	Remarks	
	Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.						Not applicable				

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:  
**Not Applicable**

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Re- marks of the Practicing Company Secretary	Management Response	Remarks	
	Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.						Not applicable				

II. **Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:**

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	There was no such event took place during the reporting period
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	
2.	<b>Other conditions relating to resignation of statutory auditor</b>		
	i. Reporting of concerns by Auditor with respect to the listed entity/ its material subsidiary to the Audit Committee:	NA	
	a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA	There was no such event took place during the reporting period.

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	NA	
	c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18 <sup>th</sup> October, 2019.	NA	There was no such event took place during the reporting period

\*Observations/Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

III. I/we hereby report that, during the review period the compliance status of the listed entity is appended as below :

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	Yes	
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/circulars/ guidelines issued by SEBI</li> </ul>	Yes Yes	
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> <li>Timely dissemination of the documents/ information under a separate section on the website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/section of the website</li> </ul>	Yes Yes Yes	
4.	<b>Disqualification of Director:</b> None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
5.	<p><b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b></p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Disclosure requirement of material as well as other subsidiaries</p>	N.A.	There was no such event took place during the reporting period
6.	<p><b>Preservation of Documents:</b></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	
7.	<p><b>Performance Evaluation:</b></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees <del>at the start of every financial year</del> during the financial year as prescribed in SEBI Regulations.</p>	Yes	
8.	<p><b>Related Party Transactions:</b></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</p> <p>(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.</p>	Yes	
9.	<p><b>Disclosure of events or information:</b></p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Yes	
10.	<p><b>Prohibition of Insider Trading:</b></p> <p>The listed entity is in compliance with Regulation 3(5) &amp; 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	
11.	<p><b>Actions taken by SEBI or Stock Exchange(s), if any:</b></p> <p>No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder except as provided under separate paragraph herein (**).</p>	Yes	
12.	<p><b>Additional Non-compliances, if any:</b></p> <p>No additional non-compliance observed for any SEBI regulation/ circular/guidance note etc.</p>	Yes	

- Provide the list of all the observations in the report for the previous financial year along with the actions taken by the listed entity on those observations. **Not applicable**
- Add the list of all observations in the reports pertaining to the periods prior to the previous financial year in case the entity has not taken sufficient steps to address the concerns raised/ observations. **Not applicable**



**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2)

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **Jog Limaye & Associates**  
Company Secretaries

**Mandar Shrikrishna Jog**

Partner

Membership No.- F9552

CP No.- 9798

UDIN: F009552E000369626

PR No. 738/2020

Date: 24/05/2023

Place: Pune

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members of  
**Finolex Cables Limited**  
26/27, Bombay Poona Road,  
Pimpri, Pune – 411 018

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Finolex Cables Limited** (hereinafter referred to as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, 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:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) amended from time to time and the rules, notifications and circulars issued thereunder (as far as they become applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable to the Company during the audit period**
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable to the Company during the audit period**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable to the Company during the audit period**
  - (f) 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; **Not Applicable to the Company during the audit period**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **Not Applicable to the Company during the audit period**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable to the Company during the audit period**
- (vi) The other laws, as informed and certified by the Management of the Company which may become specifically applicable to the Company based on sector/industry are:
  - a. The Employee State Insurance Act, 1948;
  - b. Employees Provident Fund and Miscellaneous Provisions Act, 1952;
  - c. Employers Liability Act, 1938;
  - d. Environment Protection Act, 1986 and other environmental Laws;

- e. Air (Prevention and Control of Pollution) Act, 1981;
- f. Factories Act, 1948;
- g. Industrial Dispute Act, 1947;
- h. Payment of Wages Act, 1936 and other applicable labour laws.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India;' and
- (ii) The Listing Agreements entered by the Company with Stock Exchange(s), pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period 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 audit period under review were carried out in compliance with provisions of the Act.

As informed, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in few cases where the meetings were held at a shorter notice with the consent of all directors 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.

Majority decision is carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

\*The Company has submitted IEPF related forms after the due date due to technical glitches on Ministry of Corporate Affairs portal (MCA Website)

**We further report that** there are adequate systems and processes in the Company commensurate with the size

and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

**We further report that** during the audit period-

At the Annual general meeting of the Company held on 28<sup>th</sup> September 2022, the Company passed resolutions. The said resolutions were passed with requisite majority.

On the same day, the following resolutions were passed -

1. *To receive, consider and adopt the audited financial statement (including the audited consolidated financial statements) of the Company for the financial year ended 31<sup>st</sup> March 2022 and the reports of the Board of Directors' and Auditors' thereon. - Ordinary Resolution*
2. *Declaration of dividend @ 300% on equity shares for the financial year ended 31<sup>st</sup> March 2022 (i.e., @ Rs. 6.00 per equity share of Rs.2/- each fully paid up) for the financial year ended 31<sup>st</sup> March 2022. - Ordinary Resolution*
3. *To appoint Auditors and fix their Remuneration. - Ordinary Resolution*
4. *Appointment of Mr. Zubin F Billimoria [DIN: 07144644], as Director of the Company, liable to retire by rotation. - Ordinary Resolution*
5. *Appointment of Mr. Sriraman Raghuraman [DIN: 00228061] as Director of the Company, liable to retire by rotation. - Ordinary Resolution*
6. *Appointment of Mrs. Vanessa Singh [DIN: 09342022] as Director of the Company, liable to retire by rotation. - Ordinary Resolution*
7. *Appointment of Mr. Nikhil M Naik [DIN: 00202779] as Director of the Company, liable to retire by rotation. - Ordinary Resolution*
8. *Appointment of Mr. Ratnakar P Barve [DIN: 09341821] as Director of the Company, liable to retire by rotation. - Ordinary Resolution*
9. *Appointment of Mr. Zubin F Billimoria [DIN: 07144644] as an Independent Director of the Company, for a term of five consecutive years with effect from 30<sup>th</sup> September 2021. - Special Resolution*
10. *Appointment of Mr. Sriraman Raghuraman [DIN: 00228061] as an Independent Director of the Company,*

for a term of five consecutive years with effect from 30<sup>th</sup> September 2021. - Special Resolution

11. Appointment of Mrs. Vanessa Singh [DIN: 09342022] as an Independent Woman Director of the Company, for a term of five consecutive years with effect from 30<sup>th</sup> September 2021. - Special Resolution
12. Ratify remuneration payable to M/s. Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No. 00240) pursuant to their appointment as Cost Auditor of the Company for the financial year 2022-23. - Ordinary Resolution
13. To offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating upto an amount of Rs.150 Crores (Rupees One Hundred Fifty Crores Only) on private placement basis. - Special Resolution

For **Jog Limaye & Associates**  
Company Secretaries

**Mandar Shrikrishna Jog**

Partner

Membership No.- F9552

CP No.- 9798

Date: 24/05/2023

UDIN: F009552E000369010

Place: Pune

PR No. 738/2020

As informed by the management, the Company had filed a Civil suit in the Hon'ble Civil Court Senior Division, Pune in the month of June 2019 and the proceedings are pending in the said courts in relation to the votes casted by Orbit Electricals Private Limited holding 30.70% and Finolex Industries Limited holding 14.51% of the Company's total paid up share capital.

*Note- this report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integrated part of this report.*

**'ANNEXURE A'**

To,  
The Members of  
Finolex Cables Limited  
26/27, Bombay Poona Road,  
Pimpri, Pune – 411 018

Our Secretarial Audit 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we 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. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Jog Limaye & Associates**  
Company Secretaries

**Mandar Shrikrishna Jog**

Partner

Membership No.- F9552

CP No.- 9798

Date: 24/05/2023

UDIN: F009552E000369010

Place: Pune

PR No. 738/2020

## Shareholder / Debenture holder Information

### Registered Office

Finolex Cables Limited, 26-27 Mumbai-Pune Road, Pimpri, Pune - 411 018  
[CIN: L31300MH1967PLC016531]

### GENERAL SHAREHOLDER INFORMATION:

#### 55<sup>th</sup> Annual General Meeting

Day and Date	:	Friday, 29 <sup>th</sup> September, 2023
Time	:	03.00 p.m. (IST)
Deemed Venue	:	Finolex Cables Limited, 26-27 Mumbai-Pune Road, Pimpri, Pune - 411 018
Financial Year	:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Record Date for dividend	:	22 <sup>nd</sup> September, 2023
Dividend Payment Date	:	On or before 28 <sup>th</sup> October, 2023
Listing on Stock Exchanges	:	Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited, Mumbai. Company's Global Depository Receipts (GDRs) are listed on the Luxembourg Stock Exchange.
Stock codes / Symbol	:	BSE Limited – 500144 National Stock Exchange of India Limited – FINCABLES-EQ
ISIN	:	INE235A01022

### PAYMENT OF LISTING FEES

Annual Listing Fee for the Financial Year 2023-24 as applicable has been paid to the Stock Exchanges (i.e., NSE and BSE) and Annual Maintenance Fees for the Calendar year 2023 has been paid by the Company to the Luxembourg Stock Exchange in respect of the GDRs listed thereon.

### STOCK MARKET DATA

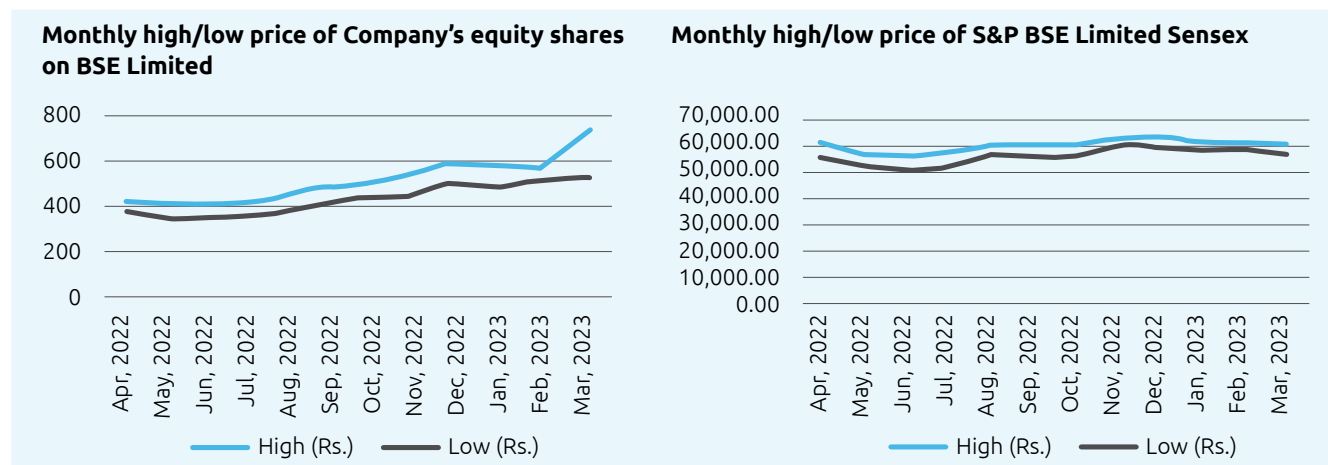
The monthly high and low quotations and volume of shares traded at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) are as follows:

(Source: NSE and BSE Websites)

Month	NSE			BSE		
	High	Low	Volume Shares traded (Nos.)	High	Low	Volume Shares traded (Nos.)
April, 2022	429.00	375.25	56,84,507	429.80	375.30	6,31,525
May, 2022	404.20	343.50	34,93,211	409.80	344.00	5,10,196
June, 2022	409.40	351.10	41,26,434	410.00	351.40	3,30,023
July, 2022	431.00	371.35	48,05,746	430.90	371.00	3,23,933
August, 2022	478.00	414.95	70,59,135	478.65	407.75	4,88,139
September, 2022	493.85	437.00	55,26,944	494.00	437.70	7,25,099
October, 2022	538.00	445.80	93,59,302	537.90	446.00	8,97,262
November, 2022	593.90	501.00	95,83,460	593.90	501.00	5,18,838
December, 2022	592.00	491.15	47,73,954	592.05	491.05	4,99,222
January, 2023	573.40	524.75	36,09,436	573.40	525.75	2,84,607
February, 2023	729.75	532.00	1,93,86,832	729.00	530.05	9,12,903
March, 2023	847.50	700.00	2,30,12,672	847.60	697.95	11,54,368



The equity shares of the Company are regularly traded on NSE and BSE and thus have good liquidity.



No Securities are suspended from trading during the Financial Year 2022-23.

### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2023

Category	No. of shares held	Percentage Shareholding
<b>A Promoters Shareholding:</b>		
1 Promoters*		
- Indian Promoters	54,841,170	35.86
- Foreign Promoters	NIL	NIL
2 Persons acting in Concert	NIL	NIL
Sub Total	54,841,170	35.86
<b>B Non-Promoters holding:</b>		
3 Institutional Investors		
a Mutual Funds	20,407,276	13.34
b NBFCs	9,645	0.01
c Foreign Portfolio Investors	16,447,863	10.75
d Financial Institutions/Banks	17,050	0.01
Sub Total	36,881,834	24.11
<b>OTHERS:</b>		
a Private Corporate Bodies**	25,083,073	16.40
b Indian Public including HUFs	26,920,988	17.61
c NRIs/OCBs	3,621,179	2.37
d Clearing Members***	18,972	0.01
e Trusts and Qualified Institutional Buyers	49,72,469	3.25
f Any others (Custodian for GDRs)	2,48,750	0.16
g IEPF	350,910	0.23
<b>Sub Total</b>	<b>61,216,341</b>	<b>40.03</b>
<b>Grand Total</b>	<b>152,939,345</b>	<b>100.00</b>

\* The promoters have not pledged any of their shares held in the Company as at 31<sup>st</sup> March, 2023 with any party / bank.

\*\* Includes 22,187,075 shares (14.51%) held by Associate Company- Finolex Industries Ltd.

\*\*\* In case an investor has bought any shares, such investors must ensure that the relevant shares are transferred to his demat account before the record date i.e. 22<sup>nd</sup> September, 2023. Investors should note that the dividend on shares lying in the clearing members (i.e. Broker) account cannot be made available to the members directly by the Company.

**DISTRIBUTION BY SIZE OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2023**

No. of Equity Shares held	No. of Members	% of Members	No. of Shares	% of Shareholding
1-5000	100163	98.51	1,17,82,054	7.70
5001-10000	912	0.90	32,77,502	2.15
10001 & above	606	0.59	137,879,789	90.15
<b>Grand Total</b>	<b>101681</b>	<b>100.00</b>	<b>152,939,345</b>	<b>100.00</b>

**REGISTRAR AND TRANSFER AGENTS**

The Company had earlier taken requisite steps and centralized at a single point its share registry works for equity shares held in physical as well as electronic form with

M/s. KFin Technologies Limited  
Karvy Selenium Tower B, 6<sup>th</sup> Floor  
Plot 31-32, Financial District,  
Nanakramguda, Hyderabad,  
Telangana – 500 032

who are an ISO 9002 Certified Registrar and Transfer Agents and are holding Registrars to an issue and Share Transfer Agent Category I Registration No. INR000000221 dated October 18, 2012 issued by Securities and Exchange Board of India ("SEBI").

**SHARE TRANSFER SYSTEM**

In terms of Regulation 40(1) of Listing Regulations 2015, as amended, securities can be transferred only in dematerialized form w.e.f. 1<sup>st</sup> April, 2019. Further w.e.f. 24<sup>th</sup> January, 2022 transmission or transposition of securities held in physical shall be effected only in dematerialized form.

**STATISTICS OF MEMBERS – 2021 – 2023**

31 <sup>st</sup> March	No. of members
2021	66,713
2022	90,842
2023	100,123

**CORPORATE BENEFITS TO INVESTORS****a) Bonus Issues of Fully Paid-up Equity Shares:**

Year	Ratio
1999	1:1
1994	1:1
1992	1:1
1988	4:5

**b) Dividend declared during previous 10 years:**

Financial Year	Date of Declaration	Face Value of Equity Share	Dividend Rate	
			Percentage (%)	Amount (Rs. per share)
2021-22	September 28, 2022	2	300	6.00
2020-21	September 29, 2021	2	275	5.50
2019-20	September 29, 2020	2	275	5.50
2018-19	September 18, 2019	2	225	4.50
2017-18	September 25, 2018	2	200	4.00
2016-17	September 28, 2017	2	150	3.00
2015-16	September 8, 2016	2	125	2.50
2014-15	August 10, 2015	2	90	1.80
2013-14	September 9, 2014	2	80	1.60
2012-13	June 28, 2013	2	60	1.20

Note: In the year 2006-07, the Company sub-divided each Equity Share of Rs.10/- face value into 5 (Five) Equity Shares of Rs.2/- each with effect from 16<sup>th</sup> January, 2007.

## DEMATERIALIZATION OF SHARES

The Company's equity shares are included in the list of companies whose scrips have been mandated by SEBI for settlement only in dematerialized form by all institutions and all investors. The Company had signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to offer depository services to its members. As on 31<sup>st</sup> March, 2023, 99.24% (i.e., NSDL: 95.15% and CDSL: 4.09%) of the equity share capital of the Company has been dematerialized.

Annual custody fees for the Financial Year 2023-24 had been paid by the Company to NSDL and CDSL.

### Outstanding GDRs/ DRs/ Warrants, etc.

There are no outstanding GDRs/ DRs/ Warrants or any convertible instruments for conversion as on 31<sup>st</sup> March, 2023.

### Commodity price risks or foreign exchange risk or hedging activities

Disclosure of commodity price risks and commodity hedging activities, if any, is given in Management Discussion and Analysis Report (Ref. Annexure A to Boards' Report)

## PLANT LOCATIONS:

<b>Pimpri (Electrical Cables)</b> 26-27, Mumbai-Pune Road Pimpri, Pune - 411 018 Telephone No.: 27475963/27506200 Facsimile No.: (020) 27472239 Email: <a href="mailto:RaviKumar.Garg@finolex.com">RaviKumar.Garg@finolex.com</a>	<b>Urse (Electrical &amp; Communication Cables)</b> Gat No 346/384, Near K K Nag Company, Urse, Maval Dist – Pune - 410 506 Telephone No.: (02114) 230700 Email: <a href="mailto:lgs@finolex.com">lgs@finolex.com</a>
<b>Urse (Optic Fibre and Optic Fibre Cable)</b> Gat No 346/384, Near K K Nag Company, Urse, Maval Dist – Pune - 410 506 Telephone No.: (02114) 230700 Email: <a href="mailto:sunil@finolex.com">sunil@finolex.com</a>	<b>Urse (Lighting)</b> Plot No 399, Near K K Nag Company, Urse, Maval Dist – Pune - 410 506 Telephone No.: (02114) 230700 Email: <a href="mailto:Binay_kumar@finolex.com">Binay_kumar@finolex.com</a>
<b>Urse (Switches)</b> Gat No 344, Near K K Nag Company, Urse, Maval Dist- Pune - 410 506 Telephone No.: (02114) 230700 Email: <a href="mailto:Ravindra.Bhakare@finolex.com">Ravindra.Bhakare@finolex.com</a>	<b>Urse (Power Cable)</b> Gat No. 343, Village Urse, Taluka Maval, Dist-Pune-410 506 Telephone No.: (02114) 230700 Email: <a href="mailto:PB_Jaisingh@finolex.com">PB_Jaisingh@finolex.com</a>
<b>Goa (Electrical &amp; Communication Cables)</b> Plot No. 117/L118, Verna Industrial Estate, Verna Salcotte, South Goa, Goa – 403 722 Telephone Nos.: (0832) 2782002/3/4 Facsimile No.: (0832) 2783909 Email: <a href="mailto:ratnakar_barve@finolex.com">ratnakar_barve@finolex.com</a>	<b>Goa (Optic Fibre Cables)</b> Plot No. L123/9A, Verna Industrial Estate, Verna Salcotte, South Goa, Goa – 403 722 Telephone No.: (0832) 2782002/3/4 Facsimile No.: (0832) 2783909 Email: <a href="mailto:omprakash_yadav@finolex.com">omprakash_yadav@finolex.com</a>
<b>Goa (Conduit Pipe)</b> Plot No. L-116, Verna Industrial Estate, Verna Salcotte, South Goa- 403722 Telephone Nos.: (0832) 2782002/3/4 Email: <a href="mailto:prakash.rasal@finolex.com">prakash.rasal@finolex.com</a>	<b>Goa (CCC Rod)</b> Plot No. S263/2, Panjim-Belgaum Road, Usgaon – Tisk, Ponda, Goa – 403 406 Telephone Nos.:(0832) 2344140/2344376 Email: <a href="mailto:Knarayanan@finolex.com">Knarayanan@finolex.com</a>
<b>Roorkee (Electrical Cables)</b> Plot Nos.K-1 & K-2 AIS Industrial Estate Latherdeva Hoon, Mangalaur Jhabrera Road, Roorkee, Taluka Haridwar, Uttarakhand – 247665 Telephone Nos.: (01332) 224069/224044/45 Email: <a href="mailto:Pravin_Ahire@finolex.com">Pravin_Ahire@finolex.com</a>	<b>Roorkee (Switchgears)</b> Plot Nos.K-1 & K-2 AIS Industrial Estate Latherdeva Hoon, Mangalaur Jhabrera Road, Roorkee, Taluka Haridwar, Uttarakhand – 247665 Telephone No.: (01332) 224069/224044/45 Telefax No.: (01332) 224044 Email: <a href="mailto:Pravin_Ahire@finolex.com">Pravin_Ahire@finolex.com</a>

**Roorkee (Switches)**

Plot Nos.K-1 & K-2 AIS Industrial Estate Latherdeva Hoon,  
Mangalaur Jhabrera Road, Roorkee,  
Taluka Haridwar, Uttarakhand – 247665  
Telephone No.: (01332) 224069/224044/45  
Telefax No.: (01332) 224044  
Email: [Pravin\\_Ahire@finolex.com](mailto:Pravin_Ahire@finolex.com)

**INVESTOR CORRESPONDENCE:**

For the convenience of members, the Memorandum of Association and Articles of Association of the Company besides various blank forms and formats are available under “Investors Section” of Company’s website: <https://finolex.com/investor/>. Further, any query relating to shares and requests for transactions such as transfers, transmissions, nomination facilities, issue of duplicate share certificates, change of address pertaining to physical shares and non-receipt of dividends/Annual Reports, as also regarding dematerialisation of shares may please be taken up with the Company or its Share Transfer Agent as set out below:

**(A) Company:**

Secretarial Department  
Finolex Cables Limited  
26-27 Mumbai – Pune Road,  
Pimpri, Pune - 411 018  
Telephone Nos.: (020) 27506202/27506230  
Board Nos.: (020) 27506200 / 27475963  
Email: [investors@finolex.com](mailto:investors@finolex.com)

**Contact Persons for investor related queries:**

Mr. Gitesh Karandikar – Asst. General Manager – Secretarial

**(B) Share Transfer Agent:**

M/s. KFIN Technologies Ltd.  
(Unit: Finolex Cables Limited)  
Karvy Selenium Tower B, 6<sup>th</sup> Floor  
Plot 31-32, Financial District,  
Nanakramguda, Hyderabad,  
Telangana – 500 032  
Telephone No.: (040) 67161630  
Board No.: (040) 67162222  
Facsimile No.: (040) 23420814  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Contact Persons:**

Mr. Ganesh Chandra Patro – AVP  
Mr. Rajesh K Patro - Manager

**SHAREHOLDER INFORMATION ON-LINE:**

The Balance Sheet information is a part of the Company’s World-Wide home page <https://finolex.com/investor/>. Users can obtain information on the Company products and services, Company background, Management, Financial and Shareholders’ information requisite blank forms / formats and other major developments.

**NOMINATION FACILITY:**

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14. The said form can be downloaded from the Company’s website at <https://finolex.com/investor/>. Members are requested to submit the said form to their DP in case the

shares are held by them in electronic form and to the RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) in case the shares are held in physical form, quoting your folio number.

**MEMBERS CONTACT EMAIL ADDRESS:**

The Government in its concern for the environment has, as part of its green initiative, vide Circular No. 17/2011 dated April 21, 2011 issued by the Ministry of Corporate Affairs, permitted companies to serve requisite documents through electronic mode on their members. The relevant provisions of Section 20, 101 and 136 of the Act read with the relevant Rules framed under the Act support this noble cause. Members are therefore requested to support this worthy cause and inform the Company their personal email addresses and changes, if any, therein from time to time in the format provided under Investors’ Section (Blank Forms) of the Company’s website <https://finolex.com/investor/>. This will also facilitate expeditious communication as specified by the Government Authorities.

**ECS FACILITY / BANK MANDATE / DETAILS:**

In order to provide protection against fraudulent encashment of dividend warrants: (a) Members holding shares in physical form are requested to furnish their Bank account number with the name of the Bank/Branch, its address (with 9-digit MICR Code) and quoting their folio number, etc. so that the Bank account details are available for payment of dividend by ECS / can be printed on the dividend warrants. (b) Members holding shares in dematerialized form may please immediately inform changes, if any, in their Bank account details (with 9-digit MICR Code) to their Depository Participant (DP) to enable the correct Bank account details to be made available to the Company by the DP for ECS / printing on the dividend warrants. In any case, members will appreciate that the Company will not be responsible for any loss arising out of fraudulently encashed dividend warrants, if any.

**DEBT SECURITIES:**

The SEBI vide its circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 mandated that the 'Large Corporates' as defined under the said circular, shall raise not less than 25% of their incremental borrowings by way of issuance of debt securities, as defined under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. Non-Convertible Debentures (NCDs) issued on a private placement basis fall within the definition of debt securities as defined in the said SEBI Regulations. The Company presently is not falling under the definition of 'Large Corporate' as defined in the said SEBI Circular dated November 26, 2018.

The Company has not issued any Non-Convertible Debentures ("NCD") in Financial Year 2022-23 and no NCD is outstanding as on 31<sup>st</sup> March, 2023.



## Annexure E

**Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014****A. CONSERVATION OF ENERGY :****Steps taken or impact on conservation of energy, Utilizing alternate sources of energy and Capital investments on energy conservation equipment:**

- (i) Installed additional new RTPFC and APFC controllers to reduce power losses and power consumption by improving Power Factor and current harmonics.
- (ii) Installed additional air compressors of higher capacities GA200 with fixed speed and one GA160 with VFD to replace existing 5 Nos (GA 37,55,45) to save energy consumption and maintenance costs.
- (iii) VFD drives have been installed on wire drawing machines for coolant pump supply for saving in energy during running mode as well as in inching mode of operations.
- (iv) Replacing Worn out screw/barrels of Extrusion lines to improve quality of the product and reduce scrap due to more spew out during color change.
- (v) LDR sensors have been installed in the Plant for Auto ON/OFF of shed lights as per set timings as per the visibility.
- (vi) Highbrid harmonic filter panel installed for 2x400 KVA UPS to improve power quality and save electricity.
- (vii) 150 Watt LED Lamps installed in certain areas for plant overhead lighting in place of 400 Watt Mercury Vapour Lamps
- (viii) Turbo Ventilators installed on plant roof for better ventilation.
- (ix) Polycarbonate roof sheets installed to provide better day lighting in plant.
- (x) Certain extrusion lines, 78 KW DC Motor replaced with 37 KW AC Motor and drive to save electric consumption and reduce breakdown time.
- (xi) VFDs installed for cooling towers motors to save electricity.
- (xii) Cooling tower output pipe line designed with new header system in place of individual/dedicated line for all cooling towers to reduce power consumption in pumps.
- (xiii) Centralised PVC conveying system upgraded with latest PLC in place of individual/customized old controller.
- (xiv) Insulation line up gradation done for SCADA/PLC and drive for reducing breakdown hours.
- (xv) Phase wise replacement of old MS pneumatic pipe line with PPR Pipe to reduce compressed air consumption.
- (xvi) Instead of dedicated chiller tanks, two chiller tanks were combined in insulation lines to minimize energy consumption in chiller.
- (xvii) Old high bay and medium bay metal halide light fittings converted to LED light fittings to minimize energy consumption.
- (xviii) Energy audit conducted and improved preventive maintenance of machines is done to identify and reduce energy loss.
- (xix) Regular monitoring and rectification of air leakage is done to reduce air consumption.

**B. TECHNOLOGY ABSORPTION:****Efforts made in technology absorption as per Form B are as follows:**

Form for disclosure of particulars with respect to Absorption, Research and Development (R&D)

**1. Specific areas in which the Company is pursuing R&D efforts:**

- (a) Following new cables have been designed, developed and type approvals obtained/successfully launched in the market:
  - (i) Developed new products in Auto Cables in AVSS and CIVS category as per niche customer specifications.
  - (ii) Developed new product CAT6A and CAT6FTP.
  - (iii) New CCTV Cables in economy class are developed as per market requirements in new segment.
  - (iv) Developing the capacity of tin plated copper conductor by installing new Electro Tin Plating line in order to cater to requirements in Solar, Special Cables and Auto Cables.
  - (v) Developed few variants in EV cables in both AC and DC categories for charging applications.
  - (vi) Continuous efforts are going on for developing new types of cables to meet niche market demand.

**2. Benefits derived as a result of the above R&D:**

The aforesaid newly developed products have been introduced in the market and give significant benefits in terms of quality, better performance of the end-user application and import substitution.

**3. Future plan of action:**

- To develop CAT7 LAN cables with higher bandwidth
- To develop Insulation and Sheathing compound suitable for solar cable application – Both ambient and E-Beam curing
- To develop new variants of cables for EV Vehicles, charging cables and TPE Type D compound for Electrical Commercial Vehicles
- To develop cables with thermo plastic rubber insulation for welding application
- To develop Rubber based cables for windmill application
- To develop FR XLPE for auto wires conforming TXL/GXL requirement
- To develop compound for HFFR application
- To develop welding cable compound having cross linking properties

**4. Expenditure on R & D:**

- |                                |   |                                     |
|--------------------------------|---|-------------------------------------|
| (a) Capital                    | } | The development work is carried on  |
| (b) Recurring                  | } | by the concerned departments on     |
| (c) Total                      | } | an ongoing basis. The expenses      |
| (d) Total R & D expenditure as | } | and the costs of assets are grouped |
| a percentage of total turnover | } | under the respective heads.         |

**Technology Absorption, Adaptation and Innovation:****1. Efforts in brief, made towards technology absorption, adaptation and innovation:**

- (a) High speed insulation lines installed and commissioned having production speeds upto 1200 MPM having better power saving abilities and giving better product quality.
- (b) Old RBD machine drives replaced and totally refurbished and installed and put into operation.
- (c) New 32 wire multi wire drawing machines and Bunchers installed to facilitate better plant output.

- (d) Old Buncher PLC panel retrofitting done and new S7 series PLC installed in place of obsolete S5 PLC.
- (e) 800 mm spooler installed for 16 wire MWD machine in place of 630 mm spooler.
- (f) Dust proof Green room installed over ARP and UVFRP lines to improve product quality.
- (g) Mixer 750 and 350 automation done through SCADA to give better quality and output.
- (h) Continuous efforts are going on for further developing, improving and upgrading all types of cables.

**2. Benefits derived as a result of the efforts e.g. product improvement, cost reduction, product development, import substitution, etc:**

Several tangible and intangible benefits from new technology are derived such as cost reduction, productivity, development of better and new products, import substitution and better customer services. Development and manufacture of new products with enhanced features will extend the product range of the Company, enabling it to cater to different niche markets and customer needs.

**3. Imported technology (imported during the last 3 years reckoned from the beginning of the financial year):**

- a) Technology Imported : Nil
- b) Year of Import : Not applicable
- c) Has technology been fully absorbed? : Not applicable
- d) If not fully absorbed, areas where this: Not applicable has not taken place, reasons therefor, and future plans of action

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The sluggish demand in the global economic activity continued to reflect on the Company's exports which however improved modestly to Rs. 39.9 Crores as against Rs. 27.6 Crores during the previous year. Your Company is continuing its sustained efforts to retain old customers and add new customers in various export markets and to address the needs of niche markets.

- i) Earnings by way of Exports: Rs. 39.9 Crores
- ii) Outgo by way of Imports: Rs. 220.0 Crores

For and on behalf of the Board of Directors

Place: Pune  
Date: 12<sup>th</sup> August 2023

**Deepak Chhabria**  
Executive Chairman

## Annexure F

## Disclosure in Directors' Report Pursuant to Section 197(12) of The Companies Act 2013 Read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014

Sr. No.	Requirements	Disclosure																
		<b>Name of the Director</b>																
		<b>Ratio</b>																
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Mr. Deepak Chhabria</td><td style="text-align: right;">228.02X</td></tr> <tr><td>Mr. Ratnakar Barve</td><td style="text-align: right;">8.20X</td></tr> <tr><td>Mr. Zubin F Billimoria</td><td style="text-align: right;">4.65X</td></tr> <tr><td>Mr. Sriraman Raghuraman</td><td style="text-align: right;">4.84X</td></tr> <tr><td>Mrs. Vanessa Singh</td><td style="text-align: right;">4.24X</td></tr> <tr><td>Mr. Nikhil M Naik</td><td style="text-align: right;">4.41X</td></tr> <tr><td>Mr. Shishir Desai *</td><td style="text-align: right;">1.38X</td></tr> <tr><td>Mr. Aakash Gupta *</td><td style="text-align: right;">1.38X</td></tr> </table> <p>*Ceased in Dec 2022</p> <p>For this purpose, sitting fees paid to the Directors and Company's contribution to PF and Superannuation funds have not been considered as remuneration</p>	Mr. Deepak Chhabria	228.02X	Mr. Ratnakar Barve	8.20X	Mr. Zubin F Billimoria	4.65X	Mr. Sriraman Raghuraman	4.84X	Mrs. Vanessa Singh	4.24X	Mr. Nikhil M Naik	4.41X	Mr. Shishir Desai *	1.38X	Mr. Aakash Gupta *	1.38X
Mr. Deepak Chhabria	228.02X																	
Mr. Ratnakar Barve	8.20X																	
Mr. Zubin F Billimoria	4.65X																	
Mr. Sriraman Raghuraman	4.84X																	
Mrs. Vanessa Singh	4.24X																	
Mr. Nikhil M Naik	4.41X																	
Mr. Shishir Desai *	1.38X																	
Mr. Aakash Gupta *	1.38X																	
2	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Mr. Deepak Chhabria</td><td style="text-align: right;">12.00%</td></tr> <tr><td>Mr. Mahesh Viswanathan</td><td style="text-align: right;">13.00%</td></tr> <tr><td>Mr. Ratankar Barve</td><td style="text-align: right;">26.00%</td></tr> <tr><td>Mr. R. G. D'silva</td><td style="text-align: right;">8.00%</td></tr> </table>	Mr. Deepak Chhabria	12.00%	Mr. Mahesh Viswanathan	13.00%	Mr. Ratankar Barve	26.00%	Mr. R. G. D'silva	8.00%								
Mr. Deepak Chhabria	12.00%																	
Mr. Mahesh Viswanathan	13.00%																	
Mr. Ratankar Barve	26.00%																	
Mr. R. G. D'silva	8.00%																	
3	The percentage increase in the median remuneration of employees in the financial year:	During FY 2022-23, the percentage increase in the median remuneration of employees as compared to previous year was approximately 11.40%																
4	The number of permanent employees on the rolls of company	1546 (including whole time directors)																
5	Average percentage increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration.	Average increase in the remuneration is 7.09% for the employees other than Managerial Personnel and 12 % for Managerial Personnel.																
6	The key parameters for any variable component of remuneration availed by the directors	<ul style="list-style-type: none"> <li>- Mr. Deepak Chhabria, Executive Chairman</li> <li>- Mr. Mahesh Viswanathan, Chief Financial Officer</li> </ul> <p>are paid variable pay as per their agreement provisions. Non-Executive Directors of the Company are paid commission as approved by Shareholders in the General Meeting.</p>																
7	Affirmation, that the remuneration is as per the remuneration policy of the Company	Yes																

**Note:**

1. Profit of the company is calculated as per Section 198 of the Companies Act, 2013
2. Managerial Personnel includes Executive Chairman and wholetime Director.

For and on behalf of the Board of Directors

Place: Pune  
Date: 12<sup>th</sup> August 2023

**Deepak Chhabria**  
Executive Chairman

## Annexure F1

## Information as per Rule 5(2) of chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Name	Designation / Nature of Duties	Qualifications	Age (Yrs.)	Total Experience (Yrs.)	Date of Commencement of Employment	Gross Remuneration paid 2022-23	Last employment held by such employee before joining the Company	% of equity shares held by the employee	Whether employee is relative of any director, if yes, name of such director.
1	Mr. Deepak K. Chhabria	Executive Chairman	B.Sc. Engg. Mgmt, (USA)	61	37	1-May-86	110,614,400	Finolex Cables Limited	0.61	No
2	Mr. Mahesh Viswanathan	Dy. CEO & CFO	B.Com. ACA	63	39	15-Oct-08	42,421,760	Philips Electronics India Limited	-	No
3	Mr. Sunil Upmanyu	President - Operation	MTech, BE Mech, DBM, MBA	58	35	29-May-00	8,434,120	Aksh Optic Fibre Private Limited	-	No
4	Mr. R. D'Silva	Company Secretary & President - Legal	B.Com, LLB, CS	72	49	1-Jan-97	8,396,299	Sr. Advocate M/s Thakker & Thakker Associates Advocates, Solicitors & Notaries	-	No
5	Mr. Amit Mathur	President - Sales	DME, B.A.	49	25	6-Apr-15	7,216,275	Havells India Limited	-	No
6	Mr. Pranab Kumar Mishra	President - Finance and Taxation	M.Com., ICWA, MBA (Finance)	50	27	5-Dec-14	6,031,919	Tata Autocomp GY Batteries Limited	-	No
7	Mr. Pravin Ahire	Sr. Vice President- Works	BTech.	48	22	1-Jul-09	5,588,762	General Cable India Energy Pvt. Limited	-	No
8	Mr. K.P. Sreerangraj	GM-Sales Territory head South	BE, MBA	45	21	16-Jan-19	5,399,923	Bajaj Electricals Limited	-	No
9	Mr. Ullal Manjunath Nayak	Vice President- Commercial	BE (Mech) GDMM	53	32	1-Apr-11	5,230,688	Kyerner Power, Voltas, KEC International, Sterlite Industries	-	No
10	Mr. Ravikumar Garg	President - Commercial	B.Com CA Inter	69	49	4-Mar-87	4,995,663	Zenith Steel Limited	0.00	No



## Annexure G

**Form No. AOC-1**

**(Pursuant to first proviso to sub-section 3 of the section 129 of the Companies Act, 2013  
read with Rule 5 of the Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statements of Subsidiaries/Associates/JV Companies

**PART A – SUBSIDIARIES: THE COMPANY HAS NO SUBSIDIARIES****PART B – ASSOCIATES AND JOINT VENTURES**

Name of Associates or Joint Ventures	(Rs. In Crores)		
	Finolex Industries Ltd (FIL)	Finolex J-Power Systems Ltd (FJPSL)	Corning Finolex Optical Fibre Pvt. Ltd.(CFOFPL)
1. Latest audited Balance Sheet Date	March 31, 2023	March 31, 2023	March 31, 2023
2. Date on which the Associate or Joint Venture was associated or acquired	March 31, 1989	May 15, 2008	September 17, 2014
3. Shares of Associates or Joint Ventures held by the company on the year end			
No. of shares	200,962,985	231,279,994	1,750,000
Amounted on Investment in Associates or Joint Ventures	151.85	231.28	1.75
Extend of Holding %	32.39%	49.00%	50.00%
4. Description of how there is significant influence	There is significant influence due to shareholding	There is significant influence due to joint control over the economic activities	
5. Reason why the Associate or Joint Venture is not consolidated	NA	NA	NA
6. Net-worth attributable to shareholding as per audited Balance Sheet	1588.10	74.68	14.10
6. Profit /(Loss) for the Year			
Total Profit	250.70	-28.17	0.57
i. Considered in Consolidation	81.20	-13.80	0.28
i. Not Considered in Consolidation	169.50	-14.37	0.29

For and on behalf of the Board of Directors

Place: Pune  
Date: 12<sup>th</sup> August 2023

**Deepak Chhabria**  
Executive Chairman

## Annexure H

## Form No. AOC-2

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:**

1. Details of contracts or arrangements or transactions not at arm's length basis: NA – All transactions of the Company including the transactions with related parties which are also included in the Financial Statements of the Company are at Arm's length pricing.
  - a) Name(s) of the related party and nature of relationship: NA
  - b) Nature of contracts/arrangements/transactions: NA
  - c) Duration of the contracts / arrangements/transactions: NA
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
  - e) Justification for entering into such contracts or arrangements or transactions: NA
  - f) Date(s) of approval by the Board: NA
  - g) Amount paid as advances, if any: NA
  - h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: NA
2. Details of material contracts or arrangements or transactions at arm's length basis:
  - a) Name of the related party and nature of relationship: Refer to Note 35 and 35A Related Party Disclosures to the Standalone Financial Statements
  - b) Nature of transaction: Refer to Note 35 and 35A Related Party Disclosures to the Standalone Financial Statements
  - c) Duration of transaction: The Transaction is entered into in the ordinary course of business.
  - d) Salient terms of the transaction including the value, if any: Refer to Note 35 and 35A Related Party Disclosures to the Standalone Financial Statements
  - e) Date of approval by Members, if any: Approved on various dates.
  - f) Amount paid as advances, if any: Refer to Note 35 and 35A Related Party Disclosures to the Standalone Financial Statements

For and on behalf of the Board of Directors

Place: Pune  
Date: 12<sup>th</sup> August 2023

**Deepak Chhabria**  
Executive Chairman

## Annexure I

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

### 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken as per CSR Policy and projects or programs.

The Board of Directors have constituted a Corporate Social Responsibility Committee and formulated a Corporate Social Responsibility ("CSR") policy of the Company, as prescribed by the Companies Act, 2013 vide sub-section (1) of section 135 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. Eligible funds for CSR activities in each financial year will be expended in the areas of Medical help/relief, Medical Research, Education, Skill Development, Vocational Training, Sustainability, Environment, Sports and Rural Development through one or more implementing agencies/trusts. These CSR activities will be carried out through various programs or projects as specified in the CSR Policy of the Company.

### 2. The Composition of CSR Committee\*

Sl. 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. Sriraman Raghuraman (Chairperson)	Non-Executive - Independent Director	3	3
2	Mr. D K Chhabria (Member)	Executive Director	3	3
3	Mr. Nikhil Manohar Naik (member)	Non-Executive Non Independent Director	3	3
4	Mr. Ratnakar Barve (Member)	Executive Director- Operations	3	3

\*\* The CSR Committee has met three times in the financial year i.e. on 27<sup>th</sup> May, 2022, 11<sup>th</sup> August, 2022, 3<sup>rd</sup> February, 2023.

All the Committee Members attended each of the relevant meetings.

3. The Composition of CSR committee, CSR policy and CSR Projects approved by the board of the company have been disclosed on the website of the Company at the link <https://finolex.com/>
4. 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, - **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 - **NIL**

Sr No.	Financial Year	Amount available for set-off from preceding financial year (in Rs)	Amount required to be set off for the Financial year, if any (in Rs.)
1	-	-	-

6. Average net profit of the company as per section 135(5) : **401.50 Crore**
7. (a) Two percent of average net profit of the Company as per section (5) : **8.03 Crore**
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial year: **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): **8.03 Crore**

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

Total Amount spent for the financial year (in Rs.)	Amount Unspent (in Rs.)	
	Total Amount transferred to unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)
Amount.	Date of Transfer.	Name of the fund
8.03 crore	27.04.2023	-
2.10 Crore	-	NIL

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr 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 State District	Project duration (Years)	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs)	Amount transferred to unspent CSR account for the project as per section 135(6) (in Rs)	Mode of Implementation - Direct (Yes/no)	Mode of Implementation - Through Implementing Agency Name Registration number
1	Pawana Hospital Urse	(i)	Yes	Maharashtra Pune	3	0.18	0.15	0.03	Yes	Yes
2	Social action for manpower creation	(ii)	Yes	Maharashtra Pune	3	0.14	0.01	0.13	Yes	Yes
3	Missionaries of Charity, Mother Teresa's Home.	(ii)	Yes	Maharashtra Pune	3	0.18	0	0.18	Yes	Yes
4	Dada Shyam Foundation, Gurukul School Manjri	(ii)	Yes	Maharashtra Pune	3	0.12	0	0.12	Yes	Yes
5	AIM for Seva	(i)	Yes	Maharashtra Pune	3	0.26	0	0.26	Yes	Yes
6	Shirval 3 Schools	(i)	Yes	Maharashtra Pune	3	0.25	0	0.25	Yes	Yes
7	Prema Bhavan Tathavde, Pune	(iii)	Yes	Maharashtra Pune	3	0.06	0.01	0.04	Yes	Yes
8	Blind Organization of India, Mumbai	(i)	Yes	Maharashtra Mumbai	3	0.03	0	0.03	Yes	Yes
9	Sadhu Vaswani Mission (Inlaks Budrani)	(i)	Yes	Maharashtra Pune	3	0.79	0.79	0	Yes	Yes
10	Sadhu Vaswani Mission, Pune	(i)	Yes	Maharashtra Pune	3	0.19	0.13	0.06	Yes	Yes

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sr 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 (Years)	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs)	Amount transferred to unspent CSR account for the project as per section 135(6) (in Rs)	Mode of Implementation – Direct (Yes/no)	Mode of Implementation – Through Implementing Agency	
	State	District							Name	Registration number	
11	Hirabai Cowasji Jehangir Medical	(i)	Yes	Maharashtra	Pune	3	0.53	0.5	0.03	Yes	
12	Lata Mangeshkar Medical Foundation	(i)	Yes	Maharashtra	Pune	3	0.95	0.32	0.63	Yes	
13	Support For Urse Police Station	(i)	Yes	Maharashtra	Pune	3	0.01	0.01	0	Yes	
14	Circle Office Of Policy Manglure, Rookee	(ii)	Yes	Uttarakhand	Haridwar	3	0.12	0.11	0.01	Yes	
15	Atal Utkarsha Vidyalaya, Roorkee	(ii)	Yes	Uttarakhand	Haridwar	3	0.15	0.02	0.13	Yes	
16	Suhrud Mandal	(ii)	Yes	Maharashtra	Pune	3	0.35	0.19	0.16	Yes	
17	Shree Shankar Maharaj Seva Mandal, Chinchwad	(ii)	Yes	Maharashtra	Pune	3	0.07	0.03	0.04	Yes	
<b>Total</b>						<b>4.38</b>	<b>2.27</b>	<b>2.1</b>			



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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sr 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 - Direct (Yes/no) (in Rs.)	Mode of Implementation - Direct (Yes/no)	Mode of Implementation - Through Implementing Agency Name	
				State			CSR Registration number	
1	Storm Water Drain Pipeline, Urse	(x)	Yes	Maharashtra	Pune	0.63	Yes	-
2	Sadhu Vaswani Mission, Pune	(i)	Yes	Maharashtra	Pune	0.06	Yes	-
3	Maharaj Jagat Singh Medical Relief, Beas	(i)	No	Punjab	Amritsar	2.00	Yes	-
4	Vidya Pratihan, Baramati	(i)	Yes	Maharashtra	Pune	2.00	Yes	-
5	Mission Amrit Sarovar	(x)	Yes	Uttarakhand	Haridwar	0.10	Yes	-
6	College & Schools, Roorkee	(ii)	Yes	Uttarakhand	Haridwar	0.20	Yes	-
7	Ashwin Medical Foundation	(i)	Yes	Maharashtra	Pune	0.16	Yes	-
8	Shree Mahalasa Narayani Vidhyaprasark Mandal	(ii)	Yes	Goa	Verna	0.05	Yes	-
9	The Akshaya Patra Foundation	(ii)	Yes	Maharashtra	Pune	0.21	Yes	-
10	Zilha Parishad Primary School, Lonavla	(ii)	Yes	Maharashtra	Pune	0.35	Yes	-
	<b>Total</b>					<b>5.76</b>		

Note – 0.00 Denotes amount less than Rs. 50,000

## (d) Amount spent in Administrative Overheads: NIL

## (e) Amount spent on impact Assessment, if applicable: NIL

## (f) Total amount spent for the financial year (8b+8c+8d+8e): 8.03 Crore

## (g) Excess amount for set off, if any

Sr No	Particular	Amount ( in Rs.)
(i)	Two percent of average net profit of the Company as per Section 135(5)	8.03 Crore
(ii)	Total Amount spent for the financial year	8.03 Crore
(iii)	Excess amount spent for the financial year	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

## 9. (a) Details of unspent CSR amount for the preceding three financial years

Sr No.	Preceding Financial Year	Amount Transferred to unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	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 Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1		NIL	NIL	NIL	NIL	NIL	NIL

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

(1) Sr No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the Project was Commenced	(5) Project Duration (years)	(6) Total amount allocated for the project (In Rs.)	(7) Amount spent on the project in the reporting financial Year (in Rs)	(8) Cumulative amount spent at the end of reporting financial Year (in Rs.)	(9) Status of the project – Completed/ Ongoing
1		Social Action for Manpower Creation	FY 2020-21	3	0.15	0.00	0.01	Ongoing project
2		Missionaries Of Charity, Mother Teresa's Home, Chinchwad, Pune	FY 2020-21	3	0.18	-	0.18	Ongoing project
3		College & School Renovation, Roorkee	FY 2019-20	3	0.19	0.19	-	Completed
4		Perna Bhavan, Thathavde, Pune	FY 2020-21	3	0.06	0.01	0.04	Ongoing
5		Pawana Hospital, Urse	FY 2020-21	3	0.08	0.08	-	Completed
6		ABMM Maheshwari Relief Foundation - Mumbai	FY 2021-22	3	0.00	-	0.00	Ongoing
7		Storm Water Drain Pipeline, Urse	FY 2021-22	3	0.10	0.10	-	Completed
<b>Total</b>						<b>0.38</b>		

## Annexure J

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURE

### I. Details of the Listed Entity

Sr. No	Particulars	Information/Details
1.	<b>Corporate Identity Number (CIN) of the Listed Entity:</b>	L31300MH1967PLC016531
2.	<b>Name of the Listed Entity:</b>	Finolex Cables Limited
3.	<b>Year of incorporation:</b>	1967
4.	<b>Registered office address:</b>	26-27 Mumbai-Pune Road, Pimpri, Pune 411 018, Maharashtra (India)
5.	<b>Corporate address:</b>	26-27 Mumbai-Pune Road, Pimpri, Pune 411 018, Maharashtra (India)
6.	<b>E-mail</b>	sales@finolex.com
7.	<b>Telephone</b>	02027475963
8.	<b>Website</b>	<a href="http://www.finolex.com">www.finolex.com</a>
9.	<b>Financial year for which reporting is being done</b>	1 <sup>st</sup> April 2022 – 31 <sup>st</sup> March 2023
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	Bombay Stock Exchange (BSE) , National Stock Exchange (NSE) and Luxembourg Stock Exchange (LSE)
11.	<b>Paid-up Capital</b>	Rs. 30,58,78,690/- (Rupees Thirty Crore Fifty-Eight Lakhs Seventy-Eight Thousand Six Hundred and Ninety only) comprising of 15,29,39,345 equity shares of Rs.2/- each.
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	Pranab Kumar Mishra President - Account, Finance & Taxation (Telephone 02027475963 and Email Id: <a href="mailto:pranabkumar_mishra@finolex.com">pranabkumar_mishra@finolex.com</a> )
13.	<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together):</b>	Disclosures in this Report are made on a standalone basis.

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Cable manufacturing	Shielded Cables, Twisted Pair Cables, Coaxial Cables, Fiber Optics Cable	95
2.	Electrical equipment manufacturing	Products that generate, distribute and use electrical power. Manufacture of electrical lighting, signalling equipment and electric household appliances.	5

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Electrical Cables	2732	82
2.	Communication Cables	2732	13
3.	Copper Rods	2432	1
4.	FMEG Products (Lighting, Fans, Water Heater, Iron, Switchgear, Accessories, Conduits & Fittings and fixtures)	2740, 2750	4

**III. Operations****16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	5	22	27
International	Nil	Nil	Nil

**17. Markets served by the entity:****a. Number of locations**

Locations	Number
National (No. of States and UT)	37*
International (No. of Countries)	Nil

\*Includes 29 states and 8 union territories

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

1 %

**c. A brief on types of customers**

The company's products are used by a wide range of customers across various industries including construction, industrial, telecommunications, government and residential.

**IV. Employees****18. Details as at the end of Financial Year:****1. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1	Permanent (D)	824	789	96%	35	4%
2	Other than Permanent (E)	0	0	0%	0	0%
3	<b>Total employees (D + E)</b>	<b>824</b>	<b>789</b>	<b>96%</b>	<b>35</b>	<b>4%</b>
<b>WORKERS</b>						
4	Permanent (F)	722	710	98%	12	2%
5	Other than Permanent (G)	1608	1608	100%	0	0%
6	<b>Total workers (F + G)</b>	<b>2330</b>	<b>2318</b>	<b>99%</b>	<b>12</b>	<b>1 %</b>

**2. Differently abled Employees and workers:**

The Company does not have any differently abled employees/ workers.

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Management Personnel*	2	0	0%

\*Includes Chief Financial Officer and Company Secretary

## 20. Turnover rate for permanent employees and workers

	FY 23			FY 22			FY 21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26%	1%	<b>27%</b>	25%	1%	<b>26%</b>	20%	*0. %	<b>20%</b>
Permanent Workers	6%	0%	<b>6%</b>	7%	0%	<b>7%</b>	13%	*0. %	<b>14%</b>

\*Below 0.5 %

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Finolex Industries Ltd (FIL)	Associate	32.39%	No
2.	Finolex J-Power Systems Ltd (FJPSL)	Joint Venture	49.00%	No
3.	Corning Finolex Optical Fibre Pvt. Ltd. (CFOFPL)	Joint Venture	50.00%	No

## VI. CSR Details

## 22. a. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

b. Turnover (in Rs.): 4,481.1 Crore

c. Net worth (in Rs.): 3,709.6 Crore

## VII. Transparency and Disclosures Compliances

## 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

The stakeholders of Finolex Cables encompass our investors, clients, employees, vendors/partners, government, and the community. An robust whistleblower policy and a non-retaliation clause are extended to all our stakeholders. Our whistleblower policy can be accessed at <https://finolex.com/wp-content/uploads/2023/08/Whistle-Blower-Policy.pdf>

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 23			FY 22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	8	0	Complaints Resolved	1	0	Complaint Resolved
Employees and workers	Yes	21	0	Complaints Resolved	23	0	Complaints Resolved
Customers	Yes	41	0	Refer Note below.	79	0	Refer Note below
Value Chain Partners	Yes	7	0	-	5	0	-
Other (please specify)	-	-	-	-	-	-	-

Note: Concerns and suggestions received on social media, Consumer email id and Customer care number and Complaints Resolved

#### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change	Risk and opportunity	<p>FCL is committed to utilise technology which empowers customers and combatting global climate change by promoting energy efficient machinery and products.</p> <p>Extreme weather conditions can lead to disruptions in the supply chain.</p>	Our innovative range of renewable energy products will play a crucial role in ensuring the long-term sustainability of our business. This transition enables us to position ourselves as a customer-focused provider of solar solutions, aligning seamlessly with our commitment to environmental consciousness and green initiatives.	<p>Positive: Being conscious of the effects of climate change will help the Company to be better prepared and control the losses that would have otherwise materialised.</p> <p>Negative: Inability of the Company to create alternative operational capabilities could jeopardise the order fulfilment and affect the bottom-lines.</p>
2.	Human Capital	Risk and Opportunity	<p>Opportunity: Consistent investment in the growth &amp; development of our people can make our human resources a key source of strength and a key competitive advantage.</p> <p>Risk: Retaining key talent and higher turnover could lead to increased rehiring costs and decreasing morale among existing workforce.</p>	<p>Finolex Cables asserts that allocating resources to enhance the skills and knowledge of their workforce not only serves as an incentive, but also empowers the Company to cultivate a highly capable, efficient, and effective staff. A variety of training sessions are organized to foster the skill enhancement of our staff. These encompass areas like Soft Skills, New Employee Induction, Negotiation Techniques, ISO Training, Quality Tools for Problem Solving, Human Rights Considerations, Work Ethics, Environmental Awareness, Fire Drills and Safety Protocols, Plastic Waste Management, and an array of awareness programs spanning work ethics, regulatory adherence, governance, Prevention of Sexual Harassment (POSH),</p>	<p>Positive: Retention of key talent leads to increased productivity in the long run.</p> <p>Negative: Higher attrition increases rehiring costs.</p>



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>HR protocols, operational practices, codes of conduct, IT security, data privacy, ethical conduct, social responsibility, and team cohesion are also conducted.</p> <p>We are focused on creating a diverse workforce, providing employees with an engagement framework, and addressing any concerns they may have through a reliable grievance redressal mechanism. Our ultimate goal is to create a more agile and engaged workforce that is better equipped to help us achieve our business objectives.</p>	
3.	Labour Rights and Practices	Risk	The company's management of labour practices and supply chain can potentially create social risks, such as labour rights violations and substandard working conditions.	<p>By implementing equitable labour practices, the company can enhance its standing and reputation, promote greater employee loyalty, and ultimately improve productivity while reducing employee turnover.</p> <p>The Company has a dedicated Compliance Tool to ensure complete compliance with all the applicable labour rules and regulations.</p>	Positive: FCL also has an equal opportunity policy' which ensures that all the employees have the right to work in an environment that respects the dignity, self-worth, and basic human rights of every individual.
4.	Community Relations	Opportunity	Building strong community relations can improve the company's reputation in the eyes of stakeholders, customers, employees, and investors. A positive reputation can lead to increased brand loyalty and trust.	<p>Engaging with the local community and supporting social causes can foster a sense of loyalty among customers who appreciate a company's commitment to making a difference.</p> <p>Building positive relationships with the community can act as a buffer during challenging times, helping to mitigate reputational and operational risks.</p>	<p>Positive: Community relations can create opportunities for partnerships, joint ventures, and collaborations with local organizations or businesses.</p> <p>Companies with strong community relations are more likely to have a sustainable and enduring presence, as they are deeply integrated into the local fabric</p>

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

**This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.**

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your company’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<p><b>Code of fair disclosure Policy</b> <a href="https://finolex.com/wp-content/uploads/2017/04/Code-of-Fair-Disclosure.pdf">https://finolex.com/wp-content/uploads/2017/04/Code-of-Fair-Disclosure.pdf</a></p> <p><b>Board diversity Policy</b> <a href="https://finolex.com/wp-content/uploads/2023/08/Policy-on-Board-Diversity.pdf">https://finolex.com/wp-content/uploads/2023/08/Policy-on-Board-Diversity.pdf</a></p> <p><b>CSR Policy</b> <a href="https://finolex.com/wp-content/uploads/2023/03/CSR-Policy.pdf">https://finolex.com/wp-content/uploads/2023/03/CSR-Policy.pdf</a></p> <p><b>Whistle Blower Policy</b> <a href="https://finolex.com/wp-content/uploads/2023/08/Whistle-Blower-Policy.pdf">https://finolex.com/wp-content/uploads/2023/08/Whistle-Blower-Policy.pdf</a></p> <p><b>Prevention and punishment of sexual harassment of women Policy</b> <a href="https://finolex.com/wp-content/uploads/2017/04/Policy-for-the-Prevention-Prohibition-and-Punishment-of-Sexual-Harassment-of-Women.pdf">https://finolex.com/wp-content/uploads/2017/04/Policy-for-the-Prevention-Prohibition-and-Punishment-of-Sexual-Harassment-of-Women.pdf</a></p> <p><b>Privacy Policy:</b> <a href="https://finolex.com/wp-content/uploads/2020/10/Privacy-Policy.pdf">https://finolex.com/wp-content/uploads/2020/10/Privacy-Policy.pdf</a></p>								
2. Whether the company has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your company and mapped to each principle.	Yes, the policies adhere to international standards like IS/ISO 9001 and the certification of environmental management systems in accordance with IS/ISO 14001. They also comply with national legal requirements such as the Companies Act of 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015.								
5. Specific commitments, goals and targets set by the company with defined timelines, if any.	In the next three years, we are planning to install renewable power generation plant at Goa and Roorkee.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the company against the specific commitments, goals and targets along-with reasons in case the same are not met.	The company's long-term goal is to become carbon neutral. To achieve this, the company is focusing on using energy-efficient equipment and machinery, as well as maximizing the utilization of solar energy in the upcoming three years.								

#### Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed company has flexibility regarding the placement of this disclosure)	Our unwavering dedication to building a better tomorrow extends beyond the conventional emphasis on financial gain, as we prioritize sustainability, inclusivity, and prosperity. We firmly believe that sustainable growth can only be achieved by proactively addressing environmental, social, and governance issues. That is why we have taken strategic steps to promote equality both within and outside our organization, foster trust with our stakeholders, and contribute to a cleaner future. We aspire to lead by example, providing sustainable and dependable products in our field, bolstering our brand and reputation. Our efforts are aimed at creating a brighter future for all, filled with opportunities and prosperity.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors								
9. Does the company have a specified Committee of the Board/ Director responsible for decision making on Sustainability related issues? (Yes / No). If yes, provide details.	The Board of Directors <b>Board Level Committee:</b> Corporate Social Responsibility Committee and Risk Management Committee								

#### 10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by the Director/ Committee of the Board/Any other Committee									Frequency (Annually/ Half-yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board committees									Annually								
Compliance with statutory requirements of relevance to the principles and rectification of any non – compliance	Board Committees									Quarterly								

#### 11. Has the Company carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/ No) If yes, provide the name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
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No. However, Finolex Cables has implemented a resilient internal review mechanism for its core policies. Active efforts have been dedicated to enhancing management systems and performance criteria to harmonize with the Company's sustainability framework.

#### 12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Not applicable.

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

#### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

##### Essential Indicators

##### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	Finolex Cables conducts detailed and exhaustive familiarisation programs on various topics/areas, including Leadership, Economy Awareness, Risk Management, Team Building, Cybersecurity, Information Security, Marketing and Brands Strategy and Awareness programs are conducted on work ethics, compliances, governance, prevention of sexual harassment (POSH).	100%
Key Managerial Personnel	4	Leadership Development, Team Building, ICSI Seminar, Risk Management, Cybersecurity, Information Security, Marketing and Brands Strategy and Awareness programs are conducted on work ethics, compliances, governance, prevention of sexual harassment (POSH).	100%
Employees other than BoD and KMPs	29	<ol style="list-style-type: none"> <li>1. Finance for Non-Finance,</li> <li>2. Plastic Waste Management,</li> <li>3. Negotiation Skills,</li> <li>4. Team Building,</li> <li>5. Stress management,</li> <li>6. ISO Trainings,</li> <li>7. Problem solving Quality Tools,</li> <li>8. Soft Skills</li> <li>9. Induction programme for new employees</li> <li>10. Human right aspects.</li> <li>11. Awareness programs are conducted on work ethics, compliances, governance, prevention of sexual harassment (POSH), HR policies, practices and codes, IT security and data privacy, ethical and social behaviour, and team building.</li> </ol>	45%

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Workers	59	Programs are conducted on work ethics, health and safety, quality system, HR policies and practices, environment, fire drills and safety, prevention of sexual harassment, importance of safety (PPE) tools and safety kits, readiness to accidents and preventive reporting of dangerous occurrences, Safety week celebration and awareness, ISO Systems Trainings, Process Improvements, Customer Complaint Management, On job training and Skill up gradation	65%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

There were **no instances** of any material (monetary and non-monetary) punishment/ penalties / fines / award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the current financial year.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Not applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. <https://finolex.com/wp-content/uploads/2023/08/Anti-Corruption-and-Anti-Bribery-Policy.pdf>

The Company ensures that its directors, senior management and other personnel comply with the Code of Conduct. It periodically obtains their confirmation of adherence to the Code. The purpose of the Code is to offer direction and aid in identifying and addressing ethical concerns, establish channels to report unethical behaviour, and cultivate an environment of integrity and responsibility. The goal is to promote the utmost levels of ethical behaviour, openness, and responsibility when interacting with stakeholders.

The Company has also implemented a Whistle Blower Policy that outlines the procedures for reporting any unethical behaviour or breach of the Code of Conduct. Staff members have the option to inform the Management of any occurrences of unethical behaviour, suspected fraud, or violations of the Code of Conduct or ethical policies.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

There were **no instances** of any disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Directors/ KMPs/ employees/ workers.

6. **Details of complaints with regard to conflict of interest:**

There were **no complaints** received in relation to issues of conflict of interest of the Directors and KMPs during the current financial year.

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable

**Leadership Indicators**

**1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same**

The Company has a Code of Conduct that outlines specific instructions for the Board of Directors and senior management personnel on how to avoid and report any real or potential conflicts of interest with the Company. Each year, the Board of Directors and senior management personnel are required to submit a declaration disclosing any interests they have in other entities. Furthermore, the Company ensures that it obtains the necessary approvals required by relevant laws before engaging in any transactions with these entities.

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

	FY 23	FY 22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Not applicable
Capex	0.40%	2%	Improvements in energy efficiency and reduced consumption of electricity across the operations of the Company. The Company is committed to producing advanced, energy-saving items like BLDC fans and eco-friendly wires in order to foster sustainability and diminish carbon emissions.

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. The company believes in harmonizing its business practices with sustainability objectives to secure sustainable growth. As inhabitants of the planet, we acknowledge that our operations rely on natural resources. Our objective is to establish a network of environmentally responsible practices that can be easily integrated into the supply chain. Prior to on boarding suppliers, the company obtains acknowledgment from vendors by collecting details of quality, health, safety, environment, information security management, and ISO parameter registrations. This is done to ensure adherence to ethical sustainability practices.

In our Purchase Order’s commercial terms and conditions, we have included a clause stating that the vendor must ensure that health, safety, and environmental requirements are clearly understood and faithfully implemented.

The Company manufactures products that are RoHS and REACH compliant, thus reducing and eliminating use of restricted raw materials.

Our objective is to collaborate with our suppliers in enhancing sustainability performance throughout our value chain. To achieve this, our Supplier Code of Conduct (SCoC) has been meticulously crafted to align with national and international standards, as well as global best practices concerning safety, health, environment, labour, human rights, ethics, and fair business.

As a result, we expect our suppliers to diligently follow the guidelines specified in the Supplier Code of Conduct (SCoC) and wholeheartedly abide by pertinent national and international laws, rules, and regulations. This dedication is vital in promoting responsible sourcing and the implementation of sustainable business practices throughout our value chain.

**b. If yes, what percentage of inputs were sourced sustainably?**

It is worth highlighting that in FY 2022-23, around 70% of purchased inputs, by value, were procured from sustainable sources.



3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Finolex Cables Ltd is committed to environmentally friendly practices and the sensible utilisation of resources. The company works constantly to reduce the environmental impact of its activities. Likewise, it is dedicated to fostering and maintaining a healthy community and ecosystem:

- a) Plastic: The Company responsibly disposes off plastic waste to authorised dealers.
- b) E-waste: The Company responsibly hands over the electronic products that are unwanted, not working, and nearing or at the end of their useful life to authorised dealers.
- c) Hazardous waste: Hazardous waste mis-management can have hugely harmful effects on the surrounding and community around operations. Contemplating the effects, the company's hazardous waste is disposed of by an authorised dealer.
- d) Other Waste: Reduction and reuse are the most effective ways one can save natural resources; thus, wooden pallets from major customers are brought back for recycling, reuse or disposed of to a scrap dealer at the end of its life.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, the waste collection procedures adhere to the EPR guidelines, and active measures are being pursued to develop strategies for achieving efficient and impactful waste management practices.

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
<b>Permanent employees</b>											
Male	789	0	0%	789	100%	0	0%	0	0%	0	0%
Female	35	0	0%	35	100%	35	100%	0	0%	0	0%
<b>Total</b>	<b>824</b>	<b>0</b>	<b>0%</b>	<b>824</b>	<b>100%</b>	<b>35</b>	<b>4%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
<b>Permanent workers</b>											
Male	710	0	0%	710	100%	0	0	0	0%	0	0%
Female	12	0	0%	12	100%	12	100%	0	0%	0	0%
<b>Total</b>	<b>722</b>	<b>0</b>	<b>0%</b>	<b>722</b>	<b>100%</b>	<b>12</b>	<b>2%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent workers</b>											
Male	1608	1608	100%	1608	100%	0	0%	0	0%	0	0%
Female	0	0	0	0	0	0	0%	0	0%	0	0%
<b>Total</b>	<b>1608</b>	<b>1608</b>	<b>100%</b>	<b>1608</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

## 2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 23			FY 22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	2%	5%	Y	4%	31%	Y
Others – please specify	-	-	-	-	-	-

## 3. Accessibility of workplace

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, although the workforce does not comprise persons with disability, our plants and offices are designed keeping in mind challenges faced by differently abled employees.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company ensures that all employees and workers are treated with respect and dignity and are not discriminated against on the basis of caste, creed, religion, sex, disabilities, etc.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male <sup>^</sup>	N.A.	N.A.	N.A.	N.A.
Female	*67%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<sup>^</sup> Male employees and workers are not provided parental leaves.

\*In FY 2022-23, a total of 6 female employees had availed maternity leave. Among them, 2 employees were due to return to work during the reporting period but had left the organization. During the year, 4 employees and 1 female worker availed maternity leave and returned to work.

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers	We offer several lines of communication for employees and workers to address their concerns. One of these options is a suggestion box/drop box, which is available at all locations and does not have camera surveillance. Alternatively, they can also share their concerns via email using a dedicated email address specifically established for this purpose.  Also, daily meetings are scheduled to understand the grievances of the staff and the probable solutions to the concerns raised. In case of no solution with a reasonable time, they can escalate the matter to the Unit head for resolution.
Permanent Employees Other than Permanent Employees	Employees are encouraged to talk to their immediate supervisors on issues/concerns that they might have. The second line of escalation in the departmental head followed by the HR head of the Company.  Also the company has in place 'Code of Conduct', and 'Whistle Blower Policy' which is available to all employees and workers.

## 7. Membership of employees and workers in association(s) or Unions recognised by the listed entity

Category	FY 23 (Current Financial Year)			FY 22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association (s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association (s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>824</b>	<b>0</b>	<b>0%</b>	<b>827</b>	<b>0</b>	<b>0%</b>
- Male	789	0	0%	791	0	0%
- Female	35	0	0%	36	0	0%
<b>Total Permanent Workers</b>	<b>722</b>	<b>357</b>	<b>49.45%</b>	<b>762</b>	<b>363</b>	<b>47%</b>
- Male	710	354	49.86%	749	360	48%
- Female	12	03	25%	13	03	23%

The Company has employees and workers' union named Finolex Cables Employees Union at its Urse and Pimpri location. The Company recognises the right to freedom of association and does not discourage collective bargaining.

## 8. Details of training given to employees and workers:

Category	FY 23					FY 22				
	Total (A)	On Health and safety measures		On Skill up gradation		Total (D)	On Health and safety measures		On Skill up gradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	789	110	14%	219	28%	791	127	16%	247	31%
Female	35	5	14%	9	26%	36	7	19%	10	28%
<b>Total</b>	<b>824</b>	<b>115</b>	<b>14%</b>	<b>228</b>	<b>28%</b>	<b>827</b>	<b>134</b>	<b>16%</b>	<b>257</b>	<b>31%</b>
<b>Workers</b>										
Male	710	198	28%	411	58%	749	235	31%	432	58%
Female	12	10	83%	11	92%	13	10	77%	10	77%
<b>Total</b>	<b>722</b>	<b>208</b>	<b>29%</b>	<b>422</b>	<b>58%</b>	<b>762</b>	<b>245</b>	<b>32%</b>	<b>442</b>	<b>58%</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 23			FY 22			
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)	
<b>Permanent Employees</b>							
Male		789	618	78%	791	612	77%
Female		35	29	83%	36	31	86%
<b>Total</b>		<b>824</b>	<b>647</b>	<b>79%</b>	<b>827</b>	<b>643</b>	<b>78%</b>
<b>Permanent Workers</b>							
Male		710	671	95%	749	350	47%
Female		12	11	92%	13	07	54%
<b>Total</b>		<b>722</b>	<b>682</b>	<b>94%</b>	<b>762</b>	<b>357</b>	<b>47%</b>

**10. Health and safety management system:****a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?**

Yes, occupational health and safety management system (ISO 45001:2018) has been implemented in major plants.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Yes, the company makes use of a risk management strategy that allows to evaluate both routine and non-routine risks in order to prevent work-related hazards. The risks might come from a variety of areas of the workplace, such as tools, hazardous chemicals, unsafe working procedures, and human conduct. The company focuses on processes used to minimize risk by practicing the procedures of Hazard Identification & Risk Assessment (HIRA), having safety committees at various levels to assess the sufficiency of safety resources and to assist the adoption of safety management systems. Recurring safety audits and inspections are performed across all sites to maintain a healthy and safe work environment. The company ensures every year, its employees undergo routine medical examinations to identify work-related health issues which might affect their productivity at work.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, we have implemented processes for workers to report work-related hazards and prevent themselves from such risk.

Workers possess the opportunity to notify about work-related risks through internal channels such as the Whistle-Blower policy or safety committee assemblies.

Also, company has placed a suggestion box inside the plants where all suggestions to improve the working atmosphere are invited. Workers from the shop floor are included in the safety committee who on a regular basis discuss the safety related issues during the committee meetings held every month.

**d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Medical and healthcare facilities available to the employees / workers on occupational health and safety risks. However, all plants have tie-ups with nearby hospitals where workers can be shifted for treatment.

**11. Details of safety related incidents, in the following format:**

<b>Safety Incident/Number</b>	<b>Category</b>	<b>FY 23</b>	<b>FY 22</b>
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.04	0.82
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	8	6
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Finolex Cables Ltd has numerous measures in place to ensure a safe and healthy workplace, some of which are outlined here below:

- We have Safety Committee who on a regular basis discuss the safety related issues during the committee meetings held every month. And also Health and safety management system (ISO 45001) has been implemented in major plants.
- Mandatory safety training is provided to newly joined employees/ workers as part of their induction.

- Training programmes are conducted on a regular basis for all employees and workers.
- The Company celebrates Safety Week every year where safety and health related training programmes, quiz, demonstrations, slogans, essay competition and lifesaving skills such as mock drills are held.
- A medical professional is available in the factory to help/direct any medical assistance needed at any time.
- Proper maintenance of personal protection equipment is done to minimize work hazards.
- Regular monitoring through air ambient tests, noise levels, and safe drinking water tests are conducted.

**13. Number of Complaints on the following made by employees and workers:**

	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	N.A.	Nil	Nil	N.A.
Health & Safety	Nil	Nil	N.A.	Nil	Nil	N.A.

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

All units are subjected to safety audits by third parties every year.

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

The company encourages the implementation of operational procedure changes in order to address non-compliance and other undesirable circumstances. Corrective actions are typically taken to address prolonged instances of non-conformance. Safety guards are installed at moving parts of machines and standard operating procedures for safely performing technical, repetitive processes are displayed at each machine in the workplace. Every employee is provided with necessary training on how to operate the machines safely. Additionally, safety awareness programs are organized to systematically implement and monitor the company's ability to prevent future instances of non-conformance.

The Safety team also conducts root cause analysis, and ensures the availability of risk-opportunity registers for all processes. These registers are periodically reviewed to pinpoint and address risks while taking advantage of opportunities.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, the company provides compensatory package to their employees which is covered under Group Personal Accident policy and ESI, whereas workers which are on contract basis are covered under ESIC.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The company ensures that any mandatory payments related to transactions within its scope are deducted and deposited in compliance with current regulations. This process is also subject to review during both internal and statutory audits. The company expects its partners in the value chain to adhere to business responsibility principles and uphold the values of transparency and accountability.

In addition to this, the service contract between Finolex Cables and the service provider also contains a clause under 'payment terms' for the necessary statutory payments, such as PF (Provident Fund), ESI (Employee State Insurance), etc., to be made by the service provider.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 23	FY 22	FY 23	FY 22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

It is an ongoing process to upgrade the skills of all employees. The Company has not found it necessary to offer transition assistance programs to retirees as they are usually highly skilled.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual or group of individuals or institution that adds value to the business chain of the Corporation is identified as a core or key stakeholder. This inter alia includes employees, shareholders and investors, customers, channel partners and key partners, regulators, lenders, research analysts, communities and suppliers amongst others.

Inclusivity forms the basis for identifying our stakeholders, and we actively make efforts to engage with them. Through this engagement, we seek to gain an understanding of their key priorities and concerns.

The Company strongly believes in the principles of listening, connecting, and collaborating with its key stakeholders to gain insights into their concerns. By working together to mitigate risks, enhance credibility, and build trust, it aims to nurture valuable relationships with its stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	Email, Learning Centre meetings, Notice Board, Newsletters, announcements and feedback and Surveys	As and when Necessary	Training and Awareness programs are conducted on job training, work ethics, compliances, governance, prevention of sexual harassment (POSH), important changes, HR policies and practices, health and safety, quality system, environment, fire drills ,feedback, discussions on career development and reviews, importance of safety (PPE) tools and safety kits, and Skill up gradation



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	Email, newspaper advertisement, website, intimation to stock exchanges, Annual General Meetings, Investor Update Web Page, Quarterly condensed financial statements, Detailed quarterly presentations, Analyst Conference, Annual Report Quarterly investor conference calls, Media updates are organized regularly on quarterly/annually and as required and Press Releases	Need based	To update on the Business Performance, Financial Performance, Corporate Governance corporate developments and Regulatory Compliance.
Customers	No	Website, advertisements in print , Social media, And, in Shop and store branding & promotions, Brand campaigns and sales promotions conducted Regularly.	Need based	Introduction to new products, marketing and publicity, Information about the products/ services provided by the business, environment friendly products, Product quality, product availability & product pricing.
Channel Partners, distributors and retailers	No	Email, business meetings, After sales services, Activities focused on cultivating and nurturing relationships,	Need based	To increase reach, Facilitate a robust brand connection, Enhance goodwill and promote profitable expansion and business development, Providing information regarding products and services.
Communities	Yes	Meetings, Discussions, etc.	Need based	Providing the support to projects of social importance.
Regulators	No	Email, discussions, site visits, concalls , Documentation and submissions for regulatory compliance, Engaging with authorities for obtaining permissions/approvals.	Need based	Discussions on Compliance and regulations, inspections, approvals, Tax Payments and other Regulatory compliance.

### Leadership Indicators

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The organization places great importance on fostering continuous engagement with its primary stakeholders, aiming to facilitate effective communication regarding its performance and strategic direction. In line with this commitment, the company actively seeks out opportunities to engage with key stakeholders, seeking valuable insights into their perspectives, concerns, grievances, and suggestions related to environmental, social, and governance (ESG) material issues. These meaningful interactions take place through a diverse range of engagement channels, facilitating the exchange of ideas and information among stakeholders, company management, board members, and relevant officials.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

The Company engages with various stakeholders in the form of stakeholder engagement exercise to arrive on the identification and management of material issues.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Before commencing any projects, the Company conducts comprehensive need assessments within the communities where it operates. As part of our commitment to inclusive and responsible project implementation, we prioritize active stakeholder consultations and engagements to gain a thorough understanding of their perspectives and address any concerns they may have. By fostering meaningful dialogue, we strive to ensure that our projects align with the needs and aspirations of the communities we serve.

**PRINCIPLE 5 Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 23			FY 22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Permanent	824	369	45%	827	369	45%
Other than permanent	Nil	Nil	NA	Nil	Nil	NA
<b>Total Employees</b>	<b>824</b>	<b>369</b>	<b>45%</b>	<b>827</b>	<b>369</b>	<b>45%</b>
Permanent	722	469	65%	762	464	61%
Other than permanent	1608	1045	65%	1589	985	62%
<b>Total Workers</b>	<b>2330</b>	<b>1514</b>	<b>65%</b>	<b>2351</b>	<b>1449</b>	<b>62%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 23					FY 22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent										
Male	789	03	*0%	782	100%	791	01	*0%	790	100%
Female	35	02	6%	33	94%	36	02	6%	34	94%
<b>Other than Permanent</b>										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Workers</b>										
<b>Permanent</b>										
Male	710	25	4%	685	96%	749	02	*0%	736	100%
Female	12	0	0%	12	100%	13	0	0%	13	100%
<b>Other than Permanent</b>										
Male	1608	1172	73%	436	27%	1589	1219	77%	369	23%
Female	0	0	0%	0	0%	0	0	0%	0	0%

\*Less than 0.5 %

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	22,28,117	1	19,92,771
Key Managerial Personnel	4	2,52,75,110	-	-
Employees other than BoD and KMP	785	7,24,884	35	5,08,032
Workers	710	5,23,932	12	5,14,242

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. The Chief Internal Auditor of the Company is responsible to drive the mechanism on the prevention of sexual harassment cases. The company's Whistle Blower / Human Resources department is charged with the duty of addressing grievances concerning a diverse range of human rights issues.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues**

The Company considers respect for human rights as a fundamental and core value and endeavours to uphold ethical and fair business and employment practices that support, protect, and promote human rights. The company is committed to maintaining a safe and harmonious business environment and workplace for all individuals, regardless of their ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation, or any other similar parameters. The Company believes that every workplace should be free from violence, harassment, intimidation, or any other unsafe or disruptive conditions that may arise from external or internal threats. The Company has implemented reasonable safeguards to ensure the privacy and dignity of employees while at work.

**6. Number of Complaints on the following made by employees and workers:**

	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	N.A.	02	0	Amicably settled
Discrimination at workplace	Nil	Nil	N.A.	Nil	Nil	N.A.
Child Labour	Nil	Nil	N.A.	Nil	Nil	N.A.
Forced Labour/Involuntary Labour	Nil	Nil	N.A.	Nil	Nil	N.A.
Wages	Nil	Nil	N.A.	Nil	Nil	N.A.
Other human rights related issues	Nil	Nil	N.A.	Nil	Nil	N.A.

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Finolex Cables Limited prioritizes cultivating a healthy and inclusive work environment where all employees, regardless of their gender, caste, creed, or social class, can thrive. The company is committed to fostering equality throughout the workplace, ensuring that employees can carry out their responsibilities free from discrimination, gender bias, or sexual harassment concerns. Each individual is highly valued and respected, and the organization is unwavering in its dedication to preserving their dignity. As part of this commitment, the company maintains a zero-tolerance policy towards sexual harassment, imposing severe disciplinary measures for any instances of such misconduct. To promote awareness and understanding, the organization has implemented a comprehensive strategy encompassing prevention, prohibition, and punishment of sexual harassment. This strategy aims to educate employees on the behaviours that constitute sexual harassment.

The Whistle Blower Policy has been formulated to provide a mechanism for Directors, Employees and workers of the Company to raise concerns about any violations of legal or regulatory requirements. This policy aims to create an environment where individuals feel free and secure to report issues. Additionally, it ensures that whistle-blowers are protected from any form of retribution, whether from within or outside the organization.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes. Our Supplier Code of Conduct (SCoC) is incorporated into all business agreements, purchase orders, and contracts with our suppliers.

The SCoC applies to a wide range of entities, including suppliers, service providers, vendors, traders, agents, consultants, contractors, dealers, distributors, business associates, joint venture partners, and third parties, along with their employees, agents, and representatives, who engage in business dealings with our Company or any of its subsidiaries, affiliates, or divisions.

We expect our suppliers to fully comply with applicable laws, rules, and regulations, while also adhering to internationally recognized environmental, social, and governance standards. These standards encompass the well-being of their employees, anti-harassment and anti-discrimination measures, and the abolition of child and forced labour.

#### 9. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	
Forced/involuntary labour	
Sexual harassment	100%
Discrimination at workplace	
Wages	
Others – Please specify	

#### 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

#### Leadership Indicators

##### 1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/complaints.

The company is firmly committed to preventing any violations of human rights. It ensures policy compliance through a mechanism overseen by the HR Department and subject to regular monitoring by the Audit committee at the board level. All stakeholders are provided with secure and 24x7 access to raise grievances and report any breaches related to human rights.

##### 2. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

#### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

##### Essential Indicators

##### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 23	FY 22
Total electricity consumption (A)	GJ	2,69,137	2,24,130
Total fuel consumption (B)	GJ	9,882	11,530
Energy consumption through other sources (C)		NIL	NIL
<b>Total energy consumption (A+B+C)</b>	GJ	<b>2,79,019</b>	<b>2,35,660</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)		0.000006227	0.000006254
Energy intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable, we don't fall under PAT scheme of Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 23	FY 22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface Water	0	0
(ii) Ground Water	84,591	73,421
(iii) Third Party Water	2,27,289	2,04,466
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	3,11,880	2,77,887
<b>Total volume of water consumption (in kilolitres)</b>	3,11,880	2,77,887
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	0.000006959	0.000007375
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency: No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Our manufacturing units are equipped with sewage treatment plants (waste water from operational activities). The treated water from the STPs is used on-site for flushing and gardening, preventing any water discharge beyond the premises. We adhere to the guidelines provided by regulatory bodies. The STPs handle domestic waste water from toilets and canteens.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Specify Unit	FY 23	FY 22
NOx	mg/Nm3	239.52	209.20
Sox	mg/Nm3	47.23	44.06
Particulate matter (PM)	mg/Nm3	179.17	287.86
Persistent organic pollutants (POP)		Nil	Nil
Volatile organic compounds (VOC)		Nil	Nil
Hazardous air pollutants (HAP)		Nil	Nil
Others- please specify		Nil	Nil

Note: We conduct third-party laboratory testing for each of these air emission parameters, including NOx and SOx, at all locations regularly to ensure compliance with permissible limits. Additionally, we submit the reports to the relevant authorities.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency: No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Specify Unit	FY 23	FY 22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	659	769
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	17,430	14,515
<b>Total Scope 1 and Scope 2 emission</b>	Metric tonnes of CO <sub>2</sub> equivalent	18,089	15,284
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		0.0000004037	0.0000004056
<b>Total Scope 1 and Scope 2 emission intensity (optional)–</b> the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Finolex Cables has implemented various measures to reduce energy consumption. The Company consistently strives to enhance operational efficiencies, thereby minimizing energy usage and decreasing greenhouse gas emissions.

- In FY2023, we have consumed 6.87 million KWH of electricity from renewable energy sources, resulting in a reduction of 1601.87 MTCO<sub>2</sub>e emissions in FY 2022-23.
- We have transitioned to using 100% LED lighting in all our plants and have ceased purchasing conventional lights such as HPSV/HPMV, CFL, etc.
- We are in the process of transitioning to cleaner fuels, with a focus on enhancing efficiency. This involves adopting Natural Gas, Biogas and renewable electricity supply whenever feasible.
- We are continually working to enhance our products, aiming for increased energy efficiency during usage and minimized energy consumption:
  - a. In the financial year 2023, we launched two new models of Wiggle ES fans featuring 5-star BLDC motor technology, consuming only 32 watts. These fans contribute to significant power savings, reducing energy consumption by up to 65-70% in the ceiling fan category.
  - b. BEE 3-star rating LED Bulbs (3 w, 5w, 7w, and 9w) with total number 2.4 million.
- Finolex Cables has implemented energy-efficient equipment, machinery and other related work in its major plants, prioritizing power savings and reducing energy consumption.

E.g. installed Variable Frequency Drives (VFD) in Air compressors and pumps, replace old 120TR chiller with 2x25TR chiller refrigerant: R407C, Automatic Harmonic filter panel 730A installed for Power quality improvement, MWD line overhauling has been carried out to enhance machine efficiency and minimize energy consumption, chiller tanks combined in insulation line to minimize energy consumption in chiller etc.



## 8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 23	FY 22
<b>Total Waste Generated (in Metric Tonnes)</b>		
Plastic waste <b>(A) (Non Hazardous)</b>	3396.43	2115.03
E-waste <b>(B)</b>	3.41	6.47
Bio-medical waste <b>(C)</b>	0	0
Construction and demolition waste <b>(D)</b>	0	0
Battery waste <b>(E)</b>	0	0
Radioactive waste <b>(F)</b>	0	0
Other Hazardous waste. Please specify, if any. <b>(G)</b>	5.94	2.42
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	1,683.22	1,659.52
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>5,089</b>	<b>3,783.44</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
<b>Category of Waste</b>		
(i) Recycled	NIL	NIL
(ii) Re-used	NIL	NIL
(iii) Other recovery operations	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	NIL	NIL
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations	NIL	NIL
<b>Total</b>	<b>5,089</b>	<b>3,783.44</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

## 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The company is fully dedicated to improving its performance in terms of safety, worker health, and environmental preservation within its business operations. It strongly emphasizes the importance of maintaining high standards of cleanliness, sanitation, and environmental protection. Consequently, our manufacturing process adheres strictly to practices that eliminate the generation of trade effluent and the use of toxic chemicals. The only types of hazardous waste produced are used oil and oil-soaked cotton waste, which are stored in a designated area on our factory premises in accordance with the guidelines set by the State Pollution Control Board (PCB). We maintain meticulous records of these materials and ensure their proper disposal by selling them to an PCB-approved authorized party.

## 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable. The company does not have any operations/ offices around such areas.

## 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

None.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:  
Yes, the entity is compliant with the applicable environmental law/ regulations/ guidelines in India.

#### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 23	FY 22
<b>From renewable sources (GJ)</b>		
Total electricity consumption(A)	24,735	25,374
Total fuel consumption (B)	NIL	NIL
Energy consumption through other sources (C)	NIL	NIL
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>24,735</b>	<b>25,374</b>
<b>From non-renewable sources (GJ)</b>		
Total electricity consumption (D)	2,44,402	1,98,756
Total fuel consumption (E)	9,882	11,530
Energy consumption through other sources (F)	NIL	NIL
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>2,54,284</b>	<b>2,10,286</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - **No**

2. Provide the following details related to water discharged:

The company does not discharge major volume of water as the manufacturing units are equipped with sewage treatment plants (waste water from operational activities). The treated water from the STPs is used on-site for flushing and gardening, preventing any water discharge beyond the premises. The STPs handle domestic waste water from toilets and canteens. We also adhere to the guidelines provided by regulatory bodies.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format:

Not Applicable as none of the offices/ plants are located in water stressed areas.

4. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

5. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	<b>Usgaon plant:</b> Usage of LPG as the fuel in the furnace	LPG being a cleaner fuel than other types of fuel.	Emission level within the consent level.

Sr. Initiative undertaken No.	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
<b>2. Verna Plant:</b> <ul style="list-style-type: none"> <li>• Reduced chilled water line length by installation of common localized Chiller for LDC insulating lines.</li> <li>• New high efficiency Atlas Copco GA37+PA7 series compressors installed</li> <li>• AirNet pipe lines used instead of conventional steel pneumatic lines</li> <li>• Armaflex insulation installed for chilled water troughs and pipelines</li> <li>• STP plant capacity increased to 22-25KL and ultrafiltration and UV treatment incorporated</li> <li>• Automatic Harmonic filter panel 730A installed at GCAB</li> </ul>	<ul style="list-style-type: none"> <li>• Replacement of 120TR old remote chiller with 2x25TR chiller and 25hp water circulation pump with 5 HP pump</li> <li>• Installed during new LED expansion project</li> <li>• Installed at GCON plant</li> <li>• To improve STP output quality</li> <li>• For improvement in power quality</li> </ul>	<ul style="list-style-type: none"> <li>• Power Savings Old 120TR chiller refrigerant: R134A New Chiller refrigerant: R407C (More environment friendly)</li> <li>• Increased operational efficiency and power savings.</li> <li>• Reduction in transmission losses</li> <li>• Reduced losses and limited or negligible water condensation</li> <li>• Compliance with new norms</li> <li>• Improved power factor and reduced harmonics</li> </ul>
<b>3. Roorkee Plant:</b> <ul style="list-style-type: none"> <li>• Cooling tower output pipeline designed with a new header system in place of an individual /dedicated line for all cooling towers</li> <li>• Centralized PVC conveying system upgraded with latest PLC in place individual / customized obsolete controller.</li> <li>• Improved preventive maintenance of machines</li> <li>• Insulation line up gradation done for SCADA/PLC and drive for</li> <li>• Old MWD line overhauling done to</li> <li>• Phase wise Replacement of old MS pneumatic pipe line with PPR pipe</li> <li>• Old high bay and medium bay Medal halide light fittings converted to LED light fittings</li> </ul>	Designed to meet environment requirements.	<ul style="list-style-type: none"> <li>• Reduced power consumption in pumps.</li> <li>• Reduced energy losses</li> <li>• Reduced breakdown hours</li> <li>• Improved machine efficiency and reduced energy consumption.</li> <li>• Reduced compressed air consumption and energy consumption in the chiller.</li> <li>• Reduced energy consumption.</li> </ul>
<b>4. Pimpri Plant:</b> <ul style="list-style-type: none"> <li>• The process of converting old high bay and medium bay metal halide light fittings to LED light fittings is underway to minimize energy consumption.</li> <li>• An old compressor has been replaced with a new variable frequency drive (VFD)</li> <li>• A proof of concept (POC) is currently being developed for the Pimpri office to minimize energy losses.</li> </ul>	Designing to meet environmental requirements.	<ul style="list-style-type: none"> <li>• Reduction in energy consumption and cost savings</li> <li>• Reduction in noise level and reliability</li> </ul>

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes. The Company does have a Disaster Recovery Policy for its IT services and provides the required continuity in service in the event of a disaster or unforeseen contingency with the following objectives:

- To establish data security and business continuity
- ISMS Policy to train our personnel on handling challenges related to data security and disaster recovery.
- To provide information to Management about ability to continue IT Operations in case of disaster.

The Company has an information Security Management System (ISMS) which is ISO 27001 certified and demonstrates its commitment to continual improvement, and protection of sensitive information. The Company has implemented a Disaster Recovery Policy and procedures to continue its business operations. It also conducts information cyber security awareness training and do's and don'ts practices. Its business continuity / contingency plans and incident response procedures are tested periodically and helps to further strengthen the technological infrastructure.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

NA

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent****Essential Indicators****1. a. Number of affiliations with trade and industry chambers/ associations.**

The Company is affiliated with 3 associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of India Industry (CII)	National
2	Mahratta Chambers of Commerce, Industries and Agriculture (MCCIA)	National
3	Export Engineering Promotion Council (EEPC)	National

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

None

**Leadership Indicators****1. Details of public policy positions advocated by the entity:**

The company, through its executives, makes various recommendations/representations before regulators and associations regarding the new enactments that impact the company, its industry and other related areas.

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development****Essential Indicators****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

None

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not Applicable.

**3. Describe the mechanisms to receive and redress grievances of the community.**

We have Stakeholders Relationship Committee to receive and redress grievances. Grievances of the community are received and resolved by the CSR Committee which works closely with them on various CSR projects.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 23	FY 22
Directly sourced from MSMEs/ small producers	2.84%	4.00%
Sourced directly from within the district and neighbouring districts	13%	7%

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not Applicable.

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Uttarakhand	Haridwar	43,00,000

**3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

Yes, FCL has preferential procurement policy, where we give preference to MSME suppliers.

**b) From which marginalized /vulnerable groups do you procure?**

MSME Vendors

**c) What percentage of total procurement (by value) does it constitute?**

4%

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Not Applicable.

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable.

**6. Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	CSR Activities	% of beneficiaries from vulnerable and marginalized groups
1.	Education	i. Supplied projectors, water filters, and benches to various schools in Roorkee; ii. Provided Cupboard, floor mats, library book and scientific lab equipment's at Shree Mahalasa Narayani School, Verna Goa; iii. Provided School Bus for Deaf & Dumb School, Chinchwad Pune; iv. Support for College & School Renovation, Roorkee; v. Support for Art Centres on Artificial intelligence at Vidya Pratishthan, Baramati	100%

S. No.	CSR Project	CSR Activities	% of beneficiaries from vulnerable and marginalized groups
2.	Environment	i. Support for Amrit Sarovar Scheme, Roorkee; ii. Construction done for Storm Water Drain Pipeline, Urse;	100%
3.	Health	i. Support provided to Maharaj Jagat Singh Medical Trust; Beas, Punjab ii. Diabetic children treatment at Jehangir Hospital, Pune; iii. Ambulance running service at Pawana Hospital, Urse iv. Installed Intensive care units (ICUs) and TV control system and provided support for Paediatric heart surgery to underprivileged people at Mangeshkar Medical Foundation, Pune; v. Provided of TRAX AMBULANCE VAN, Artificial Limbs and anaesthesia machine to Inlakhs Hospital, Pune vi. Installed CIM machine and MIC analyser machine for laboratory in Morya Hospital, Pune; vii. Provided furniture for cancer unit in Inlakhs Hospital, at Pune viii. Every day, Free breakfast to 100 underprivileged children from Yerwada Basti through the Sadhu Vaswani Mission in Pune	100%
4.	Food and Nutrition	Distribution of Food and nutrition to the Akshaya Patra Foundation	100%
5.	Rural Development	i. Provided a Bolero vehicle to the Roorkee Police; ii. Support to Urse Police station with an Inverter;	100%

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Our company's foundation rests upon the trust, satisfaction, and loyalty of our esteemed customers, who are considered one of our primary stakeholders. Ensuring the well-being of our customers nationwide, we remain steadfast in our commitment to delivering products that are safe and secure. We actively foster customer engagement through diverse channels, including dealers' meetings, enabling us to gain valuable insights into their unique requirements and preferences.

The Company actively interacts with its customers through a variety of platforms. Customers can register their complaints by calling the company's Call Centre on toll free No. 18002090166. Alternatively, they can use WhatsApp to register their complaints on (020-27506219) or send an email to the company's customer service email address Service@finolex.com. By utilizing these communication channels, customers can effortlessly and promptly connect with the company and receive the support they require.

#### 2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	68%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%



3. Number of consumer complaints in respect of the following:

	FY 23		Remarks	FY 22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	N.A.	Nil	Nil	N.A.
Advertising	Nil	Nil	N.A.	Nil	Nil	N.A.
Cyber-security	Nil	Nil	N.A.	Nil	Nil	N.A.
Delivery of essential services	Nil	Nil	N.A.	Nil	Nil	N.A.
Restrictive Trade Practices	Nil	Nil	N.A.	Nil	Nil	N.A.
Unfair Trade Practices	Nil	Nil	N.A.	Nil	Nil	N.A.
Other	41	0	N.A.	79	0	N.A.

4. Details of instances of product recalls on account of safety issues:

Not applicable.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Finolex Cables Limited has a framework and policy in place to safeguard its digital assets and guarantee the privacy, accuracy, and accessibility of their data. The company's Privacy policy can be accessed through the following link:

<https://finolex.com/wp-content/uploads/2020/10/Privacy-Policy.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information related to products manufactured by the Company are available on the Company's website, <https://finolex.com>. In addition, the Company makes use of multiple social media and digital platforms to spread awareness about its products.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company exhibits product details on the product label, surpassing the stipulated local legal requirements. Additionally, the Company has established Experiential Hubs in diverse locations and organizes gatherings and training sessions for its dealers, influencers, distributors, and consumers to educate them about its product range.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Although the company's products do not really fall within the ambit of essential services, the Company has yet never experienced the possibility of disruption/ discontinuation.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Information mandated by statutory requirements is displayed on the products as part of product information.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil.

## Annexure K

**DETAILS AS REQUIRED BY THE SEBI CIRCULAR NO. SEBI/HO/CFD/CFD-POD-1/P/CIR/2023/123 DATED JULY 13, 2023.****A) Trust Deed & Supplemental Trust deed.**

<b>Sr. No</b>	<b>Particulars</b>	<b>Details</b>
1	If the listed entity is a party to the agreement details of the counterparties (including name and relationship with the listed entity)	Not Applicable
2	If listed entity is not a party to the agreement, i. name of the party entering into such an agreement and the relationship with the listed entity; ii. details of the counterparties to the agreement (including name and relationship with the listed entity) iii. date of entering into the agreement.	Mr. Pralhad Parasram Chhabria settled a Private determinate trust known as the "Pralhad Chhabria Trust" where under the Board of Trustees would comprise of the following members: i. Late Pralhad Chhabria ii. Mrs. Aruna Katara iii. Mr. Vijay Chhabria iv. Mr. Deepak Chhabria v. Mr. Prakash Chhabria  The aforesaid individuals are Promoters of the Company.  Trust deed dated 12 <sup>th</sup> March 2012 1 <sup>st</sup> Supplemental Trust deed dated 20 <sup>th</sup> August 2012 2 <sup>nd</sup> Supplemental Trust deed dated 4 <sup>th</sup> January 2014
3	Purpose of entering into the agreement;	Pralhad Chhabria Trust was created so that the Finolex Group remains an integral, vibrant, growth oriented industrial group which will collectively progress and grow in the future for a long time.
4	shareholding, if any, in the entity with whom the agreement is executed	Not Applicable
5	significant terms of the agreement (in brief)	<b>Clause no. 12, 13 &amp; 13 (a)</b> 12. On the basis of above referred shareholding of Orbit settled in this Trust from time to time and in particular the shares in Orbit which will be received by way of gift from the Settlor in future or as per the Will of the Settlor in future in favour of the Trust, the Trustees would be entitled to exercise the voting rights in Finolex Group Companies, i.e., Finolex Industries Limited, Finolex Cables Limited, Finolex Plasson Limited & I2IT Private Limited. They would exercise such rights in a manner that Orbit would support the management of Mr. Prakash Pralhad Chhabria or his nominee successor in Finolex Industries Limited, that of Mr. Deepak Chhabria or his nominee successor in Finolex Cables Limited and that of Mr. Vijay Chhabria or his nominee successor in Finolex Plasson Limited and that of Mrs. Aruna Katara or her nominee successor in I2IT Private Limited.  13. It is already clarified that there is a cross holding between Finolex Industries Limited and Finolex Cables Limited. The shares of Finolex Plasson Limited are held substantively by Finolex Industries Limited & the shares of I2IT Private Limited are also held by various entities in the group. Apart from that, even the family members are holding certain shares of these four companies individually or through their relatives or their concerns. It may so happen that because of such holding, they will get the powers on their own to intervene or vote in each other's companies directly or indirectly. The Settlor has already made clear that it is his intention that Mr. Prakash Chhabria, Mrs. Aruna Katara, Mr. Deepak Chhabria and

Sr. No	Particulars	Details
		<p>Mr. Vijay Chhabria or their respective nominees amongst their direct lineal descendants remain in charge of the day to day management of Finolex Industries Limited, I2IT Private Limited, Finolex Cables Limited and Finolex Plasson Limited respectively without causing any harm to each other's individual interests. Thus, the Settlor expects each one of them to follow the above intention in day to day matters and support each other in the management of their respective Companies. If any of the Beneficiaries/Trustees dies not support the management of the other Beneficiary or his nominee Successor in the respective Companies as mentioned above or acts against the interest of any other Beneficiary on the basis of any other shareholding in these companies directly or indirectly through their family members or concerns, such person would cease to be the Beneficiary/Trustee in this Trust and his/her share in the Trust Fund and Income would be distributed amongst the other remaining Beneficiaries equally. On this issue, the Trustees are directed to take a decision in consultation with two renowned legal experts and their opinion would be final. In case of any difference of opinion amongst them, they will refer the issue to a third renowned legal expert and his decision would be final.</p> <p>In this clause, I have made it clear that each of the beneficiaries shall support the management of the other beneficiaries in their respective companies. To make my intention clear, I direct that the Trustees shall support and ensure as also use their voting powers whether at a meeting or otherwise in a manner that the following persons or their nominees shall be made the Chairman / Chairperson of their respective companies as mentioned hereunder subject to the Board Approval of the respective companies —</p> <ul style="list-style-type: none"> <li>i) Shri Deepak Chhabria shall be the Chairman of Finolex Cables Ltd. and after his death or in case of his incapacitation, his nominee shall succeed him as the Chairman of Finolex Cables Ltd.</li> <li>ii) Shri Prakash Chhabria shall be the Chairman of Finolex Industries Ltd. and after his death or in case of his incapacitation, his nominee shall succeed him as the Chairman of Finolex Industries Ltd.</li> <li>iii) Shri Vijay Chhabria shall be the Chairman of Finolex Plasson Ltd. and after his death or in case of his incapacitation, his nominee shall succeed him as the Chairman of Finolex Plasson Ltd.</li> <li>iv) Mrs. Aruna Katara shall be the Chairperson of I2IT Pvt. Ltd. and, after her death or in case of her incapacitation, her nominee shall succeed her as the Chairman of I2IT Pvt. Ltd.</li> </ul> <p>Accordingly, none of the beneficiaries directly or indirectly shall do any acts, matters, deeds or things or use their voting power which shall in any manner adversely affect the directorship or the Chairmanship, as the case may be, of the respective beneficiaries in the companies mentioned hereinafter.</p>

Sr. No	Particulars	Details
6	extent and the nature of impact on management or control of the listed entity	<p>The trust deed inter alia provides for Mr. Deepak Chhabria and his direct lineal descendants to wield management and control of the Company.</p> <p>Shri Deepak Chhabria shall be the Chairman of Finolex Cables Ltd. and after his death or in case of his incapacitation, his nominee shall succeed him as the Chairman of Finolex Cables Ltd.</p> <p>None of the beneficiaries directly or indirectly shall do any acts, matters, deeds or things or use their voting power which shall in any manner adversely affect the directorship or the Chairmanship, as the case may be, of the respective beneficiaries in the companies mentioned hereinafter.</p>
7	details and quantification of the restriction or liability imposed upon the listed entity	Not Applicable
8	whether the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	<p>The parties of the Trust deed are promoters of the Company.</p> <p><b>Late Pralhad Chhabria</b> - was</p> <p>(a) a promoter shareholder of FCL  (b) Real Brother of Mr. Kishan P. Chhabria  (c) the father of Prakash Chhabria and Aruna Katara,  (d) uncle of Mr. Deepak Chhabria and Mr. Vijay Chhabria</p> <p><b>Mr. Prakash Chhabria</b> - is</p> <p>(a) a promoter shareholder of FCL  (b) Son of Late Pralhad Chhabria  (c) Cousin Brother of Mr. Deepak Chhabria and Mr. Vijay Chhabria  (d) Real Brother of Mrs. Aruna Katara,</p> <p><b>Mr. Deepak Chhabria</b> - is</p> <p>(a) a promoter shareholder of FCL  (b) Real Brother of Mr. Vijay Chhabria  (c) Cousin Brother of Mr. Prakash Chhabria and Mrs. Aruna Katara,</p> <p><b>Mrs. Aruna Katara</b> - is</p> <p>(a) a promoter shareholder of FCL  (b) Daughter of Late Pralhad Chhabria  (c) Real Sister of Mr. Prakash Chhabria  (d) Cousin Sister of Mr. Deepak Chhabria and Mr. Vijay Chhabria</p> <p><b>Mr. Vijay Chhabria</b> - is</p> <p>(a) a promoter shareholder of FCL  (b) Real Brother of Mr. Deepak Chhabria  (c) Cousin Brother of Mr. Prakash Chhabria and Mrs. Aruna Katara,</p>
9	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	<p>The said trust deed is not one of the transactions as stipulated in Section 188(1) (a) to (g) of the Companies Act, 2013. In view thereof, the question of whether it was entered into on an 'arm's length basis' does not arise.</p>
10	in case of issuance of shares to the parties, details of issue price, class of shares issued	Not Applicable

Sr. No	Particulars	Details
11	any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	There are disputes relating to the Trust deed (as amended) which are sub-judice and pending before various courts/ fora. Since these are sub-judice proceedings, FCL is not commenting further on the same.
12	<p>in case of rescission, amendment or alteration, listed entity shall disclose additional details to the stock exchange(s):</p> <p>i. name of parties to the agreement;</p> <p>ii. nature of the agreement;</p> <p>iii. date of execution of the agreement;</p> <p>iv. details and reasons for amendment or alteration and impact thereof (including impact on management or control and on the restriction or liability quantified earlier);</p> <p>v. reasons for rescission and impact thereof (including impact on management or control and on the restriction or liability quantified earlier)</p>	<p><b>Names of the Trustees :</b></p> <p>i. Late Pralhad Chhabria</p> <p>ii. Mrs. Aruna Katara</p> <p>iii. Mr. Vijay Chhabria</p> <p>iv. Mr. Deepak Chhabria</p> <p>v. Mr. Prakash Chhabria</p> <p><b>Nature : Trust Deed</b></p> <p><b>Date of Execution :</b></p> <p>Trust deed dated 12<sup>th</sup> March 2012</p> <p>1<sup>st</sup> Supplemental Trust deed dated 20<sup>th</sup> August 2012</p> <p>2<sup>nd</sup> Supplemental Trust deed dated 4<sup>th</sup> January 2014</p> <p><b>Details and reasons for amendment:</b></p> <p>1<sup>st</sup> Supplemental Trust deed dated 20<sup>th</sup> August 2012: To bring clarity and remove ambiguity about the terms and conditions of the Trust and also about clarifying intentions behind creating the trust</p> <p>2<sup>nd</sup> Supplemental Trust deed dated 4<sup>th</sup> January 2014: Again to make certain amendments and clarification to the original trust deed and to ensure carrying of management of the trust smoothly after death of Late Pralhad Chhabria.</p> <p><b>Impact thereof including impact on management or control</b></p> <p>The trust deed inter alia provides for Mr. Deepak Chhabria and his direct lineal descendants to wield management and control of the Company.</p> <p>Shri Deepak Chhabria shall be the Chairman of Finolex Cables Ltd. and after his death or in case of his incapacitation, his nominee shall succeed him as the Chairman of Finolex Cables Ltd.</p> <p>None of the beneficiaries directly or indirectly shall do any acts, matters, deeds or things or use their voting power which shall in any manner adversely affect the directorship or the Chairmanship, as the case may be, of the respective beneficiaries in the companies mentioned hereinafter.</p>

**B) Memorandum of Understanding**

<b>Sr. No</b>	<b>Particulars</b>	<b>Details</b>
1	If the listed entity is a party to the agreement details of the counterparties (including name and relationship with the listed entity)	Finolex Industries Limited (FIL)  Associate and Shareholder of the Company
	If listed entity is not a party to the agreement,	Not Applicable
	i. name of the party entering into such an agreement and the relationship with the listed entity;	
	ii. details of the counterparties to the agreement (including name and relationship with the listed entity)	
	iii. date of entering into the agreement.	
	Purpose of entering into the agreement;	FIL and FCL each desire that in mutual interest their respective shareholding in the other company should continue in the long term for business reasons and not to disturb the arrangement of crossholdings between the parties.
4	shareholding, if any, in the entity with whom the agreement is executed	FIL holds 22,187,075 fully paid up equity shares of Rs. 2 each in FCL which represents 14.51% of the paid up Equity share capital of FCL.  FCL holds 40,192,597 fully paid up equity shares of Rs. 10 each in FIL which represents 32.39% of the paid up Equity share capital of FIL.
5	significant terms of the agreement (in brief)	Clause (5)  FIL hereby notes that Shri Deepak K Chhabria is presently the Managing Director of FCL. Similarly, FCL hereby notes that Shri Prakash P Chhabria is presently the Managing Director of FIL. Each party hereby agrees to ensure that their respective voting rights in the other company are not utilized to inconvenience or displace or remove:  (i) Shri Prakash P Chhabria from the post of Managing Director or any other higher post to which he may be elevated to in FIL in future unless he is incapacitated or otherwise disqualified or unwilling to act as such in FIL; or  (ii) Shri Deepak K Chhabria from the post of Managing Director or any other higher post to which he may be elevated to in FCL in future unless he is incapacitated or otherwise disqualified or unwilling to act as such in FCL.
6	extent and the nature of impact on management or control of the listed entity	Shri Deepak K Chhabria is presently the Executive Chairman and a whole-time Director of FCL. FIL hereby agrees to ensure that their respective voting rights in the FCL are not utilized to inconvenience or displace or remove Shri Deepak K Chhabria from the post of Managing Director or any other higher post to which he may be elevated to in FCL in future unless he is incapacitated or otherwise disqualified or unwilling to act as such in FCL.
7	details and quantification of the restriction or liability imposed upon the listed entity	The parties shall at all times and from time to time do their utmost to ensure that their respective shareholding in the other company does not get diluted in any manner whatsoever.



Sr. No	Particulars	Details
8	whether the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	FIL is shareholder of FCL FCL is shareholder of FIL
9	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Not applicable
10	in case of issuance of shares to the parties, details of issue price, class of shares issued	Not applicable
11	any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	There are disputes relating to the MOU which are sub-judice and pending before courts. Since these are sub-judice proceedings, FCL is not commenting further on the same.
12	in case of rescission, amendment or alteration, listed entity shall disclose additional details to the stock exchange(s): i. name of parties to the agreement; ii. nature of the agreement; iii. date of execution of the agreement; iv. details and reasons for amendment or alteration and impact thereof (including impact on management or control and on the restriction or liability quantified earlier); v. reasons for rescission and impact thereof (including impact on management or control and on the restriction or liability quantified earlier)	Not Applicable

# **Financial Statements**

# Independent Auditor's Report

## To The Members of FINOLEX CABLES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### OPINION

We have audited the accompanying standalone financial statements of **FINOLEX CABLES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 (ICAI) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Impairment of Investment in joint venture: (Refer Notes 2.3 (ii), 2.23 and 6 to the standalone financial statements)</p> <p>As at 31 March, 2023, the Company held investment with a carrying value of Rs. 42.71 crore (net of impairment Rs. 188.57 crore including Rs. 16.00 crores impaired during the year) in a joint venture - Finolex J-Power Systems Limited. This investment is carried at cost less impairment in the Company's standalone financial statements.</p> <p>Due to continuous losses being incurred by the joint venture, the Company's management has tested this investment for impairment in accordance with Ind AS 36 by comparing its recoverable amount with its carrying amount as at 31 March, 2023.</p> <p>The recoverable amount of the investment in joint venture is assessed based on future discounted cash flows of the joint venture (Enterprise Value).</p>	<p>Principal audit procedures performed</p> <p>We obtained an understanding of the Company's policies and procedures to identify impairment indicators for investment in joint venture and performed the following procedures in relation to the Company's management impairment assessment:</p> <ul style="list-style-type: none"> <li>We tested the design and operating effectiveness of the Company's management controls over review of the impairment assessment including those over the forecasts of future cash flows and the selection of the discount rate.</li> <li>We evaluated the reasonableness of forecasts of future cash flows of the joint venture provided to us by the Company's management by comparing the forecasts to historical trend analysis.</li> </ul>

Key Audit Matter	Auditor's Response
<p>We considered this as a key audit matter due to significant judgement involved in estimating future cash flows of the joint venture and in determining the discount rate to be used. Changes in inputs and assumptions could impact the results of the impairment assessment.</p>	<ul style="list-style-type: none"> <li>With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology and discount rate by developing a range of independent estimates and comparing those to the discount rate selected by the management.</li> <li>We evaluated management's sensitivity analysis around the key assumptions such as discount rate and terminal growth rate, to ascertain the extent of change in those assumptions that would be required for the investment in joint venture to be impaired further.</li> </ul>
	<p>We assessed the adequacy of disclosures made in the financial statements for the year ended 31 March, 2023.</p>

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, including Annexures to Boards' Report, Corporate Governance and Shareholder's information, but does not include the standalone financial statements, consolidated financial statements and our auditor's 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 during the course of our 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.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### AUDITOR'S RESPONSIBILITY 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 financial 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial

statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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 auditor's 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**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone 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 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

As more fully stated in Note 28.1 the reappointment and remuneration of the executive directors is pending before the Hon'ble High Court. Subject to the aforesaid in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the

Investor Education and Protection Fund by the Company except in respect of transfer of equity shares, as the Company is in process of transferring shares in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, to the Investor Education and Protection Fund.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39(b) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 39(b) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided

under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in Note 16(b) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log)

facility is applicable to the Company w.e.f. 1 April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Rupen K. Bhatt**

(Partner)

Place: Pune

Date: 26 May, 2023

Membership No. 046930

UDIN: 23046930BGXRKP3920



# Annexure “A” to the Independent Auditor’s Report

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

**Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to standalone financial statements of **FINOLEX CABLES LIMITED** (“the Company”) as of 31 March, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date

## MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control 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. 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.

## AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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 control 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.

### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls

with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Rupen K. Bhatt**

(Partner)

Place: Pune

Membership No. 046930

Date: 26 May, 2023

UDIN: 23046930BGXRKP3920

## Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of Property, Plant and Equipment so to cover all the items of Property, plant and equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed / Possession Certificate / Lease agreement / Encumbrance Certificate provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, from banks on the basis of security of current assets of the Company. In our opinion and according to the information and explanations given to us, the quarterly returns or statements, provisional/final containing, inter alia, amount of inventory and trade receivable, filed by the Company with such banks till the date of this report are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) (c), (d), (e) and (f) of the Order is not applicable. The Company has made investments in, provided guarantee, to companies, or any other parties during the year, in respect of which:
- (a) The Company has stood guarantee during the year and details of which are given below:
- | <b>Guarantee</b>  |                   |
|---|-------------------|
| A. Balance outstanding as at  | Rs. 106.75 crores |
| balance sheet date  |                   |
| - Joint Ventures (guarantee given to the bankers of Finolex J-Power Systems Limited, Joint Venture entity.) |                   |
- (b) The investments made, guarantee provided, and the terms and conditions of guarantee provided

during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of, investments made and guarantees provided. Further, the Company has not granted any loans or provided securities during the year.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, the reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have

been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2023, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March, 2023 on account of disputes are given below:

Name of Statute	Nature of the Dues	Amount Unpaid (Rs. In crore)	Period to which the Amount relates	Forum where Dispute is pending
The Central Sales Tax Act and Local Sales Tax Act	Sales Tax (#)	0.84	1992-1993, 2003-2004, 2013-2014, 2014-2015	Tribunal
		120.96	2002-2003, 2004-2005, 2006-2007 to 2009-2010, 2011-2012 to 2017-2018	Appellate Authority upto Commissioner Level
Goa Entry Tax Act, 2000	Entry Tax	4.85	2005-2006, 2011-2012 and 2012-2013	Appellate Authority upto Commissioner Level
Income-Tax Act, 1961	Income Tax	2.82	2001-2002	Supreme Court
		20.21	1992-1993 to 1995-1996, 1999-2000 to 2002-2003, 2007-2008 to 2009-2010	High Court
		1.19	2012-2013	ITAT
		4.99	2015-2016 to 2017-2018, 2020-2021	Appellate Authority upto Commissioner Level
Customs Act, 1962	Customs Duty (^)	0.88	1999-2000	CESTAT
Central Excise Act, 1944	Excise Duty (*)	37.44	2003-2004 to 2015-2016	CESTAT
		4.33	2015-2016	Appellate Authority upto Commissioner Level
Central Goods and Service Tax Act, 2017	Goods and Service Tax (\$)	0.46	2018-2019	High Court
		0.29	2017-2018, 2019-2020, 2021-2022	Appellate Authority upto Commissioner Level

#Net of Rs. 16.08 crore paid under protest.

\* Net of Rs. 1.44 crore paid under protest.

\$ Net of Rs. 0.06 crore paid under protest.

^Net of Rs. 0.06 crore paid under protest.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken / drawdown any loans or other borrowings from sanctioned fund-based limits approved by the lenders. Hence reporting under clause 3(ix)(a) Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence reporting under clause 3(ix)(c) Order is not applicable.
- (d) The Company has not raised any funds on short-term basis during the year and hence reporting under clause 3(ix)(d) Order is not applicable.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint ventures or associate. Further, the Company does not have any subsidiary during the year.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports issued to the Company during year and covering the period up to March 2023.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any Core Investment Company (CIC) as part of the Group and accordingly clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which

causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent Corporate Social Responsibility (CSR) amount for the year requiring a transfer to Fund specified in Schedule VII to the Companies Act in compliance with second proviso to section 135(5)

of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the said Act.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Rupen K. Bhatt**

(Partner)

Place: Pune  
Date: 26 May, 2023

Membership No. 046930  
UDIN: 23046930BGXRKP3920

# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2023

		(Rs. In Crore)		
	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	
<b>I ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
(a)	Property, Plant and Equipment	3	421.75	369.66
(b)	Capital Work-in-Progress	3.1	21.04	86.77
(c)	Intangible Assets	4	1.43	0.27
(d)	Right of use Asset	5	11.77	10.25
(e)	Financial Assets			
i)	Investment in Associate and Joint Ventures	6	196.31	201.53
ii)	Other Investments	7	170.67	91.60
iii)	Other Financial Assets	9	4.54	4.33
(f)	Non-Current Tax Assets (net)		20.78	19.14
(g)	Other Non-Current Assets	10	23.40	19.37
			<b>871.69</b>	<b>802.92</b>
<b>CURRENT ASSETS</b>				
(a)	Inventories	11	674.62	653.11
(b)	Financial Assets			
i)	Investments	8	1,345.75	827.32
ii)	Trade Receivables	12	217.76	177.15
iii)	Cash and Cash Equivalents	13	67.41	32.39
iv)	Other Bank balances	14	5.94	5.55
v)	Other Financial Assets	9	877.55	1,057.14
(c)	Other Current Assets	15	22.55	44.60
			<b>3,211.58</b>	<b>2,797.26</b>
			<b>4,083.27</b>	<b>3,600.18</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a)	Equity Share Capital	16	30.59	30.59
(b)	Other Equity	17	3,679.05	3,233.20
			<b>3,709.64</b>	<b>3,263.79</b>
<b>LIABILITIES</b>				
<b>NON CURRENT LIABILITIES</b>				
(a)	Financial Liabilities			
i)	Borrowings	18	0.25	0.28
ii)	Lease Liabilities	5	9.79	6.34
(b)	Provisions	19	10.45	9.98
(c)	Deferred Tax Liabilities ( Net)	20	33.06	26.14
			<b>53.55</b>	<b>42.74</b>
<b>CURRENT LIABILITIES</b>				
(a)	Financial Liabilities			
(i)	Borrowings	18	0.03	0.03
(ii)	Lease Liabilities	5	3.54	2.14
(iii)	Trade Payables			
(a)	Total Outstanding Dues of micro enterprises and small enterprises	21	19.30	16.29
(b)	Total Outstanding Dues of creditors other than micro enterprises and small enterprises	21	189.40	173.76
(iv)	Other Financial Liabilities	22	4.60	4.29
(b)	Other Current Liabilities	23	57.20	68.02
(c)	Provisions	19	7.06	5.08
(d)	Current tax Liabilities (net)		38.95	24.04
			<b>320.08</b>	<b>293.65</b>
			<b>373.63</b>	<b>336.39</b>
			<b>4,083.27</b>	<b>3,600.18</b>

See accompanying notes to the Standalone Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune : 26<sup>th</sup> May, 2023

For and behalf of Board of Directors of Finolex Cables Limited

**Deepak Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F Billimoria**  
Director

**Siddhesh Mandke**  
Company Secretary  
& GM (Legal)  
Pune : 26<sup>th</sup> May, 2023



# Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2023

(Rs. In Crore)

	Note No.	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>I</b>			
Revenue from operations	24	4,481.11	3,768.14
<b>II</b>			
Other income	25	198.13	151.81
<b>III Total income</b>		<b>4,679.24</b>	<b>3,919.95</b>
<b>IV EXPENSES</b>			
(a) Cost of material consumed	26	3,459.32	2,793.62
(b) Purchase of stock-in-trade		78.59	93.83
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	6.57	78.83
(d) Employee benefits expense	28	162.67	146.08
(e) Finance Costs	29	1.24	1.52
(f) Depreciation and amortization expenses	30	46.40	38.85
(g) Other Expenses	31	278.41	240.60
<b>Total Expenses</b>		<b>4,033.20</b>	<b>3,393.33</b>
<b>V Profit before Tax</b>		<b>646.04</b>	<b>526.62</b>
<b>VI Tax Expense</b>			
(a) Current tax	20	145.04	127.92
(b) Deferred tax	20	(0.74)	(5.91)
<b>Total Tax</b>		<b>144.30</b>	<b>122.01</b>
<b>VII Profit for the year</b>		<b>501.74</b>	<b>404.61</b>
<b>VIII Other Comprehensive Income / (Expense)</b>			
A. Items that will not be reclassified to profit or loss			
(i) Re-measurement gain/ (loss) on defined benefit plans		0.27	1.45
(ii) Fair value change on equity instruments		43.26	(10.91)
(iii) Income tax relating to these items		(7.66)	2.05
B. Items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income/ (Expense) for the year</b>		<b>35.87</b>	<b>(7.41)</b>
<b>IX Total comprehensive income for the year</b>		<b>537.61</b>	<b>397.20</b>
<b>X Earnings per equity share of face value of Rs. 2 each</b>			
(i) Basic	37	32.81	26.46
(ii) Diluted	37	32.81	26.46
See accompanying notes to the Standalone Financial Statements			

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune : 26<sup>th</sup> May, 2023

For and behalf of Board of Directors of Finolex Cables Limited

**Deepak Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F Billimoria**  
Director

**Siddhesh Mandke**  
Company Secretary  
& GM (Legal)  
Pune : 26<sup>th</sup> May, 2023

# Statement of Standalone Cash Flow

for the year ended 31<sup>st</sup> March, 2023

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>A. Cash flow from Operating Activities</b>		
Profit before tax for the year	<b>646.04</b>	<b>526.62</b>
<b>Adjustments for :</b>		
Finance costs	1.24	1.52
Interest income on financial assets carried at amortised cost	(48.52)	(46.10)
Dividend income	(80.96)	(80.91)
Net (gain)/loss on investments classified at FVTPL	(58.68)	(20.78)
Allowances for doubtful debts	(0.42)	25.50
Allowances for doubtful advances	-	0.52
Depreciation and amortisation expenses	46.40	38.85
Impairment of financial assets	16.00	9.81
Loss/(gain) on disposal of property, plant and equipment	0.01	0.50
	<b>(124.93)</b>	<b>(71.09)</b>
Operating profit before working capital changes	<b>521.11</b>	<b>455.53</b>
<b>Working Capital Adjustments</b>		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(40.19)	(26.10)
Inventories	(21.51)	102.29
Other current assets	22.05	25.90
Other financial assets (current and non-current)	(4.19)	0.05
Other non-current assets	0.18	(0.39)
	<b>(43.66)</b>	<b>101.75</b>
	<b>477.45</b>	<b>557.28</b>
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	18.65	14.04
Long term / short term provisions	2.72	(2.06)
Other current liabilities	(10.82)	35.91
Other current financial liabilities	0.08	(0.16)
	<b>10.63</b>	<b>47.73</b>
<b>Cash generated from operations</b>	<b>488.08</b>	<b>605.01</b>
Income tax paid	(131.77)	(131.96)
<b>Net cash generated from Operating Activities</b>	<b>356.31</b>	<b>473.05</b>

# Statement of Standalone Cash Flow

for the year ended 31<sup>st</sup> March, 2023

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>B. Cash flow from Investing Activities</b>		
Dividend received	80.96	80.91
Deposits and bank balances not considered as cash and cash equivalents	181.89	(247.02)
Interest received - Others	49.81	37.76
Purchase of investments in mutual funds	(4,609.40)	(3,802.96)
Proceeds from sale of investments in mutual funds	4,113.86	3,619.76
Purchase of investment in joint venture	(10.78)	-
Purchase of investment in quoted/unquoted equity shares	(0.02)	-
Purchase of property, plant and equipment	(31.02)	(67.06)
Proceeds from disposal of property, plant and equipment	0.06	0.27
<b>Net cash (used in) Investing Activities</b>	<b>(224.64)</b>	<b>(378.34)</b>
<b>C. Cash flow from Financing Activities</b>		
Other borrowings repaid	(0.03)	(0.03)
Dividend paid	(91.53)	(83.81)
Interest and other borrowing costs	(0.01)	(0.59)
<b>Repayment of lease liability:</b>		
Principal	(3.85)	(1.56)
Interest	(1.23)	(0.93)
<b>Net cash (used in) Financing Activities</b>	<b>(96.65)</b>	<b>(86.92)</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>	<b>35.02</b>	<b>7.79</b>
<b>Cash and cash equivalents as at 1<sup>st</sup> April (Opening balance)</b>	<b>32.39</b>	<b>24.60</b>
<b>Cash and cash equivalents as at 31<sup>st</sup> March (Closing balance)</b>	<b>67.41</b>	<b>32.39</b>

## Note:

### 1 Cash and Cash Equivalents include:

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Cash on hand	0.01	0.01
(b) Balances with banks		
In current accounts	67.40	32.38
<b>Cash and Cash Equivalents</b>	<b>67.41</b>	<b>32.39</b>

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune : 26<sup>th</sup> May, 2023

For and behalf of Board of Directors of Finolex Cables Limited

**Deepak Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F Billimoria**  
Director

**Siddhesh Mandke**  
Company Secretary  
& GM (Legal)  
Pune : 26<sup>th</sup> May, 2023

# Standalone Statement of Changes in Equity

## for the year ended 31<sup>st</sup> March, 2023

### A) EQUITY SHARE CAPITAL

	(Rs. In Crore)	
	No. of shares	Amount
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>152,939,345</b>	<b>30.59</b>
Issued during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>152,939,345</b>	<b>30.59</b>
Issued during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>152,939,345</b>	<b>30.59</b>

### B) OTHER EQUITY

Description	Reserve and surplus					Item of Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	General Reserve	Share buyback Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,166.35</b>	<b>78.38</b>	<b>2,920.12</b>
Profit for the year	-	-	-	-	404.61	-	404.61
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	1.09	(8.50)	(7.41)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405.70</b>	<b>(8.50)</b>	<b>397.20</b>
Dividend Paid	-	-	-	-	(84.12)	-	(84.12)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,487.93</b>	<b>69.88</b>	<b>3,233.20</b>
<b>Balance as at 1<sup>st</sup> April, 2022</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,487.93</b>	<b>69.88</b>	<b>3,233.20</b>
Profit for the year	-	-	-	-	501.74	-	501.74
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	0.20	35.67	35.87
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>501.94</b>	<b>35.67</b>	<b>537.61</b>
Dividend Paid	-	-	-	-	(91.76)	-	(91.76)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,898.11</b>	<b>105.55</b>	<b>3,679.05</b>

See accompanying notes to the Standalone Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune : 26<sup>th</sup> May, 2023

For and behalf of Board of Directors of Finolex Cables Limited

**Deepak Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F Billimoria**  
Director

**Siddhesh Mandke**  
Company Secretary  
& GM (Legal)  
Pune : 26<sup>th</sup> May, 2023

# Notes to the Standalone Financial Statements

## 1. CORPORATE INFORMATION.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges (i.e. BSE & NSE) in India. The registered office of the Company is located at 26/27, Mumbai-Pune Road, Pimpri, Pune 411018 (India). The Company is principally engaged in the manufacturing of Electricals Cables, Communication Cables & other electrical appliances.

These standalone financial statements for the year ended March 31, 2023 were approved for issue by the Board of Directors in accordance with their resolution dated May 26, 2023.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation & presentation and statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements are presented in INR and all values are rounded to the nearest Crores in two digits, except where otherwise indicated.

### 2.2 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management of the Company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, provisions and contingent liabilities and fair value measurement of financial instruments. Key source of estimation of uncertainty in respect of employee benefits and measurement of deferred tax assets have been discussed in their respective policies.

### 2.3 Critical accounting estimates

#### i) Property, plant and equipment:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.11.

#### ii) Impairment of Investments

The Company reviews its carrying value of investments in associate and joint ventures carried at cost 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.

#### iii) Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.16.

# Notes to the Standalone Financial Statements

## iv) 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. The policy has been further explained under note 2.18.

## 2.4 Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## 2.5 Revenue recognition

### Sale of goods

Revenue from the sale of goods is recognized at point in time when control of the goods is transferred to the customer, usually on delivery of the goods, customer acceptance and other indicators of transfer of control of goods to the customer. Revenue from sale of goods is measured at an amount that reflects the consideration ("transaction price") expected to be received in exchange for those goods.

### Interest income

Interest income from a financial asset is recognized 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.

### Dividends

Revenue is recognized when the Company's right to receive the dividend is established, which is generally when shareholders approve the dividend.

## 2.6 Foreign Currencies

The Functional Currency of the company is in the Indian rupee. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realized gains and losses as well as exchange differences arising on translation (at year end exchange rates) of monetary assets and monetary liabilities outstanding at the end of the year are recognised in the statement of Profit and Loss.

Non-monetary assets and liabilities that all are measured in terms of historical cost in foreign currencies are not retranslated.

## 2.7 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the

# Notes to the Standalone Financial Statements

grant will be received. Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets. The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

## 2.8 Employee Benefits

### 2.8.1 Defined contribution plans

#### (a) Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

#### (b) Superannuation:

Superannuation fund, which is defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

#### (c) Employees state insurance scheme (ESIC):

The company pays ESIC contribution to Employee State Insurance Corporation of India as per ESIC Act 1948. The Company has no further obligations other than its monthly contributions.

### 2.8.2 Defined benefits plans (Gratuity)

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect

of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

### 2.8.3 Compensated absences:

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of un-availed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

## 2.9 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.



# Notes to the Standalone Financial Statements

## Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.23) Impairment of assets.

### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a

rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 2.10 Income Taxes

### Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax

# Notes to the Standalone Financial Statements

laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India where it generates taxable income, Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management 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 Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized.

## 2.11 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation commences when the assets are ready for their intended use. Freehold land and Assets held for sale are not depreciated.

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

The estimated useful lives in respect of Property, plant and equipment are mentioned below:

Asset Class	Useful Life Adopted (Years)	Useful Life as per Schedule -II (Years)
Plant & Machinery	10 to 25*	15
Solar Plant	25	NA
Buildings-Factory	30	30
Buildings-Others	60	60
Furniture & Fittings	10	10
Office Equipment	5	5
Computers & Peripherals	3 to 6	3 to 6
Vehicles	8	8
Dies & Moulds	6*	8

\*As evaluated by internal technical personnel

# Notes to the Standalone Financial Statements

## 2.12 Intangible Assets

Intangible assets acquired separately are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The amortization policy applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

Particular	Amortization
Computer Software	Over a period of 5 years

## 2.13 Borrowing Costs

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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 2.14 Assets Held for Sale

Non-current assets held for sale are measured at the lower of their carrying value and fair value of the assets less costs to sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment once classified as held for sale are not depreciated/ amortised.

## 2.15 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on weighted average. Cost for this purpose includes cost of direct materials, direct labour, appropriate share of overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for and valued at net realisable value.

## 2.16 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and 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 amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

## 2.17 Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or

# Notes to the Standalone Financial Statements

financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

## 2.18 Financial Assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### 2.18.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 2.18.2 Financial assets at fair value through other comprehensive income

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

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are

measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

### 2.18.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

### 2.18.4 Investment in Joint Ventures and Associate

Investment in joint Ventures and Associate are measured and stated at cost less impairment as per Ind AS 27 - Separate Financial Statements.

### 2.18.5 Impairment of financial assets (other than financial assets at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes life-time expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month 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. Also, refer note 12.1 on loss allowance on Trade receivable.

# Notes to the Standalone Financial Statements

## 2.19 Financial liabilities and equity instruments

### 2.19.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 2.19.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognized in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### 2.19.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

## 2.20 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

## 2.21 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, 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.

## 2.22 Earnings per share

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. 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. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 2.23 Impairment of assets

Assets are tested for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lower levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversals of the impairment at the end of each reporting period.

## 2.24 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or

# Notes to the Standalone Financial Statements

after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the

amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

# Notes to the Standalone Financial Statements

## NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(Rs. In Crore)

	Freehold Land	Lease hold Land	Buildings (Refer note 1)	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
<b>Cost</b>									
<b>Balance as at 1<sup>st</sup> April, 2022</b>	36.63	15.30	191.86	390.32	3.44	3.52	4.32	2.17	647.56
Additions	-	-	10.75	75.76	0.09	0.78	3.79	0.09	91.26
(Disposals)	-	-	-	-	-	-	(0.45)	(0.98)	(1.43)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>36.63</b>	<b>15.30</b>	<b>202.61</b>	<b>466.08</b>	<b>3.53</b>	<b>4.30</b>	<b>7.66</b>	<b>1.28</b>	<b>737.39</b>
<b>Accumulated Depreciation &amp; Impairment</b>									
<b>Balance as at 1<sup>st</sup> April, 2022</b>	-	1.18	47.05	221.29	1.59	2.80	2.59	1.40	277.90
Depreciation expense for the year	-	0.16	6.93	30.61	0.21	0.17	0.82	0.20	39.10
(Disposals)	-	-	-	-	-	-	(0.43)	(0.93)	(1.36)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>1.34</b>	<b>53.98</b>	<b>251.90</b>	<b>1.80</b>	<b>2.97</b>	<b>2.98</b>	<b>0.67</b>	<b>315.64</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2023</b>	<b>36.63</b>	<b>13.96</b>	<b>148.63</b>	<b>214.18</b>	<b>1.73</b>	<b>1.33</b>	<b>4.68</b>	<b>0.61</b>	<b>421.75</b>

(Rs. In Crore)

	Freehold Land	Lease hold Land	Buildings (Refer note 1)	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
<b>Cost</b>									
<b>Balance as at 1<sup>st</sup> April, 2021</b>	36.37	15.30	191.79	380.57	2.75	3.46	3.73	3.54	637.51
Additions	0.26	-	0.07	19.72	0.69	0.06	0.77	-	21.57
(Disposals)	-	-	-	(9.97)	-	-	(0.18)	(1.37)	(11.52)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>36.63</b>	<b>15.30</b>	<b>191.86</b>	<b>390.32</b>	<b>3.44</b>	<b>3.52</b>	<b>4.32</b>	<b>2.17</b>	<b>647.56</b>
<b>Accumulated Depreciation &amp; Impairment</b>									
<b>Balance as at 1<sup>st</sup> April, 2021</b>	-	1.01	40.37	202.06	1.42	2.53	2.21	1.98	251.58
Depreciation expense for the year	-	0.17	6.68	28.74	0.17	0.27	0.54	0.50	37.07
(Disposals)	-	-	-	(9.51)	-	-	(0.16)	(1.08)	(10.75)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>1.18</b>	<b>47.05</b>	<b>221.29</b>	<b>1.59</b>	<b>2.80</b>	<b>2.59</b>	<b>1.40</b>	<b>277.90</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>36.63</b>	<b>14.12</b>	<b>144.81</b>	<b>169.03</b>	<b>1.85</b>	<b>0.72</b>	<b>1.73</b>	<b>0.77</b>	<b>369.66</b>

### Notes:

- (1) Building include Rs. \* Crore being cost of ordinary shares in co-operative housing societies.
- (2) Title deeds of freehold land and building are held in the name of the company.
- (3) No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

\* Denotes amount less than Rs. 50,000



# Notes to the Standalone Financial Statements

## 3.1 Capital-work-in progress (CWIP)

### (a) Capital-work-in progress (CWIP) ageing schedule for the year ended 31<sup>st</sup> March, 2023

(Rs. In Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11.39	5.22	2.75	1.68	21.04
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>11.39</b>	<b>5.22</b>	<b>2.75</b>	<b>1.68</b>	<b>21.04</b>

### Capital-work-in progress (CWIP) ageing schedule for the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	70.43	14.45	0.17	1.72	86.77
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>70.43</b>	<b>14.45</b>	<b>0.17</b>	<b>1.72</b>	<b>86.77</b>

### b) Capital-work-in progress (CWIP), whose completion is overdue or has exceed its cost compared to its original plan as at 31<sup>st</sup> March, 2023

(Rs. In Crore)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	10.89	-	-	-	10.89
Project 2	1.67	-	-	-	1.67
Project 3	0.05	-	-	-	0.05
<b>Total</b>	<b>12.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.61</b>

### Capital-work-in progress (CWIP), whose completion is overdue or has exceed its cost compared to its original plan as at 31<sup>st</sup> March, 2022

(Rs. In Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	10.23	-	-	-	10.23
Project 2	1.67	-	-	-	1.67
Project 3	0.05	-	-	-	0.05
<b>Total</b>	<b>11.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.95</b>

# Notes to the Standalone Financial Statements

## NOTE 4 : INTANGIBLE ASSETS

	(Rs. In Crore)
	<b>Computer Software \$</b>
<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	<b>1.70</b>
Additions	1.28
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>2.98</b>
<b>Accumulated Amortisation and Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	1.43
Amortisation expenses for the year	0.12
Impairment	-
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>1.55</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2023</b>	<b>1.43</b>
<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>1.58</b>
Additions	0.12
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.70</b>
<b>Accumulated Amortisation and Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>1.37</b>
Amortisation expenses for the year	0.06
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.43</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>0.27</b>

### Note:

1) \$ Other than internally generated intangible assets

## NOTE 5 : RIGHT OF USE ASSET

	(Rs. In Crore)
<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	13.17
Addition	10.47
(Disposals)	(2.09)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>21.55</b>
<b>Accumulated Amortisation &amp; Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	2.92
Amortisation expenses for the year	7.18
Impairment	-
(Disposals)	(0.32)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>9.78</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2023</b>	<b>11.77</b>

# Notes to the Standalone Financial Statements

(Rs. In Crore)

<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	10.20
Addition	3.68
(Disposals)	(0.71)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>13.17</b>
<b>Accumulated Amortisation &amp; Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	1.91
Amortisation expenses for the year	1.72
(Disposals)	(0.71)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>2.92</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>10.25</b>

Set out below are the carrying amounts of lease liabilities movements during the year

(Rs. In Crore)

	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>
<b>Balance at the beginning</b>	8.48	6.36
Additions	9.86	3.68
Deduction during the year	(1.16)	-
Accretion of interest	1.23	0.93
Payments	(5.08)	(2.49)
<b>Balance as at the end of the year</b>	<b>13.33</b>	<b>8.48</b>
Current	3.54	2.14
Non-current	9.79	6.34

The effective interest rate for lease liabilities is 7.60%

The following are the amounts recognised in the statement of profit and loss:

(Rs. In Crore)

	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>
Depreciation expense of right-of-use assets	7.18	1.72
Interest expense on lease liabilities	1.23	0.93
Expense relating to short-term leases	0.37	0.32
Expense relating to leases of low-value assets	-	-
Total amount recognised in the statement of profit and loss	8.78	2.97

**Note:**

The maturities of lease liabilities on an undiscounted basis are disclosed under Note no 34.

# Notes to the Standalone Financial Statements

## NOTE 6 : INVESTMENT IN ASSOCIATE & JOINT VENTURES- NON-CURRENT

		(Rs. In Crore)	
		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Investment in Associate &amp; Joint Ventures</b>			
<b>Measured at cost</b>			
<b>(i) Equity shares Quoted</b>			
200,962,985	Equity Shares of Rs. 2 each fully paid in Finolex Industries Limited (Previous Year 200,962,985)"	151.85	151.85
<b>(ii) Equity shares Unquoted</b>			
231,279,994	Equity Shares of Rs. 10 each fully paid in Finolex J-Power Systems Limited (Previous Year 220,500,000)	231.28	220.50
-	Less: Provision for Impairment in value of Investments (Refer note 6.2)	(188.57)	(172.57)
1,750,000	Equity Shares of Rs. 10 each fully paid in Corning Finolex Optical Fibre Private Limited (Previous Year 1,750,000) (Refer note 6.3)	1.75	1.75
<b>Total</b>		<b>196.31</b>	<b>201.53</b>
<b>Aggregate carrying value of Quoted Investment</b>		<b>151.85</b>	<b>151.85</b>
<b>Aggregate market Value of Quoted Investment</b>		<b>3,431.44</b>	<b>3,110.91</b>
<b>Aggregate carrying value of Unquoted Investment</b>		<b>233.03</b>	<b>222.25</b>
<b>Aggregate value of impairment in value of assets</b>		<b>(188.57)</b>	<b>(172.57)</b>
<b>Aggregate carrying value of Unquoted Investment net of impairment</b>		<b>44.46</b>	<b>49.68</b>

### Note 6.1 : Disclosure as per Ind-AS 27

Name of investees	The principal place of business and country of incorporation	Proportion of the ownership interest and proportion of the voting rights
<b>(I) Associate</b>		
Finolex Industries Limited	India	32.39%
<b>(II) Joint Ventures</b>		
Finolex J-Power Systems Limited	India	49.00%
Corning Finolex Optical Fibre Private Limited	India	50.00%

### Note 6.2 :Disclosure as per Ind-AS 36, on Impairment of Investments in Joint Venture

The Company's investment in Finolex J Power Systems Limited (FJPS) is long term and strategic in nature. FJPS is engaged in manufacturing and sale of extra high voltage power cables. The operations of FJPS has continued to incur losses, resulting in its net worth being partially eroded. The management expects improvement in operations of FJPS in coming years and along with the Joint Venture partner, continues to support FJPS operations by infusion of equity as required.

Considering above, the Company had in accordance with Ind AS - 36 "Impairment of Assets" carried out an impairment assessment of its investment in FJPS by comparing its recoverable amount (enterprise value) with its carrying amount as at 31<sup>st</sup> March, 2023.

The recoverable amount of the investment in FJPS is assessed based on future discounted cash flows of FJPS (enterprise value).

During the year ended 31<sup>st</sup> March, 2023, the Company has infused further equity of Rs. 10.78 crores and impaired Rs. 16.00 crores (previous year Rs. 9.81 crores) leading to a total impairment of Rs. 188.57 crores upto 31<sup>st</sup> March, 2023.

# Notes to the Standalone Financial Statements

## Key assumptions used for value in use to determine the recoverable value are:

1- Discount rate - Weighted Average Cost of Capital (WACC) 15.00 % (Previous year 17.00%)

2- Terminal growth rate 4.00% (Previous year 4.00%)

## Note 6.3: Corning Finolex Optical Fibre Private Limited: Discontinuation of JV Agreement

The Joint Venture partners of Corning Finolex Optical Fibre Private Limited ("Corning") in their extra ordinary general meeting held on 30<sup>th</sup> March, 2022 had approved the "Voluntary Liquidation" of Corning and appointed an insolvency professional duly registered under the Insolvency and Bankruptcy Code, 2016 as the "Liquidator" of the Corning. Corning is currently under liquidation and the financial statements of Corning has been prepared on the liquidation basis and not on going concern basis. Considering Corning is in process of liquidation and disposal of the same is other than through sale transaction, accordingly investment in Corning do not qualify as held for sale.

## NOTE7 : OTHER INVESTMENTS - NON-CURRENT

		(Rs. In Crore)	
		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a)</b>	<b>Investments at fair value through Other Comprehensive Income (FVTOCI) (fully paid)</b>		
	<b>i) Equity shares- Quoted</b>		
61,000	Equity Shares of Rs. 2 each fully paid in Bharat Forge Limited (Previous Year 61,000)	4.70	4.28
358,500	Equity Shares of Rs. 10 each fully paid in IndusInd Bank Limited (Previous Year 358,500)	38.29	33.52
168,750	Equity Shares of Rs. 5 each fully paid in BF Utilities Limited (Previous Year 168,750)	5.01	5.20
168,750	Equity Shares of Rs. 5 each fully paid in BF Investment Limited (Previous Year 168,750)	6.76	4.59
300	Equity Shares of Rs. 10 each fully paid in Delton Cables Limited (Previous Year 300)	*	*
25,096	Equity Shares of Rs. 2 each fully paid in ICICI Bank Limited (Previous Year 25,096)	2.20	1.83
200,000	Equity Shares of Rs. 5 each fully paid in Kirloskar Ferrous Limited (Previous Year 200,000)	9.30	4.29
100	Equity Shares of Rs. 2 each fully paid in Nicco Corporation Limited (Previous Year 100)	*	*
100	Equity Shares of Re. 1 each fully paid in Usha Martin Education & Solutions Limited (Previous Year 100)	*	*
200	Equity Shares of Rs. 10 each fully paid in Sterlite Power Transmission Limited (Previous Year 100)	*	*
	<b>Total Equity shares - Quoted (i)</b>	<b>66.26</b>	<b>53.71</b>

# Notes to the Standalone Financial Statements

		(Rs. In Crore)	
		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>ii) Equity shares Unquoted</b>			
1,000,000	Equity Shares of Rs. 10 each fully paid in Finolex Plasson Industries Private Limited (Previous Year 1,000,000)	46.37	20.00
1,000	Equity shares of Rs.10 each fully paid up in the Saraswat Co-op Bank Ltd.(Previous year 1,000)	*	*
967,700	Equity Shares of Rs. 10 each fully paid in SICOM India Limited (Previous Year 967,700)	9.73	5.53
5,384,686	Equity Shares of Rs.10 each fully paid in Finolex Infrastructure Limited (Previous Year 5,373,938)	12.50	12.36
<b>Total Equity shares -Unquoted (ii)</b>		<b>68.60</b>	<b>37.89</b>
<b>Total FVTOCI Investments (i+ii)</b>		<b>134.86</b>	<b>91.60</b>
<b>b) Investments at fair value through Profit &amp; Loss (FVTPL)</b>			
Investment in Fixed Maturity Plan (FMP) - Unquoted		35.81	-
<b>Total Investments at FVTPL</b>		<b>35.81</b>	<b>-</b>
<b>Total Other Investments 6=(a+b)</b>		<b>170.67</b>	<b>91.60</b>
<b>Aggregate carrying value and Market Value of Quoted Investments</b>		<b>66.26</b>	<b>53.71</b>
<b>Aggregate carrying value of Unquoted Investments</b>		<b>104.41</b>	<b>37.89</b>

\* Denotes amount less than Rs. 50,000

## NOTE 8 : CURRENT INVESTMENTS

		(Rs. In Crore)	
		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Investments at fair value through profit or loss (FVTPL)</b>			
Investments in Mutual Funds /Current portion of Fixed Maturity Plan (FMP) - Unquoted			
Investments in Mutual Funds - Unquoted		1,257.03	708.29
Investments in Fixed Maturity Plan (FMP) - Unquoted		88.72	119.03
<b>Total Current Investments</b>		<b>1,345.75</b>	<b>827.32</b>

# Notes to the Standalone Financial Statements

## NOTE 9: OTHER FINANCIAL ASSETS

(Unsecured , considered good)

(Rs. In Crore)

	Non current		Current	
	As at 31 <sup>st</sup> March, 2023	As At 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Carried at amortised cost</b>				
(a) Fixed Deposit with Banks	-	-	738.20	920.81
(b) Fixed Deposit - Margin Money	0.09	-	0.32	0.08
(c) Deposits with others	-	-	100.00	100.00
(d) Interest accrued on Fixed Deposit	-	-	34.96	36.25
(e) Security Deposits	4.45	4.33	-	-
(f) Other Receivables	-	-	4.07	-
	<b>4.54</b>	<b>4.33</b>	<b>877.55</b>	<b>1,057.14</b>

## NOTE 10 : OTHER NON-CURRENT ASSETS

(Unsecured , considered good)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Capital Advance</b>		
Considered Good	4.74	0.53
Considered Doubtful	0.56	0.56
<b>Total</b>	<b>5.30</b>	<b>1.09</b>
Less: Allowances for doubtful advances	0.56	0.56
	<b>4.74</b>	<b>0.53</b>
<b>(b) Balances with Government Authorities</b>		
(i) Sales Tax Receivables	15.90	16.55
(ii) Excise Duty Receivables	2.02	1.77
(iii) Other Receivables	0.52	0.52
(iv) GST Receivables	0.22	-
	<b>23.40</b>	<b>19.37</b>

## NOTE 11- INVENTORIES

(Lower of cost and net realisable value unless stated)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Raw materials	129.15	99.87
(b) Work in progress	139.49	145.95
(c) Finished goods	352.33	350.05
(d) Stock in Trade ( in respect of goods acquired for trading)	25.27	27.66
(e) Stores & Spares	26.73	27.69
(f) Scrap	1.65	1.89
<b>Total inventories</b>	<b>674.62</b>	<b>653.11</b>
Included above, goods-in-transit:		
Raw materials	38.59	17.29
<b>Total goods-in-transit</b>	<b>38.59</b>	<b>17.29</b>

During the year Rs. 2.49 crores (31<sup>st</sup> March, 2022: Rs. 11.21 crores) is recognised as write down of inventory.



# Notes to the Standalone Financial Statements

## NOTE 12 : TRADE RECEIVABLES - (UNSECURED)

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Considered good	217.76	177.15
Considered doubtful	41.32	41.74
<b>Total</b>	<b>259.08</b>	<b>218.89</b>
Less: Allowances for credit losses	41.32	41.74
	<b>217.76</b>	<b>177.15</b>

### Note 12.1

#### Trade Receivables :

The average credit period for the Company's receivables is in the range of 30 to 60 days in respect of institutional sales and upto 180 days in case of sales to government owned entities. No interest is charged on trade receivables. Trade receivables balance as at 31<sup>st</sup> March, 2023 includes Rs. 36.92 crores due from Bharat Sanchar Nigam Limited, Bharat Broadband Nigam Limited, Southern Railway, Eastern Railway and Telecommunication Consultants India Limited (31<sup>st</sup> March, 2022 included Rs. 65.82 crores due from Bharat Sanchar Nigam Limited, Bharat Broadband Nigam Limited and Telecommunication Consultants India Limited), Rs. 138.35 crores due from Minda Corporation Limited, D-Link India Limited, Bharti Airtel Limited and Telesonic Networks Limited (31<sup>st</sup> March, 2022 included Rs. 52.40 crores due from Minda Corporation Limited, D-Link India Limited and Logenix Services Private Limited) which represents Company's large customers. Apart from the above there are no customers who individually represents more than 5% of the total balance of trade receivables.

#### Expected credit loss

For trade receivables, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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 expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the expected credit loss allowance:

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Balance at the beginning of the year	41.74	16.24
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	(0.42)	25.50
<b>Balance at the end of the year</b>	<b>41.32</b>	<b>41.74</b>

# Notes to the Standalone Financial Statements

## 12.2 Trade Receivables Ageing for the year ended March, 31, 2022

(Rs. In Crore)

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	216.92	1.21	0.69	0.18	5.48	224.48
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	34.60	34.60
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Subtotal</b>	<b>216.92</b>	<b>1.21</b>	<b>0.69</b>	<b>0.18</b>	<b>40.08</b>	<b>259.08</b>
Less: allowances for credit losses						(41.32)
<b>Total</b>						<b>217.76</b>

## Trade Receivables Ageing for the year ended March, 31, 2022

(Rs. In Crore)

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	148.86	28.02	0.32	3.97	2.37	183.54
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	35.35	35.35
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Subtotal</b>	<b>148.86</b>	<b>28.02</b>	<b>0.32</b>	<b>3.97</b>	<b>37.72</b>	<b>218.89</b>
Less: allowances for credit losses						(41.74)
<b>Total</b>						<b>177.15</b>

## NOTE 13: CASH AND CASH EQUIVALENTS

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Balances with banks:</b>		
In Current Accounts	67.40	32.38
<b>(b) Cash on hand</b>	0.01	0.01
	<b>67.41</b>	<b>32.39</b>

# Notes to the Standalone Financial Statements

## NOTE 14: OTHER BANK BALANCES

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) In Earmarked Accounts		
Unclaimed dividend	3.68	3.45
Unspent CSR account	2.14	-
(b) Fixed Deposits with maturity greater than 3 months but less than 12 months	-	1.99
(c) Fixed Deposit - held as Margin Money	0.12	0.11
<b>Total Bank balances</b>	<b>5.94</b>	<b>5.55</b>

## NOTE 15 : OTHER CURRENT ASSETS

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Goods and Services Tax Receivable	7.44	18.77
(b) Balances with Government authorities	0.28	0.28
(c) Other Advances		
Considered Good	14.29	24.98
Considered Doubtful	1.16	1.16
<b>Total</b>	<b>15.45</b>	<b>26.14</b>
Less: Allowances for doubtful advances	1.16	1.16
	<b>14.29</b>	<b>24.98</b>
(d) Prepaid Expenses	0.54	0.57
	<b>22.55</b>	<b>44.60</b>

## NOTE 16 : EQUITY SHARE CAPITAL

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No of shares	(Rs. In Crore)	No of shares	(Rs. In Crore)
<b>I Authorised Share Capital</b>				
235,000,000 (Previous year 235,000,000) Equity shares of Rs. 2/-each	235,000,000	47.00	235,000,000	47.00
3,000,000 (Previous year 3,000,000) Unclassified shares of Rs. 10/- each	3,000,000	3.00	3,000,000	3.00
	<b>238,000,000</b>	<b>50.00</b>	<b>238,000,000</b>	<b>50.00</b>
<b>II Issued, Subscribed and Paid up Share Capital</b>				
Equity shares of Rs. 2 each issued, subscribed and fully paid	152,939,345	30.59	152,939,345	30.59

# Notes to the Standalone Financial Statements

## (a) Reconciliation of Equity Shares at the beginning and at the end of the reporting period.

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No of shares	(Rs. In Crore)	No of shares	(Rs. In Crore)
Balance at the beginning of the year	152,939,345	30.59	152,939,345	30.59
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>152,939,345</b>	<b>30.59</b>	<b>152,939,345</b>	<b>30.59</b>

## (b) Terms/ rights attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

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.

On 26<sup>th</sup> May, 2023, the Board of Directors of the company have proposed a final dividend of Rs. 7.00 per share in respect of the year ended 31<sup>st</sup> March, 2023 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of Rs. 107.06 crores.

## (c) Details of shareholders holding more than 5% Shares in the company

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No of shares	(Rs. In Crore)	No of shares	(Rs. In Crore)
Finolex Industries Limited	22,187,075	14.51	22,187,075	14.51
Orbit Electricals Private Limited	46,956,120	30.70	46,956,120	30.70

## NOTE 16.1 : SHAREHOLDING OF PROMOTERS

Shares held by promoters at the end of the year		As at 31 <sup>st</sup> March, 2023			As at 31 <sup>st</sup> March, 2022		
Sr No.	Promoter Name	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
1	KATARA MUKESH DOLUMAL (HUF)	7,500	0.00%	-	7,500	-	-
2	KATARA MUKESH DOLUMAL	23,500	0.02%	-	23,500	0.02%	-
3	ARUNA MUKESH KATARA	2,812,950	1.84%	-	2,812,950	1.84%	-
4	SUNITA KISHANDAS CHHABRIA	850,000	0.56%	-26.94%	1,163,400	0.76%	-
5	PRAKASH PRALHAD CHHABRIA	831,850	0.54%	-	831,850	0.54%	-
6	PRIYA VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
7	VINI DEEPAK CHHABRIA	33,750	0.02%	-	33,750	0.02%	-
8	KISHANDAS PARASHRAM CHHABRIA	685,250	0.45%	-	685,250	0.45%	-27.93%
9	DEEPAK KISHAN CHHABRIA	1,202,250	0.79%	-	1,202,250	0.79%	28.34%
10	PRALHAD PARSRAM CHHABRIA	-	0.00%	-	-	-	-100.00%
11	VIJAY KISHANDAS CHHABRIA	539,250	0.35%	-	539,250	0.35%	-

# Notes to the Standalone Financial Statements

Shares held by promoters at the end of the year		As at 31 <sup>st</sup> March, 2023			As at 31 <sup>st</sup> March, 2022		
Sr No.	Promoter Name	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
12	RITU PRAKASH CHHABRIA	95,000	0.06%	-	95,000	0.06%	-
13	JANAK DEEPAK CHHABRIA	313,400	0.20%	100.00%	-	0.00%	-
14	RISHI VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
15	KARAN VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
16	GAYATRI PRAKASH CHHABRIA	105,000	0.07%	-	105,000	0.07%	-
17	HANSIKA HIYA PRAKASH CHHABRIA	105,000	0.07%	-	105,000	0.07%	-
18	RADHIKA DEEPAK CHHABRIA	30,000	0.02%	-	30,000	0.02%	-
19	AMIT M KATARA	87,400	0.06%	-	87,400	0.06%	-
20	AMRITA MUKESH KATARA	85,400	0.06%	-	85,400	0.06%	-
21	ORBIT ELECTRICALS PRIVATE LIMITED	46,956,120	30.70%	-	46,956,120	30.70%	-
22	KATARA DENTAL PVT.LTD.	10,050	0.01%	-	10,050	0.01%	-

## NOTE 17 : OTHER EQUITY

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(i) Securities Premium</b>	109.10	109.10
<b>(ii) Capital Reserve</b>	8.41	8.41
<b>(iii) General Reserve</b>	552.36	552.36
<b>(iv) Share buy back reserve</b>	5.52	5.52
<b>(v) Retained Earnings</b>		
Opening Balance	2,487.93	2,166.35
Add: Other Comprehensive Income/(Expenses) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	0.20	1.09
Profit for the year	501.74	404.61
Less: Payment of dividend	(91.76)	(84.12)
<b>Closing Balance</b>	<b>2,898.11</b>	<b>2,487.93</b>
<b>(vi) Equity Instruments through Other Comprehensive Income</b>		
Opening Balance	69.88	78.38
Add/(Less): Change in Fair Value of Equity Instrument through other Comprehensive Income	43.26	(10.91)
Add/(Less): Deferred Tax	(7.59)	2.41
<b>Closing Balance</b>	<b>105.55</b>	<b>69.88</b>
<b>Total</b>	<b>3,679.05</b>	<b>3,233.20</b>

# Notes to the Standalone Financial Statements

## Nature and purpose :

### Securities Premium :

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

### Capital Reserve

The Company recognises the difference on purchase, sale, issue or cancellation of Company's own equity instruments to Capital Reserve. Capital Reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### General Reserve:

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 and loss.

### Share buy back reserve

During the earlier years, the Company had bought back its own equity out of free reserves. Share buy back reserve (Capital Redemption Reserve) represents amount set-aside in respect of nominal value of the shares bought back as per the Companies Act, 2013.

### Retained Earnings:

Retained Earnings are the profits of the Company earned till date net of appropriations.

### Equity Instruments through Other Comprehensive Income

This Reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings when those assets are disposed off.

## NOTE 18 :BORROWINGS

(Rs. In Crore)

	Non Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Finance lease obligation	0.25	0.28	0.03	0.03
	<b>0.25</b>	<b>0.28</b>	<b>0.03</b>	<b>0.03</b>

### Note 18.1: Repayment Details of Loans

Finance lease obligation : Repayable over 78 Years, last installment in financial year 2096-97.

## NOTE 19 : PROVISIONS

(Rs. In Crore)

	Non Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Employee Benefits				
Gratuity	-	-	3.93	2.07
Leave Encashment	10.45	9.98	3.13	3.01
	<b>10.45</b>	<b>9.98</b>	<b>7.06</b>	<b>5.08</b>

# Notes to the Standalone Financial Statements

## NOTE 20 : TAX EXPENSE AND DEFERRED TAX LIABILITY (NET)

### Note 20.1 : Tax Expense

#### 1. Income Tax recognised in Statement of profit and loss

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Current Tax:</b>		
In respect of current year	145.04	127.92
	<b>145.04</b>	<b>127.92</b>
<b>Deferred tax:</b>		
In respect of current year	(0.74)	(5.91)
	(0.74)	(5.91)
<b>Total Income Tax expense recognised during the year</b>	<b>144.30</b>	<b>122.01</b>

#### 2. Income Tax recognised in Other Comprehensive Income

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Deferred tax on fair value changes on equity instruments at FVTOCI	(7.59)	2.41
Net (gain)/loss on remeasurements of defined benefit plans	(0.07)	(0.36)
<b>Total Income Tax expense recognised in other comprehensive income during the year</b>	<b>(7.66)</b>	<b>2.05</b>

#### 3. The Income Tax expenses for the year can be reconciled to the accounting profit as follows.

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Profit before tax considered for tax working	646.04	526.62
Income tax expenses calculated at 25.17% (Previous year 25.17 %)	162.60	132.54
Effect of income that is exempt from tax	(20.38)	(20.37)
Effect of expenses that are not deductible in determining taxable profit	9.21	5.26
Effect of tax on other items	(7.13)	4.58
<b>Income tax expenses recognised in statement of profit and loss</b>	<b>144.30</b>	<b>122.01</b>

#### Note :

- The tax rate used for the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 reconciliations above is the corporate tax rate of 25.17% respectively, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.



# Notes to the Standalone Financial Statements

## Note 20.2 : Deferred Tax Liability (net)

1. The following is the analysis of Deferred Tax Liability (net) presented in the Balance Sheet:

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Deferred tax assets	17.97	14.54
Deferred tax liabilities	(51.03)	(40.68)
<b>Total - Deferred tax Liabilities (net)</b>	<b>(33.06)</b>	<b>(26.14)</b>

2. The tax effect of significant timing differences that has resulted in deferred tax liabilities are given below:

(Rs. In Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2023			Closing balance
	Opening balance	Recognised in Profit and loss	Recognised in OCI	
<b>Deferred Tax Assets in relation to</b>				
Employee Benefits	3.79	0.69	(0.07)	4.41
Allowance for Doubtful Debt & Advances	10.51	0.32	-	10.83
Others	0.24	2.49	-	2.73
<b>Total</b>	<b>14.54</b>	<b>3.50</b>	<b>(0.07)</b>	<b>17.97</b>
<b>Deferred Tax Liabilities in relation to</b>				
Property, Plant and Equipment	28.50	1.31	-	29.81
Financial assets at fair value through OCI	5.01	-	7.59	12.60
Financial assets at fair value through Profit and loss	6.74	2.30	-	9.04
Lease liabilities	0.43	(0.85)	-	(0.42)
<b>Total</b>	<b>40.68</b>	<b>2.76</b>	<b>7.59</b>	<b>51.03</b>
<b>Deferred tax Liabilities (net)</b>	<b>(26.14)</b>	<b>0.74</b>	<b>(7.66)</b>	<b>(33.06)</b>

(Rs. In Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2022			Closing balance
	Opening balance	Recognised in Profit and loss	Recognised in OCI	
<b>Deferred Tax Assets in relation to</b>				
Employee Benefits	4.68	(0.53)	(0.36)	3.79
Allowance for Doubtful Debt & Advances	4.38	6.13	-	10.51
Others	1.16	(0.92)	-	0.24
<b>Total</b>	<b>10.22</b>	<b>4.68</b>	<b>(0.36)</b>	<b>14.54</b>
<b>Deferred Tax Liabilities in relation to</b>				
Property, Plant and Equipment	28.85	(0.35)	-	28.50
Financial assets at fair value through OCI	7.42	-	(2.41)	5.01
Financial assets at fair value through Profit and loss	7.57	(0.83)	-	6.74
Lease liabilities	0.48	(0.05)	-	0.43
<b>Total</b>	<b>44.32</b>	<b>(1.23)</b>	<b>(2.41)</b>	<b>40.68</b>
<b>Deferred tax Liabilities (net)</b>	<b>(34.10)</b>	<b>5.91</b>	<b>2.05</b>	<b>(26.14)</b>

# Notes to the Standalone Financial Statements

## NOTE 21 : TRADE PAYABLES

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Total Outstanding Dues of micro enterprises and small enterprises	19.30	16.29
(b) Total Outstanding Dues of Creditors other than micro enterprises and small enterprises		
(i) Trade payables	160.28	144.46
(ii) Accrued Salaries and Benefits	29.12	29.30
<b>Total</b>	<b>208.70</b>	<b>173.76</b>

### Note 21.1 : Dues to Micro enterprises and small enterprises

- (a) Outstanding to suppliers other than micro enterprises and small enterprises Rs. 189.40 crores (previous year Rs. 173.76 crores)
- (b) Outstanding to micro enterprises and small enterprises Rs. 19.30 crores (previous year Rs. 16.29 crores) including interest.

	(Rs. In Crore)	
Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Principal amount due to micro and small enterprise	17.96	16.15
(b) Interest due on above	1.34	0.14
	<b>19.30</b>	<b>16.29</b>

### Amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts paid to suppliers beyond the appointed day during each accounting year.

(a) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (7 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	0.05	-
(b) Amount of interest due and payable for the period of delay in making payment (beyond the appointed day) but without adding the interest specified under the MSMED Act.	-	-
(c) The amount of interest accrued and remaining unpaid at the end of each accounting period	1.34	0.14
(d) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006;	-	-

The identification of suppliers as Micro and Small Enterprises covered under the "MSMED Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company. This has been relied upon the auditors.

# Notes to the Standalone Financial Statements

## Note 21.2 : Trade Payables Ageing Schedule

(Rs. In Crore)

Particulars	Trade Payable Ageing as on 31 <sup>st</sup> March, 2023				Total
	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	19.30	-	-	-	19.30
(ii) Others	77.53	2.56	0.95	3.47	84.51
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>96.83</b>	<b>2.56</b>	<b>0.95</b>	<b>3.47</b>	<b>103.81</b>
Accrued Expenses					104.89
<b>Total</b>					<b>208.70</b>

(Rs. In Crore)

Particulars	Trade Payable Ageing as on 31 <sup>st</sup> March, 2022				Total
	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	16.29	-	-	-	16.29
(ii) Others	90.29	1.12	0.35	2.08	93.84
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>106.58</b>	<b>1.12</b>	<b>0.35</b>	<b>2.08</b>	<b>110.13</b>
Accrued Expenses					79.92
<b>Total</b>					<b>190.05</b>

## NOTE 22 : OTHER CURRENT FINANCIAL LIABILITIES

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Carried at amortised cost		
(a) Unpaid Dividend (refer note below)	3.68	3.45
(b) Other Payables		
Deposits from Distributors	0.88	0.80
Other Liabilities	0.04	0.04
	<b>4.60</b>	<b>4.29</b>

### Note :

The company is in process of transferring shares to Investor Education and Protection Fund (IEPF), in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended.

# Notes to the Standalone Financial Statements

## NOTE 23 : OTHER CURRENT LIABILITIES

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Statutory Dues payable		
(i) Goods and Services Tax Payables	12.82	23.58
(ii) TDS Payables	2.51	2.39
(iii) Employee related dues payable	1.38	1.28
(b) Advance from customers	40.46	40.74
(c) Other payables	0.03	0.03
	<b>57.20</b>	<b>68.02</b>

## NOTE 24 : REVENUE FROM OPERATIONS:

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
(a) Sale of Products	4,410.28	3,698.57
(b) Other operating revenue-Sale of scrap	70.83	69.57
	<b>4,481.11</b>	<b>3,768.14</b>

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>(i) Sale of Products includes:</b>		
Sale of Manufactured products	4,214.94	3,575.27
Sale of Traded Goods	195.34	123.30
<b>Total</b>	<b>4,410.28</b>	<b>3,698.57</b>

### (ii) Disaggregation of the revenue information

The table below presents disaggregated revenue by geography and offerings for each of products.

#### Revenue from sale of products

	(Rs. In Crore)	
Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
A. Electrical cables	3,618.80	3,130.83
B. Communication cables	576.84	377.69
C. Copper rods	21.52	17.65
D. Others	193.12	172.40
	<b>4,410.28</b>	<b>3,698.57</b>
Sale of Scrap		
A. Electrical cables	64.71	62.38
B. Communication cables	2.20	2.06
C. Copper rods	1.70	1.17
D. Others	2.22	3.96
	<b>70.83</b>	<b>69.57</b>
	<b>4,481.11</b>	<b>3,768.14</b>

# Notes to the Standalone Financial Statements

## Revenue by Geography

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
India	4,441.18	3,740.50
Outside India	39.93	27.64
	<b>4,481.11</b>	<b>3,768.14</b>

## Timing of revenue recognition

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Goods transferred at a point of time	4,481.11	3,768.14
Goods transferred over a period of time	-	-
	<b>4,481.11</b>	<b>3,768.14</b>

### (iii) Information about major customers

There are no major customers having revenue transactions exceeding 10% of the total revenue.

## NOTE 25 : OTHER INCOME

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
(a) Interest income on financial assets carried at amortised cost	48.52	46.10
(b) Dividend Income		
(i) Dividend from Associate	80.39	80.39
(ii) Dividend from Others- Equity Investments Designated at FVTOCI	0.57	0.52
(c) Others		
(i) Net gain/(loss) on investments classified at FVTPL	58.68	20.78
(ii) Exchange gain/(loss) on translation of Assets and Liabilities	0.10	0.85
(iii) Other Income	9.87	3.17
	<b>198.13</b>	<b>151.81</b>

## NOTE 26 : COST OF MATERIAL CONSUMED

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Inventory at the beginning of the year		
Add: Purchases	99.87	127.30
Less: Inventory at the end of the year	3,488.60	2,766.19
	129.15	99.87
	<b>3,459.32</b>	<b>2,793.62</b>

# Notes to the Standalone Financial Statements

## Cost of Traded Goods Sold

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Inventory at the beginning of the year	27.66	19.30
Add: Purchases	78.59	93.83
Less: Inventory at the end of the year	25.27	27.66
	<b>80.98</b>	<b>85.47</b>

## NOTE : 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Inventories at the end of the period (A)</b>		
Work-in-progress	139.49	145.95
Finished goods	352.33	350.05
Stock-in-Trade	25.27	27.66
	<b>517.09</b>	<b>523.66</b>
<b>Inventories at the beginning of the period (B)</b>		
Work-in-progress	145.95	166.24
Finished goods	350.05	416.95
Stock-in-Trade	27.66	19.30
	<b>523.66</b>	<b>602.49</b>
<b>(Increase)/Decrease in Inventories (B)-(A)</b>	<b>6.57</b>	<b>78.83</b>

## NOTE 28 : EMPLOYEE BENEFITS EXPENSE

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
(a) Salaries, wages and bonus (refer note 28.1 below)	145.10	131.41
(b) Contribution to provident and other funds (refer note 33.1)	8.14	5.90
(c) Gratuity expense (refer note 33.2)	2.20	2.39
(d) Leave Encashment	3.17	1.99
(e) Staff welfare and other expenses	4.06	4.39
	<b>162.67</b>	<b>146.08</b>

### Note 28.1

Salaries, wages and bonus includes Rs. 11.07 crores (previous year Rs. 9.92 crores) paid/ payable to the executive director, during the year, subject to the below.

The resolutions for the reappointment and remuneration of the executive directors were placed before the Annual General Meeting of the Company held on 25<sup>th</sup> September, 2018. The Hon'ble High Court of Bombay had in respect of an appeal filed in respect of reappointment and remuneration of the executive directors, stated that the results of the voting shall be subject to the Order to be passed by the Hon'ble High Court of Bombay in this Appeal. The matter remains pending.

Total remuneration paid/payable to the executive directors for the period 1<sup>st</sup> July, 2018 (being the date of proposed reappointment) upto 31<sup>st</sup> March, 2023 is Rs. 49.97 crores. (previous year Rs. 38.90 crores)

# Notes to the Standalone Financial Statements

## NOTE 29 : FINANCE COSTS

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Interest others	1.24	1.52
	<b>1.24</b>	<b>1.52</b>

## NOTE 30 : DEPRECIATION AND AMORTIZATION EXPENSES

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Depreciation on Tangible assets (note 3)	39.10	37.07
Amortization of Intangible assets (note 4)	0.12	0.06
Amortization of Right of use (note 5)	7.18	1.72
	<b>46.40</b>	<b>38.85</b>

## NOTE 31 : OTHER EXPENSES

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
(a) Consumption of stores and spares	33.40	25.29
(b) Power and fuel	61.29	46.36
(c) Freight and forwarding charges	55.36	48.69
(d) Rent	4.29	4.17
(e) Rates and taxes	0.95	0.93
(f) Insurance	5.62	5.51
(g) Repairs and maintenance -		
(i) Plant and machinery	2.24	2.05
(ii) Buildings	6.07	4.42
(iii) Others	4.07	4.98
(h) CSR expenditure (Refer note 2 below)	8.55	8.53
(i) Advertising and sales promotion	30.87	9.51
(j) Travelling and conveyance	11.77	9.78
(k) Communication costs	0.57	0.50
(l) Legal and professional fees	7.55	6.58
(m) Non Executive Directors' sitting fees & Commission	0.98	0.85
(n) Payment to auditor	0.97	0.78
(o) Allowances for doubtful debts	(0.42)	25.50
(p) Allowances for doubtful advances	-	0.52
(q) Miscellaneous expenses	28.27	25.34
(r) Impairment of Financial Assets	16.00	9.81
(s) Net Loss on disposal of property, plant and equipment	0.01	0.50
	<b>278.41</b>	<b>240.60</b>



# Notes to the Standalone Financial Statements

## Notes :

### 1. Payment to auditor (Exclusive of service tax & GST)

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Audit Fees	0.33	0.28
For other service (certifications, etc)	0.01	0.01
Fees for limited review	0.54	0.41
For reimbursement of expenses	0.04	0.03
For taxation matters	0.05	0.05
<b>Total</b>	<b>0.97</b>	<b>0.78</b>

### 2. Details of CSR expenditure

2.1 Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
(a) Amount required to be spent as per section 135 of the Act	8.55	8.53
(b) Amount of expenditure incurred	8.03	8.15
(c) Shortfall at the end of the year	0.52	0.38
(d) Total of previous years shortfall	0.38	-
(e) Reason for shortfall	Refer Note 2.3 below	
(f) Nature of CSR activities	Refer Note 2.4 below	
(g) No contribution is made to Related parties	-	-
<b>Total Spent</b>	<b>8.03</b>	<b>8.15</b>
2.2 Amount spent during the period on:		
(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	8.03	8.15

2.3 Delay in execution of CSR projects lead to shortfall. The Company has deposited unspent amount in a separate unspent CSR account as per section 135(6) of the Companies Act, 2013.

2.4 Disaster management, Eradicating hunger, poverty and malnutrition, promoting education, promoting health care, Rural development projects.

2.5 Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
CSR Opening Provision	0.38	-
Add: Provision during the year	0.52	0.38
Less : utilized from previous year	(0.38)	-
CSR Closing Provision	<b>0.52</b>	<b>0.38</b>

# Notes to the Standalone Financial Statements

## NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENTS

### A Contingent Liabilities

#### I Claims against the company not acknowledged as debts

(Rs. In Crore)

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Disputed Matters</b>		
(a) Excise (dispute mainly on account of issues of applicability, classification, etc. to certain goods)	43.21	37.04
(b) GST	0.81	0.24
(c) Customs	0.94	0.94
(d) Sales Tax (dispute mainly on account of non submission of C,F and other forms and rates of tax)	137.88	138.05
(e) Entry Tax (dispute on account of applicability, etc.)	4.85	4.85
(f) Income Tax (Including Wealth Tax)		
wherein the Company is in Appeal	17.69	17.26
wherein the Department is in Appeal	11.52	10.33
(disputes relating to allowability of certain expenses, deductability, etc.)		
<b>II Other claims against the Company not acknowledged as debts</b>	0.28	0.28
	<b>217.18</b>	<b>208.99</b>

### III Gurantees

- (a) During the previous year the Company had given the counter corporate guarantee to J-Power System Corporation (JPS), Joint venture Partner of Finolex J Power System Limited (FJPS), Joint Venture to the extent of 49% of Rs. 50 crores (upto maximum of Rs. 24.50 crores). Whereas, the JPS had given 100% corporate guarantee to the bankers of FJPS towards the credit facility of Rs. 50 crores taken by FJPS to meet its working capital requirements and the same has been withdrawn during the year.
- (b) The Company has given guarantee of Rs. 106.75 crores to the bankers of Finolex J Power Systems Limited (FJPS), Joint Venture of the Company for the purpose of working capital facility availed by the FJPS.

#### Note:-

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

### B Commitments:

(Rs. In Crore)

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>i Capital Commitments (Tangible Assets):</b>		
Estimated amount of contracts remaining to be executed on capital account net of advance and not provided for.	15.06	37.36

#### ii Other Commitment

In respect of Finolex J Power Systems Limited (FJPS), Joint Venture of the Company whose net worth has been substantially eroded, the Company along with its joint venture partner has provided unconditional financial support.

# Notes to the Standalone Financial Statements

## NOTE 33 :EMPLOYEE BENEFIT PLAN

### 33.1 Defined Contribution plan

The Company makes Provident Fund and Superannuation Fund contributions 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 contributions as specified under the law/scheme are paid to the Government administered Provident fund and in case of Superannuation to the Scheme set up as trust by the Company-Insurer. The Company is liable only for annual contributions.

The Company has recognised Rs. 6.14 crores (31<sup>st</sup> March, 2022 - Rs. 5.90 crores) for provident fund contributions.

Contribution for superannuation funds Rs. 2.00 crores (31<sup>st</sup> March, 2022 - Rs. Nil crores) in the Statement of Profit and Loss because the earlier surplus contribution are available for utilisation.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.”

### 33.2 Defined Benefit plan

#### Gratuity-Funded

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the separation date. The gratuity plan is funded plan. The Company has formed a trust and is governed by Trustees appointed by the Company. The Trustees are responsible for administration of the plan assets and investment strategy in accordance with the regulations. The funds are deployed in recognised insurer managed funds in India.

The following table sets out the status of Gratuity Plans as required under Ind AS 19.

Statement showing changes in Present Value of obligations	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Present value of obligations at the beginning of the year	29.09	28.16
Interest Cost	2.03	1.81
Current service cost	2.05	2.07
Benefits paid from the Fund	(2.32)	(1.77)
Actuarial (gain)/loss on obligations	(0.31)	(1.18)
Present Value of obligations as at end of the year	<b>30.54</b>	<b>29.09</b>
Table showing changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	27.02	23.27
Expected return on plan assets	1.88	1.49
Contributions	0.06	3.76
Benefits paid	(2.32)	(1.77)
Return on Plan Assets, Excluding Interest Income	(0.03)	0.27
Fair value of plan asset at end of the year	<b>26.61</b>	<b>27.02</b>
Funded status	<b>87%</b>	<b>93%</b>
Actuarial (gain)/loss on obligations :-		
Due to change in Demographic Assumptions	-	0.03
Due to change in Financial Assumptions	(1.13)	(1.32)
Due to change in Experience	0.82	0.11
Actuarial (gain)/Loss recognised in the year	<b>(0.31)</b>	<b>(1.18)</b>

# Notes to the Standalone Financial Statements

(Rs. In Crore)

Statement showing changes in Present Value of obligations	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Amounts to be recognised in the Balance Sheet		
Present Value of obligations as at the end of the year	(30.54)	(29.09)
Fair value of plan assets as at the end of the year	26.61	27.02
Funded Status	(3.93)	(2.07)
Net Asset/(Liability) recognised in balance sheet	<b>(3.93)</b>	<b>(2.07)</b>
Expenses recognised in statement of Profit & Loss		
Current Service Cost	2.05	2.07
Interest Cost	0.15	0.32
Expected return on plan assets	-	-
Net Actuarial(gain)/Loss recognised in the year	-	-
Expenses recognised in statement of Profit & Loss	<b>2.20</b>	<b>2.39</b>
Expenses Recognised in Other Comprehensive Income		
Actuarial (Gains)/Losses on obligation for the year	(0.31)	(1.18)
Return on Plan Assets, Excluding Interest Income	0.03	(0.27)
Expenses recognised in Other Comprehensive Income	<b>(0.28)</b>	<b>(1.45)</b>
Table showing administration of Plan Assets		
Administered by Life Insurance Corporation	26.61	27.02
<b>Total</b>	<b>26.61</b>	<b>27.02</b>

Actuarial Assumptions:	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Discount Rate	7.44%	6.98%
Rate of return on assets	7.44%	6.98%
Salary escalation	8.00%	8.00%
Attrition rate (p.a)		
- For service 2 years & below	25.00%	25.00%
- For service 3 to 4 years	12.50%	12.50%
- For service 5 years & above	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012- 14) Urban	Indian Assured Lives Mortality (2012- 14) Urban

Particulars	As at 31 <sup>st</sup> March				
	2023	2022	2021	2020	2019
Experience adjustments					
On plan liability (gain)/loss	(0.31)	(1.18)	(0.48)	3.51	3.46
On plan asset (gain)/loss	0.03	(0.27)	(0.18)	0.09	(0.04)

As per actuarial valuation report, Expected employer's contribution in next year is Rs. 4.06 crores (previous year Rs. 3.84 crores)

# Notes to the Standalone Financial Statements

## Effect on DBO on account of change in the assumed rates:

DBO Rates Types Year	Discount Rate		Salary Escalation Rate		Withdrawal Rate	
	1%	1%	1%	1%	1%	1%
	Decrease	Increase	Decrease	Increase	Decrease	Increase
31 <sup>st</sup> March, 2023	(2.22)	2.56	2.52	(2.23)	(0.11)	0.12
31 <sup>st</sup> March, 2022	(2.19)	2.53	2.48	(2.19)	(0.19)	0.21

The sensitivity results above determine their individual impact on Plan's end of year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

## The expected maturity analysis of undiscounted defined benefit obligation is as follows:

Actuarial Assumptions:	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Within 1 Year	3.30	2.99
Between 1-2 years	1.90	2.02
Between 2-3 years	2.32	2.11
Between 3-4 years	2.07	2.16
Between 4-5 years	2.31	1.87
Sum of 6-10 years	14.78	13.45
Sum of 11 years and above	37.25	34.72

### Risk exposure:

Through the defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

#### Asset Volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk plan assets have been deployed in high grade insurer managed funds.

#### Inflation rate risk:

Higher than expected increase in salary will increase the defined benefit obligation.

#### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straightforward and depends upon the combination of salary increase, discount rate and vesting criterion.

# Notes to the Standalone Financial Statements

## NOTE 34 FINANCIAL INSTRUMENTS

### 1. Fair value measurements

#### 1.1 The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2023 is as follows:

(Rs. In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents	-	-	67.41	67.41	67.41
Other balances with banks	-	-	5.94	5.94	5.94
Trade receivables	-	-	217.76	217.76	217.76
Investments #					
Equity and Others	-	134.86	-	134.86	134.86
Mutual Funds (includes FMP)	1,381.56	-	-	1,381.56	1,381.56
Other financial assets	-	-	882.09	882.09	882.09
<b>Total</b>	<b>1,381.56</b>	<b>134.86</b>	<b>1,173.20</b>	<b>2,689.62</b>	<b>2,689.62</b>
<b>Liabilities:</b>					
Trade payables	-	-	208.70	208.70	208.70
Borrowings	-	-	0.28	0.28	0.28
Lease liabilities	-	-	13.33	13.33	13.33
Other financial liabilities	-	-	4.60	4.60	4.60
<b>Total</b>	<b>-</b>	<b>-</b>	<b>226.91</b>	<b>226.91</b>	<b>226.91</b>

# Other than investments in associate and Joint Ventures accounted at cost in accordance with Ind-AS 27.

#### 1.1 The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2022 is as follows:

(Rs. In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents	-	-	32.39	32.39	32.39
Other balances with banks	-	-	5.55	5.55	5.55
Trade receivables	-	-	177.15	177.15	177.15
Investments #					
Equity and Others	-	91.60	-	91.60	91.60
Mutual Funds (includes FMP)	827.32	-	-	827.32	827.32
Other financial assets	-	-	1,061.47	1,061.47	1,061.47
<b>Total</b>	<b>827.32</b>	<b>91.60</b>	<b>1,276.56</b>	<b>2,195.48</b>	<b>2,195.48</b>
<b>Liabilities:</b>					
Trade payables	-	-	190.05	190.05	190.05
Borrowings	-	-	0.31	0.31	0.31
Lease liabilities	-	-	8.48	8.48	8.48
Other financial liabilities	-	-	4.29	4.29	4.29
<b>Total</b>	<b>-</b>	<b>-</b>	<b>203.13</b>	<b>203.13</b>	<b>203.13</b>

# Other than investments in associate and Joint Ventures accounted at cost in accordance with Ind-AS 27.

# Notes to the Standalone Financial Statements

## 1.2. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities and mutual funds (includes FMP) that have quoted price.
- Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) such as derivative financial instruments. The Company does not have any Level 2 instruments as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.
- Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

(Rs. In Crore)

	Fair value hierarchy as at 31 <sup>st</sup> March, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual Funds (includes FMP)	1,381.56	-	-	1,381.56
Other Debt Instruments	-	-	-	-
Equity Shares				
Quoted	66.26	-	-	66.26
Unquoted	-	-	68.60	68.60
<b>Total</b>	<b>1,447.82</b>	<b>-</b>	<b>68.60</b>	<b>1,516.42</b>

(Rs. In Crore)

	Fair value hierarchy as at 31 <sup>st</sup> March, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual Funds (includes FMP)	827.32	-	-	827.32
Other Debt Instruments	-	-	-	-
Equity Shares				
Quoted	53.71	-	-	53.71
Unquoted	-	-	37.89	37.89
<b>Total</b>	<b>881.03</b>	<b>-</b>	<b>37.89</b>	<b>918.92</b>

### Valuation technique(s) and key input(s):

- Level 1 The fair value of mutual funds (includes FMP) and quoted equity shares is based on net assets value (NAV) and quoted price.
- Level 2 The Company does not have any Level 2 instrument as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.
- Level 3 The fair value of unquoted equity shares is determined using market approach. This approach involves the application of multiples, derived from market prices of comparable listed companies, to the parameters of the subject company in order to derive a value for the subject company.



# Notes to the Standalone Financial Statements

## 1.3. Reconciliation of level 3 fair value measurements

For the year ended 31 <sup>st</sup> March, 2023	(Rs. In Crore)
	<b>Unlisted shares irrevocably designated as at FVTOCI</b>
Opening balance	37.89
Total gain/(loss) in other comprehensive income	30.71
<b>Closing balance</b>	<b>68.60</b>

For the year ended 31 <sup>st</sup> March, 2022	(Rs. In Crore)
	<b>Unlisted shares irrevocably designated as at FVTOCI</b>
Opening balance	51.09
Total gain/(loss) in other comprehensive income	(13.20)
<b>Closing balance</b>	<b>37.89</b>

All gains and losses included in other comprehensive income relate to unlisted shares held at the end of the reporting period and are reported under "Equity Instruments through Other Comprehensive Income".

The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are as shown below:

Description of significant unobservable inputs to valuation:

Particulars	Valuation techniques	Significant unobservable inputs	Sensitivity of the input to fair value
Investments in unquoted equity shares	Comparable Companies Multiples ("CCM") method under the Market Approach.	Adopted multiple, based on benchmark companies	Increase/(decrease) in discount to determine the multiple will impact the fair value of instrument. Higher the discount lower the fair value and vice-versa.  Finolx Plasson Industries Private Limited: Enterprise Value/ Revenue Multiple: CY 1.00 (PY 1.00)  SICOM India Limited: Price/ Book Multiple: CY 1.40 (PY 1.00)

## 2. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

# Notes to the Standalone Financial Statements

The capital structure is as follows:

Actuarial Assumptions:	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Total Equity	3,709.64	3,263.79
Total Borrowings	0.28	0.31
<b>Total capital (borrowings and equity)</b>	<b>3,709.92</b>	<b>3,264.10</b>
Equity as a percentage of total capital	99.99%	99.99%
Borrowing as a percentage of total capital	0.01%	0.01%

- (i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding contingent considerations, if any).
- (ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a cash surplus Company with cash and bank balances along with investment. The Company's investment is predominantly in liquid and short term mutual funds being far in excess of debt.

### 3. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

#### 3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

##### 3.1.1 Foreign currency risk management

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Euro against the respective functional currency of the company. The Company enters into derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposures.

#### i The carrying amounts of the Company's foreign currency denominated monetary liabilities/ assets at the end of the reporting period are as follows:

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Foreign Currency (In Crore)	(Rs. In Crore)	Foreign Currency (In Crore)	(Rs. In Crore)
<b>(a) Foreign Currency Liabilities</b>				
In USD	0.52	42.57	0.28	21.45
In EURO	0.01	0.87	0.03	2.41
In CHF	-	-	*	0.06
<b>(b) Foreign Currency Asset</b>				
In USD #	0.08	6.42	0.05	3.79

\* Denotes amount less than Rs./EURO 50,000

# Balance with Banks in foreign currency and trade receivables

# Notes to the Standalone Financial Statements

## ii Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the market place.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Forward contracts	As at 31 <sup>st</sup> March, 2023			As at 31 <sup>st</sup> March, 2022		
	Foreign Currency (In Crore)	Nominal Value (Rs. In Crore)	Fair Value (Rs. In Crore)	Foreign Currency (In Crore)	Nominal Value (Rs. In Crore)	Fair Value (Rs. In Crore)
In USD Buy	0.13	10.84	(0.07)	0.09	6.64	(0.01)

## iii Foreign currency sensitivity analysis

For the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, the impact of every rupee 1 depreciation / appreciation in the exchange rate between the Indian Rupee and U.S. Dollar on Profit before tax of the Company, given in below table.

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Rupee depreciate by INR 1 against USD (Rs. In Crore)	Rupee depreciate by INR 1 against USD (Rs. In Crore)	Rupee depreciate by INR 1 against USD (Rs. In Crore)	Rupee depreciate by INR 1 against USD (Rs. In Crore)
On Foreign Currency Liabilities (net) :				
Against USD	0.45	(0.45)	0.28	(0.28)
Against EUR	0.01	(0.01)	-	-

### Notes:

1) +/- Gain/(Loss)

### 3.1.2 Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Considering borrowing amount outstanding as at 31<sup>st</sup> March, 2023 and as at 31<sup>st</sup> March, 2022, Company is not exposed to significant interest rate risk.

### 3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units (including FMP).

## Notes to the Standalone Financial Statements

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial asset that potentially expose the Company to credit risks are listed below :

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Trade Receivables	217.76	177.15
Security deposit	4.45	4.33
<b>Total</b>	<b>222.21</b>	<b>181.48</b>

### 3.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The maturity profile of the financial liabilities are listed below:

Expected undiscounted contractual maturity for Financial Liabilities

	(Rs. In Crore)					
As at 31 <sup>st</sup> March, 2023	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
Borrowings	0.03	0.04	0.04	0.17	0.28	0.28
Trade Payables	208.70	-	-	-	208.70	208.70
Other Financial Liabilities	4.60	-	-	-	4.60	4.60
Lease Liabilities	4.48	5.56	2.86	5.88	18.78	13.33
<b>Total</b>	<b>217.81</b>	<b>5.60</b>	<b>2.90</b>	<b>6.05</b>	<b>232.36</b>	<b>226.91</b>

	(Rs. In Crore)					
As at 31 <sup>st</sup> March, 2022	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
Borrowings	0.03	0.07	0.04	0.17	0.31	0.31
Trade Payables	190.05	-	-	-	190.05	190.05
Other Financial Liabilities	4.29	-	-	-	4.29	4.29
Lease Liabilities	2.24	4.57	1.57	3.75	12.13	8.48
<b>Total</b>	<b>196.61</b>	<b>4.64</b>	<b>1.61</b>	<b>3.92</b>	<b>206.78</b>	<b>203.13</b>

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments.

### 3.4 FINANCING FACILITIES

The Company has undrawn committed borrowing facilities of Rs. 200.00 crores (previous year Rs. 200.00 crores).

# Notes to the Standalone Financial Statements

## NOTE 35: RELATED PARTY DISCLOSURES

### Names of Related Parties :

Where transactions have taken place during the year and previous year/ balance outstanding.

#### (a) Associate Company

Finolex Industries Limited

#### (b) Joint Venture Entities

Finolex J- Power Systems Limited

Corning Finolex Optical Fibre Private Limited”

#### (c) Promoter/ Promoter Group Entities

Orbit Electricals Private Limited

Finolex Infrastructure Limited

Finolex Plassson Industries Private Limited

Note : Excludes Finolex Industries Limited considered as an Associate company as above.

#### (d) Employee Benefit Funds

Finolex Cables Limited Employee’s Group Gratuity and Life Assurance Scheme

Finolex Cables Limited Group Superannuation Scheme

#### (e) Key Managerial Personnel

Mr. Deepak. K. Chhabria	Executive Chairman and Promotor
Mr. Mahesh Viswanathan	Deputy Chief Executive Officer (DY CEO) & Chief Financial Officer (CFO)
Mr. R G D'Silva	Company Secretary & President (Legal)
Mr. Sunil Upmanyu	Executive Director - Operations (w.e.f. 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September,2021)
Mr. Ratankar Barve	Executive Director-Operations (w.e.f 30 th September, 2021)

#### (f) Relatives of Key Managerial Personnel: (Mr. Deepak. K. Chhabria)

Mr. Kishandas P. Chhabria	Father
Mr. Vijay K. Chhabria	Brother
Mrs. Sunita K. Chhabria	Mother
Mrs. Vini D. Chhabria	Wife
Ms. Radhika D. Chhabria	Daughter

## Notes to the Standalone Financial Statements

### (g) Non Executive/Independent Directors

Mr. Prasad Deshpande	Non-Executive Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September,2021)
Mr. P R Barpande	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September,2021)
Mr. Avinash S Khare	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September,2021)
Mrs. Firoza Kapadia	Non-Executive Independent Woman Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September,2021)
Mr. Nikhil M Naik	Non Executive Director (w.e.f 30 th September, 2021)
Mr. Zubin F. Billimoria	Non Executive-Independent Director (w.e.f 30 th September, 2021)
Mr. Sriraman Raghuraman	Non Executive-Independent Director (w.e.f 30 th September, 2021)
Ms. Vanessa Singh	Non Executive-Independent Woman Director (w.e.f 30 th September, 2021)
Mr. Shishir Desai	Non Executive-Independent Director (w.e.f 1 <sup>st</sup> October 2022 to 30 <sup>th</sup> December 2022)
Mr. Aakash Gupta	Non Executive Director (w.e.f 1 <sup>st</sup> October 2022 to 30 <sup>th</sup> December 2022)

### Note 35A: Transaction with the Related Parties :

(Rs. In Crore)

Particulars	Financial Year	Associate	Joint Venture Entities	Promoter / Promoter Group Entities	Enterprises controlled by Key Managerial Personnel	Employee Benefit Fund	Key Managerial Personnel & Non-Executive/ Independent Director (Refer note 1 below)	Relatives of Key Managerial Personnel
Investment	2022-23	-	10.78	0.02	-	-	-	-
	2021-22	-	-	-	-	-	-	-
Dividend Paid	2022-23	13.31	-	28.17	-	-	0.72	1.47
	2021-22	12.20	-	25.83	-	-	0.52	1.49
Dividend Received	2022-23	80.39	-	0.10	-	-	-	-
	2021-22	80.39	-	0.20	-	-	-	-
Rent Paid	2022-23	-	-	0.27	-	-	-	-
	2021-22	-	-	0.26	-	-	-	-
Rent Received	2022-23	-	0.22	0.06	-	-	-	-
	2021-22	-	0.22	0.06	-	-	-	-
Other Services Provided	2022-23	-	0.06	-	-	-	-	-
	2021-22	-	0.05	-	-	-	-	-
Purchase of Raw Material	2022-23	-	-	-	-	-	-	-
	2021-22	-	0.25	-	-	-	-	-
Sale of Material	2022-23	-	8.07	-	-	-	-	-
	2021-22	-	1.35	-	-	-	-	-
Contribution to Fund	2022-23	-	-	-	-	1.76	-	-
	2021-22	-	-	-	-	3.74	-	-
Benefit paid to employees from Trust	2022-23	-	-	-	-	3.79	-	-
	2021-22	-	-	-	-	4.89	-	-
Financial Support	2022-23	-	Refer note 32(b)(ii)	-	-	-	-	-
	2021-22	-	Refer note 32(b)(ii)	-	-	-	-	-

# Notes to the Standalone Financial Statements

(Rs. In Crore)

Particulars	Financial Year	Associate	Joint Venture Entities	Promoter / Promoter Group Entities	Enterprises controlled by Key Managerial Personnel	Employee Benefit Fund	Key Managerial Personnel & Non-Executive/ Independent Director (Refer note 1 below)	Relatives of Key Managerial Personnel
Gurantee	2022-23	-	Refer note 32(A)(III)	-	-	-	-	-
	2021-22	-	Refer note 32(A)(III)	-	-	-	-	-
Managerial Remuneration (Refer note 3 below)	2022-23	-	-	-	-	-	17.53	-
	2021-22	-	-	-	-	-	15.80	-
Remuneration to Relative	2022-23	-	-	-	-	-	-	0.11
	2021-22	-	-	-	-	-	-	0.10
Amounts owed by related parties (Receivable)	2022-23	-	-	0.25	-	-	-	-
	2021-22	-	-	0.25	-	-	-	-
Amounts owed to related parties (Payable)	2022-23	-	-	-	-	4.17	12.37	0.02
	2021-22	-	-	-	-	2.07	10.53	0.01

## Notes:

- Key managerial Personnel are entitled to post-employment benefits recognised as per IND-AS 19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.
- All transactions with related parties have been done at arms length basis and in normal course of business.
- Details of Compensation of Key Managerial Personnel & Non-Executive/ Independent Director:

(Rs. In Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
Short-term employee benefits	15.89	14.30
Post-employment benefits	*	*
Other long-term benefits	0.66	0.65
Commission and other benefits to non-executive/independent directors	0.98	0.85
<b>Total</b>	<b>17.53</b>	<b>15.80</b>

\*The provision for post-employment benefits are determined by way of actuarial valuation for the Company as a whole.

Payments made to the directors and other members of key managerial personnel are approved by the Nomination and Remuneration Committee. Refer Note 28.1



# Notes to the Standalone Financial Statements

## NOTE 36 : SEGMENT REPORTING

Operating segments are reported consistently with the internal reporting provided to the Executive Chairman, the highest decision-making executive who is responsible for allocating resources to and assessing the performance of the operating segments.

**A- The business segment has been considered as a primary segment for disclosure. The categories included in each of the reported business segment are as follows.**

1. Electrical Cables
2. Communication Cables
3. Copper Rods
4. Others - Trading of Electrical and other goods

The above business segments have been identified considering

1. The nature of the product/services
2. The Related risks and returns
3. The Internal financial reporting systems

Revenues and expenses have been accounted for based on their relationship to the operating activities of the segment. Revenues and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocable Expenses". Assets and Liabilities which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis have been included under "Unallocable Assets / Liabilities"

(Rs. In Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Segment Revenue</b>		
A. Electrical cables	3,683.51	3,193.21
B. Communication cables	579.04	379.75
C. Copper rods	1,267.79	682.47
D. Others	195.34	176.36
<b>Total segment revenue</b>	<b>5,725.68</b>	<b>4,431.79</b>
Less : Inter segment revenue	(1,244.57)	(663.65)
<b>Net segment revenue</b>	<b>4,481.11</b>	<b>3,768.14</b>
<b>Segment Results</b>		
A. Electrical cables	457.53	404.98
B. Communication cables	12.97	(13.22)
C. Copper rods	2.88	2.58
D. Others	2.19	1.87
<b>Total segment results</b>	<b>475.57</b>	<b>396.21</b>
(Less) : Finance costs	(1.24)	(1.52)
Add /(Less) : unallocable income/(Loss) net of unallocable expenditure	171.71	131.93
<b>Profit before tax</b>	<b>646.04</b>	<b>526.62</b>
<b>Income Taxes</b>	144.30	122.01
<b>Profit for the year</b>	<b>501.74</b>	<b>404.61</b>

# Notes to the Standalone Financial Statements

## OTHER INFORMATION

Particulars	(Rs. In Crore)	
	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Segment Assets</b>		
A. Electrical cables	1,099.99	1,063.87
B. Communication cables	237.07	230.38
C. Copper rods	21.77	18.46
D. Others	44.01	52.80
Unallocable Assets	2,680.43	2,234.67
<b>Total Assets</b>	<b>4,083.27</b>	<b>3,600.18</b>
<b>Segment Liabilities</b>		
A. Electrical cables	239.58	223.47
B. Communication cables	23.03	26.75
C. Copper rods	13.90	15.25
D. Others	7.82	8.50
Unallocable Liabilities	89.30	62.42
<b>Total Liabilities</b>	<b>373.63</b>	<b>336.39</b>

### For the year ended 31<sup>st</sup> March, 2023

Particulars	(Rs. In Crore)		
	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extend allocable to the segment
A. Electrical cables	18.07	28.39	-
B. Communication cables	5.78	9.08	(0.42)
C. Copper rods	0.03	0.62	-
D. Others	7.14	8.31	0.01
<b>Total</b>	<b>31.02</b>	<b>46.40</b>	<b>(0.41)</b>

### For the year ended 31<sup>st</sup> March, 2022

Particulars	(Rs. In Crore)		
	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extend allocable to the segment
A. Electrical cables	58.85	22.80	27.85
B. Communication cables	5.08	9.18	(1.33)
C. Copper rods	0.01	0.65	-
D. Others	3.12	6.22	-
<b>Total</b>	<b>67.06</b>	<b>38.85</b>	<b>26.52</b>

## B. Secondary Segment information

The company's operations are mainly confined within India and as such there are no reportable geographical segments.

# Notes to the Standalone Financial Statements

## NOTE 37 : EARNINGS PER SHARE (EPS)

(Rs. In Crore)

Basic earning per share	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Net Profit for the year attributable to the equity holders</b>	501.74	404.61
Weighted average number of Equity shares for basic EPS	152,939,345	152,939,345
Par value per share (in Rs.)	2.00	2.00
<b>Basic Earnings per share (in Rs.)</b>	32.81	26.46
<b>Diluted Earnings per share (in Rs.)</b>	32.81	26.46

Note: The Company does not have any dilutive potential equity shares in any of the period, therefore weighted average number of equity shares outstanding at the year end for basic EPS and diluted EPS is same.

## NOTE 38: RATIOS

Particulars	Numerator	Denominator	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	Variance	Reason
Current Ratio	Current Assets	Current Liabilities	10.03	9.53	5.33%	
Debt-Equity Ratio	Total Debt (Refer Note 1 below)	Shareholders Equity	-	-	-	
Debt- Service Coverage Ratio	Earnings available for debt service (Refer note 2 below)	Debt Service (Refer note 3 below)"	110.56	191.00	-42.11%	Decrease is mainly on account of increase in interest and lease payment during the year.
Return on Equity (ROE)	Net profits after taxes	Average Shareholder's Equity	14.39%	13.02%	1.37%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	5.34	4.21	26.76%	Increase is mainly on account of increase in Cost of goods sold and decrease in average inventory during the year.
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	18.29	17.83	2.54%	
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	17.89	15.63	14.51%	
Net capital turnover ratio	Net Sales	Working Capital	1.55	1.51	2.97%	
Net profit ratio	Net Profit	Net Sales	11.20%	10.74%	0.46%	
Return on capital employed (ROCE)	Earning before interest & taxes	Capital Employed (refer note 4 below)	17.24%	16.01%	1.23%	
Return on Investment (ROI):						
<b>Equity Shares</b>						
Quoted	Income generated from investments	Time weighted average investments	57.69%	50.69%	7.00%	
Unquoted	Income generated from investments	Time weighted average investments	13.00%	-20.65%	33.65%	Increase is due to increase in fair value of investments as on 31 <sup>st</sup> March, 2023
Mutual Funds	Income generated from investments	Time weighted average investments	5.45%	3.54%	1.91%	

# Notes to the Standalone Financial Statements

## Notes:

- 1) Total Debt includes current as well as non current lease liabilities and borrowings
- 2) Earnings available for debt service includes Net Profit after taxes+Finance Cost+Depreciation and amortisation+Impairment on financial assets+Allowances for doubtful debts and advance+Net Loss on disposal of property, plant and equipment.
- 3) Debt Service includes Interest and lease Payments+ Borrowing repayment
- 4) Capital Employed includes Tangible Net worth+deferred tax liabilities+Total Debt

## NOTE 39 (A) : RELATIONSHIP WITH THE STRUCK OFF COMPANIES

(Rs. In Crore)						
Name of struck off Company	Nature of transactions	Relationship with the Struck off company, if any, to be disclosed	Transactions during the year 31 <sup>st</sup> March, 2023	Balance outstanding as at 31 <sup>st</sup> March, 2023	Transaction during the year 31 <sup>st</sup> March, 2022	Balance outstanding as at 31 <sup>st</sup> March, 2022
Unity Controls Pvt. Ltd.	Payables	Vendor	-	-	0.01	-

## NOTE 39 (B)

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## NOTE 39 (C)

The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets of the Company. The Company has been regularly filing quarterly returns or statements, provisional/final containing, inter alia, amount of inventory and trade receivable with such banks and are in agreement with the unaudited books of account of the Company of the respective quarters.

## NOTE 40: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed.

For and behalf of Board of Directors of Finolex Cables Limited

**Deepak Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F Billimoria**  
Director

**Siddhesh Mandke**  
Company Secretary  
& GM (Legal)  
Pune : 26<sup>th</sup> May, 2023

# Independent Auditor's Report

## To The Members of FINOLEX CABLES LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### OPINION

We have audited the accompanying consolidated financial statements of **FINOLEX CABLES LIMITED** ("the Company") and its share of profit (net) in its associate and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company, its associate and joint ventures as at 31 March, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company, its associate and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Impairment assessment for investment in joint venture accounted using equity method</b> (Refer Notes 2.2.4, 2.24 and 6 to the consolidated financial statements)</p> <p>The Company has investment in equity shares of a joint venture, Finolex J-Power Systems Limited, which has been accounted for using the equity method in the consolidated financial statements. Under the equity method in the consolidated financial statements. Under the equity method, an investment in a joint venture is recognised initially in the consolidated balance sheet at cost and adjusted thereafter to recognize the company's share of the</p>	<p><b>Principal audit procedure performed</b></p> <p>We obtained an understanding of the Company's policies and procedures to identify impairment indicators for investment in equity shares of a joint ventures, accounted for using the equity method and performed the following procedures in relation to the Company's management impairment assessment:</p> <ul style="list-style-type: none"> <li>We tested the design and operating effectiveness of the company's management controls over review of the impairment testing including those over the forecasts of future cash flows of the joint venture and the selection of the discount rate.</li> </ul>

Sr. No. Key Audit Matter	Auditor's Response
<p>profit or loss and other comprehensive income of the joint venture. The carrying amount of investment in equity shares of a joint ventures, accounted for using the equity method are tested for impairment in accordance with Ind AS 36.</p> <p>The joint venture is making continuous losses and is dependent on continuing support from its two joint venture partners. Due to the presence of impairment indicators, the company's management has tested this investment (carrying value of Rs. 42.71 crore as at 31 March, 2023, net of impairment Rs. 31.96 crore as at 31 March, 2023, Rs. 2.19 crore impaired during the year ended 31 March, 2023) for impairment in accordance with Ind AS 36 by comparing its recoverable amount with its carrying amount as at 31 March, 2023.</p> <p>The company's management has determined the recoverable amount based on the discounted cash flows of the joint venture.</p> <p>We considered this as a key audit matter due to significant judgement involved in estimating future cash flows of the joint venture and in determining the discount rate to be used. Changes in these inputs and assumptions could impact the results of the impairment assessment.</p>	<ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the company's management controls over review of the impairment testing including those over the forecasts of future cash flows of the joint venture and the selection of the discount rate.</li> <li>• We assessed the commitment provided by the Company and the other joint venture partner for the infusion of funds. We also assessed the history of fund infusion by the Company and the other joint venture partner in the joint venture in the past.</li> <li>• We evaluated the reasonableness of forecasts of future cash flows of the joint venture provided to us by the company's management by comparing the forecasts to historical trend analysis.</li> <li>• With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology and discount rate by developing a range of independent estimates and comparing those to the discount rate selected by the management.</li> <li>• We evaluated the company management's sensitivity analysis around the key assumptions such as discount rate and terminal growth rate, to ascertain the extent of change in those assumptions that would be required for the investment in the joint venture to be impaired.</li> <li>• We assessed the adequacy of disclosures made in the financial statements for the year ended 31 March, 2023.</li> </ul>

#### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's 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, compare with the financial statements of the joint ventures and associate audited by the other auditor, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially

inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint ventures and associate, is traced from their financial statements audited by the other auditor.

- 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

#### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company including

its associate and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Company and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associate and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and 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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the Company and of its associate and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Company and of its associate and joint ventures.

#### **AUDITOR'S RESPONSIBILITY 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.

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 financial 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 and its associate and joint ventures 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 its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial



statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the 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 auditor's 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) The consolidated financial statements also include the Company's share of net profit of Rs. 83.50 crore and total comprehensive income of Rs. 83.42 crore for the year ended 31 March, 2023 as considered in the consolidated financial statements, in respect of 1 associate whose financial statements have not been audited by us. This financial statements have been audited by other

auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the report of the other auditor.

(b) The consolidated financial statements also include the Company's share of net profit of Rs. 0.29 crore and total comprehensive income of Rs. 0.29 crore for the year ended 31 March, 2023 as considered in the consolidated financial statements, in respect of 1 joint venture, based on their interim financial information which have not been audited by their auditor. Accordingly, to the information and explanations given to us by the Management, this financial statements is not material to the Company.

Our opinion on the consolidated financial statements above 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 report of the other auditor.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the associate referred to in the Other Matters section above 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, returns and the report of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 Company as on 31 March, 2023 taken on record by the Board of Directors of the Company and the report of the statutory auditor of its associate and joint venture companies incorporated in India, none of the directors of the Company, its associate company and joint venture companies incorporated in India is disqualified as on 31 March, 2023 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company, associate and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.
- As more fully stated in Note 28.1 the reappointment and remuneration of the executive directors is pending before the Hon'ble High Court. Subject to the aforesaid in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of associate companies and joint venture companies incorporated in India, the remuneration paid by the Company and such associate companies and joint venture companies to their respective directors during the year is in accordance with the provision of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company, its associate and joint ventures - Refer Note 32 to the consolidated financial statements.
- ii) The Company, its associate and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate companies and joint venture companies incorporated in India, except in respect of transfer of equity shares, as the Company is in process of transferring shares in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, to the Investor Education and Protection Fund.
- iv) (a) The respective Managements of the Company and its associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and to the other auditor of such associate that, to the best of their knowledge and belief, as disclosed in the Note 39(b) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such associate and joint ventures to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its associate and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such associate that, to the best of their knowledge and belief, as disclosed in the Note 39(b) to the consolidated financial statements, no funds have been received by the Company or any of such associate and joint ventures from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such associate and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Company and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.
- of the Company and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Company and such associate at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable. No dividend has been proposed, declared or paid during the year by any of the joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. 1 April, 2023 to the Company and its associate and joint ventures which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March, 2023.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and other auditor included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Company, we report that there are no qualifications or adverse remarks by the other auditor in the CARO reports of the said companies included in the consolidated financial statements.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Rupen K. Bhatt**  
(Partner)

As stated in Note 16(b) to the consolidated financial statements, the Board of Directors

Place: Pune  
Date: 26 May, 2023

Membership No. 046930  
UDIN: 23046930BGXRKQ2428

# Annexure “A” to the Independent Auditor’s Report

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

**Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2023, we have audited the internal financial controls with reference to consolidated financial statements of FINOLEX CABLES LIMITED (hereinafter referred to as “the Company”) and its associate and joint ventures, which are companies incorporated in India, as of that date.

## MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Company its associate and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 (ICAI). 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.

## AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Company, its associate and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the

Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 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 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 with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the associate and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Company its associate and joint ventures, which are companies incorporated in India.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the

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

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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 control 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.

#### **OPINION**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matter paragraph below, the Company its associate and joint

ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **OTHER MATTER**

Our aforesaid report 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 in so far as it relates to 1 associate company which is incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Rupen K. Bhatt**

(Partner)

Place: Pune

Date: 26 May, 2023

Membership No. 046930

UDIN: 23046930BGXRKQ2428

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2023

	Note No.	As at 31 <sup>st</sup> March, 2023	(Rs. In Crore) As at 31 <sup>st</sup> March, 2022
<b>I ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	421.75	369.66
(b) Capital Work-in-Progress	3.1	21.04	86.77
(c) Intangible Assets	4	1.43	0.27
(d) Right of use asset	5	11.77	10.25
(e) Investment Accounted for using the equity method	6	1,093.49	1,095.39
(f) Financial Assets			
i) Other Investments	7	170.67	91.60
ii) Other Financial Assets	9	4.54	4.33
(g) Non-Current Tax Assets (net)		20.78	19.14
(h) Other Non-Current Assets	10	23.40	19.37
		<b>1,768.87</b>	<b>1,696.78</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	11	674.62	653.11
(b) Financial Assets			
i) Investments	8	1,345.75	827.32
ii) Trade Receivables	12	217.76	177.15
iii) Cash and Cash Equivalents	13	67.41	32.39
iv) Other Bank balances	14	5.94	5.55
v) Other Financial Assets	9	877.55	1,057.14
(c) Other Current Assets	15	22.55	44.60
		<b>3,211.58</b>	<b>2,797.26</b>
<b>TOTAL ASSETS</b>		<b>4,980.45</b>	<b>4,494.04</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	30.59	30.59
(b) Other Equity	17	4,339.77	3,891.47
		<b>4,370.36</b>	<b>3,922.06</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings NC	18	0.25	0.28
ii) Lease Liabilities NC	5	9.79	6.34
(b) Provisions	19	10.45	9.98
(c) Deferred Tax Liabilities ( Net)	20	269.52	261.73
		<b>290.01</b>	<b>278.33</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	0.03	0.03
(ii) Lease Liabilities	5	3.54	2.14
(iii) Trade Payables			
(a) Total Outstanding Dues of micro enterprises and small enterprises	21	19.30	16.29
(b) Total Outstanding Dues of creditors other than micro enterprises and small enterprises	21	189.40	173.76
(iv) Other Financial Liabilities	22	4.60	4.29
(b) Other Current Liabilities	23	57.20	68.02
(c) Provisions	19	7.06	5.08
(d) Current tax Liabilities (net)		38.95	24.04
		<b>320.08</b>	<b>293.65</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,980.45</b>	<b>4,494.04</b>

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune : 26<sup>th</sup> May, 2023

For and behalf of Board of Directors of Finolex Cables Limited

**Deepak Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F Billimoria**  
Director

**Siddhesh Mandke**  
Company Secretary  
& GM (Legal)  
Pune : 26<sup>th</sup> May, 2023

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2023

(Rs. In Crore)

	Note No.	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>I</b>			
Revenue from operations	24	4,481.11	3,768.14
<b>II</b>			
Other income	25	117.74	71.42
<b>III Total income</b>		<b>4,598.85</b>	<b>3,839.56</b>
<b>IV EXPENSES</b>			
(a) Cost of material consumed	26	3,459.32	2,793.62
(b) Purchase of stock-in-trade		78.59	93.83
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	6.57	78.83
(d) Employee benefits expense	28	162.67	146.08
(e) Finance Costs	29	1.24	1.52
(f) Depreciation and amortization expenses	30	46.40	38.85
(g) Other Expenses	31	264.60	227.28
<b>Total Expense</b>		<b>4,019.39</b>	<b>3,380.01</b>
<b>V Profit before share of net profit of investments accounted for using equity method and tax</b>		579.46	459.55
Share of net profit of an associate and joint ventures accounted for using the equity method		69.99	327.08
<b>VI Profit before Tax</b>		649.45	786.63
<b>VII Tax Expense</b>			
(a) Current tax	20	145.04	127.92
(b) Deferred tax	20	0.13	59.57
Total Tax		<b>145.17</b>	<b>187.49</b>
<b>VIII Profit for the year</b>		<b>504.28</b>	<b>599.14</b>
<b>IX Other Comprehensive Income / (Expense)</b>			
A. Items that will not be reclassified to profit or loss			
(i) Re-measurement gain/ (loss) on defined benefit plans		0.27	1.45
(ii) Fair value change on equity instruments		43.26	(10.91)
(iii) Income tax relating to these items		(7.66)	2.05
(iv) Share of other comprehensive income/(expense) of an associate and joint ventures accounted for using equity method		(0.09)	(0.06)
B. Items that will be reclassified to profit or loss		-	-
<b>X Total Other Comprehensive Income / (Expense) for the year</b>		<b>35.78</b>	<b>(7.47)</b>
<b>XI Total comprehensive income for the year</b>		<b>540.06</b>	<b>591.67</b>
<b>Profit for the year attributable to:</b>			
- Owners of the Company		504.28	599.14
- Non-controlling interest		-	-
<b>Total Other Comprehensive Income / (Expense) for the year attributable to:</b>		<b>504.28</b>	<b>599.14</b>
- Owners of the Company		35.78	(7.47)
- Non-controlling interest		-	-
<b>Total Comprehensive Income for the year attributable to:</b>		<b>540.06</b>	<b>591.67</b>
- Owners of the Company		540.06	591.67
- Non-controlling interest		-	-
		<b>540.06</b>	<b>591.67</b>
<b>XII Earnings per equity share of face value of Rs. 2 each</b>			
(i) Basic	37	32.97	39.18
(ii) Diluted	37	32.97	39.18

**See accompanying notes to the Consolidated Financial Statements**

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune : 26<sup>th</sup> May, 2023

For and behalf of Board of Directors of Finolex Cables Limited

**Deepak Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F Billimoria**  
Director

**Siddhesh Mandke**  
Company Secretary  
& GM (Legal)  
Pune : 26<sup>th</sup> May, 2023



# Statement of Consolidated Cash Flow

## for the year ended 31<sup>st</sup> March, 2023

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>A. Cash flow from Operating Activities</b>		
Profit before tax for the year	<b>649.45</b>	<b>786.63</b>
<b>Adjustments for :</b>		
Finance costs	1.24	1.52
Interest income on financial assets carried at amortised cost	(48.52)	(46.10)
Dividend income	(0.57)	(0.52)
Share of profit of an associate and joint ventures accounted for using the equity method	(69.99)	(327.08)
Net gain/(loss) on investments classified at FVTPL	(58.68)	(20.78)
Allowances for doubtful debts	(0.42)	25.50
Allowances for doubtful advances	-	0.52
Depreciation and amortisation expenses	46.40	38.85
Impairment of financial assets	2.19	(3.51)
Loss/(gain) on disposal of property, plant and equipment	0.01	0.50
	<b>(128.34)</b>	<b>(331.10)</b>
Operating profit before working capital changes	<b>521.11</b>	<b>455.53</b>
<b>Working Capital Adjustments</b>		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(40.19)	(26.10)
Inventories	(21.51)	102.29
Other current assets	22.05	25.90
Other financial assets (current and non-current)	(4.19)	0.05
Other non-current assets	0.18	(0.39)
	<b>(43.66)</b>	<b>101.75</b>
	<b>477.45</b>	<b>557.28</b>
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	18.65	14.04
Long term / short term provisions	2.72	(2.06)
Other current liabilities	(10.82)	35.91
Other current financial liabilities	0.08	(0.16)
	<b>10.63</b>	<b>47.73</b>
<b>Cash generated from operations</b>	<b>488.08</b>	<b>605.01</b>
Income tax paid	(131.77)	(131.96)
<b>Net cash generated from Operating Activities</b>	<b>356.31</b>	<b>473.05</b>

# Statement of Consolidated Cash Flow

for the year ended 31<sup>st</sup> March, 2023

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>B. Cash flow from Investing Activities</b>		
Dividend received	80.96	80.91
Deposits and bank balances not considered as cash and cash equivalents	181.89	(247.02)
Interest received - Others	49.81	37.76
Purchase of investments in mutual funds	(4,609.40)	(3,802.96)
Proceeds from sale of investments in mutual funds	4,113.86	3,619.76
Purchase of investment in joint venture	(10.78)	-
Purchase of investment in quoted/unquoted equity shares	(0.02)	-
Purchase of property, plant and equipment	(31.02)	(67.06)
Proceeds from disposal of property, plant and equipment	0.06	0.27
<b>Net cash (used in) Investing Activities</b>	<b>(224.64)</b>	<b>(378.34)</b>
<b>C. Cash flow from Financing Activities</b>		
Other borrowings repaid	(0.03)	(0.03)
Dividend paid	(91.53)	(83.81)
Interest and other borrowing costs	(0.01)	(0.59)
<b>Repayment of lease liability:</b>		
Principal	(3.85)	(1.56)
Interest	(1.23)	(0.93)
<b>Net cash (used in) Financing Activities</b>	<b>(96.65)</b>	<b>(86.92)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>35.02</b>	<b>7.79</b>
<b>Cash and cash equivalents as at 1<sup>st</sup> April (Opening balance)</b>	<b>32.39</b>	<b>24.60</b>
<b>Cash and cash equivalents as at 31<sup>st</sup> March (Closing balance)</b>	<b>67.41</b>	<b>32.39</b>

**Note:**

**1 Cash and Cash Equivalents include:**

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Cash on hand	0.01	0.01
(b) Balances with banks		
In current accounts	67.40	32.38
<b>Cash and Cash Equivalents</b>	<b>67.41</b>	<b>32.39</b>

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune : 26<sup>th</sup> May, 2023

For and behalf of Board of Directors of Finolex Cables Limited

**Deepak Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F Billimoria**  
Director

**Siddhesh Mandke**  
Company Secretary  
& GM (Legal)  
Pune : 26<sup>th</sup> May, 2023

# Consolidated Statement of Changes in Equity

## for the year ended 31<sup>st</sup> March, 2023

### A) EQUITY SHARE CAPITAL

	No. of shares	Amount
		(Rs. In Crore)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>152,939,345</b>	<b>30.59</b>
Issued during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>152,939,345</b>	<b>30.59</b>
Issued during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>152,939,345</b>	<b>30.59</b>

### B) OTHER EQUITY

Description	Reserve and surplus					Item of Other	Total
						Comprehensive	
	Securities Premium	Capital Reserve	General Reserve	Share buyback Reserve	Retained Earnings	Income Equity Instrument through Other Comprehensive Income	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,628.74</b>	<b>79.79</b>	<b>3,383.92</b>
Profit for the year	-	-	-	-	599.14	-	599.14
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	1.03	(8.50)	(7.47)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600.17</b>	<b>(8.50)</b>	<b>591.67</b>
Dividend Paid	-	-	-	-	(84.12)	-	(84.12)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>3,144.79</b>	<b>71.29</b>	<b>3,891.47</b>
<b>Balance as at 1<sup>st</sup> April, 2022</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>3,144.79</b>	<b>71.29</b>	<b>3,891.47</b>
Profit for the year	-	-	-	-	504.28	-	504.28
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	0.11	35.67	35.78
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504.39</b>	<b>35.67</b>	<b>540.06</b>
Dividend Paid	-	-	-	-	(91.76)	-	(91.76)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>3,557.42</b>	<b>106.96</b>	<b>4,339.77</b>

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune : 26<sup>th</sup> May, 2023

For and behalf of Board of Directors of Finolex Cables Limited

**Deepak Chhabria**  
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**Siddhesh Mandke**  
Company Secretary  
& GM (Legal)  
Pune : 26<sup>th</sup> May, 2023

# Notes to the Consolidated Financial Statements

## 1. CORPORATE INFORMATION.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges (i.e. BSE & NSE) in India. The registered office of the Company is located at 26/27, Mumbai-Pune Road, Pimpri, Pune 411018 (India). The Company is principally engaged in the manufacturing of Electricals Cables, Communication Cables & other electrical appliances

These Consolidated Financial Statements for the year end March 31, 2023 were approved for issue by the Board of Directors in accordance with their resolution dated May 26, 2023.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation & presentation and statement of compliance:

These consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are presented in INR and all values are rounded to the nearest Crores in two digits, except where otherwise indicated.

### 2.2 Basis of Consolidation

**2.2.1** The consolidated financial statements comprise the financial statements of the Company and its Joint Ventures & Associate as at disclosed in note 2.2.9

**2.2.2** An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy

decisions of the investee, but is not control or joint control over those policies.

**2.2.3** 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 ventures. 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.

**2.2.4** The Company's investments in its associate and joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint ventures or an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate or joint ventures since the acquisition date. Goodwill relating to the associate or joint ventures is included in the carrying amount of the investment and is not tested for impairment individually.

**2.2.5** The statement of profit and loss reflects the Company's share of the results of operations of the associate or joint ventures. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint ventures, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate or joint ventures are eliminated to the extent of the interest in the associate or joint ventures.

**2.2.6** If an entity's share of losses of an associate or joint ventures equals or exceeds its interest in the associate or joint ventures (which includes any long term interest that, in substance, form part of the Company's net investment in the associate or joint ventures), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint ventures. If the associate or joint ventures subsequently reports profits, the entity resumes

# Notes to the Consolidated Financial Statements

recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

**2.2.7** The aggregate of the Company's share of profit or loss of an associate and joint ventures is disclosed on the face of the statement of profit and loss. The financial statements of the associate or joint ventures are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

**2.2.8** After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint ventures. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint ventures is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint ventures or and its carrying value, and then recognises the loss as 'Share of profit of a joint ventures and an associate' in the statement of profit or loss.

Upon loss of significant over the associate or joint ventures, the Company measures and recognises any retained investment at its fair value upon loss of significant influence over the associate or joint control over the joint ventures. Any difference between the carrying amount of the associate or joint ventures 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.

**2.2.9** Details of Associate and Joint Ventures at the end of the reporting period which are considered in the preparation of the consolidated financial statements

Name of Entity	Principal Activity	Nature	Place of Incorporation	Proportion of ownership interest as at 31 <sup>st</sup> March, 2023
Finolex J-Power Systems Limited	High Voltage Cables	Joint Venture	India	49%
Corning Finolex Optical Fiber Private Limited	Optical Fibers	Joint Venture	India	50%
Finolex Industries Limited	Pipes and Fittings	Associate	India	32.39%

## Other Significant Accounting Policies

### 2.3 Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, provisions and contingent liabilities and fair value measurement of financial instruments. Key source of estimation of uncertainty in respect of employee benefits and measurement of deferred tax assets have been discussed in their respective policies.

### 2.4 Critical accounting estimates

#### i) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.12.

#### ii) Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of

# Notes to the Consolidated Financial Statements

which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.17.

### iii) 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. The policy has been further explained under note 2.18.

## 2.5 Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## 2.6 Revenue recognition

### Sale of goods

Revenue from the sale of goods is recognized at point in time when control of the goods is transferred to the customer, usually on delivery of the goods, customer acceptance and other indicators of transfer of control of goods to the customer. Revenue from sale of goods is measured at an amount that reflects the consideration ("transaction price") expected to receive in exchange for those goods.

### Interest income

Interest income from a financial asset is recognized 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.

### Dividends

Revenue is recognized when the Company's right to receive the dividend is established, which is generally when shareholders approve the dividend.

## 2.7 Foreign Currencies

The Functional Currency of the company is in the Indian rupee. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realised gains and losses as well as exchange differences arising on translation (at year end exchange rates) of monetary assets and monetary liabilities outstanding at the end of the year are recognised in the statement of Profit and Loss.

Non-monetary assets and liabilities that all are measured in terms of historical cost in foreign currencies are not retranslated.

# Notes to the Consolidated Financial Statements

## 2.8 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received. Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets. The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

## 2.9 Employee Benefits

### 2.9.1 Defined contribution plans

#### (a) Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

#### (b) Superannuation

Superannuation fund, which is defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

#### (c) Employees state insurance scheme (ESIC):

The company pays ESIC contribution to Employee State Insurance Corporation of India as per ESIC Act 1948. The Company has no further obligations other than its monthly contributions.

### 2.9.2 Defined benefits plans (Gratuity)

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding

net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

### 2.9.3 Compensated absences:

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of un-availed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

### 2.10 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.



# Notes to the Consolidated Financial Statements

## Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.24) Impairment of assets.

### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are

incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 2.11 Income Taxes

### Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are

## Notes to the Consolidated Financial Statements

enacted or substantively enacted, at the reporting date in India where it generates taxable income, Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management 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 Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized.

### 2.12 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation commences when the assets are ready for their intended use. Freehold land and Assets held for sale are not depreciated.

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

The estimated useful lives in respect of Property, plant and equipment are mentioned below:

Asset Class	Useful Life Adopted (Years)	Useful Life as per Schedule -II (Years)
Plant & Machinery	10 to 25*	15
Solar Plant	25	NA
Buildings-Factory	30	30
Buildings-Others	60	60
Furniture & Fittings	10	10
Office Equipment	5	5
Computers & Peripherals	3 to 6	3 to 6
Vehicles	8	8
Dies & Moulds	6*	8

\*As evaluated by internal technical personnel

# Notes to the Consolidated Financial Statements

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, as appropriate.

## 2.13 Intangible Assets

Intangible assets acquired separately are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The amortization policy applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

Particular	Amortization
Computer Software	Over a period of 5 years

## 2.14 Borrowing Costs

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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist

of interest and other costs that an entity incurred in connection with the borrowing of funds. Borrowing cost also includes exchanged differences to the extent regarded as an adjustment to the borrowing costs.

## 2.15 Assets Held for Sale

Non-current assets held for sale are measured at the lower of their carrying value and fair value of the assets less costs to sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment once classified as held for sale are not depreciated/ amortised.

## 2.16 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on weighted average. Cost for this purpose includes cost of direct materials, direct labour, appropriate share of overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for and valued at net realisable value.

## 2.17 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and 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 amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

## 2.18 Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

# Notes to the Consolidated Financial Statements

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

## 2.19 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### 2.19.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 2.19.2 Financial assets at fair value through other comprehensive income

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

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent

changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

### 2.19.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

### 2.19.4 Impairment of financial assets (other than financial assets at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month 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. Also, refer note 12.1 on loss allowance on trade receivable.

# Notes to the Consolidated Financial Statements

## 2.20 Financial liabilities and equity instruments

### 2.20.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 2.20.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognized in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### 2.20.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

## 2.21 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

## 2.22 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, 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.

## 2.23 Earnings per share

Basic earnings per equity share are 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. 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. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 2.24 Impairment of assets

Assets are tested for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in used. For the purposes of assessing impairment, assets are grouped at the lower levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Nonfinancial assets other than goodwill that suffered an impairment are reviewed for possible reversals of the impairment at the end of each reporting period.

## 2.25 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption

## Notes to the Consolidated Financial Statements

of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or

after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statement.

# Notes to the Consolidated Financial Statements

## NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(Rs. In Crore)

	Freehold Land	Lease hold Land	Buildings (Refer note 1)	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
<b>Cost</b>									
<b>Balance as at 1<sup>st</sup> April, 2022</b>	36.63	15.30	191.86	390.32	3.44	3.52	4.32	2.17	647.56
Additions	-	-	10.75	75.76	0.09	0.78	3.79	0.09	91.26
(Disposals)	-	-	-	-	-	(0.00)	(0.45)	(0.98)	(1.43)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>36.63</b>	<b>15.30</b>	<b>202.61</b>	<b>466.08</b>	<b>3.53</b>	<b>4.30</b>	<b>7.66</b>	<b>1.28</b>	<b>737.39</b>
<b>Accumulated Depreciation &amp; Impairment</b>									
<b>Balance as at 1<sup>st</sup> April, 2022</b>	-	1.18	47.05	221.29	1.59	2.80	2.59	1.40	277.90
Depreciation expense for the year	-	0.16	6.93	30.61	0.21	0.17	0.82	0.20	39.10
(Disposals)	-	-	-	-	-	-	(0.43)	(0.93)	(1.36)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>1.34</b>	<b>53.98</b>	<b>251.90</b>	<b>1.80</b>	<b>2.97</b>	<b>2.98</b>	<b>0.67</b>	<b>315.64</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2023</b>	<b>36.63</b>	<b>13.96</b>	<b>148.63</b>	<b>214.18</b>	<b>1.73</b>	<b>1.33</b>	<b>4.68</b>	<b>0.61</b>	<b>421.75</b>

(Rs. In Crore)

	Freehold Land	Lease hold Land	Buildings (Refer note 1)	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
<b>Cost</b>									
<b>Balance as at 1<sup>st</sup> April, 2021</b>	36.37	15.30	191.79	380.57	2.75	3.46	3.73	3.54	637.51
Additions	0.26	-	0.07	19.72	0.69	0.06	0.77	-	21.57
(Disposals)	-	-	-	(9.97)	-	-	(0.18)	(1.37)	(11.52)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>36.63</b>	<b>15.30</b>	<b>191.86</b>	<b>390.32</b>	<b>3.44</b>	<b>3.52</b>	<b>4.32</b>	<b>2.17</b>	<b>647.56</b>
<b>Accumulated Depreciation &amp; Impairment</b>									
<b>Balance as at 1<sup>st</sup> April, 2021</b>	-	1.01	40.37	202.06	1.42	2.53	2.21	1.98	251.58
Depreciation expense for the year	-	0.17	6.68	28.74	0.17	0.27	0.54	0.50	37.07
(Disposals)	-	-	-	(9.51)	-	-	(0.16)	(1.08)	(10.75)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>1.18</b>	<b>47.05</b>	<b>221.29</b>	<b>1.59</b>	<b>2.80</b>	<b>2.59</b>	<b>1.40</b>	<b>277.90</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>36.63</b>	<b>14.12</b>	<b>144.81</b>	<b>169.03</b>	<b>1.85</b>	<b>0.72</b>	<b>1.73</b>	<b>0.77</b>	<b>369.66</b>

### Notes:

- (1) Building include Rs. \* Crore being cost of ordinary shares in co-operative housing societies.
- (2) Title deeds of freehold land and building are held in the name of the company.
- (3) No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

\* Denotes amount less than Rs. 50,000



## Notes to the Consolidated Financial Statements

### 3.1 Capital-work-in progress (CWIP)

#### (a) Capital-work-in progress (CWIP) ageing schedule for the year ended 31<sup>st</sup> March, 2023

(Rs. In Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11.39	5.22	2.75	1.68	21.04
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>11.39</b>	<b>5.22</b>	<b>2.75</b>	<b>1.68</b>	<b>21.04</b>

#### Capital-work-in progress (CWIP) ageing schedule for the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	70.43	14.45	0.17	1.72	86.77
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>70.43</b>	<b>14.45</b>	<b>0.17</b>	<b>1.72</b>	<b>86.77</b>

#### (b) Capital-work-in progress (CWIP), whose completion is overdue or has exceed its cost compared to its original plan as at 31<sup>st</sup> March, 2023

(Rs. In Crore)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	10.89	-	-	-	10.89
Project 2	1.67	-	-	-	1.67
Project 3	0.05	-	-	-	0.05
<b>Total</b>	<b>12.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.61</b>

#### Capital-work-in progress (CWIP), whose completion is overdue or has exceed its cost compared to its original plan as at 31<sup>st</sup> March, 2022

(Rs. In Crore)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	10.23	-	-	-	10.23
Project 2	1.67	-	-	-	1.67
Project 3	0.05	-	-	-	0.05
<b>Total</b>	<b>11.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.95</b>

# Notes to the Consolidated Financial Statements

## NOTE 4 : INTANGIBLE ASSETS

(Rs. In Crore)

	<b>Computer Software \$</b>
<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	<b>1.70</b>
Additions	1.28
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>2.98</b>
<b>Accumulated Amortisation and Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	1.43
Amortisation expenses for the year	0.12
Impairment	-
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>1.55</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2023</b>	<b>1.43</b>
<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>1.58</b>
Additions	0.12
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.70</b>
<b>Accumulated Amortisation and Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>1.37</b>
Amortisation expenses for the year	0.06
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.43</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>0.27</b>

### Note:

1) \$ Other than internally generated intangible assets

## NOTE 5 : RIGHT OF USE ASSET

(Rs. In Crore)

<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	13.17
Addition	10.47
(Disposals)	(2.09)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>21.55</b>
<b>Accumulated Amortisation &amp; Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	2.92
Amortisation expenses for the year	7.18
Impairment	-
(Disposals)	(0.32)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>9.78</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2023</b>	<b>11.77</b>

## Notes to the Consolidated Financial Statements

(Rs. In Crore)

<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	10.20
Addition	3.68
(Disposals)	(0.71)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>13.17</b>
<b>Accumulated Amortisation &amp; Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	1.91
Amortisation expenses for the year	1.72
(Disposals)	(0.71)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>2.92</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>10.25</b>

Set out below are the carrying amounts of lease liabilities movements during the year

(Rs. In Crore)

	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>
<b>Balance at the beginning</b>	8.48	6.36
Additions	9.86	3.68
Deduction during the year	(1.16)	-
Accretion of interest	1.23	0.93
Payments	(5.08)	(2.49)
<b>Balance as at the end of the year</b>	<b>13.33</b>	<b>8.48</b>
Current	3.54	2.14
Non-current	9.79	6.34

The effective interest rate for lease liabilities is 7.60%

The following are the amounts recognised in the statement of profit and loss:

(Rs. In Crore)

	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>
Depreciation expense of right-of-use assets	7.18	1.72
Interest expense on lease liabilities	1.23	0.93
Expense relating to short-term leases	0.37	0.32
Expense relating to leases of low-value assets	-	-
<b>Total amount recognised in the statement of profit and loss</b>	<b>8.78</b>	<b>2.97</b>

**Note:**

The maturities of lease liabilities on an undiscounted basis are disclosed under Note no 34.

# Notes to the Consolidated Financial Statements

## NOTE 6 : INVESTMENT IN ASSOCIATE & JOINT VENTURES- NON-CURRENT

(Rs. In Crore)

Investment in Associate & Joint Ventures		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Measured at cost			
<b>(i) Equity shares Quoted</b>			
200,962,985	Equity Shares of Rs. 2 each fully paid in Finolex Industries Limited (Previous Year 200,962,985)	1,036.68	1,033.65
<b>(ii) Equity shares Unquoted</b>			
231,279,994	Equity Shares of Rs.10 each fully paid in Finolex J-Power Systems Limited (Previous Year 220,500,000)	74.67	77.70
-	Less: Provision for Impairment in value of Investments (Refer note 6.3)	(31.96)	(29.77)
1,750,000	Equity Shares of Rs.10 each fully paid in Corning Finolex Optical Fibre Private Limited (Previous Year 1,750,000) (Refer note 6.4)	14.10	13.81
<b>Total</b>		<b>1,093.49</b>	<b>1,095.39</b>

### Note 6.1 Summarised Financial Information

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>I Finolex Industries Limited</b>		
Non -Current Assets	3,392.70	2,299.41
Current Assets	2,892.37	3,045.96
Non-Current Liabilities	(246.01)	(218.71)
Current Liabilities	(1,135.99)	(1,198.85)
<b>Net Assets</b>	<b>4,903.07</b>	<b>3,927.81</b>
Total Income	4,517.97	4,729.55
Profit for the year	250.70	1,051.34
Other Comprehensive Income/(Expense) for the year	966.07	(14.31)
Total Comprehensive Income/(Expense) for the year	1,216.77	1,037.03
Dividends received from the Associate	80.39	80.39
<b>Reconciliation of the above mentioned summarised financial information to the carrying amount of interest in the Associate recognised in consolidated financial statements:</b>		
Net assets of the Associate	4,903.07	3,927.81
Less : Unrealised gain in respect of investments held in the Company by the Associate	(1,702.44)	(736.55)
<b>Total</b>	<b>3,200.63</b>	<b>3,191.26</b>
Proportion of ownership interest in the Associate	32.39%	32.39%
<b>Carrying amount of the Company's interest in the Associate</b>	<b>1,036.68</b>	<b>1,033.65</b>

## Notes to the Consolidated Financial Statements

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>II Finolex J-Power Systems Limited</b>		
Non -Current Assets	129.49	137.79
Current Assets	182.12	125.55
Non-Current Liabilites	(6.46)	(7.11)
Current Liabilities	<b>(152.75)</b>	<b>(97.65)</b>
<b>Net Assets</b>	<b>152.40</b>	<b>158.58</b>
Total Income	127.77	86.79
(Loss) for the year	(28.17)	(27.23)
Other Comprehensive Income/(Expense) for the year	(0.01)	0.06
Total Comprehensive Income/(Expense) for the year	(28.18)	(27.18)
Dividends received from the Joint Venture	Nil	Nil
<b>Reconciliation of the above mentioned summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:</b>		
Net assets of the Joint Venture	152.40	158.58
Proportion of ownership interest in the Joint Venture	49%	49%
<b>Group's interest in Joint Venture</b>	<b>74.67</b>	<b>77.70</b>
Less : Impairment (Refer Note 6.3)	(31.96)	(29.77)
<b>Carrying amount of the Company's interest in the Joint Venture</b>	<b>42.71</b>	<b>47.93</b>
<b>III Corning Finolex Optical Fibre Private Limited</b>		
Non -Current Assets	Nil	Nil
Current Assets	28.56	27.64
Non-Current Liabilites	Nil	Nil
Current Liabilities	(0.37)	(0.02)
<b>Net Assets</b>	<b>28.19</b>	<b>27.62</b>
Total Income	1.24	12.97
Profit/(Loss) for the year	0.57	(0.22)
Other Comprehensive Income/(Expense) for the year	Nil	Nil
Total Comprehensive Income/(Expense) for the year	0.57	(0.22)
Dividends received from the Joint Venture	Nil	Nil
<b>Reconciliation of the above mentioned summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:</b>		
Net assets of the Joint Venture	28.19	27.62
Proportion of ownership interest in the Joint Venture	50%	50%
<b>Carrying amount of the Company's interest in the Joint Venture</b>	<b>14.10</b>	<b>13.81</b>
Aggregate carrying value of Quoted Investment	1,036.68	1,033.65
Aggregate market value of Quoted Investment	3,431.44	3,110.91
Aggregate carrying value of Unquoted Investment	88.77	91.51
Aggregate value of impairment in value of assets	(31.96)	(29.77)
Aggregate carrying value of Unquoted Investment net of impairment	56.81	61.74

# Notes to the Consolidated Financial Statements

## Note 6.2 : Disclosure as per Ind-AS 27

Name of investees	The principal place of business and country of incorporation	Proportion of the ownership interest and proportion of the voting rights
<b>(I) Associate</b>		
Finolex Industries Limited	India	32.39%
<b>(II) Joint Ventures</b>		
Finolex J-Power Systems Limited	India	49.00%
Corning Finolex Optical Fibre Private Limited	India	50.00%

## Note 6.3 :Disclosure as per Ind-AS 36, on Impairment of Investments in Joint Venture

The Company's investment in Finolex J Power Systems Limited (FJPS) is long term and strategic in nature and recognised and disclosed as investment in joint venture accounted for using equity method. FJPS is engaged in manufacturing and sale of extra high voltage power cables. The operations of FJPS has continued to incur losses, resulting in its net worth being partially eroded. The management expects improvement in operations of FJPS in coming years and along with the Joint Venture partner, continues to support FJPS operations by infusion of equity as required.

Considering above, the Company had in accordance with Ind AS - 36 "Impairment of Assets" carried out an impairment assessment of its investment in FJPS accounted for using equity method by comparing its recoverable amount (enterprise value) with its carrying amount as at 31<sup>st</sup> March, 2023.

The recoverable amount of the investment in FJPS is assessed based on future discounted cash flows of FJPS (enterprise value).

During the year ended 31<sup>st</sup> March, 2023, the Company has infused further equity of Rs. 10.78 crores and impaired Rs. 2.19 crores (previous year: reversed impairment of Rs. 3.51 crores) leading to a total impairment Rs. 31.96 crores upto 31<sup>st</sup> March, 2023.

### Key assumptions used for value in use to determine the recoverable value are:

- Discount rate - Weighted Average Cost of Capital (WACC) 15.00% ( Previous year 17.00%)
- Terminal growth rate 4.00% ( Previous year 4.00%)

## Note 6.4: Corning Finolex Optical Fibre Private Limited: Discontinuation of JV Agreement

The Joint Venture partners of Corning Finolex Optical Fibre Private Limited ("Corning") in their extra ordinary general meeting held on 30<sup>th</sup> March, 2022 had approved the "Voluntary Liquidation" of Corning and appointed an insolvency professional duly registered under the Insolvency and Bankruptcy Code, 2016 as the "Liquidator" of the Corning. Corning is currently under liquidation and the financial statements of Corning has been prepared on the liquidation basis and not on going concern basis. Considering Corning is in process of liquidation and disposal of the same is other than through sale transaction, accordingly investment in Corning do not qualify as held for sale. Hence, no adjustment is being made in the financial statements of the Company for the year ended 31<sup>st</sup> March, 2023 for its investment in Corning.

## NOTE7 : OTHER INVESTMENTS - NON-CURRENT

		(Rs. In Crore)	
		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a) Investments at fair value through Other Comprehensive Income (FVTOCI) (fully paid)</b>			
<b>i) Equity shares- Quoted</b>			
61,000	Equity Shares of Rs. 2 each fully paid in Bharat Forge Limited (Previous Year 61,000)	4.70	4.28
358,500	Equity Shares of Rs. 10 each fully paid in IndusInd Bank Limited (Previous Year 358,500)	38.29	33.52

## Notes to the Consolidated Financial Statements

		(Rs. In Crore)	
		As at	As at
		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
168,750	Equity Shares of Rs.5 each fully paid in BF Utilities Limited (Previous Year 168,750)	5.01	5.20
168,750	Equity Shares of Rs.5 each fully paid in BF Investment Limited (Previous Year 168,750)	6.76	4.59
300	Equity Shares of Rs. 10 each fully paid in Delton Cables Limited (Previous Year 300)	*	*
25,096	Equity Shares of Rs. 2 each fully paid in ICICI Bank Limited (Previous Year 25,096)	2.20	1.83
200,000	Equity Shares of Rs. 5 each fully paid in Kirloskar Ferrous Limited (Previous Year 200,000)	9.30	4.29
100	Equity Shares of Rs. 2 each fully paid in Nicco Corporation (Previous Year 100)	*	*
100	Equity Shares of Re. 1 each fully paid in Usha Martin Education & Solutions Limited (Previous Year 100)	*	*
200	Equity Shares of Rs. 10 each fully paid in Sterlite Power Transmission Limited (Previous Year 100)	*	*
<b>Total Equity shares - Quoted (i)</b>		<b>66.26</b>	<b>53.71</b>
<b>ii) Equity shares Unquoted</b>			
1,000,000	Equity Shares of Rs. 10 each fully paid in Finolex Plasson Industries Pvt Limited (Previous Year 1,000,000)	46.37	20.00
1,000	Equity shares of Rs.10 each fully paid up in the Saraswat Co-op Bank Ltd.(Previous year 1,000)	*	*
967,700	Equity Shares of Rs. 10 each fully paid in SICOM India Limited (Previous Year 967,700)	9.73	5.53
5,384,686	Equity Shares of Rs.10 each fully paid in Finolex Infrastructure Limited (Previous Year 5,373,938)	12.50	12.36
<b>Total Equity shares -Unquoted (ii)</b>		<b>68.60</b>	<b>37.89</b>
<b>Total FVTOCI Investments (i+ii)</b>		<b>134.86</b>	<b>91.60</b>
<b>b) Investments at fair value through Profit &amp; Loss (FVTPL)</b>			
	Investment in Fixed Maturity Plan (FMP) - Unquoted	35.81	-
<b>Total Investments at FVTPL</b>		<b>35.81</b>	<b>-</b>
<b>Total Other Investments 6=(a+b)</b>		<b>170.67</b>	<b>91.60</b>
<b>Aggregate carrying value and Market Value of Quoted Investments</b>		<b>66.26</b>	<b>53.71</b>
<b>Aggregate carrying value of Unquoted Investments</b>		<b>104.41</b>	<b>37.89</b>

\* Denotes amount less than Rs. 50,000

### NOTE 8 : CURRENT INVESTMENTS

		(Rs. In Crore)	
		As at	As at
		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Investments at fair value through profit or loss (FVTPL)</b>			
Investments in Mutual Funds /Current portion of Fixed Maturity Plan (FMP) - Unquoted			
	Investments in Mutual Funds - Unquoted	1,257.03	708.29
	Investments in Fixed Maturity Plan (FMP) - Unquoted	88.72	119.03
<b>Total Current Investments</b>		<b>1,345.75</b>	<b>827.32</b>



# Notes to the Consolidated Financial Statements

## NOTE 9: OTHER FINANCIAL ASSETS

(Unsecured , considered good)

(Rs. In Crore)

	Non current		Current	
	As at 31 <sup>st</sup> March, 2023	As At 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Carried at amortised cost</b>				
(a) Fixed Deposit with Banks	-	-	738.20	920.81
(b) Fixed Deposit - Margin Money	0.09	-	0.32	0.08
(c) Deposits with others	-	-	100.00	100.00
(d) Interest accrued on Fixed Deposit	-	-	34.96	36.25
(e) Security Deposits	4.45	4.33	-	-
(f) Other Receivables	-	-	4.07	-
	<b>4.54</b>	<b>4.33</b>	<b>877.55</b>	<b>1,057.14</b>

## NOTE 10 : OTHER NON-CURRENT ASSETS

(Unsecured , considered good)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Capital Advance</b>		
Considered Good	4.74	0.53
Considered Doubtful	0.56	0.56
<b>Total</b>	<b>5.30</b>	<b>1.09</b>
Less: Allowances for doubtful advances	0.56	0.56
	<b>4.74</b>	<b>0.53</b>
<b>(b) Balances with Government Authorities</b>		
(i) Sales Tax Receivables	15.90	16.55
(ii) Excise Duty Receivables	2.02	1.77
(iii) Other Receivables	0.52	0.52
(iv) GST Receivables	0.22	-
	<b>23.40</b>	<b>19.37</b>

## NOTE 11- INVENTORIES

(Lower of cost and net realisable value unless stated)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Raw materials	129.15	99.87
(b) Work in progress	139.49	145.95
(c) Finished goods	352.33	350.05
(d) Stock in Trade ( in respect of goods acquired for trading)	25.27	27.66
(e) Stores & Spares	26.73	27.69
(f) Scrap	1.65	1.89
<b>Total inventories</b>	<b>674.62</b>	<b>653.11</b>
Included above, goods-in-transit:		
Raw materials	38.59	17.29
<b>Total goods-in-transit</b>	<b>38.59</b>	<b>17.29</b>

During the year Rs. 2.49 crores (31<sup>st</sup> March, 2022: Rs. 11.21 crores) is recognised as write down of inventory.

# Notes to the Consolidated Financial Statements

## NOTE 12 : TRADE RECEIVABLES - (UNSECURED)

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Considered good	217.76	177.15
Considered doubtful	41.32	41.74
<b>Total</b>	<b>259.08</b>	<b>218.89</b>
Less: Allowances for credit losses	41.32	41.74
	<b>217.76</b>	<b>177.15</b>

### Note 12.1

#### Trade Receivables :

The average credit period for the Company's receivables is in the range of 30 to 60 days in respect of institutional sales and upto 180 days in case of sales to government owned entities. No interest is charged on trade receivables. Trade receivables balance as at 31<sup>st</sup> March, 2023 includes Rs. 36.92 crores due from Bharat Sanchar Nigam Limited, Bharat Broadband Nigam Limited, Southern Railway, Eastern Railway and Telecommunication Consultants India Limited (31<sup>st</sup> March, 2022 included Rs. 65.82 crores due from Bharat Sanchar Nigam Limited, Bharat Broadband Nigam Limited and Telecommunication Consultants India Limited), Rs. 138.35 crores due from Minda Corporation Limited, D-Link India Limited, Bharti Airtel Limited and Telesonic Networks Limited (31<sup>st</sup> March, 2022 included Rs. 52.40 crores due from Minda Corporation Limited, D-Link India Limited and Logenix Services Private Limited) which represents Company's large customers. Apart from the above there are no customers who individually represents more than 5% of the total balance of trade receivables.

#### Expected credit loss

For trade receivables, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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 expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the expected credit loss allowance:

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Balance at the beginning of the year	41.74	16.24
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	(0.42)	25.50
<b>Balance at the end of the year</b>	<b>41.32</b>	<b>41.74</b>

# Notes to the Consolidated Financial Statements

## 12.2 Trade Receivables Ageing for the year ended March, 31, 2023

(Rs. In Crore)

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	216.92	1.21	0.69	0.18	5.48	224.48
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	34.60	34.60
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Subtotal</b>	<b>216.92</b>	<b>1.21</b>	<b>0.69</b>	<b>0.18</b>	<b>40.08</b>	<b>259.08</b>
Less: allowances for credit losses						(41.32)
<b>Total</b>						<b>217.76</b>

## Trade Receivables Ageing for the year ended March, 31, 2022

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	148.86	28.02	0.32	3.97	2.37	183.54
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	35.35	35.35
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Subtotal</b>	<b>148.86</b>	<b>28.02</b>	<b>0.32</b>	<b>3.97</b>	<b>37.72</b>	<b>218.89</b>
Less: allowances for credit losses						(41.74)
<b>Total</b>						<b>177.15</b>

## NOTE 13: CASH AND CASH EQUIVALENTS

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Balances with banks:</b>		
In Current Accounts	67.40	32.38
<b>(b) Cash on hand</b>	0.01	0.01
	<b>67.41</b>	<b>32.39</b>

# Notes to the Consolidated Financial Statements

## NOTE 14: OTHER BANK BALANCES

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) In Earmarked Accounts		
Unclaimed dividend	3.68	3.45
Unspent CSR account	2.14	-
(b) Fixed Deposits with maturity greater than 3 months but less than 12 months	-	1.99
(c) Fixed Deposit - held as Margin Money	0.12	0.11
	<b>5.94</b>	<b>5.55</b>

## NOTE 15 : OTHER CURRENT ASSETS

(Unsecured , considered good)

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Goods and Services Tax Receivable	7.44	18.77
(b) Balances with Government authorities (Income Tax)	0.28	0.28
(c) Other Advances		
Considered Good	14.29	24.98
Considered Doubtful	1.16	1.16
<b>Total</b>	<b>15.45</b>	<b>26.14</b>
Less: Allowances for doubtful advances	1.16	1.16
<b>Total Other Advances</b>	<b>14.29</b>	<b>24.98</b>
(d) Prepaid Expenses	0.54	0.57
	<b>22.55</b>	<b>44.60</b>

## NOTE 16 : EQUITY SHARE CAPITAL

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No of shares	(Rs. In Crore)	No of shares	(Rs. In Crore)
<b>I Authorised Share Capital</b>				
235,000,000 (Previous year 235,000,000) Equity shares of Rs. 2/-each	235,000,000	47.00	235,000,000	47.00
3,000,000 (Previous year 3,000,000) Unclassified shares of Rs. 10/- each	3,000,000	3.00	3,000,000	3.00
	<b>238,000,000</b>	<b>50.00</b>	<b>238,000,000</b>	<b>50.00</b>
<b>II Issued, Subscribed and Paid up Share Capital</b>				
Equity shares of Rs. 2 each issued, subscribed and fully paid	152,939,345	30.59	152,939,345	30.59

# Notes to the Consolidated Financial Statements

## (a) Reconciliation of Equity Shares at the beginning and at the end of the reporting period.

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No of shares	(Rs. In Crore)	No of shares	(Rs. In Crore)
Balance at the beginning of the year	152,939,345	30.59	152,939,345	30.59
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>152,939,345</b>	<b>30.59</b>	<b>152,939,345</b>	<b>30.59</b>

## (b) Terms/ rights attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

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.

On 26<sup>th</sup> May, 2023, the Board of Directors of the company have proposed a final dividend of Rs.7.00 per share in respect of the year ended 31<sup>st</sup> March, 2023 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of Rs.107.06 crores.

## (c) Details of shareholders holding more than 5% Shares in the company

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No of shares	% Holding	No of shares	% Holding
Finolex Industries Limited	22,187,075	14.51	22,187,075	14.51
Orbit Electricals Pvt. Limited	46,956,120	30.70	46,956,120	30.70

## NOTE 16.1 : SHAREHOLDING OF PROMOTERS

Shares held by promoters at the end of the year		As at 31 <sup>st</sup> March, 2023			As at 31 <sup>st</sup> March, 2022		
Sr No.	Promoter Name	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
1	KATARA MUKESH DOLUMAL (HUF)	7,500	0.00%	-	7,500	-	-
2	KATARA MUKESH DOLUMAL	23,500	0.02%	-	23,500	0.02%	-
3	ARUNA KATARA	2,812,950	1.84%	-	2,812,950	1.84%	-
4	SUNITA KISHANDAS CHHABRIA	850,000	0.56%	-26.94%	1,163,400	0.76%	-
5	PRAKASH PRALHAD CHHABRIA	831,850	0.54%	-	831,850	0.54%	-
6	PRIYA VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
7	VINI DEEPAK CHHABRIA	33,750	0.02%	-	33,750	0.02%	-
8	KISHANDAS PARASHRAM CHHABRIA	685,250	0.45%	-	685,250	0.45%	-27.93%
9	DEEPAK KISHAN CHHABRIA	1,202,250	0.79%	-	1,202,250	0.79%	28.34%
10	PRALHAD PARSRAM CHHABRIA	-	0.00%	-	-	-	-100.00%
11	VIJAY KISHANDAS CHHABRIA	539,250	0.35%	-	539,250	0.35%	-

## Notes to the Consolidated Financial Statements

Shares held by promoters at the end of the year		As at 31 <sup>st</sup> March, 2023			As at 31 <sup>st</sup> March, 2022		
Sr No.	Promoter Name	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
12	RITU PRAKASH CHHABRIA	95,000	0.06%	-	95,000	0.06%	-
13	JANAK DEEPAK CHHABRIA	313,400	0.20%	100.00%	-	0.00%	-
14	RISHI VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
15	KARAN VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
16	GAYATRI PRAKASH CHHABRIA	105,000	0.07%	-	105,000	0.07%	-
17	HANSIKA HIYA PRAKASH CHHABRIA	105,000	0.07%	-	105,000	0.07%	-
18	RADHIKA DEEPAK CHHABRIA	30,000	0.02%	-	30,000	0.02%	-
19	AMIT M KATARA	87,400	0.06%	-	87,400	0.06%	-
20	AMRITA MUKESH KATARA	85,400	0.06%	-	85,400	0.06%	-
21	ORBIT ELECTRICALS PRIVATE LIMITED	46,956,120	30.70%	-	46,956,120	30.70%	-
22	KATARA DENTAL PVT.LTD.	10,050	0.01%	-	10,050	0.01%	-

### NOTE 17 : OTHER EQUITY

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
	(Rs. In Crore)	
<b>(i) Securities Premium</b>	109.10	109.10
<b>(ii) Capital Reserve</b>	8.41	8.41
<b>(iii) General Reserve</b>	552.36	552.36
<b>(iv) Share buy back reserve</b>	5.52	5.52
<b>(v) Retained Earnings</b>	-	-
Opening Balance	3,144.79	2,628.74
Add: Other Comprehensive Income/(Expenses) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	0.11	1.03
Profit for the year	504.28	599.14
Less: Payment of dividend	(91.76)	(84.12)
<b>Closing Balance</b>	<b>4,232.81</b>	<b>3,144.79</b>
<b>(vi) Equity Instruments through Other Comprehensive Income</b>		
Opening Balance	71.29	79.79
Add/(Less): Change in Fair Value of Equity Instrument through other Comprehensive Income	43.26	(10.91)
Add/(Less): Deferred Tax	(7.59)	2.41
<b>Closing Balance</b>	<b>106.96</b>	<b>71.29</b>
<b>Total</b>	<b>4,339.77</b>	<b>3,891.47</b>

# Notes to the Consolidated Financial Statements

## Nature and purpose :

### Securities Premium :

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

### Capital Reserve

The Company recognises the difference on purchase, sale, issue or cancellation of Company's own equity instruments to Capital Reserve. Capital Reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### General Reserve:

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 and loss.

### Share buy back reserve

During the earlier years, the Company had bought back its own equity out of free reserves. Share buy back reserve (Capital Redemption Reserve) represents amount set aside in respect of nominal value of the shares bought back as per the Companies Act, 2013.

### Retained Earnings:

Retained Earnings are the profits of the Company earned till date net of appropriations.

### Equity Instruments through Other Comprehensive Income

This Reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings when those assets are disposed off.

## NOTE 18 :BORROWINGS

(Rs. In Crore)

	Non Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Finance lease obligation	0.25	0.28	0.03	0.03
	<b>0.25</b>	<b>0.28</b>	<b>0.03</b>	<b>0.03</b>

### Note 18.1: Repayment Details of Loans

Finance lease obligation : Repayable over 78 Years, last installment in financial year 2096-97.

## NOTE 19 : PROVISIONS

(Rs. In Crore)

	Non Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Employee Benefits				
Gratuity	-	-	3.93	2.07
Leave Encashment	10.45	9.98	3.13	3.01
	<b>10.45</b>	<b>9.98</b>	<b>7.06</b>	<b>5.08</b>



# Notes to the Consolidated Financial Statements

## NOTE 20 : TAX EXPENSE AND DEFERRED TAX LIABILITY (NET)

### Note 20.1 : Tax Expense

#### 1. Income Tax recognised in Statement of profit and loss

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Current Tax:</b>		
In respect of current year	145.04	127.92
	<b>145.04</b>	<b>127.92</b>
<b>Deferred tax:</b>		
In respect of current year	0.13	59.57
	0.13	59.57
<b>Total Income Tax expense recognised during the year</b>	<b>145.17</b>	<b>187.49</b>

#### 2. Income Tax recognised in Other Comprehensive Income

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Deferred tax on fair value changes on equity instruments at FVTOCI	(7.59)	2.41
Net (gain)/loss on remeasurements of defined benefit plans	(0.07)	(0.36)
<b>Total Income Tax expense recognised in other comprehensive income during the year</b>	<b>(7.66)</b>	<b>2.05</b>

#### 3. The Income Tax expenses for the year can be reconciled to the accounting profit as follows.

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Profit before tax and share of net profit of an associate and Joint ventures considered for tax working	579.46	459.55
Income tax expenses calculated at 25.17% (Previous year 25.17 %)	145.85	115.67
Effect of income that is exempt from tax	(0.15)	(0.14)
Effect of items that are not deductible in determining taxable profit	5.73	1.90
Effect of tax on other items	(7.13)	4.58
Effect of Tax on undistributed profit	0.87	65.48
<b>Income tax expenses recognised in statement of profit and loss</b>	<b>145.17</b>	<b>187.49</b>

#### Note :

- The tax rate used for the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 reconciliations above is the corporate tax rate of 25.17% respectively, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

# Notes to the Consolidated Financial Statements

## Note 20.2 : Deferred Tax Liability (net)

1. The following is the analysis of Deferred Tax Liability (net) presented in the Balance Sheet:

(Rs. In Crore)

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Deferred tax assets	17.97	14.54
Deferred tax liabilities	(287.49)	(276.27)
<b>Total - Deferred tax Liabilities (net)</b>	<b>(269.52)</b>	<b>(261.73)</b>

2. The tax effect of significant timing differences that has resulted in deferred tax liabilities are given below:

(Rs. In Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2023			Closing balance
	Opening balance	Recognised in Profit and loss	Recognised in OCI	
<b>Deferred Tax Assets in relation to</b>				
Employee Benefits	3.79	0.69	(0.07)	4.41
Allowance for Doubtful Debt	10.51	0.32	-	10.83
Others	0.24	2.49	-	2.73
<b>Total</b>	<b>14.54</b>	<b>3.50</b>	<b>(0.07)</b>	<b>17.97</b>
<b>Deferred Tax Liabilities in relation to</b>				
<b>Property, Plant and Equipment</b>	28.50	1.31	-	29.81
Undistributed profit of associate	235.59	0.87	-	236.46
Financial assets at fair value through OCI	5.01	-	7.59	12.60
Financial assets at fair value through Profit and loss	6.74	2.30	-	9.04
Lease liabilities	0.43	(0.85)	-	(0.42)
<b>Total</b>	<b>276.27</b>	<b>3.63</b>	<b>7.59</b>	<b>287.49</b>
<b>Deferred tax Liabilities (net)</b>	<b>(261.73)</b>	<b>(0.13)</b>	<b>(7.66)</b>	<b>(269.52)</b>

(Rs. In Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2022			Closing balance
	Opening balance	Recognised in Profit and loss	Recognised in OCI	
<b>Deferred Tax Assets in relation to</b>				
Employee Benefits	4.68	(0.53)	(0.36)	3.79
Allowance for Doubtful Debt	4.38	6.13	-	10.51
Others	1.16	(0.92)	-	0.24
<b>Total</b>	<b>10.22</b>	<b>4.68</b>	<b>(0.36)</b>	<b>14.54</b>
<b>Deferred Tax Liabilities in relation to</b>				
Property, Plant and Equipment	28.85	(0.35)	-	28.50
Undistributed profit of associate	170.11	65.48	-	235.59
Financial assets at fair value through OCI	7.42	-	(2.41)	5.01
Financial assets at fair value through Profit and loss	7.57	(0.83)	-	6.74
Lease liabilities	0.48	(0.05)	-	0.43
<b>Total</b>	<b>214.43</b>	<b>64.25</b>	<b>(2.41)</b>	<b>276.27</b>
<b>Deferred tax Liabilities (net)</b>	<b>(204.21)</b>	<b>(59.57)</b>	<b>2.05</b>	<b>(261.73)</b>

# Notes to the Consolidated Financial Statements

## NOTE 21 : TRADE PAYABLES

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Total Outstanding Dues of micro enterprises and small enterprises	19.30	16.29
(b) Total Outstanding Dues of Creditors other than micro enterprises and small enterprises		
(i) Trade payables	160.28	144.46
(ii) Accrued Salaries and Benefits	29.12	29.30
<b>Total</b>	<b>208.70</b>	<b>173.76</b>

### Note 21.1 : Dues to Micro enterprises and small enterprises

- (a) Outstanding to suppliers other than micro enterprises and small enterprises Rs. 189.40 crores (previous year Rs. 173.76 crores)
- (b) Outstanding to micro enterprises and small enterprises Rs. 19.30 crores (previous year Rs. 16.29 crores) including interest.

	(Rs. In Crore)	
Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
(a) Principal amount due to micro and small enterprise	17.96	16.15
(b) Interest due on above	1.34	0.14
	<b>19.30</b>	<b>16.29</b>

### Amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts paid to suppliers beyond the appointed day during each accounting year.

(a) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (7 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	0.05	-
(b) Amount of interest due and payable for the period of delay in making payment (beyond the appointed day) but without adding the interest specified under the MSMED Act.	-	-
(c) The amount of interest accrued and remaining unpaid at the end of each accounting year	1.34	0.14
(d) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006;	-	-

The identification of suppliers as Micro and Small Enterprises covered under the "MSMED Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company. This has been relied upon the auditors.

# Notes to the Consolidated Financial Statements

## Note 21.2 : Trade Payables Ageing Schedule

(Rs. In Crore)

Particulars	Trade Payable Ageing as on 31 <sup>st</sup> March, 2023				Total
	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	19.30	-	-	-	19.30
(ii) Others	77.53	2.56	0.95	3.47	84.51
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>96.83</b>	<b>2.56</b>	<b>0.95</b>	<b>3.47</b>	<b>103.81</b>
Accrued Expenses					104.89
<b>Total</b>					<b>208.70</b>

(Rs. In Crore)

Particulars	Trade Payable Ageing as on 31 <sup>st</sup> March, 2022				Total
	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	16.29	-	-	-	16.29
(ii) Others	90.29	1.12	0.35	2.08	93.84
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>106.58</b>	<b>1.12</b>	<b>0.35</b>	<b>2.08</b>	<b>110.13</b>
Accrued Expenses					79.92
<b>Total</b>					<b>190.05</b>

## NOTE 22 : OTHER CURRENT FINANCIAL LIABILITIES

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Carried at amortised cost		
(a) Unpaid Dividend (refer note below)	3.68	3.45
(b) Other Payables		
Deposits from Distributors	0.88	0.80
Other Liabilities	0.04	0.04
	<b>4.60</b>	<b>4.29</b>

### Note :

The company is in process of transferring shares to Investor Education and Protection Fund (IEPF), in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended.

# Notes to the Consolidated Financial Statements

## NOTE 23 : OTHER CURRENT LIABILITIES

	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Statutory Dues payable		
(i) Goods and Services Tax Payables	12.82	23.58
(ii) TDS Payables	2.51	2.39
(iii) Employee related dues payable	1.38	1.28
(b) Advance from customers	40.46	40.74
(c) Other payables	0.03	0.03
	<b>57.20</b>	<b>68.02</b>

## NOTE 24 : REVENUE FROM OPERATIONS:

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
(a) Sale of Products	4,410.28	3,698.57
(b) Other operating revenue-Sale of scrap	70.83	69.57
	<b>4,481.11</b>	<b>3,768.14</b>

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>(i) Sale of Products includes:</b>		
Sale of Manufactured products	4,214.94	3,575.27
Sale of Traded Goods	195.34	123.30
<b>Total</b>	<b>4,410.28</b>	<b>3,698.57</b>

### (ii) Disaggregation of the revenue information

The table below presents disaggregated revenue by geography and offerings for each of products.

#### Revenue from sale of products

	(Rs. In Crore)	
Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
A. Electrical cables	3,618.80	3,130.83
B. Communication cables	576.84	377.69
C. Copper rods	21.52	17.65
D. Others	193.12	172.40
	<b>4,410.28</b>	<b>3,698.57</b>
Sale of Scrap		
A. Electrical cables	64.71	62.38
B. Communication cables	2.20	2.06
C. Copper rods	1.70	1.17
D. Others	2.22	3.96
	<b>70.83</b>	<b>69.57</b>
	<b>4,481.11</b>	<b>3,768.14</b>

# Notes to the Consolidated Financial Statements

## Revenue by Geography

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
India	4,441.18	3,740.50
Outside India	39.93	27.64
	<b>4,481.11</b>	<b>3,768.14</b>

## Timing of revenue recognition

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Goods transferred at a point of time	4,481.11	3,768.14
Goods transferred over a period of time	-	-
	<b>4,481.11</b>	<b>3,768.14</b>

## (iii) Information about major customers

There are no major customers having revenue transactions exceeding 10% of the total revenue.

## NOTE 25 : OTHER INCOME

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
(a) Interest income on financial assets carried at amortised cost	48.52	46.10
(b) Dividend Income	-	-
(ii) Dividend from Others- Equity Investments Designated at FVTOCI	0.57	0.52
(c) Others	-	-
(i) Net gain/(loss) on investments classified at FVTPL	58.68	20.78
(ii) Exchange gain/(loss) on translation of Assets and Liabilities	0.10	0.85
(iii) Other Income	9.87	3.17
	<b>117.74</b>	<b>71.42</b>

## NOTE 26 : COST OF MATERIAL CONSUMED

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Inventory at the beginning of the year	99.87	127.30
Add: Purchases	3,488.60	2,766.19
Less: Inventory at the end of the year	129.15	99.87
	<b>3,459.32</b>	<b>2,793.62</b>

## Cost of Traded Goods Sold

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Inventory at the beginning of the year	27.66	19.30
Add: Purchases	78.59	93.83
Less: Inventory at the end of the year	25.27	27.66
	<b>80.98</b>	<b>85.47</b>

# Notes to the Consolidated Financial Statements

## NOTE : 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Inventories at the end of the year (A)</b>		
Work-in-progress	139.49	145.95
Finished goods	352.33	350.05
Stock-in-Trade	25.27	27.66
	<b>517.09</b>	<b>523.66</b>
<b>Inventories at the beginning of the year (B)</b>		
Work-in-progress	145.95	166.24
Finished goods	350.05	416.95
Stock-in-Trade	27.66	19.30
	<b>523.66</b>	<b>602.49</b>
<b>(Increase)/Decrease in Inventories (B)-(A)</b>	<b>6.57</b>	<b>78.83</b>

## NOTE 28 : EMPLOYEE BENEFITS EXPENSE

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
(a) Salaries, wages and bonus (refer note 28.1 below)	145.10	131.41
(b) Contribution to provident and other funds (refer note 33.1)	8.14	5.90
(c) Gratuity expense (refer note 33.2)	2.20	2.39
(d) Leave Encashment	3.17	1.99
(e) Staff welfare and other expenses	4.06	4.39
	<b>162.67</b>	<b>146.08</b>

### Note 28.1

Salaries, wages and bonus includes Rs. 11.07 crores (previous year Rs. 9.92 crores) paid/ payable to the executive director, during the year, subject to the below.

The resolutions for the reappointment and remuneration of the executive directors were placed before the Annual General Meeting of the Company held on 25<sup>th</sup> September, 2018. The Hon'ble High Court of Bombay had in respect of an appeal filed in respect of reappointment and remuneration of the executive directors, stated that the results of the voting shall be subject to the Order to be passed by the Hon'ble High Court of Bombay in this Appeal. The matter remains pending.

Total remuneration paid/payable to the executive directors for the period 1<sup>st</sup> July, 2018 (being the date of proposed reappointment) upto 31<sup>st</sup> March, 2023 is Rs. 49.97 crores (previous year Rs. 38.90 crores).



# Notes to the Consolidated Financial Statements

## NOTE 29 : FINANCE COSTS

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Interest others	1.24	1.52
	<b>1.24</b>	<b>1.52</b>

## NOTE 30 : DEPRECIATION AND AMORTIZATION EXPENSES

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Depreciation on Tangible assets (note 3)	39.10	37.07
Amortization of Intangible assets (note 4)	0.12	0.06
Amortization of Right of use (note 5)	7.18	1.72
	<b>46.40</b>	<b>38.85</b>

## NOTE 31 : OTHER EXPENSES

	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
(a) Consumption of stores and spares	33.40	25.29
(b) Power and fuel	61.29	46.36
(c) Freight and forwarding charges	55.36	48.69
(d) Rent	4.29	4.17
(e) Rates and taxes	0.95	0.93
(f) Insurance	5.62	5.51
(g) Repairs and maintenance -		
(i) Plant and machinery	2.24	2.05
(ii) Buildings	6.07	4.42
(iii) Others	4.07	4.98
(h) CSR expenditure (Refer note 2 below)	8.55	8.53
(i) Advertising and sales promotion	30.87	9.51
(j) Travelling and conveyance	11.77	9.78
(k) Communication costs	0.57	0.50
(l) Legal and professional fees	7.55	6.58
(m) Non Executive Directors' sitting fees & Commission	0.98	0.85
(n) Payment to auditor (Refer note 1 below)	0.97	0.78
(o) Allowances for doubtful debts	(0.42)	25.50
(p) Allowances for doubtful advances	-	0.52
(q) Miscellaneous expenses	28.27	25.34
(r) Impairment of Financial Assets	2.19	(3.51)
(s) Net Loss on disposal of property, plant and equipment	0.01	0.50
	<b>264.60</b>	<b>227.28</b>

# Notes to the Consolidated Financial Statements

## Notes :

### 1. Payment to auditor (Exclusive of service tax & GST)

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Audit Fees	0.33	0.28
For other service (certifications, etc)	0.01	0.01
Fees for limited review	0.54	0.41
For reimbursement of expenses	0.04	0.03
For taxation matters	0.05	0.05
<b>Total</b>	<b>0.97</b>	<b>0.78</b>

### 2. Details of CSR expenditure

2.1 Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
(a) Amount required to be spent as per section 135 of the Act	8.55	8.53
(b) Amount of expenditure incurred	8.03	8.15
(c) Shortfall at the end of the period	0.52	0.38
(d) Total of previous years shortfall	0.38	-
(e) Reason for shortfall	Refer Note 2.3 below	
(f) Nature of CSR activities	Refer Note 2.4 below	
(g) No contribution is made to Related parties	-	-
<b>Total Spent</b>	<b>8.03</b>	<b>8.15</b>
2.2 Amount spent during the year on:		
(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	8.03	8.15

2.3 Delay in execution of CSR projects lead to shortfall. The Company has deposited unspent amount in a separate unspent CSR account as per section 135(6) of the Companies Act, 2013.

2.4 Disaster management, Eradicating hunger, poverty and malnutrition, promoting education, promoting health care, Rural development projects.

2.5 Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
CSR Opening Provision	0.38	-
Add: Provision during the year	0.52	0.38
Less : utilized from previous year	(0.38)	-
CSR Closing Provision	<b>0.52</b>	<b>0.38</b>

# Notes to the Consolidated Financial Statements

## NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENTS

### A Contingent Liabilities

#### I Claims against the company not acknowledged as debts

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Disputed Matters</b>		
<b>(i) The Company</b>		
(a) Excise (dispute mainly on account of issues of applicability, classification, etc. to certain goods)	43.21	37.04
(b) GST	0.81	0.24
(c) Customs	0.94	0.94
(d) Sales Tax (dispute mainly on account of non submission of C, F and other forms and rates of tax)	137.88	138.05
(e) Entry Tax (dispute on account of applicability, etc.)	4.85	4.85
(f) Income Tax (Including Wealth Tax)		
wherein the Company is in Appeal	17.69	17.26
wherein the Department is in Appeal	11.52	10.33
(disputes relating to allowability of certain expenses, deductability, etc.)		
<b>(ii) Share of an Associate</b>		
(a) Excise / Customs / Service Tax	19.81	22.85
(b) Sales Tax	0.72	0.72
(c) Income Tax (Including Wealth Tax)		
wherein the Company is in Appeal	4.18	1.26
wherein the Department is in Appeal	0.03	0.03
(d) Others	0.19	0.14
<b>(iii) Share of Joint Ventures</b>		
(a) Liquidated Damages	1.62	1.62
(b) Others	-	0.35
<b>II Other claims against the Company not acknowledged as debts</b>	0.28	0.28
<b>III Export Promotion Capital Goods (EPCG)</b>		
Share of Joint Venture	3.49	3.49
	<b>247.22</b>	<b>239.45</b>

#### IV Gurantees

- (a) During the previous year the Company had given the counter corporate guarantee to J-Power System Corporation (JPS), Joint venture Partner of Finolex J Power System Limited (FJPS), Joint Venture to the extent of 49% of Rs. 50 crores (upto maximum of Rs. 24.50 crores). Whereas, the JPS had given 100% corporate guarantee to the bankers of FJPS towards the credit facility of Rs. 50 crores taken by FJPS to meet its working capital requirements and the same has been withdrawn during the year.
- (b) The Company has given guarantee of Rs. 106.75 crores to the bankers of Finolex J Power Systems Limited (FJPS), Joint Venture of the Company for the purpose of working capital facility availed by the FJPS.

#### Note:-

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

# Notes to the Consolidated Financial Statements

## B Commitments:

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>i Capital Commitments:</b>		
<b>Tangible Assets</b>		
(a) Estimated amount of contracts remaining to be executed on capital account net of advance and not provided for.	15.06	37.36
(b) Share of Joint Venture	*	0.37
(c) Share of an Associate	23.75	16.15
<b>Intangible Assets</b>		
(a) Share of Joint Venture	-	0.01

\* Denotes amount less than Rs. 50,000

### ii Other Commitment

- (a) In respect of Finolex J Power Systems Limited (FJPS), Joint Venture of the Company whose net worth has been substantially eroded, the Company along with its joint venture partner has provided unconditional financial support.
- (b) In respect of share of Finolex Industries Limited, an associate of the Company, aggregate amount of bank guarantees other than the performance guarantees outstanding as on 31<sup>st</sup> March, 2023 is Rs. 11.14 crores (as on 31<sup>st</sup> March, 2022 - Rs. 10.07 crores).

## NOTE 33 :EMPLOYEE BENEFIT PLAN

### 1. Defined Contribution plan

The Company makes Provident Fund and Superannuation Fund contributions 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 contributions as specified under the law/scheme are paid to the Government administered Provident fund and in case of Superannuation to the Scheme set up as trust by the Company-Insurer. The Company is liable only for annual contributions.

The Company has recognised Rs. 6.14 crores (31<sup>st</sup> March, 2022 - Rs. 5.90 crores) for provident fund contributions.

Contribution for superannuation funds Rs. 2.00 crores (31<sup>st</sup> March, 2022 - Rs. Nil crores) in the Statement of Profit and Loss because the earlier surplus contribution are available for utilisation.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

### 2. Defined Benefit plan

#### Gratuity-Funded

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the separation date. The gratuity plan is funded plan. The Company has formed a trust and is governed by Trustees appointed by the Company. The Trustees are responsible for administration of the plan assets and investment strategy in accordance with the regulations. The funds are deployed in recognised insurer managed funds in India.

# Notes to the Consolidated Financial Statements

The following table sets out the status of Gratuity Plans as required under Ind AS 19.

Statement showing changes in Present Value of obligations	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Present value of obligations at the beginning of the year	29.09	28.16
Interest Cost	2.03	1.81
Current service cost	2.05	2.07
Benefits paid from the Fund	(2.32)	(1.77)
Actuarial (gain)/loss on obligations	(0.31)	(1.18)
Present Value of obligations as at end of the year	<b>30.54</b>	<b>29.09</b>
<b>Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	27.02	23.27
Expected return on plan assets	1.88	1.49
Contributions	0.06	3.76
Benefits paid	(2.32)	(1.77)
Return on Plan Assets, Excluding Interest Income	(0.03)	0.27
Fair value of plan asset at end of the period	<b>26.61</b>	<b>27.02</b>
Funded status	<b>87%</b>	<b>93%</b>
Actuarial (gain)/loss on obligations :-		
Due to change in Demographic Assumptions	-	0.03
Due to change in Financial Assumptions	(1.13)	(1.32)
Due to change in Experience	0.82	0.11
<b>Actuarial (gain)/Loss recognised in the year</b>	<b>(0.31)</b>	<b>(1.18)</b>
<b>Amounts to be recognised in the Balance Sheet</b>		
Present Value of obligations as at the end of the period	(30.54)	(29.09)
Fair value of plan assets as at the end of the period	26.61	27.02
Funded Status	(3.93)	(2.07)
Net Asset/(Liability) recognised in balance sheet	<b>(3.93)</b>	<b>(2.07)</b>
<b>Expenses recognised in statement of Profit &amp; Loss</b>		
Current Service Cost	2.05	2.07
Interest Cost	0.15	0.32
Expected return on plan assets	-	-
Net Actuarial(gain)/Loss recognised in the year	-	-
Expenses recognised in statement of Profit & Loss	<b>2.20</b>	<b>2.39</b>
Expenses Recognised in Other Comprehensive Income		
Actuarial (Gains)/Losses on obligation for the year	(0.31)	(1.12)
Return on Plan Assets, Excluding Interest Income	0.03	(0.27)
<b>Expenses recognised in Other Comprehensive Income</b>	<b>(0.28)</b>	<b>(1.39)</b>
Table showing administration of Plan Assets		
Administered by Life Insurance Corporation	26.61	27.02
<b>Total</b>	<b>26.61</b>	<b>27.02</b>
<b>Actuarial Assumptions:</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>
Discount Rate	7.44%	6.98%
Rate of return on assets	7.44%	6.98%
Salary escalation	8.00%	8.00%
Attrition rate (p.a)		
- For service 2 years & below	25.00%	25.00%
- For service 3 to 4 years	12.50%	12.50%
- For service 5 years & above	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

## Notes to the Consolidated Financial Statements

Particulars	As at 31 <sup>st</sup> March				
	2023	2022	2021	2020	2019
<b>Experience adjustments</b>					
On plan liability (gain)/loss	(0.31)	(1.18)	(0.48)	3.51	3.46
On plan asset (gain)/loss	0.03	(0.27)	(0.18)	0.09	(0.04)

As per actuarial valuation report, Expected employer's contribution in next year is Rs. 4.06 crores (previous year Rs. 3.84 crores)

### Effect on DBO on account of change in the assumed rates:

DBO Rates Types Year	Discount Rate		Salary Escalation Rate		Withdrawal Rate	
	1%	1%	1%	1%	1%	1%
	Decrease	Increase	Decrease	Increase	Decrease	Increase
31 <sup>st</sup> March, 2023	(2.22)	2.56	2.52	(2.23)	(0.11)	0.12
31 <sup>st</sup> March, 2022	(2.19)	2.53	2.48	(2.19)	(0.19)	0.21

The sensitivity results above determine their individual impact on Plan's end of year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

### The expected maturity analysis of undiscounted defined benefit obligation is as follows:

	(Rs. In Crore)	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Within 1 Year	3.30	2.99
Between 1-2 years	1.90	2.02
Between 2-3 years	2.32	2.11
Between 3-4 years	2.07	2.16
Between 4-5 years	2.31	1.87
Sum of 6-10 years	14.78	13.45
Sum of 11 years and above	37.25	34.72

### Risk exposure:

Through the defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

#### Asset Volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk plan assets have been deployed in high grade insurer managed funds.

#### Inflation rate risk:

Higher than expected increase in salary will increase the defined benefit obligation.

#### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straightforward and depends upon the combination of salary increase, discount rate and vesting criterion.

# Notes to the Consolidated Financial Statements

## NOTE 34 FINANCIAL INSTRUMENTS

### 1. Fair value measurements

#### 1.1 The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2023 is as follows:

(Rs. In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents	-	-	67.41	67.41	67.41
Other balances with banks	-	-	5.94	5.94	5.94
Trade receivables	-	-	217.76	217.76	217.76
Investments #					
Equity and Others	-	134.86	-	134.86	134.86
Mutual Funds (includes FMP)	1,381.56	-	-	1,381.56	1,381.56
Other financial assets	-	-	882.09	882.09	882.09
<b>Total</b>	<b>1,381.56</b>	<b>134.86</b>	<b>1,173.20</b>	<b>2,689.62</b>	<b>2,689.62</b>
<b>Liabilities:</b>					
Trade payables	-	-	208.70	208.70	208.70
Borrowings	-	-	0.28	0.28	0.28
Lease liabilities	-	-	13.33	13.33	13.33
Other financial liabilities	-	-	4.60	4.60	4.60
<b>Total</b>	<b>-</b>	<b>-</b>	<b>226.91</b>	<b>226.91</b>	<b>226.91</b>

# Other than investments in associate and Joint Ventures accounted for using the equity method.

#### 1.1 The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2022 is as follows:

(Rs. In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents	-	-	32.39	32.39	32.39
Other balances with banks	-	-	5.55	5.55	5.55
Trade receivables	-	-	177.15	177.15	177.15
Investments #					
Equity and Others	-	91.60	-	91.60	91.60
Mutual Funds (includes FMP)	827.32	-	-	827.32	827.32
Other financial assets	-	-	1,061.47	1,061.47	1,061.47
<b>Total</b>	<b>827.32</b>	<b>91.60</b>	<b>1,276.56</b>	<b>2,195.48</b>	<b>2,195.48</b>
<b>Liabilities:</b>					
Trade payables	-	-	190.05	190.05	190.05
Borrowings	-	-	0.31	0.31	0.31
Lease liabilities	-	-	8.48	8.48	8.48
Other financial liabilities	-	-	4.29	4.29	4.29
<b>Total</b>	<b>-</b>	<b>-</b>	<b>203.13</b>	<b>203.13</b>	<b>203.13</b>

# Other than investments in associate and Joint Ventures accounted for using the equity method.



# Notes to the Consolidated Financial Statements

## 1.2. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities and mutual funds (includes FMP) that have quoted price.
- Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) such as derivative financial instruments. The Company does not have any Level 2 instruments as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022
- Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

(Rs. In Crore)

	Fair value hierarchy as at 31 <sup>st</sup> March, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual Funds (includes FMP)	1,381.56	-	-	1,381.56
Other Debt Instruments	-	-	-	-
Equity Shares				
Quoted	66.26	-	-	66.26
Unquoted	-	-	68.60	68.60
<b>Total</b>	<b>1,447.82</b>	<b>-</b>	<b>68.60</b>	<b>1,516.42</b>

(Rs. In Crore)

	Fair value hierarchy as at 31 <sup>st</sup> March, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual Funds (includes FMP)	827.32	-	-	827.32
Other Debt Instruments	-	-	-	-
Equity Shares				
Quoted	53.71	-	-	53.71
Unquoted	-	-	37.89	37.89
<b>Total</b>	<b>881.03</b>	<b>-</b>	<b>37.89</b>	<b>918.92</b>

### Valuation technique(s) and key input(s):

- Level 1 The fair value of mutual funds (includes FMP) and quoted equity shares is based on net assets value (NAV) and quoted price.
- Level 2 The Company does not have any Level 2 instrument as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.
- Level 3 The fair value of unquoted equity shares is determined using market approach. This approach involves the application of multiples, derived from market prices of comparable listed companies, to the parameters of the subject company in order to derive a value for the subject company.

# Notes to the Consolidated Financial Statements

## 1.3. Reconciliation of level 3 fair value measurements

For the year ended 31 <sup>st</sup> March, 2023	(Rs. In Crore)
	<b>Unlisted shares irrevocably designated as at FVTOCI</b>
Opening balance	37.89
Total gain/(loss) in other comprehensive income	30.71
<b>Closing balance</b>	<b>68.60</b>

For the year ended 31 <sup>st</sup> March, 2022	(Rs. In Crore)
	<b>Unlisted shares irrevocably designated as at FVTOCI</b>
Opening balance	51.09
Total gain/(loss) in other comprehensive income	(13.20)
<b>Closing balance</b>	<b>37.89</b>

All gains and losses included in other comprehensive income relate to unlisted shares held at the end of the reporting period and are reported under "Equity Instruments through Other Comprehensive Income".

The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are as shown below:

Description of significant unobservable inputs to valuation:

Particulars	Valuation techniques	Significant unobservable inputs	Sensitivity of the input to fair value
Investments in unquoted equity shares	Comparable Companies Multiples ("CCM") method under the Market Approach.	Adopted multiple, based on benchmark companies	Increase/(decrease) in discount to determine the multiple will impact the fair value of instrument. Higher the discount lower the fair value and vice-versa.
			<b>Finolex Plasson Industries Private Limited:</b> Enterprise Value/ Revenue Multiple: CY 1.00 (PY 1.00) <b>SICOM India Limited:</b> Price/ Book Multiple: CY 1.40 (PY 1.00)

## 2. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

# Notes to the Consolidated Financial Statements

The capital structure is as follows:

Actuarial Assumptions:	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Total Equity	4,370.36	3,922.06
Total Borrowings	0.28	0.31
<b>Total capital (borrowings and equity)</b>	<b>4,370.64</b>	<b>3,922.37</b>
Equity as a percentage of total capital	99.99%	99.99%
Borrowing as a percentage of total capital	0.01%	0.01%

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding contingent considerations, if any).

(ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a cash surplus Company with cash and bank balances along with investment. The Company's investment is predominantly in liquid and short term mutual funds being far in excess of debt.

### 3. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

#### 3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

##### 3.1.1 Foreign currency risk management

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Euro against the respective functional currency of the company. The Company enters into derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposures.

i The carrying amounts of the Company's foreign currency denominated monetary liabilities/ assets at the end of the reporting period are as follows:

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Foreign Currency (In Crore)	(Rs. In Crore)	Foreign Currency (In Crore)	(Rs. In Crore)
<b>(a) Foreign Currency Liabilities</b>				
In USD	0.52	42.57	0.28	21.45
In EURO	0.01	0.87	0.03	2.41
In CHF	-	-	*	0.06
<b>(b) Foreign Currency Asset</b>				
In USD #	0.08	6.42	0.05	3.79

\* Denotes amount less than Rs./EURO 50,000

# Balance with Banks in foreign currency and trade receivables

# Notes to the Consolidated Financial Statements

## ii Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the market place.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Forward contracts		As at 31 <sup>st</sup> March, 2023			As at 31 <sup>st</sup> March, 2022		
		Foreign Currency (In Crore)	Nominal Value (Rs. In Crore)	Fair Value (Rs. In Crore)	Foreign Currency (In Crore)	Nominal Value (Rs. In Crore)	Fair Value (Rs. In Crore)
In USD	Buy	0.13	10.84	(0.07)	0.09	6.64	(0.01)

(Rs. In Crore)

## iii Foreign currency sensitivity analysis

For the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, the impact of every rupee 1 depreciation / appreciation in the exchange rate between the Indian Rupee and U.S. Dollar on Profit before tax of the Company, given in below table.

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Rupee depreciate by INR 1 against USD (Rs. In Crore)	Rupee depreciate by INR 1 against USD (Rs. In Crore)	Rupee depreciate by INR 1 against USD (Rs. In Crore)	Rupee depreciate by INR 1 against USD (Rs. In Crore)
On Foreign Currency Liabilities (net) :				
Against USD	0.45	(0.45)	0.28	(0.28)
Against EUR	0.01	(0.01)	-	-

(Rs. In Crore)

### Notes:

1) +/- Gain/(Loss)

### 3.1.2 Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Considering borrowing amount outstanding as at 31<sup>st</sup> March, 2023 and as at 31<sup>st</sup> March, 2022, Company is not exposed to significant interest rate risk.

### 3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units (including FMP).

## Notes to the Consolidated Financial Statements

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial asset that potentially expose the Company to credit risks are listed below:

Actuarial Assumptions:	(Rs. In Crore)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Trade Receivables	217.76	177.15
Security deposit	4.45	4.33
<b>Total</b>	<b>222.21</b>	<b>181.48</b>

### 3.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The maturity profile of the financial liabilities are listed below:

Expected undiscounted contractual maturity for Financial Liabilities

As at 31 <sup>st</sup> March, 2023	(Rs. In Crore)					
	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
Borrowings	0.03	0.04	0.04	0.17	0.28	0.28
Trade Payables	208.70	-	-	-	208.70	208.70
Other Financial Liabilities	4.60	-	-	-	4.60	4.60
Lease Liabilities	4.48	5.56	2.86	5.88	18.78	13.33
<b>Total</b>	<b>217.81</b>	<b>5.60</b>	<b>2.90</b>	<b>6.05</b>	<b>232.36</b>	<b>226.91</b>

As at 31 <sup>st</sup> March, 2022	(Rs. In Crore)					
	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
Borrowings	0.03	0.07	0.04	0.17	0.31	0.31
Trade Payables	190.05	-	-	-	190.05	190.05
Other Financial Liabilities	4.29	-	-	-	4.29	4.29
Lease Liabilities	2.24	4.57	1.57	3.75	12.13	8.48
<b>Total</b>	<b>196.61</b>	<b>4.64</b>	<b>1.61</b>	<b>3.92</b>	<b>206.78</b>	<b>203.13</b>

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments.

### 3.4 FINANCING FACILITIES

The Company has undrawn committed borrowing facilities of Rs. 200.00 crores (previous year Rs. 200.00 crores).

# Notes to the Consolidated Financial Statements

## NOTE 35: RELATED PARTY DISCLOSURES

### Names of Related Parties :

Where transactions have taken place during the year and previous year/ balance outstanding.

#### (a) Associate Company

Finolex Industries Limited

#### (b) Joint Venture Entities

Finolex J- Power Systems Limited

Corning Finolex Optical Fibre Private Limited

#### (c) Promoter/ Promoter Group Entities

Orbit Electricals Private Limited

Finolex Infrastructure Limited

Finolex Plassson Industries Private Limited

Note : Excludes Finolex Industries Limited considered as an Associate company as above.

#### (d) Employee Benefit Funds

Finolex Cables Limited Employee's Group Gratuity and Life Assurance Scheme

Finolex Cables Limited Group Superannuation Scheme

#### (e) Key Managerial Personnel

Mr. Deepak. K. Chhabria	Executive Chairman and Promotor
Mr. Mahesh Viswanathan	Deputy Chief Executive Officer (DY CEO) & Chief Financial Officer (CFO)
Mr. R G D'Silva	Company Secretary & President (Legal)
Mr. Sunil Upmanyu	Executive Director - Operations (w.e.f. 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September,2021)
Mr. Ratankar Barve	Executive Director-Operations (w.e.f 30 th September, 2021)

#### (f) Relatives of Key Managerial Personnel: (Mr. Deepak. K. Chhabria)

Mr. Kishandas P. Chhabria	Father
Mr. Vijay K. Chhabria	Brother
Mrs. Sunita K. Chhabria	Mother
Mrs. Vini D. Chhabria	Wife
Ms. Radhika D. Chhabria	Daughter

## Notes to the Consolidated Financial Statements

### (g) Non Executive/Independent Directors

Mr. Prasad Deshpande	Non-Executive Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September,2021)
Mr. P R Barpande	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September,2021)
Mr. Avinash S Khare	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September,2021)
Mrs. Firoza Kapadia	Non-Executive Independent Woman Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September,2021)
Mr. Nikhil M Naik	Non Executive Director (w.e.f 30 th September, 2021)
Mr. Zubin F. Billimoria	Non Executive-Independent Director (w.e.f 30 th September, 2021)
Mr. Sriraman Raghuraman	Non Executive-Independent Director (w.e.f 30 th September, 2021)
Ms. Vanessa Singh	Non Executive-Independent Woman Director (w.e.f 30 th September, 2021)
Mr. Shishir Desai	Non Executive-Independent Director (w.e.f 1 <sup>st</sup> October 2022 to 30 <sup>th</sup> December 2022)
Mr. Aakash Gupta	Non Executive Director (w.e.f 1 <sup>st</sup> October 2022 to 30 <sup>th</sup> December 2022)

### Note 35A: Transaction with the Related Parties :

(Rs. In Crore)

Particulars	Financial Year	Associate	Joint Venture Entities	Promoter / Promoter Group Entities	Enterprises controlled by Key Managerial Personnel	Employee Benefit Fund	Key Managerial Personnel & Non-Executive/ Independent Director (Refer note 1 below)	Relatives of Key Managerial Personnel
Investment	2022-23	-	10.78	0.02	-	-	-	-
	2021-22	-	-	-	-	-	-	-
Dividend Paid	2022-23	13.31	-	28.17	-	-	0.72	1.47
	2021-22	12.20	-	25.83	-	-	0.52	1.49
Dividend Received (Refer note 2 below)	2022-23	-	-	0.10	-	-	-	-
	2021-22	-	-	0.20	-	-	-	-
Rent Paid	2022-23	-	-	0.27	-	-	-	-
	2021-22	-	-	0.26	-	-	-	-
Rent Received	2022-23	-	0.22	0.06	-	-	-	-
	2021-22	-	0.22	0.06	-	-	-	-
Other Services Provided	2022-23	-	0.06	-	-	-	-	-
	2021-22	-	0.05	-	-	-	-	-
Purchase of Raw Material	2022-23	-	-	-	-	-	-	-
	2021-22	-	0.25	-	-	-	-	-
Sale of Material	2022-23	-	8.07	-	-	-	-	-
	2021-22	-	1.35	-	-	-	-	-
Contribution to Fund	2022-23	-	-	-	-	1.76	-	-
	2021-22	-	-	-	-	3.74	-	-
Benefit paid to employees from Trust	2022-23	-	-	-	-	3.79	-	-
	2021-22	-	-	-	-	4.89	-	-
Financial Support	2022-23	-	Refer note 32(b)(ii)	-	-	-	-	-
	2021-22	-	Refer note 32(b)(ii)	-	-	-	-	-

# Notes to the Consolidated Financial Statements

(Rs. In Crore)

Particulars	Financial Year	Associate	Joint Venture Entities	Promoter / Promoter Group Entities	Enterprises controlled by Key Managerial Personnel	Employee Benefit Fund	Key Managerial Personnel & Non-Executive/ Independent Director (Refer note 1 below)	Relatives of Key Managerial Personnel
Gurantee	2022-23	-	Refer note 32(A)(IV)	-	-	-	-	-
	2021-22	-	Refer note 32(A)(IV)	-	-	-	-	-
Managerial Remuneration (Refer note 4 below)	2022-23	-	-	-	-	-	17.53	-
	2021-22	-	-	-	-	-	15.80	-
Remuneration to Relative	2022-23	-	-	-	-	-	-	0.11
	2021-22	-	-	-	-	-	-	0.10
Amounts owed by related parties (Receivable)	2022-23	-	-	0.25	-	-	-	-
	2021-22	-	-	0.25	-	-	-	-
Amounts owed to related parties (Payable)	2022-23	-	-	-	-	4.17	12.37	0.02
	2021-22	-	-	-	-	2.07	10.53	0.01

## Notes:

- Key managerial Personnel are entitled to post-employment benefits recognised as per IND-AS 19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.
- Dividend received from Associate Rs. 80.39 crore (Previous year: Rs. 80.39 crore) has been eliminated in the Consolidated Financial Statements
- All transactions with related parties have been done at arms length basis and in normal course of business.
- Details of Compensation of Key Managerial Personnel & Non-Executive/ Independent Director:

(Rs. In Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
Short-term employee benefits	15.89	14.30
Post-employment benefits	*	*
Other long-term benefits	0.66	0.65
Commission and other benefits to non-executive/independent directors	0.98	0.85
<b>Total</b>	<b>17.53</b>	<b>15.80</b>

\*The provision for post-employment benefits are determined by way of actuarial valuation for the Company as a whole.

Payments made to the directors and other members of key managerial personnel are approved by the Nomination and Remuneration Committee. Refer Note 28.1



# Notes to the Consolidated Financial Statements

## NOTE 36 : SEGMENT REPORTING

Operating segments are reported consistently with the internal reporting provided to the Executive Chairman, the highest decision-making executive who is responsible for allocating resources to and assessing the performance of the operating segments.

**A- The business segment has been considered as a primary segment for disclosure. The categories included in each of the reported business segment are as follows.**

1. Electrical Cables
2. Communication Cables
3. Copper Rods
4. Others - Trading of Electrical and other goods

The above business segments have been identified considering

1. The nature of the product/services
2. The Related risks and returns
3. The Internal financial reporting systems

Revenues and expenses have been accounted for based on their relationship to the operating activities of the segment. Revenues and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocable Expenses". Assets and Liabilities which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis have been included under "Unallocable Assets / Liabilities".

Particulars	(Rs. In Crore)	
	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Segment Revenue</b>		
A. Electrical cables	3,683.51	3,193.21
B. Communication cables	579.04	379.75
C. Copper rods	1,267.79	682.47
D. Others	195.34	176.36
<b>Total segment revenue</b>	<b>5,725.68</b>	<b>4,431.79</b>
Less : Inter segment revenue	(1,244.57)	(663.65)
<b>Net segment revenue</b>	<b>4,481.11</b>	<b>3,768.14</b>
<b>Segment Results</b>		
A. Electrical cables	457.53	404.98
B. Communication cables	12.97	(13.22)
C. Copper rods	2.88	2.58
D. Others	2.19	1.87
Total segment results	475.57	396.21
<b>(Less) : Finance costs</b>	<b>(1.24)</b>	<b>(1.52)</b>
Add /(Less) : unallocable income/(Loss) net of unallocable expenditure	105.13	64.86
Add /(Less) : Share of Profit of Associate & Joint Ventures accounted for using the equity method	69.99	327.08
<b>Profit before tax</b>	<b>649.45</b>	<b>786.63</b>
<b>Income Taxes</b>	<b>145.17</b>	<b>187.49</b>
<b>Profit for the year</b>	<b>504.28</b>	<b>599.14</b>

# Notes to the Consolidated Financial Statements

## OTHER INFORMATION

Particulars	(Rs. In Crore)	
	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Segment Assets</b>		
A. Electrical cables	1,099.99	1,063.87
B. Communication cables	237.07	230.38
C. Copper rods	21.77	18.46
D. Others	44.01	52.80
Unallocable Assets	3,577.61	3,128.53
<b>Total Assets</b>	<b>4,980.45</b>	<b>4,494.04</b>
<b>Segment Liabilities</b>		
A. Electrical cables	239.58	223.47
B. Communication cables	23.03	26.75
C. Copper rods	13.90	15.25
D. Others	7.82	8.50
Unallocable Liabilities	325.76	298.01
<b>Total Liabilities</b>	<b>610.09</b>	<b>571.98</b>

### For the year ended 31<sup>st</sup> March, 2023

Particulars	(Rs. In Crore)		
	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extend allocable to the segment
A. Electrical cables	18.07	28.39	-
B. Communication cables	5.78	9.08	(0.42)
C. Copper rods	0.03	0.62	-
D. Others	7.14	8.31	0.01
<b>Total</b>	<b>31.02</b>	<b>46.40</b>	<b>(0.41)</b>

### For the year ended 31<sup>st</sup> March, 2022

Particulars	(Rs. In Crore)		
	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extend allocable to the segment
A. Electrical cables	58.85	22.80	27.85
B. Communication cables	5.08	9.18	(1.33)
C. Copper rods	0.01	0.65	-
D. Others	3.12	6.22	-
<b>Total</b>	<b>67.06</b>	<b>38.85</b>	<b>26.52</b>

## B. Secondary Segment information

The company's operations are mainly confined within India and as such there are no reportable geographical segments.

# Notes to the Consolidated Financial Statements

## NOTE 37 : EARNINGS PER SHARE (EPS)

Basic earning per share	(Rs. In Crore)	
	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Net Profit for the year attributable to the equity holders</b>	504.28	599.14
Weighted average number of Equity shares for basic EPS	152,939,345	152,939,345
Par value per share (in Rs.)	2.00	2.00
<b>Basic Earnings per share (in Rs.)</b>	32.97	39.18
<b>Diluted Earnings per share (in Rs.)</b>	32.97	39.18

Note: The Company does not have any dilutive potential equity shares in any of the period, therefore weighted average number of equity shares outstanding at the year end for basic EPS and diluted EPS is same.

## NOTE 38 : STATEMENT OF NET ASSETS AND PROFIT AND LOSS ATTRIBUTABLE TO OWNERS

Name of the Entity	Net Asset i.e (Total asset minus total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Asset	Rs. Amt (in Crore)	As % of consolidated profit	Rs. Amt (in Crore)	As % of consolidated Other comprehensive income	Rs. Amt (in Crore)	As % of consolidated Total comprehensive income	Rs. Amt (in Crore)
Finolex Cables Limited Associate	69.00%	3,709.64	88.00%	501.74	10.00%	35.87	59.00%	537.61
Finolex Industries Limited. *	30.00%	1,588.10	14.00%	81.20	90.00%	312.91	43.00%	394.11
Joint Ventures								
Finolex J Power Systems Limited	1.00%	74.67	-2.00%	(13.80)	0.00%	(0.01)	-2.00%	(13.81)
Corning Finolex Optic Fibre Private Limited	0.00%	14.10	0.00%	0.29	0.00%	-	0.00%	0.29
<b>Total</b>	<b>100%</b>	<b>5,386.51</b>	<b>100%</b>	<b>569.43</b>	<b>100%</b>	<b>348.77</b>	<b>100%</b>	<b>918.20</b>
Adjustments arising from consolidation		(1,016.15)		(65.15)		(312.99)		(378.14)
<b>Consolidated Net Assets/Profit after tax</b>		<b>4,370.36</b>		<b>504.28</b>		<b>35.78</b>		<b>540.06</b>

\* includes fair value gain in respect of investments held in the Company by the Associate

## NOTE 39 (A) : RELATIONSHIP WITH THE STRUCK OFF COMPANIES

Name of struck off Company	Nature of transactions	Relationship with the Struck off company, if any, to be disclosed	(Rs. In Crore)			
			Transactions during the year 31 <sup>st</sup> March, 2023	Balance outstanding as at 31 <sup>st</sup> March, 2023	Transaction during the year 31 <sup>st</sup> March, 2022	Balance outstanding as at 31 <sup>st</sup> March, 2022
Unity Controls Pvt. Ltd.	Payables	Vendor	-	-	0.01	-

# Notes to the Consolidated Financial Statements

## NOTE 39 (B)

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such associate and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company or any of such associate and joint ventures (Ultimate Beneficiaries). The Company or any of such associate and joint ventures has not received any fund from any party(s) (Funding Party) with the understanding that the Company or any of such associate and joint ventures shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## NOTE 39 (C)

The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets of the Company. The Company has been regularly filling quarterly returns or statements, provisional/final containing, inter alia, amount of inventory and trade receivable with such banks and are in agreement with the unaudited books of account of the Company of the respective quarters.

## NOTE 40: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed.

For and behalf of Board of Directors of Finolex Cables Limited

**Deepak Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F Billimoria**  
Director

**Siddhesh Mandke**  
Company Secretary  
& GM (Legal)  
Pune : 26<sup>th</sup> May, 2023

# Notice

**NOTICE** is hereby given that the 55<sup>th</sup> Annual General Meeting ("AGM") of Members of Finolex Cables Limited will be held on Friday, 29<sup>th</sup> September, 2023 at 3.00 pm through Video Conference ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

## ORDINARY BUSINESS

### 1. To consider and adopt :

- (a) the Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2023 and the reports of the Board of Directors' and Auditors' thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2023 and the report of Auditors' thereon.

### 2. To declare a dividend @ 350% (Rs. 7/-) per equity share of Rs. 2/- each for the Financial Year ended on 31<sup>st</sup> March, 2023.

### 3. To appoint Mr. Nikhil Naik, as a Director liable to retire by rotation, and being eligible, offers himself for re-appointment;

## SPECIAL BUSINESS

### 4. Re-appointment of Mr. Deepak Chhabria (DIN 01403799) as a Whole Time Director designated as an "Executive Chairman" of the Company for a period of 5 (five) years with effect from 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2028.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee, the approval of the Board of Directors of the Company (the "Board") and pursuant to the provisions of Section 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013, (the "Act"), the relevant Rules made thereunder, read with Schedule V of the Act, as amended, and subject to the limits prescribed under the Act, agreements amongst members and the promoter group impacting the management and control of the Company, and also subject to such approvals as may be necessary, the Company hereby approves the re-appointment of Mr. Deepak Chhabria [DIN: 01403799] as a Whole Time Director of the Company designated as an "Executive Chairman" under the legislation applicable

from time to time, for a period of five years with effect from 1<sup>st</sup> July, 2023 to 30<sup>th</sup> June, 2028 upon terms and conditions including remuneration to be paid in case of absence or inadequacy of profits in any Financial Year during his said tenure as set out in the draft Agreement to be entered into between the Company and Mr. Deepak Chhabria."

**RESOLVED FURTHER THAT** the draft Agreement which is placed before this meeting be and is hereby specifically approved with liberty to the Board and/ or Nomination and Remuneration Committee of the Company at any time to alter and vary the terms and conditions of the appointment/ re-appointment and/or Agreement and/ or remuneration to be paid to him, as it may deem fit from time to time and including in case of absence or inadequacy of profits, the remuneration mentioned in the draft agreement from time to time shall be the minimum remuneration by way of basic salary and /or variable pay, commission and other allowances in such manner as may be agreed to between the Board and Mr. Deepak Chhabria but not exceeding the limits as may be prescribed from time to time under the Act and/ or any Rule(s)/Schedule(s) thereto.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to revise the basic salary and perquisites each payable to Mr. Deepak Chhabria yearly on a scale of Rs. 10,00,000/- to Rs. 20,00,000/- per month subject to the maximum limit of 10% per year but not exceeding the limits as may be prescribed from time to time under the Act and/or any Rule(s)/Schedule(s) thereto.

**RESOLVED FURTHER THAT** the commission shall be decided by the Board of Directors based on the net profits of the Company and as may be recommended by the Nomination and Remuneration Committee of the Board, for each year subject to the condition that the aggregate remuneration of the Executive Director shall not exceed the limit laid down under Section 197 of the Companies Act, 2013 read with Schedule V of the said Act.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee of Directors) of the Company be and is hereby authorized to execute all such agreements, documents, instruments and writings as may be deemed necessary and delegate the authority to file requisite forms or applications with statutory/regulatory authorities, with the power to settle all

questions, difficulties or doubts that may arise in this regard, as it may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things and take such steps and actions as may be considered necessary and appropriate to give effect to and to implement this Resolution.”

**5. To ratify the remuneration payable to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March, 2024 (Financial Year 2023-24)**

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 (the “Act”), the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended, and subject to the provisions of the Articles of Association of the Company, and pursuant to the recommendation of the Audit Committee and the approval of the Board of Directors of the Company (the “Board”) and subject to the applicable guidelines and approval of the Central Government as may be applicable in this regard, the Members of the Company hereby ratify the appointment of M/s. Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No. 00240) at a consolidated remuneration of Rs. 6.00 Lakhs (Rupees Six Lakhs Only) plus taxes and out of pocket expenses, if any, chargeable extra on actual basis, to conduct cost audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2024 (Financial Year 2023-24).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do or to authorise any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto.”

**6. Payment of Commission to Non-Executive Directors.**

To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Article 121(2) and other applicable provisions, if any, of the Articles of Association of the Company and

the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the applicable Rules made thereunder and subject to the approval of the Central Government, if required, approval of the Company be and is hereby accorded for the payment, to Directors and Alternate Directors who are neither in the whole-time employment nor Managing Directors of the Company of remuneration, in addition to sitting fees for each meeting of the Board of Directors of the Company (hereinafter referred to as the “Board”), by way of commission, not exceeding one percent of the net profit of the Company or Rupees Two Crores, whichever is lower, as may be determined by the Board in each Financial Year, calculated in accordance with the provisions of the Act, such commission being divisible amongst the Directors and Alternate Directors as aforesaid, in such proportion as the Nomination and Remuneration Committee may recommend and the Board may determine or, failing such determination, equally amongst them;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to exercise all such powers and authorities and to execute all deeds, documents and other writings and to do or to authorise any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient to give effect to the aforesaid resolution and for matters connected therewith or incidental thereto.”

**RESOLVED FURTHER THAT** this resolution shall be effective from the accounting year commencing from 1<sup>st</sup> April 2023.”

By Order of the Board of Directors  
FOR **FINOLEX CABLES LIMITED**

**Siddhesh Mandke**  
**Company Secretary &**  
**General Manager (Legal)**

**Place:** Pune

**Dated:** 4<sup>th</sup> September 2023

**Registered Office:**

26-27, Mumbai-Pune Road,  
Pimpri, Pune - 411018.

CIN: L31300MH1967PLC016531

Email: [Investors@finolex.com](mailto:Investors@finolex.com)

**NOTES:**

1. The Statement of Material Facts pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts concerning the special business under item nos. 4 to 6 of the Notice is Annexed hereto and forms a part of this Notice.
2. Pursuant to the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", MCA circular no. 20/2020 dated May 5, 2020, circular no. 02/2021 dated January 13, 2021, circular no. 14/2021 dated December 14, 2021 and circular no. 02/2022 dated May 5, 2022, circular no. 10/2022 dated December 28, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January, 15 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as "SEBI Circulars") and circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January, 5 2023 has permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM (e-AGM), without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the 55<sup>th</sup> AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 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. Accordingly, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. The Members can join the AGM in the VC/OAVM mode at 2.30 pm IST i.e 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include big Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing and Obligations Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and December 28, 2022, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system and voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, Circular No. 2/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022, the Notice calling AGM and Annual Report 2022-23 is being sent only through electronic mode to those members whose email addresses are registered with the Company's Registrar and Transfer Agents i.e. KFin Technologies Limited/ the Depositories Participants unless any member has requested physical copy of the same. The Notice calling the AGM and Annual Report 2022-23 has been uploaded on the website of the Company at [www.finolex.com](http://www.finolex.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. A person who is not a Member as on the cut-off date i.e. 1<sup>st</sup> September, 2023, should treat this Notice of AGM for information purpose only.



Record date for the purpose of entitlement of Dividend shall be September, 22, 2023.

9. The Board of Directors has recommended Dividend on equity shares @ 350% i.e. Rs. 7 per equity share of Rs.2/- each fully paid up for the Financial Year ended on March 31, 2023 that is proposed to be paid by October 28, 2023, subject to the approval of shareholders.

**Note:** In case an investor has bought any shares of the Company, such investors must ensure that the relevant shares are credited/ transferred to his/ their demat account before the record date. Investors should note that the dividend on shares lying in the clearing members (i.e. Brokers) account cannot be made available to the members directly by the Company.

10. Further in order to receive dividend in a timely manner, Members who have not updated their mandate for receiving dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to register their Electronic Bank Mandate to receive dividends by following the process as set out below:

- (A) Members holding shares in Physical mode may intimate and get updated the Bank details with:

KFin Technologies Limited,  
(Unit: Finolex Cables Limited)  
Karvy Selenium, Tower B,  
6<sup>th</sup> Floor, Plot Nos. 31 & 32,  
Financial District, Nanakramguda,  
Hyderabad – 500032,  
Tel Nos. (40) 6716 1613 / 6716 1630 ("RTA")

along with following details/documents:-

A signed request letter stating the Member's name (as recorded on the share certificate), folio number, complete address, along with:-

- a Name and Branch of Bank and Bank Account Type;
- b Bank account Number allotted by your Bank after implementing Core Banking Solutions;
- c 11 digit IFSC Code;
- d 9 digit MICR Code Number;
- e Self-attested copy of cancelled cheque bearing the name of the Member or First Holder;
- f Self-attested copy of PAN and AADHAR Card.

**Note:** For queries related to updation of email ID and bank account details, members may contact at [investors@finolex.com](mailto:investors@finolex.com) / [inward\\_ris@kfintech.com](mailto:inward_ris@kfintech.com)

- (B) Members holding shares in Demat form are requested to update their Electronic Bank Mandate through their Depository Participants.
12. In case the Company is unable to pay dividend to any Member(s) directly in their bank account through Electronic Clearing Services or any other means due to non-registration of Electronic Bank Mandate, the Company will dispatch the dividend warrants/demand drafts to such Member(s) at the registered address available in the records of the Company at the earliest.
13. Pursuant to the provisions of the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at prescribed rates. For the prescribed rates for various categories the Members are requested to refer to the Finance Act, 2020 and amendments thereto.

The Members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) and their Depository Participants (in case shares are held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder, if the total dividend to be received during Financial Year 2023-24 does not exceed Rs. 5000/-.

A resident individual shareholder with PAN who is not liable to pay Income Tax is requested to submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax to the Company's RTA i.e. KFin Technologies Limited (Unit: Finolex Cables Limited) Karvy Selenium, Tower B, 6<sup>th</sup> Floor, Plot Nos. 31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, Tel Nos. (40) 6716 1613 / 6716 1630 so as to reach latest by September 15, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%, as applicable.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending to Company's RTA i.e. KFin Technologies Limited (Unit: Finolex Cables Limited) Karvy Selenium, Tower B, 6<sup>th</sup> Floor, Plot Nos.31



& 32, Financial District, Nanakramguda, Hyderabad – 500032, Tel Nos. (40) 6716 1613 / 6716 1630. The said declarations need to be submitted so as to reach latest by September 15, 2023.

Non- Resident Indian Members are requested to inform Company/ RTA (if shareholding in physical mode), respective Depository Participant (if shareholding is in Demat mode), immediately of change in their residential status on return to India for permanent settlement.

Incomplete and/or unsigned forms and declarations will not be considered by the Company. All communications/ queries in this respect should be addressed to the RTA i.e. KFin Technologies Limited (unit: Finolex Cables Limited) Karvy Selenium, Tower B, 6<sup>th</sup> Floor, Plot Nos. 31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, Tel Nos. (40) 6716 1613 / 67161630 and Exemption Forms are required to be forwarded in original only.

14. The Company has appointed KFin Technologies Limited (Unit-Finolex Cables Limited), Karvy Selenium, Tower B, 6<sup>th</sup> Floor, Plot Nos. 31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, Tel Nos. (40) 6716 1613 / 6716 1630 as Registrar and Transfer Agents (RTA) for its share registry work (Physical and Electronic).

15. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14. The said form can be downloaded from the Company's website at <https://finolex.com/investor/>. Members are requested to submit the said form to their DP in case the shares are held by them in electronic form and to the RTA at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) in case the shares are held in physical form, quoting your folio number.

**16. Further the Members are requested to:**

- i) intimate to their DP, changes if any, in their names, registered addresses, email address, telephone/mobile numbers, and/or changes in their bank account details, if the shares are held in dematerialized form.
- ii) intimate to the RTA of the Company, changes if any, in their names, registered addresses, email address, telephone/mobile numbers, and/or changes in their bank account details, if the shares are held in physical form.

iii) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.

iv) dematerialize their Physical Shares to Electronic Form (Demat), since in terms of Regulation 40 of SEBI Listing Regulations, 2015, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, the only exception being in case of requests received for transmission or transposition of securities. Dematerialisation of shares would help to eliminate risks associated with Physical Shares. Members can contact the RTA viz., KFin Technologies Limited regarding the same.

17. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available.

In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank account details and all such requests should be directly addressed well before the Record date period (which commences on 22<sup>nd</sup> September, 2023), to their respective Depository Participant where their shares are held in dematerialized form.

18. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form who have not done so are requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account/s. Members holding shares in physical form must submit their PAN details to the RTA of the Company.

19. The unclaimed dividend of Rs. 13,59,980/- for the Financial Year 2014-2015 has been transferred to IEPF, pursuant to the applicable provisions of Section 124 of the Act, Members are requested to refer the website of the Company for the details made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019 for information in connection with the unpaid/unclaimed dividend along with underlying shares thereto liable

to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government.

As per Section 124(6) of the Act read with the IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Account. In case the dividends are not claimed by the respective shareholders, necessary steps will be initiated by the Company to transfer the relevant shares held by the Members to IEPF along with dividend remaining unpaid/unclaimed thereon.

Members may please note that once the unclaimed dividend and relevant shares is/are transferred to the

IEPF, no claim shall lie against the Company in respect of the relevant shares and/or the individual dividend amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made by the Company in respect of any such claims.

Members may please note that even in the event of transfer of such shares and the unclaimed dividend to IEPF, they are entitled to claim the same from IEPF authorities by submitting online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending the original documents mentioned in Form IEPF-5 duly signed to the Company along with Form IEPF- 5 for verification of claim.

**Pursuant to Section 124 (5) of the Act, the unpaid dividend that will be due for transfer to the IEPF are as follows:**

Type and year of dividend declared/paid	Date of declaration of dividend	% of dividend to face value	Unclaimed dividend amount as on 31 <sup>st</sup> March, 2023	Due for transfer to IEPF
Dividend 2015-16	08 <sup>th</sup> September, 2016	125%	38,06,578.00	15 <sup>th</sup> October, 2023
Dividend 2016-17	28 <sup>th</sup> September, 2017	150%	36,13,755.00	03 <sup>rd</sup> November, 2024
Dividend 2017-18	25 <sup>th</sup> September, 2018	200%	47,54,500.00	31 <sup>st</sup> October, 2025
Dividend 2018-19	18 <sup>th</sup> September, 2019	225%	51,39,329.00	24 <sup>th</sup> October, 2026
Dividend 2019-20	29 <sup>th</sup> September, 2020	275%	41,20,362.50	04 <sup>th</sup> November, 2027
Dividend 2020-21	29 <sup>th</sup> September, 2021	275%	45,30,417.50	04 <sup>th</sup> November, 2028
Dividend 2021-22	28 <sup>th</sup> September, 2022	300%	38,47,056.00	03 <sup>rd</sup> November, 2029

According to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the IEPF Authority. Accordingly, the Company has transferred 17,606 shares for the Financial Year 2014-15 on which dividends were unclaimed for seven consecutive years as per the requirements of the IEPF Rules.

Members who have not yet en-cashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2015-16 and onwards are requested to lodge their claims in this regard with the RTA immediately. It may be noted that the unclaimed Dividend for the Financial Year 2015-16 should be claimed by the Members on or before 12<sup>th</sup> October, 2023, else the same will be transferred to IEPF as required.

20. Members holding shares in demat mode, who have not registered their email addresses are requested to urgently register their email addresses with their respective depository participants, and Members holding shares in physical mode are requested to update their email addresses with the RTA by emailing

to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) immediately to receive copies of Annual Report in electronic mode .

21. Shareholders may send their questions in advance from their registered email addresses mentioning name, demat account number/folio number, email id, mobile number at [investors@finolex.com](mailto:investors@finolex.com) latest by Friday, 22<sup>nd</sup> September, 2023. Questions received by the Company by the said date only will be considered for suitable reply by the Company.

**22. Voting through electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of SEBI Listing Regulations, 2015, and relevant MCA Circulars, the Company is pleased to provide members the facility to exercise their right to vote during the AGM by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited ("NSDL").

The remote e-voting period begins on Tuesday, 26<sup>th</sup> September, 2023 at 9:00 A.M. and ends on Thursday, 28<sup>th</sup> September, 2023 at 5:00 P.M. 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. 22<sup>nd</sup> September, 2023, may cast their vote electronically, once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

The voting rights of the 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 22<sup>nd</sup> September, 2023.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting during the AGM through electronic means. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of cut-off date, may obtain the login id and password by sending a request to [evoting@nsdl.co.in](mailto: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.

Mr. V. M. Birajdar- Practicing Chartered Accountant (M.No 035368) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting during the Annual General Meeting, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The Results of the e-voting will be declared along with the report of the Scrutinizer, within two working days of the conclusion of the AGM and shall be placed on the website of the Company [www.finolex.com](http://www.finolex.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately after the declaration of result by the Chairman or a person authorized by him in writing. Simultaneously the results shall also be forwarded to BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.

#### 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. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the " <b>Beneficial Owner</b> " icon under " <b>Login</b> " which is available under ' <b>IDeAS</b> ' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " <b>Access to e-Voting</b> " under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li data-bbox="549 265 1477 360">2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li data-bbox="549 381 1477 727">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> 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 hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be re-directed to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="549 747 1477 810">4. Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>
	<p data-bbox="603 824 1007 853" style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div data-bbox="603 878 772 919">  App Store         </div> <div data-bbox="815 878 1007 919">  Google Play         </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;"> <div data-bbox="644 940 767 1065">  </div> <div data-bbox="852 940 975 1065">  </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li data-bbox="549 1094 1477 1251">1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li data-bbox="549 1272 1477 1493">2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also link provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li data-bbox="549 1514 1477 1597">3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li data-bbox="549 1618 1477 1798">4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

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. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be re-directed to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000.
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.

#### B) Login Method for e-voting and joining virtual meeting 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:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - 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.
  - How to retrieve your 'initial password'?
    - 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'.
    - 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:
- 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](http://www.evoting.nsdl.com).
  - Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto: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.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  - Now, you will have to click on "Login" button.
  - 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?**
- 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.
  - 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 Meeting".
  - Now you are ready for e-Voting as the Voting page opens.
  - 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.
  - Upon confirmation, the message "Vote cast successfully" will be displayed.
  - You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  - Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) and who are otherwise not barred or restrained from voting are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly



authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [vishwa2biru@yahoo.com](mailto:vishwa2biru@yahoo.com) with a copy marked to the Company at [investors@finolex.com](mailto:investors@finolex.com) and to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavi@nsdl.co.in](mailto:pallavi@nsdl.co.in) or at telephone no. +91-22-24994545
4. Regulation 40 of the SEBI Listing Regulation, 2015, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has clarified that listed companies, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, subdivision/ consolidation of share certificates, etc. In view of this, Members holding shares in physical form are requested to submit duly filled Form ISR-4 for the above mentioned service requests along with Form ISR – 1, ISR – 2, ISR – 3, SH – 13, as may be applicable, in the format available on the website of RTA. Further, to eliminate all risks associated with physical shares and for ease of portfolio management and improved liquidity, Members holding equity shares in physical form are requested to consider converting their holdings to demat mode.
5. In terms of the SEBI Listing Regulations, 2015, securities of listed companies can only be transferred

in dematerialized form. Further, SEBI vide its Circular dated January 25, 2022, has mandated that listed companies shall issue the securities in dematerialized form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition etc. Accordingly, Members are advised to dematerialize shares held by them in physical form.

6. As per the Central Board of Direct Taxes (CBDT) it was mandatory to link PAN with Aadhar number by June 30, 2023 or any other date as may be specified by the CBDT. Further, w.e.f. 1<sup>st</sup> July 2023 or any other date as may be specified by the CBDT, RTAs shall accept only valid PANs and the ones which are linked to the Aadhar number. The folios in which PAN is / are not valid as on the notified cut-off date of 30<sup>th</sup> June 2023 or any other date as may be specified by the CBDT.
7. SEBI has vide circular dated November 3, 2021 read with circular dated March 16, 2023, mandated the furnishing of PAN, address with pin code, mobile number, bank account details and nomination by the holders of physical securities. Folios wherein any one of the cited documents/details is not available on or after October 1, 2023, shall be frozen by RTA. The Members, who have not updated KYC, are requested to furnish required details to the RTA at the earliest. If the folios continue to remain frozen as on 31<sup>st</sup> December 2025, the frozen folios shall be referred by the Company / RTA to the administering authorities under the Benami Transactions (Prohibitions) Act, 1988 and/ or Prevention of Money Laundering Act, 2002.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email 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 [investors@finolex.com](mailto:investors@finolex.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 [investors@finolex.com](mailto:investors@finolex.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](mailto: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 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 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 latest by 22<sup>nd</sup> September, 2023 mentioning their name, demat account number/folio number, email id, mobile number at [investors@finolex.com](mailto:investors@finolex.com). Due to paucity of time, Members will be allowed a time of 3 minutes to ask the questions. Members are requested to keep their question in brief. The same will be replied by the company suitably.
6. Members, who would like to ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, need to register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address [investors@finolex.com](mailto:investors@finolex.com) at least seven (7) days before the start of the AGM i.e. by 22<sup>nd</sup> September, 2023 by 2:00 p.m. IST. Those Members who have registered themselves as speakers only shall be allowed to ask questions during the AGM, on first-come-first-serve basis and subject to availability of time.
7. The Company reserves right to restrict the number of questions and number of speakers as appropriate, for smooth conduct of AGM.

All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by Members at the Registered Office of the Company between 9.00 a.m. to 11.00



a.m. on any working day of the Company till 27<sup>th</sup> September, 2023 or thereafter through video conference facility of NSDL.

8. During the AGM, Members with prior intimation of 48 hours, may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Act, upon Login to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS (SS-2) IS SET OUT HEREINAFTER:**

**Item No. 3.**

Mr. Nikhil Manohar Naik [DIN: 00202779], age, 61, Non-Executive, Non Independent Director on the Board of the Company.

Mr. Nikhil Naik has done M.Sc in Shipping, Trade and Finance (Distinction) from Bayes Business School, London (formerly known as Cass Business School). During his work experience of 44 years, he has served in Leadership roles in Port Management, Shipping and Private Equity and Logistic businesses. His competency areas include Leadership-Strategic Management of people, businesses and Markets, analysis of financials, nurturing, advising management of businesses, building lasting customer relationships and networking with External Agencies and Government.

He is presently acting as nominee Director on the Boards of Matix Fertilizers and Chemicals Private Limited, Salaya Bulk Terminals Limited, Essar Bulk Terminals (Salaya) Limited and Essar Ports Limited. He is also acting as an Independent Director on the Board of Aakash Educational Services Limited.

Mr. Nikhil Naik attended 9 (Nine) Board meetings of the Company held during the Financial Year 2022-23. He is member on the Nomination & Remuneration Committee, Share Transfer cum Stakeholders Relationship Committee and Corporate Responsibility Committee of Finolex Cables Limited.

He does not hold any shares in the Company.

Mr. Nikhil Naik will be entitled for sitting fees as may be decided by the Board from time to time and commission, if any, as may be approved by the Board.

Apart from Mr. Nikhil Naik, none of the Directors, Key Managerial Personnel and/or their relatives are deemed to be concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution.

The Board recommends his re-appointment as a Non-Executive Non Independent Director, liable to retire by rotation and passing of this resolution as an Ordinary Resolution.

**STATEMENT OF MATERIAL FACTS IN RESPECT OF ITEM NOS. 4 TO 6 OF SPECIAL BUSINESS OF THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No. 4**

The Board of Directors at its meeting held on 28<sup>th</sup> May, 2018 re-appointed Mr. Deepak Chhabria as whole time Director designated as "Executive Chairman" under the legislation applicable from time to time, for a period of five years with effect from 1<sup>st</sup> July, 2018.

The Board of Directors at its meeting held on 29<sup>th</sup> June 2023 and pursuant to the recommendation of the Nomination and Remuneration Committee has, subject to the approval of the Members of the Company, re-appointed Mr. Deepak Chhabria as a whole time Director on the Board of Directors of the Company designated as an "Executive Chairman" under the legislation applicable from time to time, for a period of five years w.e.f. 1<sup>st</sup> July, 2023 to 30<sup>th</sup> June, 2028 on the remuneration set out in the Agreement to be executed between the Company and Mr. Deepak Chhabria.

The Company has received requisite consent/ disclosure(s) as required under the Act and Rules made thereunder from Mr. Deepak Chhabria for the said re-appointment. Mr. Deepak Chhabria also satisfies the conditions as set out in Section 196 and Schedule V to the Act for being eligible for re-appointment. He is not disqualified or debarred from being appointment or continues as a Director of the Company.

The main terms and conditions of re-appointment, remuneration and perquisites to be paid or granted to Mr. Deepak Chhabria as an Executive Chairman are as follows:

- (i) Mr. Deepak Chhabria is re-appointed as Executive Chairman of the Company, for a period of five years w.e.f. 1<sup>st</sup> July, 2023 to 30<sup>th</sup> June, 2028.
- (ii) Mr. Deepak Chhabria shall exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter called the "Board") shall from time to time determine and subject to any directions and restrictions from time to time given or imposed by the Board, he shall have the general control and management of the business of the Company.

- (iii) During his employment Mr. Deepak Chhabria shall devote his whole time and attention to the business and affairs of the Company during the normal business hours of the Company and shall use his best endeavours to promote its interest and welfare.
- (iv) The Company shall pay to Mr. Deepak Chhabria during the continuance of this Agreement, in consideration of the performance of his duties, a salary of Rs. 10,00,000/- (Rupees Ten Lakhs only) per month. Further, subject to the approval of the shareholders, the Board is hereby authorized to revise the basic salary payable to Mr. Deepak Chhabria on a scale of Rs. 10,00,000/- to Rs. 20,00,000/- per month subject to a maximum incremental limit of 10% per year.
- (v) The Company shall pay or cause to pay to Mr. Deepak Chhabria during the continuance of this Agreement in consideration of the performance of his duties:
- (a) a total amount not exceeding Rs.1,20,00,000/- per annum or Rs.10,00,000/- per month as allowances for reimbursement of expenses incurred on housing, gas, electricity, water, furnishings, leave travel concession, full hospital and medical expenses and club fees, as per the claim(s) received from Mr. Deepak Chhabria from time to time;
  - (b) reimbursement of full hospital and medical expenses within the overall limit specified in clause (a) above, shall be inclusive of reimbursements towards expenditure incurred by Mr. Deepak Chhabria on specialized medical treatment abroad for self and family. For this purpose, family shall mean self, wife, dependent children and dependent parents of Mr. Deepak Chhabria; and
  - (c) benefit of any personal accident insurance scheme, as per the rules of the Company, and
  - (d) further subject to the approval of shareholders, the Board is authorize to revise the above allowances mention under clause (a) above on a scale of Rs. 10,00,000/- to Rs. 20,00,000/- per month subject to a maximum incremental limit of 10% per year.
- (vi) In addition to the aforesaid Remuneration, Mr. Deepak Chhabria shall be eligible for the following perquisites: (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or under any statutory modification(s) or reenactment thereof; (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and (c) encashment of leave at the end of the tenure.
- (vii) The Company shall pay to Mr. Deepak Chhabria during the continuance of this Agreement in consideration of the performance of his duties, commission as may be decided by the Board of Directors for each Financial Year of the Company or part thereof, on the profits of the Company computed in the manner laid down under Section 198 of the Companies Act, 2013 (the "Act") subject to a minimum commission equal to the annual salary.
- (viii) It is expressly provided that the salary, commission, allowances/reimbursement of expenses and payments towards perquisites as per (iv), (v), (vi) and (vii) above (hereinafter collectively referred to as the "Remuneration") are subject to provisions of Section 197 and other applicable provisions, if any, of the Act and in case of absence or inadequacy of profits of the Company in any particular Financial Year, the Remuneration payable to Mr. Deepak Chhabria shall not exceed the limits specified under the Act or any amendment thereto or reenactment thereof from time to time.
- (ix) The salary and commission as stated above and perquisites, benefits and amenities as aforesaid shall, subject to the approval of the Central Government, as may be necessary, be paid and allowed to Mr. Deepak Chhabria as minimum remuneration in any year in case of absence or inadequacy of profits computed in the manner referred to in Section 197 read with Section 198 of the Act, for that year.
- (x) Mr. Deepak Chhabria shall be entitled to leave on full pay and allowances but not exceeding one month's leave for 11 months' service; plus additional two weeks' leave at the end of every third year.
- (xi) Mr. Deepak Chhabria shall be entitled to free use of motor car with driver provided by the Company for business purpose; the Company meeting all running, maintenance and other expenses of every kind whatsoever incurred in respect thereof. Use of car for personal purpose shall be billed by the Company to Mr. Deepak Chhabria.
- (xii) Mr. Deepak Chhabria shall be entitled for free telephone facility at residence. All charges including rental, call charges, etc. thereof shall be paid by the Company in full; personal long distance calls shall be billed by the Company to Mr. Deepak Chhabria.
- (xiii) The Company shall reimburse entertainment and other business promotion expenses actually incurred in the course of legitimate business of the Company.
- (xiv) No sitting fees shall be paid for attending the Meetings of the Board or any Committee thereof.

- (xv) Subject expressly to the provisions of Section 202 and other applicable provisions, if any, of the Act the Company shall pay compensation for loss of office, or as consideration for retirement from office or in connection with such loss or retirement. The amount of such compensation shall be strictly in accordance with the provisions of Section 202 and other applicable provisions, if any, of the Act.
- (xvi) Mr. Deepak Chhabria shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company without the prior approval of the Central Government.
- (xvii) Mr. Deepak Chhabria shall not directly or indirectly engage himself in any other employment without the previous sanction of the Board of Directors.
- (xviii) For purposes of leave accumulation, gratuity, provident fund, superannuation and other benefits, the service of Mr. Deepak Chhabria under this Agreement will be considered continuous service in the Company from the original date of his joining the service of the Company on 1<sup>st</sup> May, 1986 and termination of agreement followed by immediate renewal of agreement will not be considered as any break in service.
- (xix) The Rules of the Company shall be applicable for purpose of carry forward of leave, leave travel allowance, medical benefit entitlements, encashment of leave, contribution towards Provident Fund, Superannuation Fund and Gratuity Fund.
- (xx) The Company shall be entitled to determine the agreement by giving 180 days' notice or salary for six months in lieu of the notice. The draft copy of the Agreement to be executed between the Company and Mr. Deepak Chhabria is available for inspection by the Members of the Company at the Registered Office of the Company between 9.00 a.m. to 11.00 a.m. on any working day of the Company till 27<sup>th</sup> September, 2023. This may be treated as an abstract of the terms of Agreement between the Company and Mr. Deepak Chhabria pursuant to Section 190 of the Act.

The Company has made overall growth during the tenure of Mr. Deepak Chhabria as an Executive Chairman beginning from 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2023 in terms of various parameters such as product enhancement/diversification, factory upgradation, total revenue, Profit Before Tax, Profit After Tax, Net Worth, Earning Per Share, Return on Capital Employed etc. and growth in the share price of the Company.

**Additional information of the Directors seeking appointment/ re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on General Meetings (SS-2).**

Mr. Deepak Chhabria aged 61 years and is a Bachelor of Science in Engineering Management from the University of Evansville, USA.

Mr. Deepak Chhabria has been involved with the growth of Finolex Cables Limited since its inception. He joined the services of the Company on 1<sup>st</sup> May, 1986. He was appointed as a Whole Time Director for a period of five (5) years with effect from 13<sup>th</sup> February, 1992. He was appointed as Deputy Managing Director with effect from 1<sup>st</sup> July 1993 for a period of five (5) years. He served as Deputy Managing Director up to 30<sup>th</sup> June, 2000 and further appointed him as a Managing Director with effect from 1<sup>st</sup> July, 2000. He served as Managing Director up-to 30<sup>th</sup> June 2013. He then took over as the Executive Chairman of the Company with effect from 1<sup>st</sup> July 2013. Under his leadership, the Company's revenues have grown from Rs. 2,447 crores to Rs. 4679 crores. The share price has grown from Rs. 96.20 /- per share to Rs.811.90/- per share.

Finolex Cables Limited has rapidly expanded into the consumer-oriented product segment under Mr. Deepak Chhabria's leadership. Through several major launches in the electrical and home appliances segments with products like fans, water heaters, electrical switches, electrical switchgear (low voltage), lighting, conduits, room heaters, and irons, Finolex Cables has increased its market reach to become an electrical product company.

He has been actively involved with industry bodies and local associations to work closely with other stakeholders and contribute towards the growth of the industry and economy further. He was a Director on the Board of the Indian Electrical and Electronics Manufacturers' Association (IEEMA) and has also served as the Chairman of the Confederation of Indian Industries (CII)-Pune Chapter. He has also been awarded 'The Most Promising Business Leaders of Asia 2020-21' award by The Economic Times.

In his leisure time, he is a voracious reader, an avid painter, and a photography enthusiast.

Mr. Deepak Chhabria has a number of years of rich experience in Industry & is also the Company's Nominee Director on the Board of Corning Finolex Optical Fibre Private Limited & Chairman of Finolex J-Power Systems Limited and also a Director on the Boards of Orbit Electricals Private Limited and Finolex Infrastructure Limited.

Mr. Deepak Chhabria has attended 9 (Nine) Board meetings of the Company held during the Financial Year 2022-23.

He is a member on the Share Transfer-cum-Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee of Finolex Cables Limited.

Mr. Deepak Chhabria holds 12,02,250 shares (0.79%) equity shares of the Company.

Except Mr. Deepak Chhabria and his relative(s) to the extent of their shareholding interest, if any, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives directly or indirectly, financially or otherwise, are deemed to be concerned or interested in the said resolution.

**Disclosure pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

The Company holds 32.39% of the total Paid-up Equity Share Capital of its associate company, Finolex Industries Limited ("FIL"). Similarly, FIL holds 14.51% of the total Paid-up Equity Share Capital of the Company. As part of the succession planning put in place by late P. P. Chhabria, a founder promoter and former Chairman of the Company and other Finolex companies, the Company and FIL had entered into a shareholders' agreement in the form of a Memorandum of Understanding ("**MoU**") pursuant to the approvals of respective Boards of the Company and of FIL on 11<sup>th</sup> October, 2011. The said MoU has been executed by the authorised Directors of the Company and of FIL and is executed under the respective Common Seals of the Company and FIL. One of the important stipulations (i.e. Clause No.5) of the said MoU is set out below for reference of the Members.

**Quote:**

FIL hereby notes that Shri Deepak K. Chhabria is presently the Managing Director of FCL. Similarly, FCL hereby notes that Shri Prakash P. Chhabria is presently the Managing Director of FIL. Each party hereby agrees to ensure that their respective voting rights in the other company are not utilized to inconvenience or displace or remove:

- (i) Shri Prakash P. Chhabria from the post of Managing Director or any other higher post to which he may be elevated to in FIL in future unless he is incapacitated or otherwise disqualified or unwilling to act as such in FIL; or
- (ii) Shri Deepak K. Chhabria from the post of Managing Director or any other higher post to which he may be elevated to in FCL in future unless he is incapacitated or otherwise disqualified or unwilling to act as such in FCL.

**Unquote**

The said MoU has been strictly adhered to by Finolex Cables Limited from the date of its execution on 11<sup>th</sup> October, 2011. Accordingly, Members may note that FIL is required to vote

positively in respect of the ordinary resolution at Item No. 4 pertaining to reappointment of Mr. Deepak Chhabria.

The management and control of the Company is subject matter of agreements amongst members of the promoter group. The Company has made a statutory disclosure (<https://finolex.com/wp-content/uploads/2023/08/Listing-Obligations-and-Disclosure-Requirements-2023.pdf>) of the same under Regulation 30(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Clause 5A of Para A of Schedule III thereof and the SEBI Circular bearing no. SEBI/HO/CDF/CFD-PoD-1/P/CIR/2023/123 dated 13<sup>th</sup> July, 2023.

Mr. Deepak Chhabria is the Executive Chairman and a whole-time Director of the Company. The major shareholders among the promoter group are Orbit Electricals Pvt. Ltd. ("**Orbit Electricals**") which holds 30.7% and Finolex Industries Limited ("**FIL**"), also a listed company, which holds 14.51%. Mr. Prakash Chhabria, a cousin of Mr. Deepak Chhabria, is in control over both Orbit Electricals and FIL.

Kishan P. Chhabria (father of Deepak Chhabria) ("**KPC**") and the Late Pralhad P. Chhabria (father of Prakash Chhabria) ("**PPC**") were brothers who jointly promoted the Finolex Group of Companies. The family members are party to a family arrangement that was agreed upon between KPC and Late PPC for equal distribution of the historically unequal shareholding in Orbit Electricals amongst their respective lineal descendants.

The family arrangement between KPC and the Late PPC was implemented and crystalized by the Late PPC through various documents (executed during the lifetime of Late PPC). These documents and their essence are also embodied in the Articles of Association of Orbit Electricals.

The family arrangement inter alia also provides for Mr. Deepak Chhabria and his direct lineal descendants to wield management and control of the Company. The same is also mentioned in Clauses 12 and 13 of the Trust Deed dated 12<sup>th</sup> March 2012.

The understanding that the management and control of the Company shall continue to remain with Mr. Deepak Chhabria was confirmed by Clause 2 of the Supplementary Trust Deed of 'Pralhad Chhabria Trust' dated 20.08.2012.

Another arrangement between the Company and Finolex Industries Limited, is recorded in a Memorandum of Understanding dated 11.10.2011 ("**MoU**"), which also confirms the above understanding between the parties and inter alia expressly sets out that FIL will not vote against the election of Mr. Deepak Chhabria as the Managing Director,

Chairman and any other post to which he may be elevated within the Company.

Considering the above and pursuant to the provisions of Article No. 141 (1) (a) of the Articles of Association of the Company, MoU, the Trust Deed dated 12<sup>th</sup> March 2012, Supplementary Trust Deeds dated 20<sup>th</sup> August 2012, and 4<sup>th</sup> January 2014, Articles 59 and 60 of the Articles of Association of Orbit Electricals as on 30<sup>th</sup> September 2014 (sub-judice) and the last will and testament of Late P. P. Chhabria dated 15<sup>th</sup> October, 2014, it is proposed to approve re-appointment of Mr. Deepak Chhabria as Whole Time Director designated as an "Executive Chairman" of the Company with effect from 1<sup>st</sup> July, 2023 for a further period of five (5) years up to 30<sup>th</sup> June 2028 i.e. up to close of business hours at a revised remuneration.

Except Mr. Deepak Chhabria and his relative(s) to the extent of their shareholding interest, if any, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives directly or indirectly, financially or otherwise concerned or interested in the said resolution.

The Board recommends the re-appointment of Mr. Deepak Chhabria as an Executive Chairman under the legislation applicable from time to time, on the main terms and conditions set out in the Notice.

#### Item No. 5

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment of M/s. Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No.00240), to conduct audit of the cost records of the Company for the Financial Year ending March 31, 2024 (Financial Year 2023-24 at a remuneration of Rs. 6,00,000/-).

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Hence this resolution is put up for the consideration of the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives are directly or indirectly concerned or interested, financially or otherwise in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

#### Item No. 6

Article 121(2) of the Articles of Association of the Company, inter alia, provides for payment of remuneration by way of

commission to Director, who is neither in the whole-time employment nor a Managing Director of the Company, if the Company by a Special Resolution authorises such payment.

Section 197 of the Companies Act, 2013 (the "Act") provides, inter alia, that a Director, who is neither in the whole-time employment of a company nor a Managing Director may be paid remuneration by way of commission not exceeding one percent of the net profits of the Company, if the Company has a Managing or whole time Director, provided such payment is authorised by a special resolution passed in that behalf. The shareholders at 50<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2018, had earlier passed a resolution for making a payment of remuneration by way of commission to such Directors upto a limit not exceeding one percent of the net profit of the Company as calculated under the provisions of the Act or Rupees Two Crore whichever is less. The resolution was valid from 1<sup>st</sup> April, 2018 up-to 31<sup>st</sup> March 2023.

However, having regard to the time and attention devoted by such Directors to the affairs of your company and in view of the responsibility cast on the Directors under the Act and Rules made thereunder, it is proposed to approve the said ceiling limit not exceeding one percent of the net profit of the Company as calculated under the provisions of the Act or Rupees Two Crores whichever is less, from the accounting year commencing from 1<sup>st</sup> April, 2023.

Since this resolution relates to the payment of remuneration to non-whole time Directors, each of the Directors who is neither in the whole-time employment nor is the Managing Director of your Company is interested and concerned in this resolution.

None of the other Directors/Key Managerial Personnel of the Company and/or their relatives are directly or indirectly whether financially or otherwise concerned or interested in this resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

By Order of the Board of Directors  
For **Finolex Cables Limited**




**Siddhesh Mandke**  
**Company Secretary &**  
**General Manager (Legal)**

**Place:** Pune  
**Date:** 4<sup>th</sup> September 2023

#### Registered Office:

26-27, Mumbai-Pune Road,  
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CIN: L31300MH1967PLC016531  
Email: [Investors@finolex.com](mailto:Investors@finolex.com)

**Finolex**  
DELIGHT  
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