

**MOVING
AHEAD WITH
NEW VIGOR**



Now that the responsibility of leading Finolex Cables moves to the next generation, it is indeed a special moment for Finolex to reflect upon the illustrious journey that started 58 years ago. The company, started by two young men as an endeavour in trading automobile wires has, across the years, steadily evolved into a success story of great proportions. Despite the adverse economic scenario, Finolex has posted good results in the year that has just concluded.

Both, in terms of value and volume, revenue has shown good growth and Finolex has steadily diversified its operations to create a wide range of high quality products that ensure customer satisfaction and build a loyal consumer base. Successfully transforming the enterprise

into one of India's primary electrical companies, Finolex is all set to establish and reposition its identity as an Electrical Product Company as opposed to being a Cabler.

As a company dedicated to building a greener future through responsible growth and progress, Finolex is now looking forward to expand the lighting business operations with the next step in eco-friendly illumination. Whether it is ambitious new projects in Maharashtra or new undertakings outside the state, Finolex is 'moving ahead with new vigour' towards a brighter future. We wish to thank our employees and our loyal consumer base for turning our vision into a successful reality that speaks volumes for itself.

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Chairman's Message



Dear Shareholders,

The last fiscal year, which started with a lot of promise has just concluded - economic recovery continues to remain slow. Domestic inflation continues to be quite high and growth has slowed down to around 5%. Both fiscal and current account deficits have remained high and are taking a toll on overall business confidence. Despite these headwinds, long-term growth prospects are quite encouraging, with industrial production having started to show signs of recovery.

Despite the above scenario Your Company has posted good results in the year that has just concluded. Both, in terms of value and volume, revenue has shown good growth, confirming my belief in Your Company's broad product portfolio as well as the efforts taken to widen its distribution network. Further, sustained efforts to achieve reduction in costs, improvement in operational efficiency and technological upgrades have helped Your Company record good profits in the year under review.

After 38 years as Chairman of Your Company, I will retire from this position on 30th June 2013. This will be the last Annual General Meeting for which I will be the Chairman. I nurture fond memories of this long journey, comprising of over five and half decades of presence in the electrical cable business, which has seen both good times and bad times. While this journey has been challenging and demanding, one constant throughout was my association with my dear shareholders and their active support. It has been extremely rewarding for me to personally see the growth achieved by Your Company over these years. Your Company has progressed from having one manufacturing unit at Pimpri to having a number of additional units that are located at: Urse, Pune, Verna and Usgaon-Tisk, Ponda in Goa and at Roorkee

in Uttarakhand. Your Company now has plans to procure suitable land in Gujarat to build a business hub for its future electrical products.

Today Your Company has become a multi-product, multi-location conglomerate having a distribution network, spread across the length and breadth of the Country. Finolex is now not only a household name commanding enviable respect and confidence, but also has consistently been selected for and has held the coveted and elite Super Brand status for the last so many years.

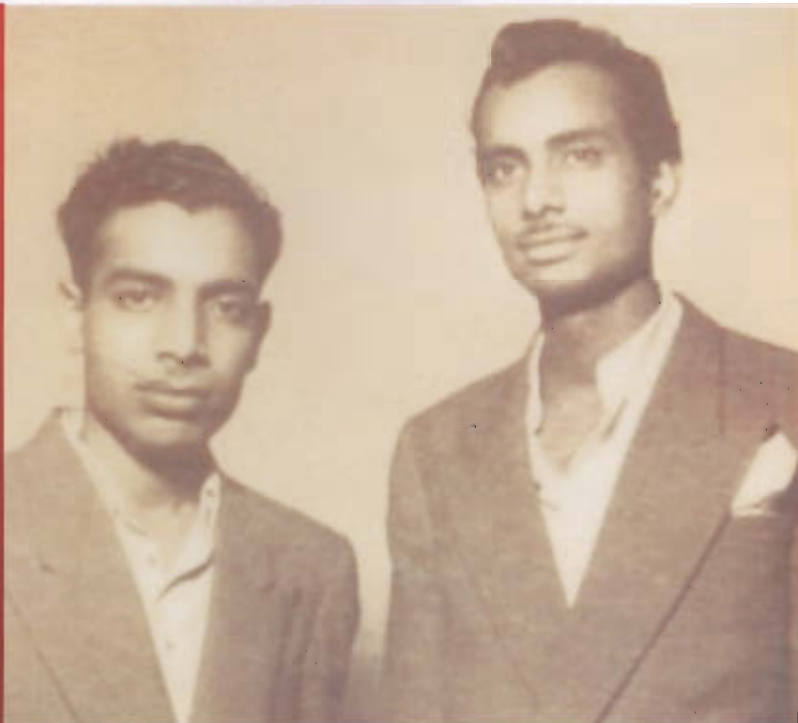
I sincerely express my gratitude and thanks to all stakeholders who have guided and helped us in our pursuit of leadership and excellence in the Wire and Cable Industry.

I will be handing over charge to Mr. D. K. Chhabria who has been the Managing Director of Your Company since 1st July 2000. Also, I have great confidence in Mr. D. K. Chhabria and feel convinced that he will be a worthy successor to me as Chairman of the Board and of Your Company effective from my stepping down as Chairman.

I look forward to your active support to Mr. D. K. Chhabria and to your continuing encouragement, which will continue to propel Your Company to greater heights in the years to come.

With best wishes,

P. P. Chhabria
Chairman



1958.
The Beginning
K.P. Chhabria & P.P. Chhabria



As the baton changes hands and the responsibility of leading Finolex Cables moves to the next generation, we reflect proudly on the journey so far and look forward with curiosity and excitement at the future ahead of us.

58 years ago, two young men started on a journey that has today become nothing short of legendary. From trading in automobile wires to eventually manufacturing them, Finolex is a success story of great proportions.

Integrating backwards into developing & manufacturing their own insulating compounds and casting copper as well, Finolex has continually been in the process of broadening the product portfolio to other wire categories while at the same time innovating and bringing in new products.

Successfully diversifying into communication cables to eventually becoming one of the India's primary electrical companies; Finolex has been responsible for fast recognising the technological changes that were sweeping in.

Continuing the visionary ambition by further diversifying into manufacturing optical fibre and communication cables based on optical fibre – the organisation that began 58 years ago has now grown into a company of great repute, perpetually known for the excellent quality of its products, its unflinching attention to market & customer needs, along with its financial integrity.

Setting Milestones,
Leading by Example



Finolex



Having built a powerful brand that is recognised for the enduring values mentioned earlier, we look at the future with assertive excitement. Instead of wondering 'What Next', we are already charting the course forward to 'Moving Ahead with New Vigour'.

The short term focus will be to increase the product range in the existing products basket.

The long term goal for the company is to establish and reposition its identity as an Electrical Product Company as opposed to being a Cabler.





LED & FITTINGS

CFL

TUBELIGHT & FITTINGS

Always on par with the technology of the times, Finolex has introduced Compact Fluorescent Lamps over the past few years as a contribution to global green drive. Compact Fluorescent Lamps have revolutionised the lighting business in a short span of time through their immense potential for saving resources. A CFL uses up to 50 - 80% less energy than an incandescent light bulb, effectively providing the same amount of illumination for considerably less amount of electricity. In addition to providing a high level of energy efficiency, these lamps often prove to be quite long-lasting under standard conditions.

We will continue the trend of introducing 'greener,' more eco-friendly illumination alternatives with the launch of LED based lamps in the future. These will consume even less energy than the CFL lamps, while giving the same amount of light.

One of the greatest advantages of the LED lamps will be their staggering long life in comparison to the incandescent bulbs and fluorescent lamps. Due to their unique design, LED lamps will also create great scope for making artistic & attractive home decor as well as ambient lighting options.

In addition to being ecologically compliant, these moves will also be aimed towards bringing substantial cost savings at industrial and commercial establishments. This will increase the product range in our Lighting Business endeavour along with adding more variety and depth to the business.

Forging a Sustainable Future & Going Green



Expanding further on the 'green' theme, Finolex expects to commission a 5MW solar power plant at its Urse facility. This initiative will result in substantial cost savings not only at the plant facility but also reduce our dependence on grid power for manufacturing operations, effectively putting to use the existing land at the facility for productive purposes.



Forever dedicated to pushing the boundaries of this business, Finolex is, at the same time, extremely committed to building a greener tomorrow. Thanks to its green focus, the vision for tomorrow includes Miniature Circuit Breakers, Electric motors and transformers, amongst other business endeavours. The company has plans to launch MCB's, ECCB's, MCCB's and cabinets in the market shortly.

In addition to this, plans are on to procure land in Gujrat to build a business hub for the company's future electrical products.

Finolex

Accelerating connectivity. Accelerating innovation.



OPTIC FIBRE CABLES

Available in single mode and multimode fibre
upto 288 fibre count including Ribbon Fibre

Long haul video / voice and data communication

Central tube and Multi tube construction

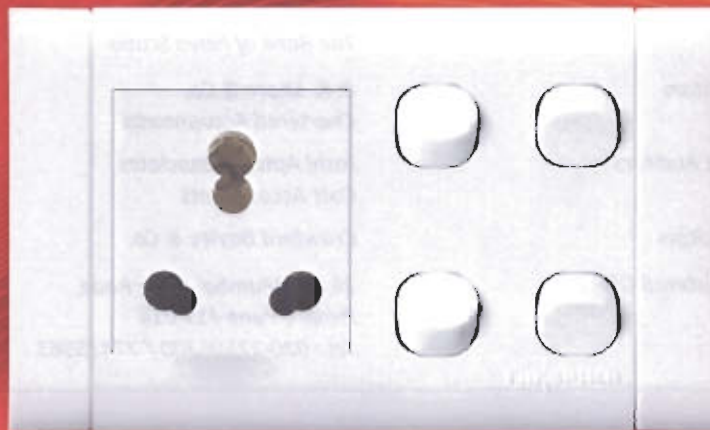
Ideal for structured cabling for computer networking &
FTTH applications



Premium



Classic



Board of Directors

<i>P. P. Chhabria</i>	<i>Chairman</i>
<i>Dr. H. S. Vachha</i>	
<i>Atul C. Chaksey</i>	
<i>Sanjay K. Asher</i>	
<i>P. G. Pawar</i>	
<i>S. B. (Ravi) Pandit</i>	
<i>Pradeep R. Rathi</i>	
<i>Adi J. Engineer</i>	
<i>Dr. V. G. Pai</i>	
<i>D. K. Chhabria</i>	<i>Managing Director</i>
<i>M. Viswanathan</i>	<i>Director Finance & Chief Financial Officer</i>

<i>R. G. D'Silva</i>	<i>Company Secretary & Vice President (Legal)</i>
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<i>Bankers</i>	<i>Central Bank of India</i>
	<i>Citibank N.A.</i>
	<i>Corporation Bank</i>
	<i>HDFC Bank Ltd.</i>
	<i>ICICI Bank Ltd.</i>
	<i>Standard Chartered Bank</i>
	<i>State Bank of India</i>
	<i>The Bank of Nova Scotia</i>
<i>Auditors</i>	<i>B. K. Khare & Co.</i>
	<i>Chartered Accountants</i>
<i>Cost Auditors</i>	<i>Joshi Apte & Associates</i>
	<i>Cost Accountants</i>
<i>Solicitors</i>	<i>Crawford Bayley & Co.</i>
<i>Registered Office</i>	<i>26/27, Mumbai-Pune Road, Pimpri, Pune 411 018 Tel.: 020-27506200 / 27475963</i>

Directors' Report

To

The Members

Your Directors are pleased to present their 45th Annual Report and Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

(Rs. in million)

	2013	2012
Income	22,948.5	20,961.5
Profit Before Interest, Depreciation, Exceptional Items and Tax	2,529.1	2,102.0
Less : Interest	124.6	251.0
Less : Depreciation	466.3	394.7
Profit Before Exceptional Items and Tax	1,938.2	1,456.3
Less : Exceptional Items	230.1	363.6
Profit Before Tax	1,708.1	1,092.7
Less : Provision for Taxation		
(a) Current Tax	333.9	174.3
(b) Deferred Tax	18.6	15.7
(c) MAT Credit	(108.1)	(79.2)
(d) Taxes of Earlier Year	11.0	-
Profit After Tax	1,452.7	981.9

BACKGROUND

Economic recovery that was expected at the beginning of the year under review has not materialized. Global economic growth was lower than in the previous year with all the stars of the past few years (China/India/Other BRIC nations) clocking very moderate growth. Most of the large economies which were affected by the crisis of 2008 were still resorting to quantitative easing in some form or the other, hoping to stimulate investment and economic activity; however clear signs of recovery are still to emerge.

On the domestic front, a few issues continue to defy solutions - inflation has been ruling high for well over two years now leading to a period of relatively high interest rates and its negative impact on the economy; GDP growth of 5%, which is far lower than the 6.5% reported in the previous year and way below the 8% average that was achieved in the years leading up to 2010; the high level of government's fiscal deficit at 5.4% continues to trouble the economy; and a continuously depreciating Rupee – from a level of Rs. 50.88 in March, 2012 to the US Dollar, the Rupee in March, 2013 closed at Rs.54.285.

The Government expects the economy to pick up after faltering last year – GDP is expected to grow at around 6.5% in the coming financial year; fiscal deficit is expected to be contained to under 5% of GDP, and inflation is expected to be around 6.5%. However, this will depend on how some elements of the economy play out – such as oil and commodity prices, availability of adequate finances and the ability of the manufacturing sector to pull itself out of the current situation.

OPERATIONS

Overall sales grew by 10% in value terms in 2012-13 when compared to the previous year. In volume terms the growth was higher at 14%. Higher volumes were achieved in both Electrical as well as Communication Cable segments. Star performances came in from product offerings to the following customer sectors – automotive, agriculture and construction in the Electrical Cables segment and Coaxial and Optic Fibre Cables in the Communication Cable segment. Towards the end of the period under review, however, it was clear that both the Auto and Infrastructure (Power) sectors were under strain. On the other hand recent developments within the Telecom sector viz. announcement of the intention by the Government to create a nationwide Optic Fibre Network to provide connectivity to village



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Cables Limited

panchayats, roll out of 4G services by some Telecom service providers etc will substantially improve growth possibilities in the coming financial year. Outlook on orders from this segment looks promising.

Income for the year under review was higher at Rs.22,948.5 million (previous year Rs.20,961.5 million) representing a growth of 10% over the previous year. Your Company has recorded a Net Profit after Tax of Rs.1,452.7 million as against a Net Profit of Rs.981.9 million in the previous year. The improved profitability comes from a better product mix, higher capacity utilization, growth in sales volumes across the product lines mentioned above, tight monitoring of working capital requirement and improved purchasing efficiencies.

DIVIDEND

Considering the business situation, your Directors have pleasure in recommending a dividend on equity shares of 60%.The amount thereof per equity share will be Rs.1.20. The total dividend outgo (including dividend tax) will be Rs.213.8 million.

EXPANSION & CONSOLIDATION

Consolidation of the Pune manufacturing operations is underway as planned. Most operations would be consolidated at the Urse site by end 2013, with limited activity remaining at Pimpri. This will help further improve the cost competitiveness in the Low Duty Electrical Cables offered by your Company.

As announced in February 2013, your Company will set up a 5MW solar power plant at its Urse site, which has ample land, a part of which will be used to set up this facility. The facility will cost approximately Rs.400 million to build and it is expected to be operational by January 2014.The power generated will be entirely consumed within the Urse site leading to cost efficiencies.

The Roorkee facility expansion is also well under way. Construction of a new factory shed is almost complete and new machinery has started arriving at the site. Commissioning of equipment is expected to be complete by end 2013. The expansion is expected to be within the budget of Rs.1,000 million and will be completed within the timeframe initially set.

In view of the opportunities now visible in the Telecom sector, your Company is investing in additional cable making equipment at the Optical Fibre Cable facility at Goa. Over the next year an investment of around Rs. 500 million is envisaged.

JOINT VENTURES

Finolex J-Power Systems Private Limited, Shirval near Pune

As mentioned in the previous year's report the JV is now fully operational and has been participating in tenders both locally as well as overseas. Your Directors are happy to report that the JV has secured its first large order (valued at Rs. 380 million) to supply 132 Kv power cables to the Maharashtra State Electricity Transmission Co. Ltd. Thus far, the JV has supplied cables at the 66Kv and 110Kv range to its customers.

As members will be aware, in respect of the products offered by the JV, pre-qualification requirements are very stringent and no effort is being spared in ensuring that the JV obtains all the requisite certifications. Members will be happy to note that the JV's 220Kv range of power cables have already passed the Type Test requirements and that the JV has secured certification from the Central Power Research Institute (CPRI) – this will enable the JV to bid and compete in these range of cables as well.

Corning Finolex Optical Fibre Private Limited

Business operations commenced during the last quarter of 2012-13. As mentioned earlier, recent announcements by the government augur well for the Telecom sector and it is expected that fiber sales will be robust in the current fiscal. It is expected that 2013-14 will be a promising year for Optic Fibre business and the JV expects to benefit from the same.

NEW PRODUCTS

Your Company is continuously looking at developing new products to expand its portfolio as well as adapt to changing needs of the market. In the current fiscal, your Company has already launched new lamp models including LED based lighting systems meant for home use, street lighting and other commercial spaces. Your Company has also plans of entering the switchgear product segment and will launch a series of products within the MCB, ELCB and MCCB range during 2013-14.

EXPORTS

Despite the depressed market situation overseas FOB value of exports for the year was Rs. 486.9 million (marginally higher than the previous year's export value of Rs. 483.9 million).

45th

Annual Report 2012-13

FINANCE

Your Company's short term debt programs continue to enjoy the highest ratings from CRISIL. Since the last few years these have been accorded the A1+ rating. The Company also holds AA/Positive rating for its Rs.500 million long term non convertible debentures program as well as on the long term loans currently outstanding.

The Company follows a balanced policy to manage liquidity and borrowing. To part finance the ongoing expansion, additional borrowings of Rs. 450 million were resorted to from banks in the year 2012-13.

Despite the increase in value of operations, financial costs have been contained to the minimum required levels. The Company continues to meet all its financial commitments in a timely manner.

FIXED DEPOSITS

Your Company has stopped accepting deposits from 2003 and accordingly, no fixed deposits have been accepted during the year under review.

EMPLOYEES

Your Company recognizes the importance of a motivated and skilled human resource. Your Company endeavors to create a challenging and favorable work environment that encourages entrepreneurial behavior, innovation and the drive towards business excellence.

Industrial relations continued to be cordial during the year.

The Company had 1,611 permanent employees on its roll as on 31st March, 2013 (previous year 1,487 permanent employees as on 31st March 2012).

CORPORATE GOVERNANCE

The statement on Corporate Governance is annexed hereto and forms a part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has and will continue to focus on education. International Institute of Information Technology or I²IT as it is known is also patronized by the Company. I²IT offers BE and post graduate MS courses with various specializations in Advanced Information Technology.

All plants are environment compliant and hold ISO14001 (Environment Management System) certification.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently and have 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 as at 31st March, 2013 and of the Statement of Profit and Loss for the year ended 31st March, 2013;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information on conservation of energy, technology absorption, foreign exchange earning and outgo required to be given pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies Rules, 1988 (Disclosure of Particulars in the Report of the Board of Directors) is annexed hereto and forms part of this Report.

PARTICULARS OF EMPLOYEES

Information as required under the provisions of Section 217(2A) of the Companies Act, 1956 (the Act) and the rules framed there under forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent



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Cables Limited

to the shareholders, excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder desirous of obtaining a copy of the said statement may write to the Company Secretary & Vice President (Legal) at the Registered Office of the Company.

LISTING OF SECURITIES

Your Company's equity shares are listed on the two premier stock exchanges of the country namely Bombay Stock Exchange Limited and National Stock Exchange of India Limited, amongst other stock exchanges. Your Company had issued Global Depository Receipts which are listed on the Luxembourg Stock Exchange. Your Company's non-convertible debentures are listed on wholesale debt market segment of the National Stock Exchange of India Limited.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr.P.R.Rathi, Mr. S.K.Asher and Mr.P.G.Pawar retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment. The Board of Directors recommends their reappointment as Directors of the Company.

AUDITORS

M/S B.K. Khare & Company, Chartered Accountants, Auditors of the Company, hold office until conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

ACKNOWLEDGEMENT

Your Directors are grateful to the Central and State Governments, Statutory Authorities, Local Bodies, Banks and Financial Institutions for their cooperation and support. Your Directors warmly acknowledge the faith and confidence reposed in the 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 of the Company for their unstinting support. Your Directors value the commitment of the employees towards the Company and appreciate their valuable contributions for the progress and growth of the Company. Last but not the least your Directors are thankful to the Members for extending trust and for the confidence shown.

For and on behalf of the Board of Directors

P. P. Chhabria

Chairman

Pune,

Dated : 30th April, 2013

Annexure to Directors' Report

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

A. Conservation of Energy:

- a) Energy Conservation measures:
 - (i) New 10H FRP line installed and FRP manufacturing process redesigned resulting in substantial reduction in power consumption.
 - (ii) New 200 KVAR capacitor panel installed to have high power factor.
 - (iii) Timers fitted to street lighting circuit and motion sensors fitted in strategic areas in plants to switch 'ON/OFF' at desired times to eliminate/reduce lighting requirements and save power consumption.
 - (iv) Electrically operated Blowers installed for air wiping in place of pneumatic air wipers to conserve energy.
 - (v) Replacing of old equipments with more energy efficient equipments in the power distribution panels coupled with redistribution of power to reduce energy consumption and losses.
 - (vi) Process water and hydraulic pumps are optimized/replaced with energy efficient/lower capacity motors to reduce losses/wastage.
 - (vii) Optimization of use of heating and compressed air to reduce operation of vaporizers/compressors.
 - (viii) Installation of energy efficient LED street lights.
 - (ix) Energy Efficient Metal Halide light fittings provided in shop floor in place of 400W HPML lamps and Energy efficient LED tube lights installed in place of conventional tube lights.
 - (x) RTPFC panels are installed in different locations of the plant for improvement of power factor and reduction of harmonics.
 - (xi) Improved preventive maintenance of machines to reduce energy loss.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Various proposals / measures for reducing energy consumption are under consideration.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Impact has not been separately measured.
- d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the schedule thereto:

Not applicable.

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) 24 F double sheath "glass roving armoured" cable with anti-rodent and anti termite properties.
 - (ii) FTTH Cable with ARP, FRP and Steel Wire.
 - (iii) Flat Tube Drop Cable for CATV market.
 - (iv) Cable with Poly-Al application.
 - (v) Top Cable (FRP Pulltruded Cable for windmill application).
 - (vi) New range of "Speaker Wires" for communication cable segment.
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 set up a 5 MW Solar Power Plant at Urse to use environmentally friendly non conventional source of energy.
 - To develop cost effective Mini Optical Fibre Cable.
 - To develop cross-linkable HFFR cables for high temperature working.
 - To develop Rubber based cables for windmill application
 - To develop CAT7 LAN cables with higher bandwidth



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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 a percentage of total turnover | } | and the costs of assets are grouped under the respective heads. |

Technology Absorption, Adaptation and Innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
- Several grades of PVC compounds were reformulated to suit higher line speeds and also made environmentally friendly complying with ROHS requirements.
 - Certain machines were modified to achieve higher line speeds for getting better productivity.
 - Advanced machinery and raw material handling system provided to reduce wastage of material and manual handling.
 - New transformers installed with on load tap changers for better voltage regulation to enhance the life of equipments.
 - 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 customer needs.
3. Imported technology (imported during the last 5 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 has not taken place, reasons therefor, and future plans of action | : | Not applicable |

C. Foreign Exchange Earnings and Outgo:

Despite the depressed market situation in the overseas markets, your Company has been able to marginally improve its performance in the export market during the year under review. Focus has been brought in the developed European markets for marketing Communication Cables, namely Fibre Optic Cables while at the same time persistent efforts continue to retain old customers and add more customers in the Middle – East and African markets.

- Earnings by way of Exports : Rs.486.9 million
- Outgo by way of Imports : Rs.1377.7 million

For and on behalf of the Board of Directors

Pune,
Dated : 30th April, 2013

P P CHHABRIA
Chairman

Management Discussion and Analysis

1. BUSINESS OF THE COMPANY:

The Company operates in two main segments - Electrical Cables and Communication Cables.

To support its requirement of Copper Rods for both type of cables, the Company manufactures Continuous Cast Copper Rods (CCC rods), at its Rod Plant at Goa. A small part of this production of CCC rods is, however, sold to third party customers. The result from this operation is declared under the Copper Segment.

The Company's foray into the Lamps and Electrical Switches businesses is still in its early years and account for less than 5% of the Company's turnover and are hence reported as "Others" in the Segment Results.

1.1 Main Segments:

The Company is the leading domestic manufacturer of electrical and communication cables with a wide product range. The Company offers a 'Total Cable Solution'. The broad segmentation of the products manufactured by the Company is as follows:

Group	Products Covered	Application
Electrical Cables	1100 V PVC insulated cables	Electrification of industrial establishments, electrical panel wiring and consumer electrical goods.
	Motor winding PVC insulated cables and 3 core flat cables	Submersible pumps and electrical motors.
	Automotive/battery cables	Wiring harness for 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 main supply of power.
	Heavy duty, underground, high voltage, power cables	Intra-city power distribution network
Communication Cables	Jelly filled telephone cables (JFTCs)	Telephone line connections to exchanges and users.
	Local area network (LAN) cables	Indoor and outdoor networking, voice and data transmission, broadband usage.
	PE insulated telephone cables (Switchboard cables)	Telephone instrument connections to EPABX.
	Coaxial cables	Cable TV network solutions, microwave communications, mobile towers.
	Speaker Cables	Meant for broadcasting applications in buildings.
	Optic fibre	Principal raw material for optic fibre cables.
	Optic fibre cables	For use in networks requiring high speed transfer of large bandwidth due to voice, image and data transmission.
	V-SAT cables	For connecting V-SAT dish to base station.
Copper Rods	CCC rods of 8 mm diameter	Raw material for manufacture of copper based cables.
Electrical Switches	Premium & classic switches, sockets, regulators, etc.	Domestic lighting, hotels, shops, offices, corridors.
Lamps	Retrofit & non-retrofit CFL lamps as well as T5 Tube Lights and Fittings.	Domestic lighting, hotels, shops, offices, corridors.



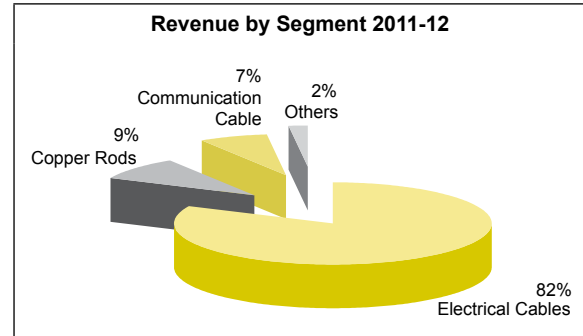
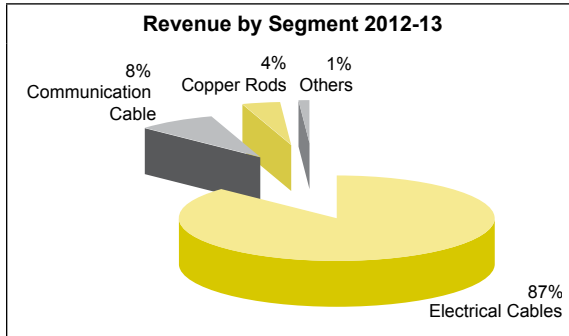
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The Company's product application range is thus for electrical usage, transmission of voice, data and images (contents) for domestic, commercial and industrial applications to electrical products, touching every person in his daily life.

1.2 Revenue Break up (inclusive of Excise Duty) :

Segment-wise revenue breakup for the last two years is as follows:



2. REVIEW OF OPERATIONS:

● Production:

- Electrical Cables at 50,445 MT as compared to 45,348 MT in the previous year.
- Metal based Communication Cables at 4,678 MT as compared to 4,276 MT in the previous year.
- Optical Fibre Cables at 49,080 KM as compared to 30,211 KM in the previous year.
- Optic Fibre at 959,270 fibre kilometers as compared to 273,130 fibre kilometers in the previous year.

● Sales:

- Electrical Cables (including Excise Duty) at Rs. 20,858 million as compared to Rs. 17,705 million in the previous year.
- Communication cables (including Excise Duty) at Rs. 1,991 million as compared to Rs. 1,420 million in the previous year.
- Copper Rods (net of interdivisional transfers and including Excise Duty) at Rs. 836 million as compared to Rs. 2,051 million in the previous year.
- Exports were marginally higher at Rs. 496 million as against Rs. 489 million of the earlier year.
- The income from operations (including Excise Duty) was Rs. 24,235 million for the year under review as compared to Rs. 21,826 million for the earlier year.
- The Joint Venture with J-Power Systems Corp of Japan, Finolex J-Power Systems Private Ltd, continues on its journey to become the leading player in the country in the Extra High Voltage Cable business. Product certifications were obtained during the year for its 66Kv, 132Kv and 220Kv offerings. The JV also secured its first large order worth Rs. 380 million recently. Supplies of this prestigious order from Maharashtra State Electricity Transmission Company will commence from October 2013. During the year under review the JV supplied small quantities of 66Kv and 110Kv cables to its customers including a breakthrough export order from Singapore for its power utility. All these orders, though for small quantities will go a long way in establishing the JV as a quality supplier in the region.
- The Joint Venture with Corning SAS, Corning Finolex Optical Fibre Private Limited commenced operations during the last quarter of 2012-13. Small quantities of Optical Fibre were sold to other merchant cabling within India..
- For more details on the operations, a reference may please be made to the financial statements.

3. KEY STRENGTHS:

- One of India's leading cable manufacturers.
- Has the widest range of cable products in both segments and is recognized as a "Total Cable Solutions" Company capable of designing cable solutions for every need.
- Acknowledged as a leader in technology with a strong emphasis on quality

- Has the widest distribution network, which is being further expanded
- Backward integrated in respect of its major materials – CCC Rods, PVC compounds, Optical Fibre and FRP rods which allow the Company a certain technical superiority over its competitor while providing a cost advantage as well.
- A strong brand image and value – for long it has been the only cable company to hold the Super Brand status; the brand has also enabled the Company to market its products in overseas markets.
- Expanded into product segments that are complementary to the electrical cable market i.e. CFLs and electrical switches – this move has brought additional market reach at minimal cost expansion.

4. **GROWTH DRIVERS:**

The Company's position as the market leader is due to its persistent efforts and emphasis in the following areas:

Product quality

Continuous product improvement

Introduction of new products through in-house developments

Creating customer preferences

Competitive pricing and extremely competitive cost structure

Dynamic approach to situations

Strong and dependable distribution channel spread all over the Country.

5. **BUSINESS ENVIRONMENT :**

The segment-wise discussion on the markets which are served by the Company is as follows:

5.1 Electrical Cables:

Electrical cables can be further categorised into light duty electrical cables, power and control cables.

- (i) Light duty electrical cables include electrical wires used extensively for electrification of industrial establishments, electrical panel wiring in industrial establishments and major equipments, consumer durable goods, automobiles, agricultural pump sets, small generator applications besides general lighting purposes.
- (ii) In power cable category, the Company has the ability to manufacture such cables within the range 1.1 kV to 66 kV. These cables are high voltage cables designed in various constructions depending upon their applications; however, always meant for underground usage. Power and control cables upto 3.3 kV rating are used for connecting user point to the main supply of power. Power cables above 3.3 kV rating are meant for use in underground application for intra-city electricity distribution network. The Company manufactures insulated power cables only. These cables meet the requirements of international standards.

Performance:

For the year under review, this segment cables registered sales (including Excise Duty) of Rs. 20,858 million against Rs. 17,705 million of the previous year. It accounted for 87% of total sales for the year under review. Growth during the year was driven by automobile, construction and agricultural applications. While the infrastructure area remained very subdued (with the poor financial position of the various power utilities as well as constraints faced by them in terms of fuel availability), during the last quarter the automobile sector was also under strain.

Outlook:

Electrical cables are the main focus area of business for the Company. In the near term the outlook is somewhat mixed – construction sector appears positive with development seeming more broad based and consumption being reported from interior areas of the Country rather than being limited to the larger cities; agricultural applications also appear positive and poised to continue on the growth shown in the previous years; automobile and infrastructure (power), however seem to be going through a slower growth path at this moment. In the long term, however, the outlook for the entire segment is positive, given the fact that sustained economic growth of the country depends on a robust and stable infrastructure.



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The Company faces two principal risks in this business – firstly competition from a large unorganized sector which produces products of inferior quality but at cheap prices and secondly a highly volatile commodity market where price movements can be very sharp. The Company has been handling the risk of the competitive forces through its organized business approach by the strength of its reach, superior quality products, safe products and maintaining high standards of service levels with its customers. The Company enjoys the advantages of economies of scale and backward integration. As and when GST is rolled out in the country, the Company believes the threat of a competitive force that relies on cheap quality and unfair trade practices will reduce further. As regards the risk of sharp raw material price movements, though the Company endeavors to pass on the price effect to the customers, there has always been a time lag between the price movement and the passing thereof. The Company negotiates price variation contracts with bulk buyers. The Company has been fair in dealing with its customers and accordingly enjoys customer confidence in pricing decisions.

5.2 Communication Cables:

The communication cables comprise of state of art, new generation communication cables and traditional telephone cables.

- (i) The state of art communication cables are either copper based or glass based. The copper based cables include LAN cables, coaxial cables, PE insulated switchboard cables and V-SAT cables. These cables are used for last mile connectivity. LAN cables are used in high speed networks, Coaxial cables are used to provide content input to TV receiving sets and in microwave communications and mobile towers, PE insulated switchboard cables are used to connect telephone instruments to an EPABX system and V-SAT cables find their application in V-SAT towers to connect the dish to the base station.

Optic fibre cables are glass based cables and they have the maximum bandwidth and speed. Certain cable designs are used as trunk cables in long distance networks while other designs are used in distribution, whether by telecom companies, multi-service organisations or other service providers.

Communication cables which carry, voice data or images is the backbone of an economic activity. The speed and bandwidth determine the capabilities of a communication network.

- (ii) Traditional telephone cables include JFTCs which are laid underground and are used for connecting land line telephones to exchanges. These are copper based cables. With introduction of mobile telephones in India and due to substitution by optic fibre cables, JFTC business has lost its value. Nevertheless, JFTC continues to remain a preferred option for last mile connectivity in fixed line telephones. The demand for JFTCs will continue to remain modest. The Company would continue to manufacture JFTCs especially with broadband features for public sector and private sector telecom companies and to meet the export demand. The Company has the capability to make JFTCs as per customer's needs.

Performance:

The communication cables segment (including optic fibre) recorded sales of Rs. 1,991 million for the year under review against Rs. 1,420 million for the earlier year. The year under review has been a change from the past three years during which period the telecom sector had been plagued by uncertainties. Some private service providers commenced roll out of their 4G services which brought in business opportunities. Also, the changeover to digital transmission in several cities across the country resulted in additional demand for Coaxial cables. With attractive price offerings and the past experience of better customer service, this segment has showed an improved performance in the year under review. Capacity utilisation at all plants have shown improvement leading to better margins and profitability.

Outlook:

With the impetus from the Government in providing better and faster internet access to rural India, your Company believes that demand for communication products will be robust for the foreseeable future. The economic development requires inter-alia, a strong, dependable and sustainable communication network. Besides the programs being implemented by the Government, roll out of 4G services by private service providers will entail additional capital expenditure in the form of an optic fibre network. The Company's communication cables meet with the requirement of local as well as international standards and therefore, find ready acceptance with domestic customers as well as in the exports market. The outlook here, is positive, both in the near as well as long term.

The risks of competition and copper price movements similar to the electrical cables business are also applicable to the business of communication cables. The varying global demand-supply equation of optic fibre and resultant price movement thereof; availability of preforms and price thereof and delay/slow-down in investment into networks by telecom companies/service provider and other relevant entities due to global slow-down pose risk to the business of communication cables. Your Company's association with Corning Inc of USA, inventor of glass fibre, one of the world's leading glass and fibre manufacturer and having the largest market share in the world, would be beneficial in meeting technological and market based challenges.

5.3 Copper Rods:

Copper rod is the feed stock for copper based electrical and communications cables. The Company manufactures its own copper rods. The base material for producing copper rods is copper cathodes, the bulk of which are procured from local manufacturers under long term supply agreements. A smaller portion of the requirement of copper cathodes is imported as and when needed. After meeting the in-house requirement of copper rods, the balance capacity to produce copper rods is allocated for third party sale.

Performance:

The sales were Rs.7,075 million (previous year Rs.9,504 million) of which Rs.836 million were sales to third parties (previous year Rs.2,051 million) and balance was inter-divisional transfers. With continued uncertainties in the global business environment, commodity markets remained volatile through the year – prices ranged from USD 8,300 at the beginning of the year before dropping to USD 7,000 levels by the end of the year. Within the domestic market, the threat of imported copper led to the domestic majors sharply dropping the premium on copper rods from earlier levels, while increasing the premium levels on copper cathode. This put severe pressure on margins related to sale of copper rods to third party – consequently your Company restricted its sale of copper rods to already committed contracts or contracts where the margin levels were acceptable. Overall, therefore, there was a reduction in the throughput at the copper rod segment.

Outlook:

The copper rod production is mainly for in-house consumption. The Company's steps to set up new plants for cables as well as to expand the cable capacity at the existing plants will boost up the captive consumption of copper rods. Further, since the joint venture with J-Power Systems Corp. of Japan has commenced its operations, the venture's copper requirements would be met by your Company's copper rod plant. Accordingly the utilization of capacity at copper rod plant is expected to improve in coming years.

5.4 Electrical Switches and CFLs:

The manufacture and sale of these electrical products act as a logical extension of the cables business of the Company. They have the backing of Finolex name, assuring the customer of quality, safety and performance standards. These electrical and lighting products are sold through the existing well-spread distribution network of cables. Other distribution avenues are also being explored to penetrate further in the market. Products have been well accepted by the market.

On its part to contain the effects of global warming, the Government is promoting use of CFLs. Keeping in mind the expected growth in CFL demand the Company has built capacity in T3 and T4 type CFLs and has also launched the latest T5 tube lights and fittings in the market.

Both the above products fared well during the year under review and grew by more than 100% in volume and value terms. With improved distribution coverage, additions to product range including LED applications for the home, business, commercial and industrial usage being planned in the current fiscal, outlook in this area is very positive.

5.5 Summary:

The Company's main businesses are core to development of infrastructure. As the country marches ahead towards attaining the status of being a developed nation, it is natural that the demand for the products produced and marketed by your Company would grow. With the focus being on supplying products of superior quality at a price that is attractive to the customer, backed by the distribution reach that the Company has it is but a logical conclusion that the future holds vast promise. The Company is committed to expanding its business activities in an optimal manner. The Company has resources available at its disposal to implement and realize its business goals.



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6. RISK MANAGEMENT:

The Company has a Risk Management Document in place that defines the policies, lays out the strategies and methodology to decide on the risk taking ability of the organization.

The Company constantly reviews its exposure to various types of risk whether it be regulatory, operational, environmental, financial or political– it has in place adequate systems to ensure compliance with all regulatory and statutory matters, reviews the same on a periodic basis and takes appropriate corrective action when necessary; likewise, operationally it does not depend on a single vendor for any of its major raw material; has in place a well defined practice on the levels of inventory that need to be maintained which while ensuring customer serviceability also ensures minimal stock holdings; has in place a clearly documented practice where credit risks are analysed prior to taking exposures with customers, etc.

7. INTERNAL CONTROL SYSTEM:

In line with the size and nature of operations, the Company has designed a system of internal controls that provides for:

- Accurate recording of its transactions with checks and balances built in
- Prompt reporting
- Adherence to applicable Accounting Standards and Policies
- Compliance with applicable laws, statutes, as well as internal procedures and practices
- Safeguard of assets and their proper usage

The Company regularly conducts internal audits in respect of the above by using both in house resources as well as external consultants. The reports from these teams are reviewed by management regularly and corrective actions monitored. Further, the Audit Committee of the Board meets once every quarter to consider and review the audit reports submitted by the internal audit teams and discusses the corrective actions needed with management.

The Audit Committee met nine times during the year under review.

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Financial summary for ten years

(Rs. In million)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
PROFIT AND LOSS										
ACCOUNT DATA										
Gross Revenue ++	5,689	6,701	8,899	12,055	16,270	15,525	17,507	22,123	22,188	24,477
Materials and manufacturing cost (including excise duty)	4,132	5,191	6,855	9,557	13,068	12,429	13,573	18,032	17,629	19,041
Employee cost	292	254	326	355	497	533	592	647	695	846
Administration & selling expenses	461	520	660	750	1,033	2,152	1,891	1,793	2,115	2,282
Extra ordinary Items	37	-	-	-	-	-	-	-	-	-
Depreciation	263	259	313	264	265	388	372	388	395	466
Interest and finance charges	178	106	128	159	204	324	187	191	261	134
Profit before tax	326	371	617	970	1,203	(301)	892	1,072	1,093	1,708
Taxation	30	63	113	280	314	54	315	204	111	255
Profit after tax	296	308	504	690	889	(355)	576	868	982	1,453
Dividend (including tax on dividend distribution if applicable)	138	157	209	251	268	36	107	124	142	214
BALANCE SHEET DATA										
Share capital	306	306	306	306	306	306	306	306	306	306
Reserves	5,080	4,702	5,055	5,495	6,109	5,656	6,125	6,869	7,698	8,937
Net worth	5,386	5,008	5,361	5,801	6,415	5,962	6,431	7,175	8,004	9,243
Loan Funds	1,880	1,321	2,343	2,653	2,876	2,959	2,751	2,601	1,716	1,806
Deferred Tax (Net)	295	184	213	208	175	221	319	310	326	345
Total Liabilities	7,561	6,513	7,917	8,662	9,466	9,142	9,501	10,086	10,046	11,394
Gross Block	4,777	4,126	4,753	5,807	6,773	8,022	8,313	8,563	8,846	9,777
Net Block	3,006	2,118	2,288	3,079	3,784	4,557	4,476	4,340	4,424	4,607
Investments	3,067	2,491	2,722	2,833	3,168	3,141	2,802	2,452	2,372	3,241
Net current assets	1,488	1,904	2,907	2,750	2,514	1,444	2,223	3,294	3,250	3,546
Micellaneous Expenditure (to the extent not written off or adjusted)	—	—	—	—	—	—	—	—	—	—
Total Assets	7,561	6,513	7,917	8,662	9,466	9,142	9,501	10,086	10,046	11,394
KEY RATIOS										
Growth in Revenue (%)	9.6	17.8	32.8	35.5	35.0	(4.6)	12.8	26.4	0.3	10.3
PAT to Revenue (%)	5.2	4.6	5.7	5.7	5.5	(2.3)	3.3	3.9	4.4	5.9
Return on Net Worth (%)	5.5	6.2	9.4	11.9	13.9	(6.0)	9.0	12.1	12.3	15.7
Earnings per Share Rupees (for face value of Rs.2/- each)	1.9	2.0	3.3	4.5	5.8	(2.3)	3.8	5.7	6.4	9.5
Asset Turns (Revenue to Total Assets)	0.8	1.0	1.0	1.4	1.7	1.7	1.8	2.2	2.2	2.1
Return on Capital Employed (%)	6.5	6.7	10.1	13.5	15.4	(0.01)	11.38	12.72	13.35	17.09
Debt to Equity Ratio	0.4	0.3	0.4	0.5	0.4	0.5	0.4	0.4	0.2	0.2
Dividend (incl. Dividend Tax) Distribution to PAT(%)	46.7	51.0	41.5	36.4	30.1	(10.1)	18.6	14.3	14.5	14.7

Note :

++ Comprises Income From Operations(including excise duty) and Other Income



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, shareholders, 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, 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 (<http://www.finolex.com>) of the Company.

2. BOARD OF DIRECTORS:

2.1 Constitution of the Board:

- The Composition of the Board of Directors with reference to number of executive and non-executive Directors, meets the requirement of Code of Corporate Governance.
- Out of Eleven Directors, there are two promoter executive Directors namely Mr. P. P. Chhabria, Chairman and Mr. D. K. Chhabria, Managing Director and one non-promoter executive Director namely Mr. Mahesh Viswanathan designated as "Director - Finance and Chief Financial Officer".
- There are eight independent non-executive Directors, namely Dr. H. S. Vachha, Mr. Atul C. Choksey, Mr. Sanjay K. Asher, Mr. P. G. Pawar, Mr. S.B. (Ravi) Pandit, Mr. P. R. Rathi, Mr. A. J. Engineer and Dr. Vikas G Pai.

2.2 Meetings:

Board meetings are held at least four times during the year coinciding with the presentation of each quarterly financial results. During the last Financial Year four Board Meetings were held i.e. on 3rd May, 2012, 14th August, 2012, 8th November, 2012 and 13th February 2013.

The meetings were attended as follows:

- Mr. P.P. Chhabria, Mr. D.K. Chhabria, Dr. H.S. Vachha, Mr. A.J. Engineer, Dr. Vikas G Pai and Mr. Mahesh Viswanathan attended all four meetings.
- Mr. Sanjay K. Asher and Mr. P.G. Pawar attended two meetings.
- Mr. Atul C. Choksey and Mr. P.R. Rathi attended one meeting.
- Mr. S B (Ravi) Pandit could not attend any meeting and was granted leave of absence by the Board.

All Directors attended last Annual General Meeting held on 14th August, 2012 except for Mr. Atul C. Choksey, Mr. Sanjay K. Asher, Mr. S.B. (Ravi) Pandit and Mr. P.R. Rathi.

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2.3 Remuneration to Executive Directors :

(Amount Rs.)

Particulars	Chairman	Managing Director	Director - Finance and Chief Financial Officer
	Mr. P.P. Chhabria	Mr. D.K. Chhabria	Mr. Mahesh Viswanathan
Salary and Allowances	6,000,000	6,000,000	4,700,000
Contribution to Provident and Superannuation Funds	1,620,000	1,620,000	886,200
Other Perquisites	5,999,091	5,999,371	832,111
*Commission / **Incentive	*54,000,000	*36,000,000	**5,000,000
Total	67,619,091	49,619,371	11,418,311

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 all the cases, the service contract is for a period of five years from the date of appointment. Notice period/severance fees applicable are 180 days for Mr. P.P. Chhabria and Mr. D.K. Chhabria and 90 days in case of Mr. Mahesh Viswanathan.
- 4) Performance is evaluated by the Remuneration Committee which, inter alia, considers and recommends payment of commission/ incentive based on the performance of the Company and contemporary practices in Industry. The recommendations of the Committee are further considered by the Board and a collective decision taken without participation of interested Directors.

2.4 Remuneration to Non Executive Directors :

Name of Non-Executive Director	Sitting Fees (Rs.)	Commission (Rs.)	Total (Rs.)	Shareholding (in Nos. of shares) of Non-Executive Directors in the Company
Dr. H.S. Vachha	195,000	500,000	695,000	-
Mr. Atul C. Choksey	15,000	300,000	315,000	-
Mr. Sanjay K. Asher	210,000	300,000	510,000	12,395
Mr. P. G. Pawar	240,000	300,000	540,000	-
Mr. S.B. (Ravi) Pandit	-	300,000	300,000	-
Mr. P.R. Rathi	255,000	300,000	555,000	-
Mr. A.J. Engineer	60,000	300,000	360,000	-
Dr. Vikas G Pai	60,000	300,000	360,000	17,000
Total	1,035,000	2,600,000	3,635,000	29,395

- a) Sitting fees paid to each non-executive Director are uniform @ Rs.15,000 for attending each meeting of the Board/ Committee thereof. The sitting fees was approved by the Members at the Annual General Meeting held on 5th July, 2005.
- b) Commission not exceeding one percent of the net profits of the Company as per the terms of Section 309 of the Companies Act, 1956 or Rupees Thirty Lakhs, which ever is less, which is the ceiling limit approved in this regard by the shareholders at the Annual General Meeting held on 30th July 2008 is payable to non-executive Directors. The said commission, as may be determined by the Board each financial year, is payable to non executive Directors. Such commission being divisible amongst such Directors in such proportion as the Chairman of the Board may determine or, failing such determination, is shared equally amongst them.



2.5 The details of other Directorship and Committee membership :

	No. of Companies		Committee positions held
	Directorship in Public Companies	Other Companies	
Mr. P.P. Chhabria	2	2	1 (Chairman of one)
Dr. H.S. Vachha	4	2	5 (Chairman of four)
Mr. Atul C. Choksey	8	4	-
Mr. Sanjay K. Asher	15	25	8 (Chairman of four)
Mr. P.G. Pawar	5	11	4 (Chairman of one)
Mr. D.K. Chhabria	1	3	-
Mr. S.B. (Ravi) Pandit	4	4	2 (Chairman of one)
Mr. P.R. Rathi	11	10	5 (Chairman of one)
Mr. A.J. Engineer	-	-	-
Mr. Mahesh Viswanathan	-	2	-
Dr. Vikas G Pai	-	1	-

In accordance with Clause 49 of the listing agreements with the Stock Exchanges, memberships/ chairmanships of only the Audit Committee and Shareholders'/ Investors' Grievance Committees of all public limited companies (excluding those of the Company), have been considered.

2.6 Information placed before the Board of Directors :

The information placed before the Board of Directors is as follows:

- a) Annual operating plans and budgets, revisions and updates, if any.
- b) Capital budgets with revisions and updates, if any.
- c) Quarterly (including periodic) results of the Company and its operating divisions / business segments.
- d) Minutes of the meetings of Audit and other Committees of the Board.
- e) The information on recruitment and remuneration of senior officers below the Board level, including appointment or cessation of office by Chief Financial Officer and Company Secretary.
- f) Show cause, demand and prosecution notices, which are materially important.
- g) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- h) Details of any joint venture or collaboration agreement.
- i) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- j) Industrial relationship issues of material nature and proposed remedial actions. All significant developments in Human Resources / Industrial Relations.
- k) Transactions of material nature of buying and selling of investments, or undertaking / assets, which are not in normal course of business.
- l) Quarterly reports on foreign exchange exposure and the steps taken by the Management to manage the risks of adverse exchange rate movement, if material.
- m) Status on compliance with all regulatory, statutory and material contractual requirements.
- n) Details of delegation of authorities to executives and Powers of Attorney issued.

3. AUDIT COMMITTEE:

The Audit Committee which was formed in February 1997, presently comprises of four independent non-executive Directors, namely Dr. H.S. Vachha (Chairman of the Committee), Mr. Sanjay K. Asher, Mr. P.R. Rathi (Alternate Chairman) and Mr. P.G. Pawar.

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

The brief terms of reference of the Audit Committee include-

- 1) Review of the Company's financial reporting process and financial statements,
- 2) Review of accounting and financial policies and practices,
- 3) Review of internal control and internal audit systems,
- 4) Discussion with Internal Auditors and Statutory Auditors on any significant findings and follow-up thereon,
- 5) Reviewing the Company's financial and risk management policies, including foreign exchange related risks,
- 6) To investigate any activity within its terms of reference,
- 7) To seek information from any employee,
- 8) To obtain outside legal or other professional advice,
- 9) To secure attendance of outsiders with relevant expertise, if it considers necessary,
- 10) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements is correct, sufficient and credible,
- 11) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees,
- 12) Approval of payment to statutory auditors for any other services rendered by the statutory auditors,
- 13) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956,
 - b) Changes, if any, in accounting policies and practices and reasons for the same,
 - c) Major accounting entries involving estimates based on the exercise of judgment by management,
 - d) Significant adjustments made in the financial statements arising out of audit findings,
 - e) Compliance with listing and other legal requirements relating to financial statements,
 - f) Disclosure of any related party transactions,
 - g) Qualifications, if any, in the draft audit report,
- 14) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval,
- 15) Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems,
- 16) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit,
- 17) Discussion with internal auditors any significant findings and follow up thereon,
- 18) 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,
- 19) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern,



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- 20) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors,
- 21) The Audit Committee shall mandatorily review the following information:
 - a) Management discussion and analysis of financial condition and results of operations,
 - b) Statement of significant related party transactions (as defined by the Audit Committee),
 - c) Management letters/ letters of internal control weaknesses issued by the Statutory Auditors,
 - d) Internal audit reports relating to internal control weaknesses, and
 - e) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The Committee has met nine times during the financial year ended 31st March 2013, as against the minimum requirement of four meetings i.e. on 11th April, 2012, 3rd May, 2012, 30th July, 2012, 13th August, 2012, 24th September, 2012, 8th November, 2012, 19th December, 2012, 13th February, 2013 and 18th March, 2013. Dr. H.S. Vachha attended all nine meetings, Mr. P.R. Rathi attended seven meetings, Mr. P.G. Pawar attended six meetings, Mr. Sanjay K. Asher attended five meetings.

The concerned partners / representatives of the Statutory Auditors, Cost Auditors, Internal Auditors and the Executive Directors / functional heads / executives of Finance, Accounts, Secretarial, Systems departments of the Company attend Audit Committee Meetings. The Statutory Auditors attended all nine meetings of the Audit Committee held in financial year ended 31st March 2013. The Cost Auditors generally attend the meetings when matters concerning Cost Audit are dealt with by the Audit Committee and they attended two meetings of the Audit Committee.

The date of the meeting of the Committee held for considering finalization of accounts for the year ended 31st March, 2013 was 30th April, 2013.

The due date for filing of Cost Audit Reports for the financial year ended 31st March, 2012 was 27th September, 2012. However, pursuant to Cost Audit Report, being required to be filed in XBRL format the due date was extended suitably and finally to be done on or before 28th February 2013. The Cost Audit Reports were duly filed by the Cost Auditors on 28th January, 2013. The due date for filing the Cost Audit Reports for the financial year ended 31st March, 2013 is 27th September, 2013.

4. REMUNERATION COMMITTEE:

In view of the importance given by the Company to good corporate governance and though it is a non-mandatory requirement, a Remuneration Committee was constituted by the Board of Directors at its meeting held on 21st October, 2000.

The Remuneration Committee has been set up to determine on behalf of the Board and on behalf of the shareholders 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.

The Committee presently comprises of three independent and non-executive Directors namely Mr. P.R. Rathi (Chairman) Mr. Sanjay K. Asher and Mr. P.G. Pawar.

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

The Committee has met on 3rd May, 2012 and 9th February, 2013 during the financial year ended 31st March 2013. Mr. P. R. Rathi, Mr. Sanjay K. Asher and Mr. P.G. Pawar attended all meetings of the Committee.

5. SHAREHOLDERS' COMMITTEE:

The Share Transfer-cum-Investors' Grievances Committee presently comprises of three executive Directors (namely: Mr. P.P. Chhabria, Mr. D.K. Chhabria and Mr. Mahesh Viswanathan) and three independent, non-executive Directors (namely Mr. P.G. Pawar, Mr. Sanjay K. Asher and Mr. P. R. Rathi). Mr. P.G. Pawar an independent and non-executive Director is the Chairman of the Committee.

The Board has designated Mr. R.G. D'Silva, Company Secretary & Vice President (Legal) as the Compliance Officer.

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.

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The Committee normally meets once in a month, as required, depending on the receipt of requests for share transfers, etc from shareholders and there were seven meetings held during the year.

10 Complaints were received from shareholders during the year and no complaint was outstanding as on 31st March 2013.

6. GENERAL BODY MEETINGS:

Location and time for last three Annual General Meetings:

Year	Location	Date	Time	Whether any special resolution passed therein
2009-10	Acharya Atre Rangmandir Sant Tukaramnagar, Pimpri, Pune 411 018	9th August, 2010	11.00 a.m.	Yes
2010-11	Acharya Atre Rangmandir Sant Tukaramnagar, Pimpri, Pune 411 018	8th August, 2011	11.00 a.m.	No
2011-12	Acharya Atre Rangmandir Sant Tukaramnagar, Pimpri, Pune 411 018	14th August, 2012	12.00 noon	No

(a) No special resolution was passed through postal ballot last year and no such resolution is proposed to be passed by postal ballot this year.

7. DISCLOSURES:

(a) Disclosures regarding materially significant related party transactions :

For details please refer Note No. 36 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 years.

(c) The Company has complied with the mandatory requirements of corporate governance Clause 49 of the Listing Agreements with the Stock Exchanges.

(d) The non-mandatory requirements have not been adopted as a formal policy except for Remuneration Committee as set out in item 4 above.

8. MEANS OF COMMUNICATIONS:

(a) The quarterly results of the Company are published in leading newspapers viz, normally Hindu Business Line (all editions) and Lokmat (Pune edition) and also displayed on the corporate website (<http://www.finolex.com>). Official news / media releases, blank forms for shareholders 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. Management provides detailed analysis of Company's operations, which forms a part of the Annual Report.

(b) National Stock Exchange Limited (NSE) Electronic Application Processing System (NEAPS): NEAPS is a web based application designed by NSE for corporates. In addition to being uploaded on the Company's corporate website the Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS on a quarterly basis for information of stakeholders.

(c) Securities and Exchange Board of India (SEBI) Complaints Redress System (SCORES): Investor complaints are processed in centralized web based complaints redressal system, which provides for centralised 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 an Email ID namely Investors@finolex.com exclusively for investor servicing.



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9. SHAREHOLDER INFORMATION:

The Annual report includes Financial Statements, key financial data and detailed information in the Management Discussion and Analysis and Shareholders' information sections.

10. 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 has been hosted on the website (<http://www.finolex.com>) of the Company.

Declaration:

All Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company in the year under report.

Place : Pune

Date : 30th April, 2013

Sd/-

D K Chhabria
Managing Director

Auditors' Certificate on Corporate Governance

To the Members of
FINOLEX CABLES LIMITED

We have examined the compliance of conditions of corporate governance by Finolex Cables Limited (the Company) for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreements(as modified from time to time) entered into with NSE of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

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 the 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. We state that no investor grievance is pending for a period exceeding one month against the Company as certified by Registrar and Transfer Agents of the Company, in the above mentioned Listing Agreements.

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

For **B. K. KHARE & CO.**
Chartered Accountants
Firm Registration No. 105102W

Sd/-

NARESH KUMAR KATARIA

Partner

Membership No. 37825

Place : Pune

Date : 30th April, 2013

Shareholder / Debentureholder Information

Registered Office

Finolex Cables Limited, 26/27 Mumbai-Pune Road, Pimpri, Pune 411 018

Annual General Meeting

The Forty Fifth Annual General Meeting ("AGM") of the Company will be held on Friday, 28th June, 2013 at 11.30 a.m. at Acharya Atre Rangmandir, Sant Tukaramnagar, Pimpri, Pune- 411 018.

Financial Calendar (Tentative):

(a) Annual General Meeting	:	28th June, 2013
(b) Results for quarter ending 30th June, 2013	:	Second week of August, 2013
(c) Results for quarter ending 30th September, 2013	:	Second week of November, 2013
(d) Results for quarter ending 31st December, 2013	:	Second week of February, 2014
(e) Results for quarter ending 31st March, 2014	:	Last week of May, 2014

Dates of Book Closure

The Company's Transfer Books will be closed from Saturday, 15th June, 2013 to Friday, 28th June, 2013 (both days inclusive) for purpose of AGM and for payment of Dividend for the year ended 31st March, 2013.

Dividend Payment

The Board of Directors of the Company at its meeting held on 30th April, 2013 recommended payment of Dividend @ 60% (i.e. Rs.1.20 per share) for the year ended 31st March, 2013. The payment of dividend is to be approved by the shareholders at the AGM and as on date is exempt from income-tax in the hands of shareholders. The aforesaid Dividend, if declared at the AGM, will be paid on or before 27th July, 2013 to those members whose names appear in the Register of Members as on the date of AGM. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per the details to be received from the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose, the same being as of close of their respective hours of business on the date immediately preceding the aforesaid Book Closure period (i.e., as of Friday, 14th June, 2013).

Stock Exchange Listing

The Company's shares are presently listed on the Stock Exchanges at Ahmedabad, Bangalore, Chennai, Cochin, Delhi, Kolkata, Mumbai and Pune and also on the National Stock Exchange and OTC Stock Exchange. The Company's Global Depository Receipts (GDRs) are listed on the Luxembourg Stock Exchange.

Stock Code

	Code/ Trading Symbol	ISIN
Trading Symbol Bombay Stock Exchange	500144	
Trading Symbol National Stock Exchange	FINCABLES-EQ	INE235A01022

Payment of Listing Fees

Annual Listing Fee for the year 2013-14 as applicable has been paid to the said Stock Exchanges and Annual Maintenance Fees for the Calender year 2013 has been paid by the Company to the Luxembourg Stock Exchange in respect of the GDRs listed thereon.



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Stock Market Data

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

(Source: BSE and NSE Websites)

Period	NSE			BSE		
	High (Rs.)	Low (Rs.)	Volume Shares traded (Nos.)	High (Rs.)	Low (Rs.)	Volume Shares traded (Nos.)
April 12	36.80	31.30	1,407,116	35.70	31.30	682,018
May 12	39.85	32.90	3,607,407	39.95	32.60	1,530,428
June 12	43.75	33.50	3,014,265	43.95	36.10	1,365,568
July 12	44.80	38.65	2,006,290	46.70	38.50	1,063,373
August 12	42.50	36.05	1,297,712	42.55	36.00	732,321
September 12	45.90	30.00	2,705,515	45.80	32.00	1,347,476
October 12	51.50	41.25	6,874,077	49.10	40.35	2,582,249
November 12	54.45	41.50	9,964,134	54.45	42.60	4,709,040
December 12	64.20	52.40	6,637,341	64.15	52.60	3,005,711
January 13	60.75	54.50	4,771,876	60.70	54.65	1,719,147
February 13	58.50	46.10	3,885,737	58.50	46.40	1,578,345
March 13	49.60	39.60	2,176,245	49.90	41.25	908,786
Total			48,347,715			21,224,462

Shareholding Pattern as on 31st March, 2013

Category	No. of shares held	Percentage Shareholding
A. Promoters Shareholding		
1. Promoters*		
- Indian Promoters	54,728,470	35.78
- Foreign Promoters	NIL	NIL
2. Persons acting in Concert	NIL	NIL
Sub Total	54,728,470	35.78
B. Non-Promoters holding		
3. Institutional Investors		
a. Mutual Funds and UTI	9,037,222	5.91
b. Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	8,190,273	5.36
c. FIIs	1,474,792	0.96
Sub Total	18,702,287	12.23
4. OTHERS		
a. Private Corporate Bodies**	26,588,126	17.39
b. Indian Public	45,773,081	29.93
c. NRIs/ OCBs	1,060,956	0.69
d. Any others (Custodian for GDRs)	6,086,425	3.98
Sub Total	79,508,588	51.99
Grand Total	152,939,345	100.00

* The promoters have confirmed to the Board of Directors that they have not pledged with any party / bank any of their shares held in the Company as at 31st March 2013.

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

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Distribution by Size of Shareholding as on 31st March, 2013

No. of Equity Shares held	No. of shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-5000	47,019	97.99	23,586,102	15.42
5001-10000	511	1.07	3,755,213	2.46
10001 & above	452	0.94	125,598,030	82.12
Grand Total	47,982	100.00	152,939,345	100.00

Registrar and Transfer Agents

The Company has taken requisite steps and centralized at a single point its share registry works for equity shares held in physical as well as electronic form. **M/s. Sharepro Services (India) Pvt. Ltd., 3, Chintamani Apartments, Lane No.13, Off. V.G. Kale Path, 824/D, Bhandarkar Road, Pune – 411 004** who are holding Registrars to an issue and Share Transfer Agent Category I Registration No. INR000001476 issued by Securities and Exchange Board of India ("SEBI").

Share Transfer System

Share Transfer requests received in physical form are registered within 15 days from date of receipt and Demat requests are normally confirmed within an average of 10 days from the date of receipt.

Statistics of shareholders - 2011- 2013

31st March No. of shareholders

2011	50,335
2012	51,764
2013	47,982

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 Shares (Rs.)	Dividend Rate	
			Percentage (%)	Amount (Rs. per share)
2011-12	14th August, 2012	2*	40	0.80*
2010-11	8th August, 2011	2*	35	0.70*
2009-10	9th August, 2010	2*	30	0.60*
2008-09	26th August, 2009	2*	10	0.20*
2007-08	30th July, 2008	2*	75	1.50*
2006-07	29th June, 2007	2*	70	1.40*
2005-06	27th June, 2006	10	60	6.00
2004-05	5th July, 2005	10	45	4.50
2003-04	18th June, 2004	10	40	4.00
2002-03	12th June, 2003	10	30	3.00

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



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Dematerialisation 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 agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to offer depository services to its shareholders. As on 31st March, 2013, 98.00% (i.e. NSDL: 92.39% and CDSL: 5.61%) of the equity share capital of the Company has been dematerialized.

Outstanding GDRs/ DRs/ Warrants, etc.

There are no outstanding GDRs/ DRs/ Warrants or any convertible instruments as on 31st March, 2013.

Plant Locations:

Pimpri (Electrical Cables)

26/27, Mumbai-Pune Road
Pimpri, Pune - 411 018
Telephone: 27475963 (15 lines) 27506200
Facsimile : (020) 27472239/ 27472224
Email: sv_joshi@finolex.com

Optic Fibre Division

Urse
Taluka Maval
Dist – Pune - 410 506
Telephone: (02114) 237003/4/5/6/7
Facsimile: (02114) 237006
Email:sunil@finolex.com

Switches Division

Gat No. 344 Village Urse,
Taluka Maval
Dist- Pune - 410 506
Telephone: (02114) 237021-2-3
Facsimile: (02114) 237006
Email: MV_Rangwani@finolex.com

Goa (Electrical & Communication Cables)

Plot No. 117/L118
Verna Industrial Estate
Verna Salcette
South Goa, GOA
Telephone: (0832) 2782002/3/4
Facsimile: (0832) 2783909
Email:ratnakar_barve@finolex.com

Goa (CCC Rod)

Plot No. S263/2
Panjim-Belgaum Road
Usgaon-Tisk, Ponda
Goa - 403406
Telephone: (0832) 2344376/8/9
Facsimile: (0832) 2344140
Email:knarayanan@finolex.com

Urse (Electrical & Communication Cables)

Taluka Maval
Dist – Pune - 410 506
Telephone: (02114) 237026/27
Facsimile: (02114) 237025
Email:PM_Deshpande@finolex.com

Lighting Division (CFL)

Plot No. 399, Village Urse
Taluka Maval
Dist – Pune - 410 506
Telephone: (02114) 237021, 237024
Facsimile: (02114) 237025
Email:SVDeshpande@finolex.com

HVPC Urse, Pune

Gat No. 343, Village Urse
Taluka Maval
Dist-Pune-410 506
Telephone: (02114) 237001-5
Facsimile: (02114) 237025
Email:amit_bakhle@finolex.com

Goa (Communication Cables)

Plot No. L123/9A,
Verna Industrial Estate, Verna Salcette,
South Goa, Goa
Telephone: (0832) 2782002/3/4
Facsimile: (0832) 2783909
Email:ratnakar_barve@finolex.com

Roorkee

Plot Nos. K-1& K-2 AIS Industrial Estate
Latherdeva Hoon, Manglaur, Roorkee
Taluka Haridwar,
Uttarakhand - 247667
Telephone: (01332) 224069
Telefax: (01332) 224068
Email: pravin_ahire@finolex.com

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Investor Correspondence:

The Company's Share Department provides assistance to shareholders under the overall supervision of Mr. R G D'Silva, Company Secretary & Vice President (Legal).

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 dematerialization of shares may please be taken up with the Company or its Share Transfer Agent:

(A) Company:

Secretarial Department
Finolex Cables Limited
26/27 Mumbai – Pune Road, Pimpri,
Pune 411 018
Telephone: (020) 2750 6230 / 2750 6279
Board: (020) 2750 6200 / 2747 5963
Facsimile: (020) 2747 2239
Email: Investors@finolex.com

Contact Persons:

Mr. R G D'Silva - Company Secretary & Vice President (Legal)
Mr. Mahadev H Yeske – Deputy Manager - Secretarial
Mr. Gitesh V Karandikar – Assistant Manager – Secretarial

(B) Share Transfer Agent:

M/s. Sharepro Services (India) Pvt. Ltd.
3, Chintamani Apartments, ,
Lane No.13, Off. V.G. Kale Path,
Pune – 411 004
Telephone: (020) 2566 2855

Facsimile: (020) 2566 2855
Email: sharepropune@vsnl.net

Contact Person:

Mr. Milind Saraf - Manager

Shareholder information On-line:

The Balance Sheet information is a part of the Company's World Wide home page <http://www.finolex.com>. Users can obtain information on Company products and services, Company background, Management, Financial and Shareholders' information and other major developments.

Nomination facility:

Individual shareholders can avail of the facility of nomination. The nominee shall be person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of concerned shareholder(s). A minor can also be a nominee provided the name of the guardian is given in the Nomination Form. The facility of nomination is not available to non-individual shareholders such as bodies corporate, financial institutions, Kartas of Hindu Undivided Families (HUFs) and holders of Power of Attorney. In case of any assistance, please contact the Secretarial Department at the above Registered Office of the Company.

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 21st April, 2011 issued by the Ministry of Corporate Affairs, permitted Companies to serve requisite documents through electronic mode on their shareholders. Members are 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 <http://www.finolex.com>. This will also facilitate expeditious communication.

ECS Facility / Bank Mandate / Details:

In order to provide protection against fraudulent encashment of dividend warrants:

- (a) Shareholders 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) Shareholders 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.



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In any case, shareholders will appreciate that the Company will not be responsible for any loss arising out of fraudulently encashed dividend warrants, if any.

Debt Securities

Non Convertible Debentures (NCDs) issued by the Company are listed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange of India Limited (NSE).

Description	9.10% Rated, Listed, Taxable, Secured, Redeemable, Non- Convertible Debentures of Rs.500,000,000/- ("M" Series)
Number of Debentures	500
Issue Price	Rs.1,000,000 (Rupees One Million Only)
Date of Allotment	24th August, 2010
Date of Maturity	24th August, 2015
ISIN	INE235A07029
Security	First pari-passu charge on the immovable properties of JFTC Goa Division and premises situated at Ahmedabad and Hyderabad.
Name and Address of Debenture Trustee	Axis Trustee Services Limited (SEBI Registration No. IND000000494) Axis House, 02nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400 025 Phone No. (022) 2425 2525 / 4325 2525

Auditors' Report

To the Members of Finolex Cables Limited.

1. We have audited the accompanying financial statements of Finolex Cables Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

3. Auditor's Responsibility

3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

3.2 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

5.1 As required by 'the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

5.2 As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



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- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Place : Pune
Dated : 30th April, 2013

Naresh Kumar Kataria
Partner
Membership No. 37825

Annexure to the Auditors' Report

Referred to in our report of even date:

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
b) All the assets were not physically verified by the Management during the year, but there is a regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The Company is still in the process of completing the reconciliation of physical inventory of fixed assets with its book records. None of the fixed assets have been re-valued during the year.
c) Fixed assets disposed off during the year were not substantial and therefore do not affect going concern status of the Company.
- 2) a) As explained to us, the inventory was physically verified during the year by the Management. In our opinion, the frequency of the verification is reasonable.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- 3) (a) i) Based on the records examined by us and according to the information and explanations given to us, the Company had in the previous year granted an unsecured loan to a party covered in the Register maintained under Sec 301 of the Companies' Act, 1956, viz, Finolex Infrastructure Limited. The said loan was repaid during the year. The maximum amount involved during the year was Rs.51.6 million.
ii) In our opinion, the rate of interest and other terms and conditions of such loan were not prima facie prejudicial to the interest of the Company.
iii) The said loan was repayable on demand and the party had been regular in payment of interest as applicable.
iv) There were no overdue amounts in respect of the said loan.
b) The Company not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, having regard to the explanation that, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5) In respect of transactions entered in the register maintained in pursuance of 301 of the Companies Act, 1956:
i) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements have been entered in the register required to be maintained under Section 301.
ii) According to the information and explanations given to us and excluding certain transactions of purchase of goods and material of special nature for which alternate quotations are not available, in our opinion, the contracts or arrangements have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and Rules framed there under.
- 7) In our opinion, the Company has an internal audit system, which is commensurate with its size and the nature of its business.



Finolex

Cables Limited

- 8) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- 9) According to the records of the Company examined by us and information and explanations given to us:
- The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, cess and other applicable statutory dues with the appropriate authorities during the year.
 - Particulars of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and cess which have not been deposited on account of disputes are as under:

Nature of Dues	Amount in Rs. Million	Forum where dispute is pending	Period to which Amount relates
The Central Sales Tax Act and Local Sales Tax Acts	4.60	High Court	1991-92
	34.15	Appellate Tribunal	From 1992-93 to 2003-04
	24.91	Dy. Commissioner (Appeals)	from 1993-94 to 2006
	37.53	Dy. Commissioner	From 2003-04 to 2008-09
	555.40	A.C.C.T (Appeals)	From 2002-03 to 2007-08
	7.56	Jt. Commissioner (Appeals)	2002-03
	282.73	Commissioner	2012-13
Central Excise	0.11	Asst. Commissioner	Various Years
	41.31	Customs Excise and Service Tax Appellate Tribunal – Mumbai	Various Years
	136.36	Commissioner Excise	Various Years
The Indian Customs Act, 1962	13.43	Commissioner Customs	1999-00

- 10) The Company does not have accumulated losses as at the end of the current year. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- 11) Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- 12) Based on the records examined by us and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures, or other securities.
- 13) The provisions of any applicable statute to Chit Fund, Nidhi or Mutual Benefit Fund / Society are not applicable to the Company.
- 14) Based on the records and according to the information and explanations given to us, in our opinion:
- The Company has maintained proper records of transactions and contracts related to dealing in shares and securities during the year and timely entries have been made therein.
 - The shares and securities have been held by the Company in its own name.
- 15) Based on the records and according to the information and explanations given to us, in our opinion, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) Based on the records examined by us and according to the information and explanations given to us, during the year, term loans were applied for the purpose for which the loans were obtained.

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- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have, prima facie, been used during the year for long-term investment.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- 19) The Company has created security/charge in respect of debentures issued and outstanding at the year end.
- 20) The Company has not made any public issue of its shares during the year.
- 21) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted accounting practices and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company noticed or reported during the year, nor have we been informed of any such case by the Management.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Naresh Kumar Kataria
Partner
Membership No. 37825

Place : Pune
Dated : 30th April, 2013



Finolex

Cables Limited

Balance Sheet

as at 31st March, 2013

(Rs. in million)

	Notes	2013	2012
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	1	305.9	305.9
Reserves and Surplus	2	8,937.3	7,698.4
		9,243.2	8,004.3
Non - Current Liabilities			
Long - Term Borrowings	3	1,451.5	1,162.2
Other Long - Term Liabilities	4	13.6	1.8
Long - Term Provisions	5	528.3	342.1
Deferred Tax Liabilities (Net)	32	344.7	326.1
		2,338.1	1,832.2
Current Liabilities			
Short - Term Borrowings	6	171.1	383.2
Trade Payables	7	632.9	563.8
Other Current Liabilities	8	1,391.2	1,189.9
Short - Term Provisions	5	264.9	187.1
		2,460.1	2,324.0
		14,041.4	12,160.5
ASSETS			
Non - Current Assets			
Fixed Assets :			
Tangible Assets	9	4,120.7	4,291.9
Intangible Assets	9	0.4	0.4
Capital Work-In-Progress		357.3	120.2
Non - Current Investments	10	2,173.9	2,188.8
Long -Term Loans and Advances	11	166.5	40.2
Other Non - Current Assets	12	190.8	121.0
		7,009.6	6,762.5
Current Assets :			
Current Investments	13	1,067.0	183.3
Inventories	14	3,296.3	2,811.4
Trade Receivables	15	1,496.5	1,140.9
Cash and Bank Balances	16	398.1	490.0
Short - Term Loans and Advances	11	771.8	772.4
Other Current Assets	12	2.1	-
		7,031.8	5,398.0
		14,041.4	12,160.5
Notes	28 to 48		

The notes are an integral part of the financial statements

As per our report of even date
For B. K. KHARE & COMPANY
Chartered Accountants
 Firm Registration No. 105102W

NARESH KUMAR KATARIA
Partner
 Membership No. 37825

R.G.D'SILVA
*Company Secretary &
 Vice President (Legal)*

P. P. Chhabria
Chairman

Dr. H. S. Vachha
P. G. Pawar
S. K. Asher
A. J. Engineer
S. B. Pandit
Dr. V. G. Pai

D. K. Chhabria
Managing Director

M. Viswanathan
*Director-Finance &
 Chief Financial Officer*

Pune: 30th April, 2013

Pune: 30th April, 2013

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Statement of Profit and Loss for the year ended 31st March, 2013

(Rs. in million)

Continuing operations	Notes	2013	2012
INCOME			
Revenue From Operations (Gross)	17	24,235.3	21,826.4
Less : Excise Duty		1,528.5	1,184.8
Revenue From Operations (Net)		22,706.8	20,641.6
Other Income	18	241.7	319.9
Total Revenue		22,948.5	20,961.5
EXPENSES			
Cost of Materials Consumed	19	17,129.2	15,769.5
Purchase of Stock-in-Trade	20	60.4	24.0
(Increase) / Decrease in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	21	(296.8)	126.9
Employee Benefit Expense	22	845.9	694.8
Finance Costs	23	133.8	260.7
Depreciation, Amortization and Impairment	24	466.3	394.7
Other Expenses	25	2,671.5	2,234.6
Total Expenses		21,010.3	19,505.2
Profit Before Exceptional and Extraordinary Items and Tax.		1,938.2	1,456.3
Exceptional Items - Income / (Expenses)	26	(230.1)	(363.6)
Profit Before Extraordinary Items and Tax		1,708.1	1,092.7
Extraordinary Items		-	-
Profit Before Tax		1,708.1	1,092.7
Less : Tax Expenses			
- Current Tax		333.9	174.3
- Deferred Tax (Net) - Refer Note :- 32		18.6	15.7
- MAT Credit Entitlement		(108.1)	(79.2)
- Taxes of Earlier Years		11.0	-
		255.4	110.8
Profit/(Loss) for the year		1,452.7	981.9
Earnings Per Equity Share (Nominal value of share Rs.2 each, (Previous year Rs.2 each))			
Basic and Diluted on the basis of profit from continuing business (Rs)	27	9.5	6.4
Notes	28 to 48		

The notes are an integral part of the financial statements

As per our report of even date

For B. K. KHARE & COMPANY
Chartered Accountants
Firm Registration No. 105102W

NARESH KUMAR KATARIA
Partner
Membership No. 37825

R.G.D'SILVA
Company Secretary &
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D. K. Chhabria
Managing Director

M. Viswanathan
Director-Finance &
Chief Financial Officer

Pune: 30th April, 2013

Pune: 30th April, 2013



Cash Flow for the year ended 31st March, 2013

	(Rs. in million)	
	2013	2012
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAXATION AND AFTER EXCEPTIONAL ITEMS	1,708.1	1,092.7
Adjustments for :		
Depreciation, Amortisation and Impairment	466.3	394.7
Reversal of Exchange Difference considered as an adjustment to Borrowing Cost (Refer Note 31)	(34.9)	-
Dividend Income	(124.7)	(125.2)
Interest Income	(27.0)	(88.6)
Loss / (Profit) on : Sale of Fixed Assets	1.1	(29.0)
Loss / (Profit) on : Sale of Investments	(39.7)	(42.2)
Losses on Derivative Contracts	278.6	403.5
Finance Costs	124.6	248.4
Provision for Diminution in value of Investments	32.9	0.6
Operating Profit before working capital changes	2,385.3	1,854.9
Adjustments for :		
(Increase) / Decrease Trade and Other Receivables and Loans and Advances	(454.7)	(267.8)
(Increase) / Decrease Inventories	(484.9)	(3.0)
Increase / (Decrease) Trade Payables and other liabilities	462.0	430.4
Changes in Working Capital	(477.6)	159.6
Cash generated from Operations	1,907.7	2,014.5
Tax refunds / (paid)	(335.3)	48.9
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)	1,572.4	2,063.4
B. Cash Flow from Investing Activities		
Dividend income	124.7	125.2
Interest income	27.0	88.6
Purchase \ Sale of Investments	21.9	42.8
Investment in Associate and Joint Venture Company	-	(99.1)
Purchase \ Sale of Fixed Assets/ Capital Expenditure (net)	(498.4)	(461.4)
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	(324.8)	(303.9)
C. Cash Flow from Financing Activities		
Repayment of Foreign Currency Loans	(146.8)	(1,275.1)
Term loans from banks	450.0	300.0
Short - term borrowings	(213.4)	91.0
Losses on derivatives contracts	(278.6)	(403.5)
Dividend & Dividend Tax paid	(141.7)	(123.6)
Finance Costs	(125.1)	(248.4)
NET CASH FLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)	(455.6)	(1,659.6)
Total (A) + (B) + (C)	792.0	99.9

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	2013	(Rs. in million) 2012
D. Increase / (Decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents		
Opening Balance	657.5	557.6
Closing Balance	1,449.5	657.5
Net Increase / (Decrease) in Cash and Cash Equivalents	792.0	99.9

Notes :

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by ICAI.
- 2) Previous year figures have been regrouped wherever necessary to conform to current years classification.

As per our report of even date

For B. K. KHARE & COMPANY
Chartered Accountants
Firm Registration No. 105102W

NARESH KUMAR KATARIA
Partner
Membership No. 37825

R.G.D'SILVA
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D. K. Chhabria
Managing Director

M. Viswanathan
Director-Finance &
Chief Financial Officer

Pune: 30th April, 2013

Pune: 30th April, 2013



Notes forming part of the Balance Sheet

(Rs. in million)

	2013	2012
Note 1 - Share Capital		
Authorised		
235,000,000 (Previous year 235,000,000) Equity Shares of Rs. 2/- each	470.0	470.0
15,000,000 (Previous year 15,000,000) Unclassified Shares of Rs. 2/- each	30.0	30.0
	500.0	500.0
Issued, Subscribed and Paid Up		
152,939,345 (Previous year 152,939,345) Equity Shares of Rs. 2/- each fully paid.	305.9	305.9
	305.9	305.9

a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Shares	2013		2012	
	No.	Rs. million	No.	Rs. million
Balance at the beginning of the year	152,939,345	305.9	152,939,345	305.9
Issued during the year	-	-	-	-
Outstanding at the end of the year	152,939,345	305.9	152,939,345	305.9

b. Terms / rights attached to Equity Shares

The Company has 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.

During the year ended 31st March 2013, the amount of per share dividend recognised as distributions to the equity shareholders is Rs. 1.20 per share (Previous year Re. 0.80 per share)

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

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

There are no Shares held by holding/ultimate holding company and/or their subsidiaries/associates.

d. Details of shareholders holding more than 5% Shares in the Company

	2013		2012	
	No. of shares	%	No. of shares	%
Finolex Industries Limited	22,187,075	14.5	22,187,075	14.5
Life Insurance Corporation of India	7,749,398	5.1	11,019,680	7.2
Orbit Electricals Private Limited	46,843,120	30.6	46,643,120	30.5

e. Aggregate number of Bonus Shares issued, Shares issued for consideration other than cash and Shares bought back during the period of five years immediately preceding the reporting date.

There are no Bonus Shares issued, Shares issued for consideration other than cash and Shares bought back during the period of five years immediately preceding the reporting date.

f. Terms of securities issued with conversion option into Equity / Preference Shares

There are no securities issued with conversion option into Equity/Preference Shares

Notes forming part of the Balance Sheet

	(Rs. in million)	
	2013	2012
Note 2 : Reserves and Surplus		
Capital Reserve	84.1	84.1
Share Capital Buyback Reserve	55.2	55.2
Securities Premium Reserve	1,091.0	1,091.0
Debenture Redemption Reserve	250.0	250.0
General Reserve		
Balance at the beginning of the year	4,683.2	4,593.4
Add : Amount Transferred from Surplus in the Statement of Profit and Loss	150.0	100.0
Less: Transitional effect of Exchange Fluctuation	-	10.2
Balance at the end of the year	<u>4,833.2</u>	<u>4,683.2</u>
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	1,534.9	795.2
Profit for the year	1,452.7	981.9
Less: Appropriations :		
Proposed dividend on the Equity Shares (Amount per share Rs. 1.20 Previous year Re.0.80)	(183.5)	(122.4)
Dividend distribution tax on proposed dividend on Equity Shares	(30.3)	(19.8)
Transfer to General Reserve	(150.0)	(100.0)
Total Appropriations	<u>(363.8)</u>	<u>(242.2)</u>
Balance at the end of the year	<u>2,623.8</u>	<u>1,534.9</u>
Total Reserves and Surplus	<u>8,937.3</u>	<u>7,698.4</u>

	(Rs. in million)			
	Non Current		Current	
	2013	2012	2013	2012
Note 3 - Long Term Borrowings				
Secured:				
Bonds / Debentures				
9.10% 'M' Series Non Convertible Debentures (500 Debentures of Rs.1,000,000 each)	500.0	500.0	-	-
Term Loans from Banks				
Indian Rupee Loan	750.0	300.0	-	-
Foreign Currency Loan	180.9	339.1	181.0	169.6
	<u>930.9</u>	<u>639.1</u>	<u>181.0</u>	<u>169.6</u>
Unsecured:				
Deferred Sales Tax Loan	20.6	23.1	2.5	1.3
Total	<u>1,451.5</u>	<u>1,162.2</u>	<u>183.5</u>	<u>170.9</u>
Amount shown under Other Current Liabilities (Note 8)			<u>(183.5)</u>	<u>(170.9)</u>



Notes forming part of the Balance Sheet

Notes:

Particulars	Tenor	Amount (Rs. in Million)	Repayment schedule
a) Debentures–M Series	5 years	500.0	Lumpsum on 24th August, 2015
b) Rupee Term Loan from Bank	6 years	750.0	3 equal installments of Rs. 250 million each on 31st Dec 2015, 31st Dec 2016, 31st Dec 2017
c) Foreign Currency Loan from Bank	5 years	361.0	2 equal installments of Rs. 185.95 million each on 6th Jan 2014 and 6th Jan 2015
d) Deferred Sales Tax Loan		23.1	Repayable in installments, last such installment being on 26th April 2020

Security

a) Debentures–M Series	First pari-passu charge on the immovable properties of JFTC Goa Division and premises situated at Ahmedabad and Hyderabad.
b) Rupee Term Loan from Bank	Second / Subservient charge on the block of assets of the plant at Roorkee.
c) Foreign Currency Loan from Bank	Hypothecation of movable fixed assets located at CFL, HVPC plant.

Note 4 : Other long - term liabilities

	(Rs. in million)	
	2013	2012
Retention Money	13.6	1.8
	13.6	1.8

Note 5 : Provisions

	Long - Term		Short - Term	
	2013	2012	2013	2012
Provision for Employee benefits				
Gratuity	3.1	-	-	-
Leave benefits	-	-	51.1	44.9
	3.1	-	51.1	44.9
Other Provisions				
Proposed equity dividend	-	-	183.5	122.4
Tax on proposed equity dividend	-	-	30.3	19.8
Derivative Contracts (Refer Note:- 29 (f))	525.2	342.1	-	-
	525.2	342.1	213.8	142.2
	528.3	342.1	264.9	187.1
			2013	2012

Note 6 - Short - term borrowings

From Banks in Foreign Currency

Secured :

Packing Credit	-	203.5
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Unsecured:

Buyers' Credit	171.1	179.7
	171.1	383.2

Cash Credit and Packing Credit from banks is secured by hypothecation of inventories and book debts. The Cash Credit is repayable on demand. Packing Credit and Buyers' Credit are generally repayable within 180 days. As at the year end, there are no utilisation of Cash Credit and Packing Credit limits.

Notes forming part of the Balance Sheet

	(Rs. in million)	
	2013	2012
Note 7 : Trade payables	632.9	563.8
(refer note 33 for details of dues to micro, small and medium enterprises)		
	632.9	563.8
 Note 8 : Other Current Liabilities		
Current Maturities of Long - Term Borrowing (Refer Note 3)	183.5	170.9
Interest Accrued and Due on Borrowings	6.7	-
Other Payables #	1,183.4	1,001.1
Interest free Deposits from Distributors	8.3	8.6
Interest accrued but not Due on Borrowings	0.5	1.0
Unpaid Dividend *	8.8	8.3
	1,391.2	1,189.9

*The figure does not include any amount due and outstanding to be credited to Investor Education & Protection Fund.

Includes Derivative Liability Rs.80.4 million (Previous Year Rs. 29.5 million) (net of Counter Claims), Expenses payable of Rs.589.3 million (Previous Year Rs. 412.3 million), Statutory dues of Rs.229.4 million (Previous Year Rs. 251.5 million), Creditors of capital goods & Services 217.4 million (Previous Year Rs. 226.0 million), Other liability Rs. 9.5 million (Previous Year Rs. 11.9 million), Advances from Customers Rs.36.0 million (Previous Year Rs. 66.5 million).



Notes forming part of the Balance Sheet

Note No. 9 - Fixed Assets

Description	Gross Block						Depreciation/Amortisation / Impairment						Net Block	
	Year	Balance as at 01.04.12	Additions #	Deductions/ Adjustments	Gross Block as at 31.03.13	Balance as at 01.04.12	Depreciation for the year	Deductions/ Adjustments	Total Depreciation 31.03.13	Provision for impairment as at 01.04.12	Charge / (Reversal) for the year	Provision for impairment as at 31.03.13	Balance as at 31.03.13	Balance as at 31.03.12
Tangible Assets (A)														
Land		106.8	0.0	-	106.8	-	-	-	-	-	-	-	106.8	106.8
Lease Hold Land		161.0	-	-	161.0	9.2	1.6	-	10.8	-	-	-	150.2	151.8
Buildings @		2,007.7	45.2	-	2,052.9	435.7	62.9	-	498.6	-	-	-	1,554.3	1,572.0
Plant and Machinery @		6,254.0	240.6	-	6,494.6	3,612.1	370.1	-	3,982.2	288.5	15.5	304.0	2,208.5	2,353.5
Furniture, Fittings		117.3	0.7	-	118.0	87.8	3.5	-	91.3	-	-	-	26.7	29.5
Office Equipment		59.9	2.1	-	62.0	30.0	2.3	-	32.3	-	-	-	29.7	29.9
Computers, Peripherals		96.4	3.6	1.9	98.1	81.4	4.3	1.9	83.8	-	-	-	14.3	15.0
Vehicles		58.0	1.7	5.3	54.4	30.4	4.5	3.6	31.3	-	-	-	23.1	27.6
Dies and Moulds		12.7	3.0	-	15.7	6.9	1.6	-	8.5	-	-	-	7.2	5.8
Tangible Assets Total	Cy	8,873.8	296.9	7.2	9,163.4	4,293.5	450.8	5.5	4,738.8	288.5	15.5	304.0	4,120.7	4,291.9
	Py	8,417.1	704.9	248.2	8,873.8	4,095.8	394.7	197.0	4,293.5	288.5	-	288.5	4,291.9	4,032.9
Intangible Assets (B)														
Software and Others	Cy	128.3	-	-	128.3	127.9	-	-	127.9	-	-	-	0.4	0.4
	Py	128.3	-	-	128.3	127.9	-	-	127.9	-	-	-	0.4	0.4
Total (A) + (B)		9,002.1	296.9	7.2	9,291.7	4,421.4	450.8	5.5	4,866.7	288.5	15.5	304.0	4,121.1	4,292.3

Includes exchange differences on foreign exchange Loans and Borrowings cost capitalized during the year : Land Rs. Nil (Previous year Rs.0.1 million), Buildings Rs.18.5 million(Previous year Rs. 38.4 million), Plant and Machinery Rs.51.5 million (Previous year Rs.79.0 million), Office Equipment Rs. Nil (Previous year Rs. 0.1 million), Computer Peripherals Rs. Nil (Previous year Rs. 0.2 million). Refer Note 31

@ - The Borrowing cost capitalised to Plant and Machinery and Building is Rs 5.15 million (Previous year Rs.4.63 million)

Notes forming part of the Balance Sheet

		(Rs. in million)	
		2013	2012
Note 10 - Non Trade Investments (At Cost)			
Investment in Quoted Equity Instruments			
30,500	Equity Shares of Rs. 2 each fully paid in Bharat Forge Limited (Previous Year 30,500)	0.5	0.5
40,192,597	Equity Shares of Rs. 10 each fully paid in Finolex Industries Limited (Previous Year 40,192,597)	1,518.5	1,518.5
358,500	Equity Shares of Rs. 10 each fully paid in IndusInd Bank Limited (Previous Year 358,500)	3.6	3.6
		1,522.6	1,522.6
Investment in Unquoted Equity Instruments			
6,100,000	Equity Shares of Rs. 10 each fully paid in I2IT Pvt. Limited (Previous Year 6,100,000)	61.0	61.0
Less : Provision for Diminution in value of investments		(31.7)	-
		29.3	61.0
1,000,000	Equity Shares of Rs. 10 each fully paid in Finolex Plasson Industries Limited (Previous Year 1,000,000)	10.0	10.0
3,350	Equity Shares of Rs. 10 each fully paid in Promain Limited (Previous Year 3,350)	0.1	0.1
967,700	Equity Shares of Rs. 10 each fully paid in SICOM Limited (Previous Year 967,700)	77.8	77.8
1,000	Equity Shares of Rs. 10 each fully paid in The Saraswat Co-op Bank Limited (Previous Year 1,000)	0.0	0.0
5,343,404	Equity Shares of Rs.10 each fully paid in Finolex Infrastructure Limited (Previous Year 3,661,833)	53.4	36.6
		170.6	185.5
Investments in Joint Venture Company			
48,020,000	Equity Shares of Rs.10 each fully paid in Finolex J-Power Systems Private Limited (Previous Year 48,020,000)	480.2	480.2
50,000	Equity Shares of Rs.10 each fully paid in Corning Finolex Optical Fibre Private Limited (Previous Year 50,000)	0.5	0.5
		480.7	480.7
		2,173.9	2,188.8
Aggregate amount of Quoted Investments (Market Value Rs.3,605.9 million, (Previous year Rs. 2,689.5 million))		1,522.6	1,522.6
Aggregate amount of Unquoted Investments		651.3	666.2
Aggregate provision for diminution in value of Investments		31.7	0.0
Zero value indicate investments having value less than million			



Notes forming part of the Balance Sheet

Note 11 : Loans and Advances

(Rs. in million)

	Non Current		Current	
	2013	2012	2013	2012
Unsecured, Considered Good unless stated otherwise				
Capital Advances				
Considered Good	128.2	12.6	-	-
Considered Doubtful	0.4	0.4	-	-
	128.6	13.0	-	-
Less: Provision for Doubtful Capital Advances	0.4	0.4	-	-
	128.2	12.6	-	-
Security Deposits	35.8	25.1	-	-
Loans and Advances to Related Parties (Note 35)	2.5	2.5	-	54.6
Advances Recoverable in Cash or in kind				
Considered Good, Secured	-	-	-	-
Considered Good Unsecured #	-	-	296.1	278.3
Considered Doubtful	-	-	8.7	8.7
	-	-	304.8	287.0
Less: Provision for Doubtful Advances	-	-	8.7	8.7
	-	-	296.1	278.3
Other Loans and Advances				
Advance Income-tax (Net of Provision for Taxation)	-	-	453.5	424.8
Balances with Customs and Excise	-	-	22.2	14.7
	-	-	475.7	439.5
Total	166.5	40.2	771.8	772.4
Loan and Advances due by directors or other officers etc.				
Loan and Advances to Related Parties include				
Rent Deposit to Orbit Electricals Private Limited	2.5	2.5	-	3.0

Includes Interest Receivable of Rs.11.5 million (Previous Year Rs 3.2 million), Sales Tax Receivable of Rs.116.8 million (Previous Year Rs. 59.8 million), Advances to Creditors of Rs.42.3 million (Previous Year Rs. 39.2 million), Excise claim of Rs.30.5 million (Previous Year Rs.41.4 million), Export Rebate of Rs. 8.7 million (Previous Year Rs.40.2 million), Advance contribution for Superannuation Scheme of Rs.21.6 million (Previous Year Rs.33.2 million), Other Advances of Rs.61.2 million (Previous Year Rs.56.5 million), Prepaid Expenses of Rs.3.5 million (Previous Year Rs. 4.8 million).

Notes forming part of the Balance Sheet

Note 12 : Other Current Assets

	(Rs. in million)			
	Non Current		Current	
	2013	2012	2013	2012
MAT Credit Entitlement	190.8	121.0	-	-
Unamortised Premium on Forward Contracts	-	-	2.1	-
	190.8	121.0	2.1	-

Note 13 : Current Investments

(Valued at lower of cost and fair value)

Investment in Quoted Equity Instruments

	2013	2012
10 Equity Shares of Rs.5 each fully paid in Apar Industries Limited (Previous Year Nil)	0.0	-
168,750 Equity Shares of Rs.5 each fully paid in BF Utilities Limited (Previous Year 168,750)	0.8	0.8
168,750 Equity Shares of Rs.5 each fully paid in BF Investment Limited (Previous Year 168,750)	0.0	0.0
100 Equity Shares of Rs.10 each fully paid in Birla Ericsson Optical Limited (Previous Year 100)	0.0	0.0
100 Equity Shares of Rs. 10 each fully paid in Delton Cables Limited (Previous Year 100)	0.0	0.0
57 Equity Shares of Re. 1 each fully paid in Dish TV India Limited (Previous Year 57)	0.0	0.0
4,421 Equity Shares of Rs. 10 each fully paid in ICICI Bank Limited (Previous Year 4,421)	0.6	0.6
200,000 Equity Shares of Rs. 10 each fully paid in Kirloskar Ferrous Limited (Previous Year 200,000)	6.2	6.2
Less : Provision for Diminution in value of investments	(1.8)	(1.6)
	4.4	4.6
- Equity Warrants in Kirloskar Ferrous Limited (Previous Year 100,000)	-	0.0
100 Equity Shares of Rs. 10 each fully paid in Nicco Corporation (Previous Year 100)	0.0	0.0
525 Equity Shares of Rs. 10 each fully paid in KEC International Limited (Previous Year 525)	0.1	0.1
500 Equity Shares of Rs. 10 each fully paid in Sterlite Technologies Limited (Previous Year 500)	0.0	0.0
50 Equity Shares of Re. 1 each fully paid in Siti Cable Network Limited (Previous Year NIL)	0.0	-
- Equity Shares of Rs. 10 each fully paid in Uniflex Cables Limited (Previous Year 100)	-	0.0
100 Equity Shares of Rs. 10 each fully paid in Usha Martin Education & Solutions Limited (Previous Year 100)	0.0	0.0
500 Equity Shares of Re. 1 each fully paid in Usha Martin Limited (Previous Year 500)	0.0	0.0
100 Equity Shares of Rs. 10 each fully paid in Vindhya Telelinks Limited (Previous Year 100)	0.0	0.0
- Equity Shares of Rs. 10 each fully paid in Wire & Wireless India Limited (Previous Year 50)	-	0.0
218 Equity Shares of Rs. 10 each fully paid in ZEE Entertainment Enterprises Limited (Previous Year 218)	0.0	0.0
27 Equity Shares of Rs. 10 each fully paid in ZEE Learn Limited (Previous Year 27)	0.0	0.0
	5.9	6.1



Notes forming part of the Balance Sheet

(Rs. in million)

	2013	2012
Note 13 : Current Investments (Contd.)		
Investments in Quoted Mutual Funds		
570,396 Units of Rs 10 each of Birla Sun Life Cash Plus-Growth (Previous Year NIL)	105.8	-
49,159 Units of Rs 10 each of Baroda Pioneer Short Liquid Fund Plan A-Growth (Previous Year NIL)	50.0	-
4,117,870 Units of Rs 10 each of Baroda Pioneer Short Term Bond Fund-Growth (Previous Year NIL)	65.9	-
100,400 Units of Rs 10 each of DSP Blackrock Liquidity Fund-Institutional Plan-Growth (Previous Year NIL)	167.1	-
536,413 Units of Rs. 10 each of ICICI Prudential Liquid-Regular Plan- Growth (Previous Year NIL)	92.0	-
359,307 Units of Rs. 10 each of HDFC Liquid Fund - Growth (Previous Year NIL)	8.3	-
36,211 Units of Rs. 1,000 each of IDBI Liquid Fund -Growth (Previous Year 33,918)	45.5	39.0
3,081,797 Units of Rs. 10 each of IDFC Ultra Short Term Fund -Growth-Regular Plan (Previous Year NIL)	50.0	-
179,967 Units of Rs.10 each of JM Basic Fund - Growth (Previous Year 179,967)	2.5	2.5
Less: Provision for diminution in value of investment	(0.3)	(0.3)
	2.2	2.2
4,063,921 Units of Rs.10 each of JM High Liquidity Fund-Growth (Previous Year NIL)	129.4	-
- Units of Rs.10 each of L&T Liquid Institutional Plus-Cumulative (Previous Year 25,764)	-	37.9
4,667 Units of Rs.10 each of L&T Liquid Fund-Growth (Previous Year NIL)	7.5	-
- Units of Rs.10 each of Reliance Liquid Fund-Treasury Plan-Institutional Option-Growth Option-Growth Plan (Previous Year 2,837,064)	-	74.0
15,766 Units of Rs.10 each of Reliance Liquid Fund-Treasury Plan-Growth (Previous Year NIL)	45.0	-
53,932 Units of Rs. 10 each of Religare Liquid Fund-Super Institutional-Growth (Previous Year Nil)	84.9	-
- Units of Rs.10 each of SBI Premier Liquid Fund-Super Institutional-Growth (Previous Year 6,561)	-	11.1
14,966 Units of Rs.10 each of SBI Magnum Insta Cash Fund Liquid Floater-Regular Plan -Growth (Previous Year NIL)	30.0	-
43,558 Units of Rs.10 each of SBI Premier Liquid Fund-Growth (Previous Year NIL)	78.7	-
1,000,000 Units of Rs.10 each of Sundaram Energy Opportunities Fund - Dividend (Previous Year 1,000,000)	10.0	10.0
Less : Provision for Diminution in value of investments	(3.4)	(2.5)
	6.6	7.5
- Units of Rs.10 each of Templeton India Treasury Management Account-Super Institutional Plan-Growth (Previous Year 3,452)	-	5.5
73,901 Units of Rs.10 each of Taurus Liquid Fund-Existing Plan-Super Institutional-Growth (Previous Year NIL)	92.2	-
	1,061.1	177.2
	1,067.0	183.3
Aggregate amount of Quoted Investments (Market Value Rs.1,120.4 million, Previous year Rs. 258.9 million)	1,067.0	183.3
Aggregate amount of Unquoted Investments	-	-
Aggregate provision for diminution in value of Investments	5.5	4.3

Zero value indicate investments having value less than million

Notes forming part of the Balance Sheet

(Rs. in million)

	2013	2012
Note 14 - Inventories (Valued at lower of cost and net realisable value unless stated otherwise)		
Raw Materials (Includes in transit Rs.75.2 million, Previous Year Rs.68.3 million)	644.2	455.6
Work-in-Progress	939.6	652.7
Finished Goods	1,497.1	1,499.6
Stock-in-Trade	18.4	16.0
Stores and Spares	145.3	137.7
Packing Materials	34.7	32.0
Scrap (Valued at realisable value)	17.0	17.8
	3,296.3	2,811.4
Note 15: Trade Receivables		
	Current	
	2013	2012
Unsecured, considered good, unless stated otherwise		
Outstanding for a period exceeding six months		
Considered Good	77.6	74.1
Considered Doubtful	28.9	13.9
	106.5	88.0
Less: Provision for Doubtful Receivables	28.9	13.9
	77.6	74.1
Other Receivable	1,418.9	1,066.8
	1,496.5	1,140.9
Note 16 : Cash and Bank Balances		
	Current	
	2013	2012
Cash and Cash Equivalents		
Balances with banks:		
On Current Accounts	261.5	316.9
On Unpaid dividend account	8.8	8.3
Cash on hand	1.8	1.8
	272.1	327.0
Other Bank Balances		
Deposits with original maturity for more than 3 months but less than 12 months	51.0	88.0
Margin money deposits	75.0	75.0
	126.0	163.0
	398.1	490.0

Margin money deposit is kept with a bank against the Bank guarantee of Rs. 75.0 million (Previous Year Rs. 75.0 million) given by them.



Notes forming part of the Statement of Profit and Loss

(Rs. in million)

	2013	2012
Note 17 - Revenue From Operations		
Sale of Products :		
Finished Goods	23,890.9	21,511.8
Traded Goods	76.0	57.7
Other Operating Revenue		
Scrap sales	261.0	254.8
Export Benefits	7.4	2.1
Revenue from Operations (Gross)	24,235.3	21,826.4
Less: Excise duty	(1,528.5)	(1,184.8)
Revenue from Operations (Net)	22,706.8	20,641.6
Details of Products sold		
Finished Goods sold		
Electrical Cables	20,858.5	17,705.3
Communication Cables	1,990.6	1,419.8
Copper Rods	835.7	2,050.8
Others	206.1	335.9
	23,890.9	21,511.8
Traded Goods sold		
Others	76.0	57.7
Note 18 - Other Income		
Interest on :		
- Deposits	14.7	70.2
- Others	12.3	18.4
Dividend From :		
Long Term Investments	124.4	124.9
Current Investments	0.3	0.3
Profit on Sale of Assets (Net)	-	35.2
Net Gains on Sale of Investments	39.7	42.2
Reversal of Exchange Differences considered as an adjustment to Borrowing Cost (Refer Note 31)	34.9	-
Other Non Operating Income	15.4	28.7
	241.7	319.9

Notes forming part of the Statement of Profit and Loss

(Rs. in million)

	2013	2012
Note 19 - Cost of Material Consumed		
Raw Material :		
Inventory at the beginning of the year	455.6	339.5
Add : Purchases	17,035.1	15,649.7
	17,490.7	15,989.2
Less: Inventory at the end of the year	644.2	455.6
Cost of Raw Material Consumed	16,846.5	15,533.6
Packing Material Consumed	282.7	235.9
Total Cost of Material Consumed	17,129.2	15,769.5
Details of Raw Material consumed		
Copper	13,794.5	13,341.9
PVC	1,241.8	987.3
Polythene	293.1	228.3
Preform	198.3	55.1
Others	1,318.8	921.0
	16,846.5	15,533.6
Details of Inventory of Raw Materials		
Copper	237.8	114.2
PVC	138.8	34.0
Polythene	38.7	32.5
Preform	62.3	51.0
Others	166.6	223.9
	644.2	455.6
Note 20 : Details of Purchase of Stock-in-Trade		
Others (Includes Compact Fluorescent Lamps and Electrical Switches)	60.4	24.0



Notes forming part of the Statement of Profit and Loss

(Rs. in million)

	2013	2012
Note 21 : (Increase)/Decrease in Inventories		
Inventories at the end of the year (A)		
Work-in-Progress	939.6	652.7
Finished Goods	1,497.1	1,499.6
Stock-in-Trade	18.4	16.0
Scrap	17.0	17.8
	<u>2,472.1</u>	<u>2,186.1</u>
Inventories at the beginning of the year (B)		
Work-in-Progress	652.7	822.8
Finished Goods	1,499.6	1,476.9
Stock-in-Trade	16.0	18.9
Scrap	17.8	3.9
	<u>2,186.1</u>	<u>2,322.5</u>
(Increase)/Decrease in Inventories (A) - (B)		
Adjustment for Captive Consumption	(10.8)	(9.5)
	<u>(296.8)</u>	<u>126.9</u>
Note 22 - Employee Benefit Expenses		
Salaries, Wages, Bonus and Commission etc.	781.6	646.7
Contribution to Provident and other Funds	55.8	42.2
Workmen and Staff Welfare Expenses	4.3	4.3
Recruitment and Training Expenses	4.2	1.6
	<u>845.9</u>	<u>694.8</u>
Note 23 : Finance Costs		
Interest Expenses	124.6	168.6
Bank Charges	9.2	9.7
Exchange differences to the extent considered as an adjustment to borrowing costs (Refer Note 31)	-	82.4
	<u>133.8</u>	<u>260.7</u>
Note 24 : Depreciation, Amortisation and Impairment Expenses		
Depreciation of Tangible Assets	450.8	394.7
Impairment of Tangible Assets	15.5	-
	<u>466.3</u>	<u>394.7</u>

Notes forming part of the Statement of Profit and Loss

	(Rs. in million)	
	2013	2012
Note 25 - Other Expenses		
Consumption of Stores and Spares	203.3	166.0
Increase/(Decrease) in Excise duty on Closing Stock of Finished Goods	3.9	25.7
Processing Charges	5.4	6.2
Power and Fuel	406.9	325.7
Rent, Rates and Taxes	23.2	23.6
Insurance	15.4	12.0
Repairs and Maintenance		
Building	4.9	10.0
Machinery	21.3	16.0
Other Assets	24.1	19.0
Directors' Sitting Fees	1.0	1.0
Auditors' Remuneration		
Audit Fees	3.3	3.0
Tax Audit Fees	0.8	0.6
Other Services	1.0	0.9
Reimbursement of Expenses	0.1	0.1
Travelling and Conveyance	69.8	66.0
Communication Expenses	13.4	13.4
Selling and Distribution Expenses		
Sales Incentives	1,166.5	996.8
Freight Outward (Net)	282.6	246.6
Advertisement, Publicity etc.	106.6	104.1
Miscellaneous Expenses	218.0	151.1
Provision for Doubtful Debts	15.3	0.0
Non Recoverable Balances Written Off	2.2	0.1
Provision for Diminution in value of Investments	32.9	0.6
Loss on Sale of Assets (Net)	1.1	6.2
Loss on Exchange Fluctuations (Net)	48.5	39.9
	2,671.5	2,234.6
Note 26 : Exceptional Items - Expenses		
Losses on Derivative Contracts	230.1	363.6
Note 27 : Earnings per Share (EPS - Basic and Diluted)		
Profit After Tax for calculation of Basic and Diluted EPS (Rs. in million)	1452.7	981.9
No. of Shares used for calculation of Basic and Diluted EPS	152,939,345	152,939,345
Earning Per Share Basic and Diluted (Face Value Rs.2 each)	9.5	6.4



Notes forming part of the Accounts

28. Significant Accounting Policies

i) Accounting convention:

a) Basis of preparation of financial statements:

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

b) Use of estimates:

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives and provision for impairment of fixed assets and intangible assets.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

Future results could differ from these estimates.

ii) Fixed Assets:

a) Tangible assets:

Tangible assets are stated at cost of acquisition, less accumulated depreciation/amortisation and impairments, if any. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation.

b) Intangible Assets:

Expenses incurred by the Company on acquisition, development or enhancement of intangible resources are recognised as intangible assets if these are identifiable, controlled by the Company and it is probable that future economic benefit attributable to the asset would flow to the Company.

c) Capital Work-In-Progress:

Capital Work-In-Progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

d) Borrowing Costs:

Borrowing Costs attributable to acquisition, construction of qualifying asset are capitalised until such time as the assets are substantially ready for their intended use. Other pre-operative expenses for major projects are also capitalised, where appropriate.

e) Foreign Exchange Differences:

Foreign Exchange differences relating to long term borrowings for acquiring fixed assets are capitalised to the cost of related assets.

f) Impairment:

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance Sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash

Notes forming part of the Accounts

flows are discounted to their present value at appropriate discount rates. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iii) Depreciation and amortisation:

a) On tangible assets:

Depreciation is provided on straight-line method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition. Leasehold land is amortised over the primary period of the lease.

b) Intangible assets are amortised over the estimated useful life.

iv) Investments:

a) Long term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognise a decline in value, other than temporary.

b) Current investments are valued at lower of cost and fair value, computed individually for each investment. In case of investments in mutual funds which are unquoted, net asset value is taken as fair value.

v) Valuation of Inventories:

All the inventories are valued at lower of cost or net realisable value. Cost of Raw Materials, Packing Materials, Stores and Spares are determined at weighted average cost. Finished goods and Semi Finished goods are valued at material cost, cost of conversion and excise wherever applicable. Scrap generated out of manufacturing process is valued at net realisable value.

vi) Foreign Currency Transactions:

a) Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss, except those referred in Para vi (c).

b) Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss, except those referred in Para vi (c).

c) In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract. Forward Contracts open at the year end are marked to market and resultant exchange differences on such contracts are recognised in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.

vii) Revenue Recognition:

a) Domestic sales are recognised at the point of dispatch of goods to the customers, which is when substantial risks and rewards of ownership passed to the customers, and are stated net of trade discounts, rebates, sales tax, value added tax and excise duty.

b) Export sales are recognised based on the date of bill of lading except, sales to Nepal which are recognised when the goods cross the Indian territory, which is when substantial risks and rewards of ownership passes on to the customers.

c) Interest and other income are recognised on accrual basis.

d) Income from export incentives such as premium on sale of import licences, duty drawback etc. are recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

e) Dividend income is recognised when right to receive dividend is established.



Notes forming part of the Accounts

viii) Employee Benefits:

a) Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Funds managed by Life Insurance Corporation and Birla Sunlife. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

b) Superannuation:

The Company makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by Life Insurance Corporation. The Company has no obligation to the Scheme beyond its annual contributions.

c) Leave encashment / Compensated absences:

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is treated as short term in nature and provided on actual based on the number of days of unutilized leave at each balance sheet date.

d) Provident fund:

Provident fund contributions are made to the Employees Provident Fund Organisation which is administered by the Government. The rate at which contributions are made are as per Statutory requirements. Contributions are charged to the Statement of Profit and Loss.

ix) Taxation:

a) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.

b) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

x) Provisions and Contingent Liabilities:

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent Assets are not recognised or disclosed in the financial statements.

xi) Cash and Cash Equivalents:

In the Cash Flow Statement, Cash and Cash equivalents include cash in hand, demand deposits with banks with original maturity period of three months or less, other short-term highly liquid investments.

Notes forming part of the Accounts

xii) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

29. Contingent Liabilities and Provisions:

- a) Disputed demands in appeal towards Excise **Rs. 201.5 million** (Previous year Rs. 156.4 million), Customs **Rs. 13.4 million** (Previous year Rs. 13.4 million) and Sales Tax **Rs. 946.9 million** (Previous year Rs. 599.0 million).
- b)
 - i) Disputed Income Tax demands and matters in Appellate proceedings **Rs. 497.9 million** (Previous year Rs. 424.9 million).
 - ii) Appeals preferred by Income Tax Department against Appellate decisions in favour of the Company, wherein, should the ultimate decision be unfavourable to the Company, the liability is estimated to be **Rs. 524.4 million** (Previous year Rs. 485.6 million).
- c) Guarantees given by Company's Bankers on behalf of the Company, towards performance and other matters, amounting to **Rs. 573.8 million** (Previous year Rs.474.3 million), are secured by hypothecation of Stock in trade, Book Debts, Stores and Spares etc. The Company has also given margin deposits of **Rs.75.0 million** (Previous year Rs.75.0 million) against above guarantee.
- d) The Company has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme, of the Government of India, at concessional rates of duty on an understanding to fulfil quantified exports against which future obligation aggregates to **Rs. 1,474.0 million** (Previous year Rs.1,381.4 million) over a period of six / eight years from the date of license.
- e) Amounts claimed by Banks in respect of derivative transactions which are under dispute not acknowledged as debts **Rs. 170.9 million** (Previous year Rs.170.9 million).
- f) Provision for derivatives transactions:
Provision for derivatives as at the year end is Rs. 525.2 million (Previous year Rs. 342.1 million) including provided during the year of Rs. 233.9 million (Previous year Rs. 92.6 million) and is net of payments of Rs. NIL million (Previous year Rs. 312.2 million).

30. Estimated amount of contracts remaining to be executed on capital account (net of advances paid), not provided for **Rs. 279.6 million** (Previous year Rs.37.1 million).

- a) In term of the circular issued by the Ministry of Corporate Affairs, the Company had, in the earlier years, exercised the option of capitalizing Foreign Exchange differences arising on borrowings for acquiring Fixed Assets. Accordingly, foreign exchange loss of **Rs. 35.2 million** (Previous year Rs. 111.9 million) arising during the year has been added to the cost of Fixed Assets.
- b) During the current year, Ministry of Corporate Affairs had issued a clarification by its circular dated 9th August 2012, as per which foreign exchange differences arising from borrowing for acquiring fixed assets to the extent they were regarded as adjustments to finance cost and hereto charged to Statement of Profit and Loss, can now be capitalized to the respective Fixed Assets. Accordingly the company had during the year given effect to the clarification retrospectively from April 2011 and exchange loss of Rs. 34.9 million hereto treated as borrowing cost and charged to Statement of Profit and Loss, has now been reversed and adjusted to the cost of respective fixed assets. The said reversal has been reflected in other income. (Refer Note18).



Notes forming part of the Accounts

As a result of this change, depreciation for the year is higher by Rs 5.8 million, finance cost is lower by Rs.65.1 million and Profit before tax for the year (including the impact of reversal of Finance Cost of previous year) is higher by Rs 59.3 million.

Foreign Exchange Loss of Rs. 30.2 million arising during the year on account of the said change has been adjusted to the carrying cost of the Fixed Assets (included in foreign exchange of Rs. 35.2 million referred in para (a) of the above).

32. Taxation:

Deferred Tax Liabilities (Net) :

Major components of deferred tax balances consist of the following -

(Rs in million)

Particulars	2013	2012
Deferred Tax Liabilities		
Depreciation	384.3	337.5
(A)	384.3	337.5
Deferred Tax Assets		
Employee benefits	18.4	-
Provision for doubtful debts	9.8	-
Others	11.4	11.4
(B)	39.6	11.4
Deferred Tax Liabilities (Net) (A)-(B)	344.7	326.1

33. Trade Payable:

- A) Outstanding to Suppliers other than Micro, Small & Medium Enterprise **Rs. 631.6 million** (Previous year Rs. 563.6 million).
- B) Outstanding to Micro, Small & Medium Enterprise **Rs. 1.5 million** (Previous year Rs.4.5 million) includes **Trade Payable Rs. 1.3 million** (Previous year Rs. 0.2 million).

The identification of suppliers as Micro and Small Enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the company. Total Outstanding dues of Micro and Small Enterprises, which were outstanding for more than stipulated period, are given below:

(Rs. in million)

Sr No	Particulars	2013	2012
a)	Principal amount due	1.5	4.5
b)	Interest paid under MSMED Act, 2006	-	-
c)	Interest due	-	-
d)	Interest accrued and due	-	-
e)	Interest due and payable till actual payment	-	-

Notes forming part of the Accounts

34. Based on the periodic review, it is the Company's view that the Preform Manufacturing Facility which was impaired in 2004-05 continues to remain impaired. During the year Company has made further provision of Rs 15.5 million. Consequently, the impairment loss of **Rs 304.0 million (Gross)** (Previous Year 288.5 million) is being carried forward.

35. Investments in Joint Ventures

The Company has the following investment in jointly controlled entities:

Name	Country of Incorporation	Percentage of ownership interest as on 31st March 2013	Investment in Shares as on 31st March 2013 (Rs. In million)	Percentage of ownership interest as on 31st March 2012	Investment in Shares as on 31st March 2012 (Rs. In million)
Finolex J-Power Systems Private Limited	India	49%	480.2	49%	480.2
Corning Finolex Optical Fibre Private Limited	India	50%	0.5	50%	0.5

36. **Related Party Transactions:** Disclosures as required by Accounting Standard 18 "Related Party Disclosures" are given below:

a) List of Related Parties:

Associate Companies : Finolex Industries Limited
: Finprop Advisory Services Limited
: Finolex Plasson Industries Private Limited

Joint Venture : Finolex J-Power Systems Private Limited
: Corning Finolex Optical Fibre Private Limited

b) Key Management Personnel and Relatives

Key Management Personnel

1. Mr. P. P. Chhabria - Chairman
2. Mr. D. K. Chhabria - Managing Director
3. Mr. Mahesh Viswanathan - Director (Finance) and Chief Financial Officer

Relatives

Mr. K. P. Chhabria - Brother of Mr. P.P. Chhabria, and Father of Mr. D. K. Chhabria

c) Enterprises over which Key Management Personnel and their Relatives exercise significance influence

Orbit Electricals Private Limited
Finolex Infrastructure Limited
Magnum Machines Limited



Notes forming part of the Accounts

d) Transactions with related parties - Major Parties

(Rs in million)

Name of Transactions	Associate Companies / Joint Venture	Key Management Personnel & Relatives
Sales, Services and Other Income		
1 Sale of goods		
Finolex Industries Limited	33.4	---
	(2.3)	(---)
Finolex J-Power Systems Private Limited	270.4	---
	(91.2)	(---)
Others	1.4	---
	(1.7)	(---)
2 Sale of Fixed Assets		
Finolex Industries Limited	0.0	---
	(67.9)	(---)
Finolex J-Power Systems Private Limited	0.0	---
	(0.0)	(---)
3 Sale of Other Material / Services		
Finolex J-Power Systems Private Limited	1.2	---
	(0.6)	(---)
4 Recoveries		
Finolex Industries Limited	1.1	---
	(0.9)	(---)
Finolex J-Power Systems Private Limited	2.2	---
	(4.0)	(---)
Others	2.4	---
	(0.9)	(---)
5 Dividend Received		
Finolex Industries Limited	120.6	---
	(120.6)	(---)
Finolex Plasson Industries Private Limited	2.0	---
	(2.5)	(---)
6 Interest Received		
Finolex Infrastructure Limited	2.6	---
	(5.1)	(---)
Purchase of Material/Assets		
1 Purchase of Raw Material and Components		
Finolex Industries Limited	69.1	---
	(36.4)	(---)
Finolex J-Power Systems Private Limited	236.3	---
	(58.3)	(---)

Notes forming part of the Accounts

(Rs in million)

Name of Transactions	Associate Companies / Joint Venture	Key Management Personnel & Relatives
Others	3.8 (3.0)	--- (---)
2 Purchase of Fixed Assets		
Others	0.0 (16.7)	--- (---)
3 Purchase of Investments		
Finolex J-Power Systems Private Limited - Allotment	0.0 (98.0)	--- (---)
Finolex Infrastructure Limited - Equity Share Application Money	0.0 (---)	--- (---)
- Allotment	16.8 (---)	--- (---)
Corning Finolex Optical Fibre Private Limited - Allotment	0.0 (0.5)	--- (---)
Expenses		
1 Remuneration to Key Management Personnel*	--- (---)	38.7 (35.7)
2 Services		
Finprop Advisory Services Limited	12.7 (10.5)	--- (---)
Others	36.0 (0.7)	--- (---)
3 Rent		
Orbit Electricals Private Limited	2.7 (6.0)	--- (---)
4 Reimbursement of Expenses Paid		
Finolex Industries Limited	15.2 (17.5)	--- (---)
Finprop Advisory Services Limited	3.5 (2.8)	--- (---)
Others	2.2 (0.7)	--- (---)
5 Dividend Paid		
Finolex Industries Limited	17.7 (15.5)	--- (---)

* Excludes commission payable to directors. For details of commission payable, please refer to item 2.3 of report on corporate governance (Page 23).



Finolex

Cables Limited

Notes forming part of the Accounts

(Rs in million)

Name of Transactions	Associate Companies / Joint Venture	Key Management Personnel & Relatives
Amount Outstanding		
1 Creditors		
Finolex Industries Limited	1.9	---
	(17.1)	(---)
Others	0.2	---
	(5.1)	(---)
Finolex J-Power Systems Private Limited	0.0	
	(0.0)	
2 Debtors		
Finolex Industries Limited	1.8	---
	(8.4)	(---)
Finolex J-Power Systems Private Limited	0.0	---
	(1.3)	(---)
Others	14.0	---
	(12.8)	(---)
3 Loans and Advances and Deposits		
Orbit Electricals Private Limited	2.5	---
	(5.5)	(---)
Finolex Infrastructure Limited	0.0	---
	(51.6)	(---)

Notes forming part of the Accounts

37. A. Quantitative information of derivative instruments outstanding as at the balance sheet date:

	(Rs. in million)	
Category	2013	2012
Interest Rate Swaps	Nil	190.8

B. The Company has not hedged the following foreign currency exposures:

- (i) Borrowings equivalent to **Rs. 361.5 million** (Previous year Rs. 891.9 million).
- (ii) Creditors for imports equivalent to **Rs. 150.3 million** (Previous year Rs. 144.6 million).
- (iii) Receivables equivalent to **Rs. 68.7 million** (Previous year Rs. 39.6 million).

C. The Company has hedged exposures in respect of creditors and Buyer's credit by way of forward covers. At the end of the year forward covers to the extent of **Rs. 290.3 million** (Previous year: NIL) were open and due for payment in the year 2013-14, these are mostly USD - INR contracts.

38. **Raw Material Consumed:**

	2013		2012	
	QTY (MT)	Value (Rs. million)	QTY (MT)	Value (Rs. million)
Copper	28,008	13,794.5	28,948	13,341.9
PVC	16,930	1,241.8	13,586	987.3
Polythene	2,976	293.1	2,644	228.3
Preform	26	198.3	8	55.1
Others		1,318.8		921.0
Total		16,846.5		15,533.6

(Rs. in million)

39. **CIF Value of Imports:**

	2013	2012
Raw Material	1,263.0	731.9
Spares and Components	21.0	19.6
Capital Goods	93.7	215.4
Total	1,377.7	966.9

40. **Consumption of Raw Material:**

	2013	2012
Imported	7.2%	3.9%
Indigenous	92.8%	96.1%
Total	100%	100%

41. **Consumption of Stores and Spares:**

	2013	2012
Imported	9.3%	9.1%
Indigenous	90.7%	90.9%
Total	100%	100%



Notes forming part of the Accounts

(Rs. in million)

	2013	2012
42. Expenditure in foreign Currency:		
Travelling	1.8	2.7
Interest	16.9	39.3
Foreign Bank Charges	0.7	0.5
Export Sales Commission	1.2	1.3
Professional Fees	15.6	20.5
Others	1.9	0.6
Total	38.1	64.9
43. Earnings in foreign Currency: (on accrual basis)		
FOB Value of Exports	486.9	483.9
44. Dividends Remitted in foreign Currency:		
Number of Share holders	1	1
Number of Shares held	6,086,425	6,086,425
Year to which dividend relates	March 2012	March 2011
Amount remitted (Net of tax deducted at source) Rs. in million	4.9	4.3

45. Segment Reporting:

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:

- i) Electrical Cables
- ii) Communication Cables
- iii) Copper Rods
- iv) Others

The above business segments have been identified considering

- i) The nature of the product/services
- ii) The related risks and returns
- iii) The internal financial reporting systems

Revenue 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 segments on a reasonable basis have been included under "Unallocable Assets/Liabilities".

Notes forming part of the Accounts

46. A) Primary Segment Information for the year ended 31st March, 2013

(Rs in million)

	Period	Electrical Cables	Communication Cables	Copper Rod	Others	Other than Segments	Elimination	Total
REVENUE								
External	Current Year	21,083.2	2,012.2	835.7	304.2	-	-	24,235.3
	Previous Year	17,956.5	1,619.2	2,071.2	179.5	-	-	21,826.4
Inter - segment (Net of Excise)	Current Year	-	-	6,248.9	1,473.5	-	(7,722.4)	-
	Previous Year	-	-	7,453.5	1,345.7	-	(8,799.2)	-
Less : Excise Duty	Current Year	1,231.2	193.3	93.0	11.0	-	-	1,528.5
	Previous Year	841.5	136.9	196.5	9.9	-	-	1,184.8
Total Revenue	Current Year	19,852.0	1,818.9	6,991.6	1,766.7	-	(7,722.4)	22,706.8
	Previous Year	17,115.0	1,482.3	9,328.2	1,515.3	-	(8,799.2)	20,641.6
RESULTS								
Segment Results	Current Year	2,419.5	242.5	40.8	(25.4)	-	-	2,677.4
	Previous Year	1,950.8	105.0	60.1	(89.3)	-	-	2,026.6
Other Unallocable expenditure net of income	Current Year	-	-	-	-	(844.7)	-	(844.7)
	Previous Year	-	-	-	-	(682.9)	-	(682.9)
Less Interest Expenses	Current Year	-	-	-	-	-	-	124.6
	Previous Year	-	-	-	-	-	-	251.0
Profit before Taxes	Current Year	-	-	-	-	-	-	1,708.1
	Previous Year	-	-	-	-	-	-	1,092.7
Less Provision for Taxation	Current Year	-	-	-	-	-	-	255.4
	Previous Year	-	-	-	-	-	-	110.8
Profit after Tax	Current Year	-	-	-	-	-	-	1,452.7
	Previous Year	-	-	-	-	-	-	981.9
OTHER INFORMATION								
Segment Assets	Current Year	6,256.8	2,342.9	390.5	668.7	4382.5	-	14,041.4
	Previous Year	5,554.0	1,975.8	554.5	697.0	3,379.2	-	12,160.5
Segment Liabilities	Current Year	618.6	231.7	38.6	66.1	-	-	955.0
	Previous Year	594.8	211.6	59.4	74.6	-	-	940.4
Capital Expenditure	Current Year	426.0	57.2	1.6	19.9	6.4	-	511.1
	Previous Year	434.5	56.6 #	9.1	(256.7) *	145.7 #	-	389.2
Depreciation	Current Year	226.8	135.3	20.7	58.3	9.7	-	450.8
	Previous Year	186.4	120.3	20.1	59.1	8.8	-	394.7

After accounting for transfer of asset of Captive Power Plant **Rs. NIL million** (Previous year Rs.98.9 million) from 'Communication Cable segment' to 'Other than segment'.

* Net of sale / transfer of Assets of Sheet division.



Notes forming part of the Accounts

46. B) Secondary Segment Information (by Geographical Segments)

(Rs. in million)

Particulars	2013	2012
REVENUE (Net of Excise)		
Exports	496.1	489.4
Domestic	22,210.7	20,152.2
Total	22,706.8	20,641.6
Debtors		
Exports	59.3	39.6
Domestic	1,437.2	1,101.3
Total	1,496.5	1,140.9

Note : Assets of the Company except sundry debtors are not identified with the Geographical Segments as these are used interchangeably and are located in India.

47. Disclosure as per Accounting Standard 15 (Revised 2005)

(Rs. million)

The following table sets out the status of Gratuity Plans as required under AS 15 (Revised 2005).

Statement showing changes in Present Value of obligations as on 31st March	2013	2012
Present value of obligations at the beginning of the year	91.9	88.5
Interest Cost	7.3	7.1
Current service cost	8.0	7.4
Benefits paid	(4.9)	(6.5)
Actuarial (gain)/loss on obligations	5.9	(4.7)
Present value of obligations as at the end of year	108.2	91.9
Table showing changes in the Fair Value of plan assets as on 31st March		
Fair value of plan assets at the beginning of the year	97.0	82.4
Expected return on plan assets	8.7	7.9
Contributions	4.0	13.4
Benefits paid	(4.9)	(6.5)
Actuarial gain/(loss) on plan of assets	0.3	(0.2)
Fair value of plan asset at end of year	105.1	97.0
Actuarial Gain / Loss recognised		
Present Value of obligations as at the end of the year	108.2	91.9
Fair value of plan assets as at the end of the year	105.1	97.0
Net Asset/(Liability) recognised in balance sheet	(3.1)	5.1
Expenses Recognised in the Statement of Profit and Loss		
Current service cost	8.0	7.4
Interest cost	7.3	7.1
Expected return on plan assets	(8.7)	(7.9)
Net Actuarial (gain)/Loss recognised in the year	5.7	(4.5)
Expenses recognised in statement of Profit & Loss	12.4	2.1

Notes forming part of the Accounts

(Rs. million)

Table showing administration of Plan Assets	2013	2012
Administered by LIC	102.6	95.0
Administered by Birla sun life	2.5	2.0
Total	105.1	97.0
Actuarial Assumptions:		
Discounted rate	8.25%	8%
Rate on return on assets	8.70%	9%
Salary escalation	7%	7%
Attrition rate	15%	15%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

	31st March				
	2013	2012	2011	2010	2009
Experience adjustments					
On plan liability gain/(loss)	(5.9)	4.7	(5.0)	(3.9)	(16.8)
On plan asset gain/(loss)	0.3	(0.2)	(0.1)	0.5	(0.1)

As per actuarial valuation report, Expected employer's contribution in next year is Rs 10.7 million (Previous year Rs 4 million)

48. Previous year figures have been regrouped / reclassified to conform to current year's classification

As per our report of even date
For B. K. KHARE & COMPANY
Chartered Accountants
 Firm Registration No. 105102W

NARESH KUMAR KATARIA
Partner
 Membership No. 37825

R.G.D'SILVA
*Company Secretary &
 Vice President (Legal)*

P. P. Chhabria
Chairman
Dr. H. S. Vachha
P. G. Pawar
S. K. Asher
A. J. Engineer
S. B. Pandit
Dr. V. G. Pai

D. K. Chhabria
Managing Director
M. Viswanathan
*Director-Finance &
 Chief Financial Officer*

Pune: 30th April, 2013

Pune: 30th April, 2013



NOTICE

NOTICE is hereby given that the Forty Fifth Annual General Meeting of Members of Finolex Cables Limited will be held on Friday, 28th June, 2013 at 11.30 a.m. at Acharya Atre Rangmandir, Sant Tukaramnagar, Pimpri, Pune 411018, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the financial year ended on that date and the reports of the Directors and Auditors.
2. To declare dividend for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. P. R. Rathi, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. S. K. Asher, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. P. G. Pawar, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and, in this connection, to pass, with or without modifications, the following resolution as an Ordinary Resolution, provided that in the event of the provisions of Section 224A of the Companies Act, 1956 becoming applicable to the Company on the date of holding of this meeting the same will be proposed as a Special Resolution.

"RESOLVED THAT M/s. B.K. Khare & Co., Chartered Accountants be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration."

SPECIAL BUSINESS

7. To consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr P. P. Chhabria who was a whole time Director of the Company designated as "Chairman" and shall cease to be Director of the Company upon retiring from that office pursuant to completion of his present term at close of business hours of the Company on 30th June, 2013 and who was appointed an Additional Director by the Board of Directors of the Company (the "Board") with effect from 1st July, 2013 and who, unless appointed as Director of the Company by the Members at this Annual General Meeting shall pursuant to the provisions of Section 260 of the Companies Act, 1956 (the "Act") hold the office of Director of the Company upto the date of the next Annual General Meeting of the Company but who is eligible for reappointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Act from a member of the Company proposing his appointment as Director of the Company with effect from 1st July, 2013 and who has consented, if appointed, to act as Director, be and is hereby appointed a Director of the Company liable to retire by rotation."
8. To consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") and subject to the limits prescribed under the Act, and also subject to such approvals as may be necessary, the Company hereby approves the appointment of Mr. D. K. Chhabria as a whole time Director of the Company designated as "Executive Chairman" for a period of five years with effect from 1st July, 2013 upon terms and conditions including remuneration to be paid in case of absence or inadequacy of profits, as set out in the draft Agreement to be entered into between the Company and Mr. D. K. Chhabria which draft Agreement is placed before this meeting under the initials of the Chairman for the purpose of identification and is hereby specifically approved with liberty to the Board of Directors (the "Board") to at any time alter and vary the terms and conditions of the Agreement including remuneration to be paid to him, including in case of absence or inadequacy of profits, in such manner as may be agreed to between the Board and Mr. D. K. Chhabria but so as not to exceed the limits specified in Schedule XIII read with Sections 198, 309 and other applicable provisions, if any, of the Act or any amendments thereto or reenactments thereof.
AND RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution."
9. To consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") and subject to the limits prescribed under the Act, and also subject to such approvals as may be necessary, the Company hereby approves the appointment of Mr. Mahesh Viswanathan as whole time Director of the Company designated as "Executive Director & Chief Financial Officer" for a period of five years with effect from 1st July, 2013 upon terms and conditions as set out in the draft of the Agreement (placed before the meeting and initialed by the Chairman for purpose of identification) to be entered into between the Company and Mr. Mahesh Viswanathan the terms of which Agreement is hereby specifically approved with liberty to the Board of Directors (the "Board") to at any time alter and vary the terms and conditions of the said Agreement including remuneration to be paid to him, including in case of absence or inadequacy of profits, in such manner as may be agreed to between the Board and Mr. Mahesh Viswanathan but so as not to exceed the limits specified in Schedule XIII read with Sections 198, 309 and other applicable provisions, if any, of the Act or any amendments thereto or reenactments thereof."

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AND RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.”

10. 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 Section 314(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) and subject to the approval of the Central Government or such other Authority as may be prescribed in this regard, consent of the Company be and is hereby accorded to the appointment of Mr P P Chhabria to hold and to continue to hold an office or place of profit as “Director Advisor” to the Company upon the terms and conditions, including fees/remuneration to be paid to him in this regard as set out in the Explanatory Statement attached to this Notice and detailed in the draft Agreement to be entered into between the Company and Mr P P Chhabria which draft Agreement is placed before this meeting under the initials of the Chairman for the purpose of identification and is hereby specifically approved with liberty to the Board of Directors of the Company (the “Board”) to, subject to the approval of the Central Government or such other authority as may be prescribed in this regard, at any time vary the terms and conditions of the Agreement in such manner as may be agreed to between the Board and Mr P P Chhabria.

AND RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.”

11. 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 Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) and subject to the provisions of Section 268 and other applicable provisions, if any, of the Act, the Rules framed under the Act as may be applicable as also such approvals as may be required in this regard, the following existing Articles of the Articles of Association of the Company be and are hereby amended as set out below:

- (i) existing Article 141(1)(b) and Article 141(1)(e) of the Articles of Association of the Company be deleted and the following Article 141(1)(b) and Article 141(1)(e) be substituted in place thereof:

141.(1) (b) If the Chairman appointed pursuant to Article 149 is Executive Chairman, the Company shall within a reasonable time also appoint a suitable person as Managing Director or as Executive Director of the Company.

141.(1) (e) In addition to Executive Chairman and Managing Director, if any, the Board shall be entitled to appoint one or more Executive Directors who shall be in whole time employment of the Company.

AND RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee constituted or to be constituted for the purposes herein) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to these resolutions without being required to seek any further consent or approval of members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of these resolutions.”

By Order of the Board of Directors

Place : Pune
Dated : 30th April, 2013

R.G. D'SILVA
Company Secretary &
Vice President (Legal)

Registered Office:
26/27, Mumbai-Pune Road, Pimpri, Pune - 411 018.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement setting out the material facts concerning the special business mentioned under item No. 7 to 11 of the Notice as required under Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 15th June, 2013 to Friday, 28th June, 2013 (both days inclusive) for the purpose of Annual General Meeting (AGM) and payment of Dividend.
4. The Board of Directors in their meeting held on 30th April, 2013 have recommended payment of Dividend of 60 % (Rs.1.20 per equity share) for the year 2012-2013. The payment of dividend is to be approved by the shareholders at the AGM. The aforesaid dividend, if declared at the AGM, will be paid on or before 27th July, 2013 to those members whose names appear in the Register of Members as on the date of the AGM. In respect of shares held in electronic form the dividend will be paid on the basis of beneficial ownership as per details to be received from the Depositories, i.e. National Securities Depository Limited (NSDL) and Central



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Depository Services (India) Limited (CDSL) the same being as of close of their respective business hours on the date immediately preceding the aforesaid Book Closure period (i.e. as of Friday, 14th June, 2013).

5. The members are requested to:
 - a) intimate to the Company (for shares held in physical form) and to their Depository Participant (DP) (for shares held in Dematerialised form) the changes, if any, in their registered address, ECS/LECS/NECS/ Bank account number/details, etc. at an early date;
 - b) quote Ledger Folio Numbers/DP Identity and Client Identity Numbers in all their correspondence;
 - c) approach the Company for consolidation of folios, if shareholdings are under multiple folios;
 - d) direct all correspondence to the Company's Registered Office at 26/27, Mumbai-Pune Road, Pimpri, Pune 411018 for the attention of the Secretarial Department;
 - e) get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
 - f) **bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting; and**
 - g) intimate the Company/Depository Participant (DP) the Permanent Account Number (PAN) allotted by the Income Tax Authorities for incorporation in the records/TDS Certificates, as maybe applicable;
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company Secretary, so as to reach the Company at least seven working days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the extent possible.
7. **The Government in its concern for the environment has, as part of its green initiative, vide Circular No.17/2011 dated 21st April 2011 issued by the Ministry of Corporate Affairs, permitted companies to serve requisite documents through electronic mode on their shareholders. Members are requested to support this worthy cause and inform the Company their personal email addresses and changes, if any, therein from time to time. This will also facilitate expeditious communication.**
8. The Securities and Exchange Board of India ("SEBI") has vide its circulars Ref. No.MRD/DoP/Cir-05/2009 dated 20th May 2009 and Ref. No. SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated 7th January, 2010 specified that for securities market transactions and off-market/private transactions involving transfer/transmission of shares, deletion of name of deceased shareholder(s) and transposition of names in respect of shares held in physical form of listed companies, it shall be mandatory for the transferee(s)/shareholder(s) to furnish copy of PAN card to the Company/Registered Transfer Agents (RTAs) for registration of such transfer/transmission of shares or other requests, as aforesaid. All shareholder(s) desirous of lodging physical shares for any of the aforesaid should therefore invariably furnish copy of their PAN card at the time of lodging requests for such matters together with all requisite documents to the Company/RTA for necessary action, to avoid inconvenience.
9. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrant for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, PMT Commercial Building, Deccan Gymkhana, Pune - 411004.

Further, pursuant to Section 205A of the Companies Act, 1956, the amount of dividends for the financial years ended 31st March, 1996 to 31st March 2005 each of which were remaining unpaid or unclaimed for a period of seven years have, from time to time, been transferred to the Investor Education and Protection Fund of the Central Government (the "Fund") by the Company upon expiry of the period prescribed in this regard. The dividends remaining unpaid or unclaimed for the financial year ended 31st March 2006 and thereafter shall similarly on expiry of the prescribed period of seven years also be transferred to the Fund.

The Company had individually informed the concerned Shareholders and those Shareholders who have still not encashed the Dividend Warrants for the financial year ended 31st March, 2006 (which is to be transferred to the Fund within one month from 2nd August, 2013) or for any of the financial years subsequent thereto are therefore, requested to immediately forward the same to the Company for revalidation. **It may also please be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above, no claim shall lie against the Fund or the Company in respect of the individual 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 in respect of any such claims.**
10. In order to provide protection against fraudulent encashment of dividend warrants, shareholders are requested to furnish their Bank account number with the name of the Bank/Branch, its address and quoting their folio number, etc so that the Bank account details are available for payment of dividend by ECS/LECS/NECS/can be printed on the dividend warrants. Similarly, members holding shares in dematerialised 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/LECS/NECS/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.**
11. All documents referred to in the accompanying Notice are open for inspection by Members at the Registered Office of the Company

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between 9.00 a.m. to 11.00 a.m. on any working day of the Company till 28th June, 2013.

12. Reappointment of Directors:

At the ensuing Annual General Meeting, Mr. P.R.Rathi, Mr. S. K. Asher and Mr. P. G. Pawar, Directors retire by rotation and being eligible offer themselves for reappointment.

The information or details to be provided for the aforesaid Directors under the Code of Corporate Governance are as under:

- (a) Mr. P. R. Rathi is aged 59 years and is a Director of the Company from 10th May, 2007 and has considerable experience in Industry. Mr. Rathi is MS (Chemical Engineering) MIT, USA and MBA from Columbia University, USA. He is the Vice Chairman and Managing Director of Sudarshan Chemical Industries Limited ("SCIL") (also a member of its Audit Committee and Shareholders'/ Investors' Grievance Committee). He is actively involved with Indian Chemicals Manufacturers' Association and has represented the Association in different capacities. Mr. Rathi is also a Director on the Board of the following companies, viz.: Prescient Colour Limited, (also Chairman of its Audit Committee), Lahoti Overseas Limited (also a member of its Audit Committee), GPSK Capital Private Limited, Rathi Brothers Poona Limited, Rathi Brothers Calcutta Limited, Rathi Brothers Madras Limited, Rathi Brothers Delhi Limited, RIECO Industries Limited, I.W.Technologies (India) Private Limited, Thirumalai Chemicals Limited, Rathi Brothers Private Limited, PRR Finance Private Limited, Clean Science & Technology Private Limited, Rathi Mixers Private Limited, Rathi Enterprises Private Limited, Rathi Vessels and Systems Private Limited, Sanghvi Movers Limited (also a member of its Audit Committee), Bharat Business Channel Limited, Sudarshan Europe B.V. and Sudarshan North America Inc., Mr. Rathi does not hold any shares in the Company as on 31st March, 2013.
- (b) Mr. S. K. Asher who is a Director of the Company from 1st July, 1998 is aged 49 years and is a Chartered Accountant and a Solicitor and Senior Partner of Crawford Bayley & Co., Solicitors, Advocates & Notaries, Mumbai. Mr. S. K. Asher has been practising for a number of years on various matters including corporate laws. He is also a Director in the following companies, viz.: A. L. Movers Private Limited, A. L. Records Management Private Limited, Ashok Leyland Limited (also a member of its Audit Committee and Chairman of its Shareholders and Investor Grievance Committee), Allied Pickfords India Private Limited, Bajaj Allianz General Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited, Balkrishna Industries Limited, Diamant Boat Marketing Private Limited, Enam Infrastructure Trusteeship Services Private Limited, Finolex Plasson Industries Private Limited, Hoganas India Private Limited, ArjoHuntleigh Healthcare India Private Limited, Indian Cookery Private Limited, Indofill Elastomer Private Limited, Innoventive Industries Limited, Kryfs Power Components Limited, Mandhana Industries Limited (also a member of its Audit Committee), Master Voss International Project Private Limited, Morgan Stanley Investment Management Private Limited, NV Advisory Services Private Limited, Orbit Electricals Private Limited, Peass Industrial Engineers Limited, Repro India Limited (also a member of its Audit Committee), Sanghvi Movers Limited, Schlafhorst Machines Private Limited, Sharp India Limited (also a member of its Audit Committee and Chairman of its Share Transfer and Investors' Grievance Committee), Shree Renuka Sugars Limited (also Chairman of its Audit Committee and its Share Transfer and Investors' Grievance Committee), Siporex India Private Limited, Sudarshan Chemical Industries Limited, Tribhovandas Bhimji Zaveri Limited, ValueQb Consulting Private Limited, Zinser Textile Systems Private Limited, Varun Maritime Private Limited, Varun Global Private Limited, Varun Resources Private Limited, Finolex Industries Limited, J.B. Chemicals and Pharmaceuticals Limited, Arch Protection Chemicals Private Limited, Kineco Kaman Composites-India Private Limited, Lonza India Private Limited. Mr. S. K. Asher holds 12,395 shares in the Company as on 31st March, 2013.
- (c) Mr. P G Pawar is aged 68 years and is a B.E. (BITS, Pilani). He is a Director of the Company since 9th September 1998. Mr P G Pawar is the Chairman of Sakal Papers Private Limited and has a number of years experience in chemical and engineering products and agriculture. He is also a Managing Director/Director in the following companies viz : P P Holdings Limited, Kirloskar Oil Engines Limited (also a Member of its Audit Committee and its Share Transfer Cum Investor's Grievances Committee), Force Motors Limited (also a Member of its Audit Committee), Bharat Forge Limited (also Chairman of its Audit Committee), Abhijit Pawar Media Limited (Octon Technologies Ltd), Ajay Metachem Sud Chemie Private Limited, A.P. Holdings Private Limited, Panhala Investments Private Limited, International Conventions India Private Limited, Karkha Developers & Miners Private Limited, Rajgadh Agro Farms Private Limited, Palse Agro Farms Private Limited, Bhimthadi Developers & Miners Private Limited, Ojas Engineering Private Limited and The Indian News Papers Society. Mr. P. G. Pawar does not hold any shares in the Company as on 31st March, 2013.



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EXPLANATORY STATEMENT IN RESPECT OF ITEM NOS. 7 TO 11 OF THE NOTICE PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 7

Mr. P. P. Chhabria who is the Chairman of the Board and of the Company shall cease to be Director as well as Chairman upon retiring from that office pursuant to completing his present term at close of business hours of the Company on 30th June, 2013. The Directors expressly wished that Mr P P Chhabria should thereafter at least continue as an ordinary Director liable to retire by rotation. The Board therefore appointed Mr P P Chhabria as Director with effect from 1st July, 2013 at its meeting held on 30th April, 2013. The Company has also received a notice from a member in pursuance of Section 257 of the Act signifying his intention to propose the appointment of Mr. P. P. Chhabria as Director of the Company along with a deposit of Rupees five hundred only which shall be refunded to the concerned member if Mr. P. P. Chhabria is elected as Director.

The information or details to be provided under the Code of Corporate Governance is set out hereinafter. Mr. P P Chhabria who is a Director of the Company since 4th February, 1974, is aged 83 years and has considerable experience since 1956, in Cable Industry manufacturing, marketing and other important areas. He is the Chairman of the Company since long and his vision, guidance and business acumen has over the years enabled the Company to establish its brand and reach its pre-eminent position in the Cable industry. Mr. P P Chhabria is a Member of the Executive Committee of the Federation of Indian Chambers of Commerce and Industry and was the past President and is now a Member of the Management Committee of Maharashtra Chamber of Commerce, Industries and Agriculture. He is also the President of International Institute of Information Technology formerly Hope Foundation and Research Centre and on the Boards of various companies

Item No. 8

The Board of Directors at its meeting held on 30th April, 2013 and pursuant to the recommendation of the Remuneration Committee, appointed Mr. D. K. Chhabria as Executive Chairman for a period of five years w.e.f. 1st July, 2013 subject to the approval of the shareholders on the remuneration set out in the Agreement to be executed between the Company and Mr. D. K. Chhabria.

The main terms and conditions of appointment, remuneration and perquisites to be paid or granted to Mr. D. K. Chhabria as Executive Chairman are as follows:

- (i) Mr. D. K. Chhabria is appointed as Executive Chairman of the Company for a period of five years w.e.f. 1st July, 2013.
- (ii) Mr. D. K. 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 under this Agreement, the Executive Chairman 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 the Executive Chairman during the continuance of this Agreement in consideration of the performance of his duties a salary of Rs. 6,25,000/- (Rupees Six Lakhs Twenty Five Thousand only) per month.
- (v) The Company shall pay to the Executive Chairman 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 309 of the Companies Act, 1956 (the "Act") subject to a minimum commission equal to the annual salary.
- (vi) The Company shall pay or cause to pay to the Executive Chairman during the continuance of this Agreement in consideration of the performance of his duties:
 - (a) a total amount not exceeding Rs.75,00,000/- per annum or Rs.6,25,000/- 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 the Executive Chairman from time to time;
 - (b) reimbursement of full hospital and medical expenses within the overall limit specified in clause (vi) (a) above, shall be inclusive of reimbursements towards expenditure incurred by the Executive Chairman on specialised medical treatment abroad for self and family. For this purpose family shall mean self, wife, dependent children and dependent parents of the Executive Chairman; and
 - (c) benefit of any personal accident insurance scheme, as per the rules of the Company.
- (vii) In addition to the aforesaid Remuneration, the Executive Chairman 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.

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- (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 198 and 309 of the Act and in case of absence or inadequacy of profits of the Company in any particular financial year, the Remuneration payable to the Executive Chairman shall not exceed the limits specified under Schedule XIII to 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 the Executive Chairman as minimum remuneration in any year in case of absence or inadequacy of profits computed in the manner referred to in Section 198 read with Sections 349, 350 and 351 of the Act, for that year.
- (x) The Executive Chairman 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) The Executive Chairman 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 the Executive Chairman.
- (xii) The Executive Chairman 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 the Executive Chairman.
- (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 318 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 318(4) of the Act.
- (xvi) The Executive Chairman shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- (xvii) The Executive Chairman 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 the Executive Chairman under this Agreement will be considered continuous service in the Company from the original date of his joining the service of the Company on 1st 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 of the Agreement to be executed between the Company and Mr. D. K. 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 noon on any working day of the Company till 28th June, 2013.

This may be treated as an abstract of the terms of Agreement between the Company and the Executive Chairman pursuant to Section 302 of the Act.

The information or details to be provided under the Code of Corporate Governance is set out hereinafter. Mr. D. K. Chhabria is aged 50 years and is a Bachelor of Science in Engineering Management from the University of Evansville, USA. He joined the services of the Company on 1st May, 1986. He was appointed a whole time Director with the designation of "Executive Director" for a period of five years from 13th February, 1992. Subsequently, the Board of Directors at its meeting held on 11th June, 1993 appointed Mr. D. K. Chhabria as Deputy Managing Director of the Company for a period of five years w.e.f. 1st July, 1993. The Board of Directors at its meeting held on 24th June, 1998 reappointed Mr. D. K. Chhabria as Deputy Managing Director for a period of five years from 1st July 1998. The Board of Directors at its meeting held on 29th June, 2000 reappointed Mr. D. K. Chhabria as whole time Director designated as "Managing Director" for a period of five years from 1st July 2000 which appointment was approved by the Members at the thirty-second Annual General Meeting of the Company held on 22nd August, 2000. The Board of Directors at its meeting held on 12th May, 2005 reappointed Mr. D. K. Chhabria as whole time Director designated as "Managing Director" for a period of five years from 1st July, 2005. The Board of Directors at its meeting held on 30th April, 2010 reappointed Mr. D. K. Chhabria as whole time Director designated as "Managing Director" for a period of five years with effect from 1st July, 2010. As stated earlier, the Board of Directors at its meeting held on 30th April, 2013 has appointed Mr. D. K. Chhabria as whole time Director designated as "Executive Chairman" for a period of five years with effect from 1st July, 2013. Mr. D. K. Chhabria has a number of years experience in Industry and is also the Chairman of Finolex J-Power Systems Private Limited and a Director on the Boards of Finolex Infrastructure Limited and Corning Finolex Optical Fibre Private Limited.

Mr. D. K. Chhabria is concerned or interested in this resolution as it relates to the terms and conditions of his appointment and remuneration.



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None of the other Directors are concerned or interested in the said resolution. The Board recommends the appointment of Mr D K Chhabria as Executive Chairman on the main terms and conditions set out in the Notice.

Item No.9

Pursuant to the recommendation of the Remuneration Committee at its meeting held on 30th April, 2013, the Board of Directors of the Company at its meeting held on 30th April, 2013 has, subject to the approval of the shareholders, appointed Mr. Mahesh Viswanathan as a whole time Director designated as "Executive Director & Chief Financial Officer" for a period of 5 years with effect from 1st July, 2013 upon the terms and conditions including remuneration as set out in the draft of the Agreement to be entered into between the Company and Mr. Mahesh Viswanathan.

The main terms and conditions of appointment, remuneration and perquisites paid or granted to Mr. Mahesh Viswanathan as Executive Director & Chief Financial Officer are as follows:

1. Mr. Mahesh Viswanathan is appointed as whole time Director of the Company designated as "Executive Director & Chief Financial Officer" for a period of five years with effect from 1st July, 2013.
2. Mr. Mahesh Viswanathan shall exercise and perform such powers and duties as the Board and/or the Executive Chairman of the Company shall, from time to time, determine.
3. During his employment under this Agreement, the Executive Director & Chief Financial Officer 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 endeavors to promote its interests and welfare.
4. The Company shall pay to the Executive Director & Chief Financial Officer during the continuance of this Agreement in consideration of the performance of his duties remuneration and perquisites as follows:

A) Details of monthly remuneration:

Basic Salary : Rs.3,40,000/- per month
Soft Furnishing Allowance : Rs.9,000/- per month
Education Allowance : Rs.5,000/- per month
Others / Entertainment Allowance : Rs.15,000/- per month
Bonus: As determined by the Company from time to time

B) Other Benefits

(a) The Executive Director & Chief Financial Officer shall be provided with either:

- i. House Rent Allowance @ 40% of Basic Salary, or
- ii. with suitable rent-free furnished/unfurnished accommodation by the Company, or
- iii. with suitable furnished/unfurnished accommodation owned by the Company on a lease basis, by charging him rent at market driven rate prevailing at the time of execution of the agreement in this regard.

In case of (ii) or (iii) above the Executive Director & Chief Financial Officer will be liable to also pay charges for consumption of electricity, water and gas at the applicable rates.

- (b) Additional bonus and / or ex-gratia may be decided by the Board of Directors of the Company.
- (c) Reimbursement of full hospital and medical expenses incurred for self and dependent family members subject to a ceiling of one month's Basic Salary in a year as per the rules of the Company.
- (d) Benefit of any personal accident insurance scheme as per the rules of the Company.
- (e) Provision of a motor car for free use on Company's business with a fuel limit of Rs.15,000/- per month. Use of car for personal purposes to be billed by the Company to the Executive Director & Chief Financial Officer.
Driver for the car shall be engaged by the Executive Director & Chief Financial Officer and the salary of the driver fixed, from time to time, (presently Rs.15,000/- per month) will be reimbursed to the Executive Director & Chief Financial Officer by the Company.
- (f) Free telephone facility at residence; long distance personal calls to be billed by the Company to the Director – Finance & Chief Financial Officer.
- (g) Contribution to Provident Fund and Superannuation Fund as per the rules of the Company.
- (h) Gratuity payable as per the rules of the Company.
- (i) Leave travel assistance upto one month's basic salary, once in a year, as per the rules of the Company.
- (j) Leave with full pay and allowances as per the rules applicable to senior executives of the Company.
- (k) Encashment of leave, during and at the end of the tenure, as per the rules of the Company.

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5. The Board and/or the Executive Chairman of the Company may alter and vary the terms and conditions of appointment (including remuneration to be paid in the event of loss or inadequate profit in any financial year or otherwise) subject to the overall ceiling specified under Schedule XIII of the Act read with Sections 198, 309 and other applicable provisions, if any, of the Act, or any amendment thereto or reenactment thereof, in such manner as may be agreed between the Board or the Executive Chairman and the Executive Director & Chief Financial Officer .
6. The Company shall reimburse entertainment or other business promotion expenses actually incurred by the Executive Director & Chief Financial Officer in the course of legitimate business of the Company.
7. The Executive Director & Chief Financial Officer so long as he functions as such shall not be entitled to any sitting fees for attending meetings of the Board or any Committee thereof.
8. Subject expressly to the provisions of Section 318 of the Act, the Company shall pay to the Executive Director & Chief Financial Officer 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 318(4) of the Act.
9. The Executive Director & Chief Financial Officer shall not so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
10. During his employment under this Agreement the Executive Director & Chief Financial Officer shall not directly or indirectly engage himself, in any employment, occupation or business without the previous sanction of the Board.
11. The Executive Director & Chief Financial Officer shall keep the secrets of the Company and its associate companies and shall not divulge any matters or things relating to the business or interests of the Company or its associate companies.
12. If the Executive Director & Chief Financial Officer shall at any time be prevented by ill health or accident from performing his duties hereunder, he shall inform the Company and supply it with such details as it may reasonably require.
13. The Company shall forthwith determine the employment of the Executive Director & Chief Financial Officer if he becomes insolvent or makes any composition or arrangement with his creditors or ceases to be a Director of the Company.
14. In case the Executive Director & Chief Financial Officer shall die during the course of his employment, the Company shall pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month.
15. In either of the following events, namely, if the Executive Director & Chief Financial Officer:
 - (a) is guilty of such inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties as Executive Director & Chief Financial Officer or any breach of this Agreement as in the opinion of the Board renders his retirement from the office of Executive Director & Chief Financial Officer desirable; or
 - (b) becomes disqualified to act as a Director for any reason other than an inadvertent breach of Section 283 of the Act or failure through inadvertence or oversight to secure leave of absence from meetings of Directors (in either of which latter events he may be reappointed as Executive Director & Chief Financial Officer), the Company may by a notice in writing to the Executive Director & Chief Financial Officer terminate his contract with immediate effect.
16. For purpose of leave accumulation, gratuity, provident fund, superannuation and other benefits, the services of the Executive Director & Chief Financial Officer under this Agreement will be considered continuous services of the Company from the date of his joining the services of the Company on 15th October 2008 and termination of agreement followed by immediate renewal(s) of agreement, will not be considered as any break in service.
17. The appointment of Executive Director & Chief Financial Officer is subject to the condition that if he ceases to be wholetime Director of the Company for any reason whatsoever, he shall forthwith vacate the office of Director of the Company also and shall extend his full cooperation to effectuate the said vacation of the office of Director of the Company.
18. The Company or Mr. Mahesh Viswanathan may determine the agreement by giving to the other Party not less than three months notice in writing in that behalf or an amount equal to three months salary with full allowances at rates prevailing at that time, under the provisions of the agreement.

The aforesaid draft of the Agreement to be entered into between the Company and Mr. Mahesh Viswanathan and the resolution passed by the Board on 30th April, 2013 is available for inspection by the Members of the Company at the Registered Office of the Company between 9.00 a.m. and 11.00 a.m. on any working day of the Company till 28th June, 2013.

This may be treated as an abstract of the terms of Agreement between the Company and the Director – Finance & Chief Financial Officer pursuant to Section 302 of the Act.

The information or details to be provided under the Code of Corporate Governance is set out hereinafter. Mr. Mahesh Viswanathan is aged 53 years and joined the services of the Company as Chief Financial Officer on 15th October, 2008. Mr. Mahesh Viswanathan is a Chartered Accountant having a number of years experience in Industry including in Management, Finance and Taxation matters. He has worked in number of leading companies in India and also has international experience in multinational companies. Mr Mahesh Viswanathan is a Director on the Board of Finolex J-Power Systems Private Limited and Corning Finolex Optical Fibre Private Limited.



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Cables Limited

Mr. Mahesh Viswanathan is concerned or interested in this resolution as it relates to his appointment and terms and conditions of his remuneration. None of the other Directors are concerned or interested in the said resolution. The Board recommends the appointment of Mr Mahesh Viswanathan as Executive Director & Chief Financial Officer on the main terms and conditions set out in the Notice.

Item No. 10

Mr. P. P. Chhabria who is the Chairman of the Board and of the Company shall cease to be Director as well as Chairman upon retiring from that office pursuant to completing his present term at close of business hours of the Company on 30th June, 2013. The Directors expressly wished that since Mr P P Chhabria is in good health he should thereafter at least continue as an ordinary Director liable to retire by rotation. The Board has therefore, subject to approval of the shareholders and also the approval of the Central Government or such other authority as may be prescribed in this regard, appointed Mr P P Chhabria as Director Advisor with effect from 1st July, 2013 on the following terms and conditions:

1. Mr P P Chhabria is appointed as "Director Advisor" to the Company for a period of five years with effect from 1st July 2013.
2. The Director Advisor shall exercise and perform such duties and obligations as the Board shall from time to time determine, presently as set out below:
 - a) to make available his decades of experience, guidance and inputs in policy planning vision, strategy and long term development activities of the Company;
 - b) to advise, guide and make available his administrative and management expertise to the Company and to mentor the Senior Management/Managers of the Company in the light of the business purposes of the Company;
 - c) to suggest and interview candidates for senior management positions when desired by the Company;
 - d) to visit the various Plants/Manufacturing Units of the Company for creating goodwill and enhancing the morale of the Company's personnel, when desired by the Company;
 - e) to use his good offices and contacts both within the Country as well as international for facilitating the business interests of the Company;
 - f) to attend meetings of the Board from time to time and to render advice on various issues and matters before the Board in the beneficial interests of the Company;
 - g) to facilitate cordial relations of the Company with its distributors, channel partners, dealers and the like for enhancing the effectiveness of the distribution channel of the Company, and
 - h) to render advice on any other issue or matter as may be incidental or supplemental to the aforesaid, in the beneficial interests of the Company.
3. During the tenure of the Agreement, the Director Advisor shall devote his time and attention to the business and affairs of the Company and shall use his best endeavours to promote its interests and welfare.
4. The Company shall pay or cause to pay to the Director Advisor during the continuance of the Agreement in consideration of the performance of his duties and obligations, Fees of Rs.25,00,000/- (Rupees Twenty Five Lakhs only) per month. The said fees shall be subject to Income Tax, Service Tax and such other taxes and/or levies as may be or become applicable from time to time.
5. In addition to the aforesaid monthly fees, the Director Advisor shall be entitled for the following:
 - a) 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 the Director Advisor;
 - b) 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 the Director Advisor, and
 - c) reimbursement of traveling expenses both local and international for business purpose of the Company which shall be subject to the limits as set out in the Rules of the Company applicable to its Directors.
6. During the term of the Agreement the Company shall make available to the Director Advisor suitable office with infrastructure and also make available secretarial and other services to enable effective discharge of his obligations hereunder by the Director Advisor.
7. The monthly fees and payments as per clauses 4 and 5 above are subject to provisions of the Companies Act, 1956 and Rules framed thereunder (the "Act") or any amendment thereto or reenactment thereof from time to time and are also subject to the approval of the Shareholders in General Meeting and of the Central Government under the Act.
8. The Director Advisor shall also be entitled to reimbursement of reasonable entertainment or other business promotion expenses actually incurred in the course of the business of the Company.
9. The Director Advisor shall not so long as he functions as such become interested or otherwise concerned directly or through any of his relatives (including his wife and/or minor children) in any selling agency of the Company without the prior approval of the Central Government or other prescribed Authority.

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Annual Report 2012-13

10. During the term of the Agreement and for a period of five years thereafter, the Director Advisor shall not carry on any business similar to the business carried on by the Company nor shall the Director Advisor promote or form or be associated in the promotion or formation of any new company, body corporate, firm or entity for pursuing objects which are identical to or similar to the main objects of the Company nor shall the Director Advisor in any way associate himself with any company, corporate body, partnership firm or other entity which is carrying on business or intends to carry on any business in competition with the business carried on by the Company.
11. a) The Director Advisor shall keep the secrets of the Company and its associate companies and shall not either during the term of the Agreement or at any time after the termination thereof divulge any matters or things relating to the business or interests of the Company or its associated companies to any person or utilise any secret or confidential knowledge or information acquired in consequence of either his past employment with the Company or the services rendered hereunder to the detriment or prejudice of the Company or its associated companies and shall during the continuance of the Agreement prevent any person from doing so.
b) The Director Advisor shall also keep the secrets of any company, firm or person with whom the Company or its associated companies may at any time during the continuance of the Agreement be in commercial or technical collaboration, cooperation or association and the Director Advisor hereby expressly binds himself both during the period of the Agreement with the Company and at all times after the termination thereof not to divulge any matters or things relating to the business or interests of any such company, firm or person to any person or to utilise any secret or confidential knowledge or information acquired in consequence of either his past employment with the Company or the services rendered hereunder to the detriment or prejudice of any such company, firm or person.
12. If the Director Advisor shall at any time be prevented by ill health or accident from performing his duties hereunder, he shall inform the Company and supply it with such details as it may reasonably require.
13. The arrangement under the Agreement shall forthwith determine if the Director Advisor shall become insolvent or make any compromise or arrangement with his creditors or shall for any reason, save and except for reasons mentioned in clause 15(b) herein, cease to be a Director of the Company during the term of the Agreement.
14. In case the Director Advisor shall die during the course of rendering of the services hereunder, the Company shall pay to his legal personal representatives the proportionate fees and other reimbursements payable hereunder for the then current month.
15. In either of the following events, namely, if the Director Advisor:
 - a) be guilty of such inattention to or negligence in rendering of the services hereunder or of any other act or omission inconsistent with his duties as Director Advisor or any breach of the Agreement as in the opinion of the other Directors for the time being of the Company renders the termination of the Agreement as desirable, or
 - b) become disqualified to act as Director for any reason other than an inadvertent breach of Section 283 of the Act or failure through inadvertence or oversight to secure leave of absence from meetings of Directors (in either of which latter events he shall be reappointed as Director and continue as Director Advisor for the duration of the Agreement),the Company may by a notice in writing to the Director Advisor determine the Agreement with immediate effect.
16. It is clarified therein that the Agreement is purely a commercial contract and the Director Advisor shall not be deemed to be an employee of the Company under the Agreement and the arrangement envisaged hereunder shall have no relationship of employer/employee or master/servant with the Company.
17. Notwithstanding anything contained in the Agreement no substantial powers of management or powers of an administrative or ministerial nature are vested in the Director Advisor and he shall not have any power to either enter into any transaction on behalf of the Company or to accept or give any loan/financial accommodation whether by banking or cash transaction with any party whatsoever for or on behalf of the Company.
18. The Agreement shall be valid for a period of five years commencing from 1st July, 2013 and ending on 30th June, 2018. However, notwithstanding anything to the contrary contained in the Agreement, the Company shall be entitled to determine the Agreement without giving any reasons, by giving to the Director Advisor not less than 180 days' notice in writing in that behalf, and on the expiry of the period of such notice the Agreement shall stand terminated. In lieu of said 180 days' notice, the Company may pay to the Director Advisor an amount equal to six months fees payable to him for the time being under clause 4 thereof.

None of the Directors of the Company other than Mr. P. P. Chhabria is concerned and/or interested in resolutions at Item Nos. 7 and 10 as they relate to his appointment as Director and the terms and conditions of his engagement as "Director Advisor" to the Company. The Board recommends the appointment of Mr P P Chhabria as proposed in resolutions at Item Nos. 7 and 10 in the Notice.



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Item No. 11

It is proposed to amend the following Articles of Association of the Company:

- 1) Article 141(1)(b) and Article 141(1)(e) of the Articles of Association of the Company to provide for appointment of Executive Chairman, Managing Director and Executive Directors (who shall be in the whole time employment of the Company) and the powers and responsibilities to be vested in them.

The Board recommends the resolution at Item No.11 of the Notice for the approval of the shareholders by passing a Special Resolution for amendment of Article 141(1)(b) and Article 141(1)(e).

A copy each of the existing Articles of Association of the Company and a new set of the Articles of Association after incorporating the proposed amendments will be 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 28th June, 2013.

Mr. P. P. Chhabria, Mr. D. K. Chhabria and Mr. Mahesh Viswanathan are deemed to be concerned or interested directly or indirectly in proposed amendments of Article 141(1)(b) and Article 141(1)(e) of the Articles of Association of the Company, since the same are relating to appointment and remuneration of Executive Chairman, Managing Director and Executive Directors (who are in whole time employment of the Company) and demarcation of the roles and responsibilities of the persons holding the said positions in the Company.

By Order of the Board of Directors

Place : Pune
Dated : 30th April, 2013

R.G. D'SILVA
Company Secretary &
Vice President (Legal)

Registered Office:
26/27, Mumbai-Pune Road, Pimpri, Pune - 411 018.

FINOLEX CABLES LIMITED

REGISTERED OFFICE: 26/27, MUMBAI-PUNE ROAD, PIMPRI, PUNE - 411 018.

PROXY FORM

Folio No. : _____ No. of Shares _____

DP ID : _____

Client ID No. : _____

I/We, _____, of _____ in the district of _____ being member(s) of the above named Company, hereby appoint _____ in the district of _____ or falling him/her _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 45th Annual General Meeting of the Company to be held on Friday, the 28th June, 2013 at 11.30 a.m. at Acharya Atre Rangmandir, Sant Tukaramanagar, Pimpri, Pune - 411 018.

Signed this _____ day of _____ 2013.



(Pl. Sign across the stamp)

Signature _____

N.B.: Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself on a poll and the proxy need not be a member. The Proxy form duly completed should be deposited at the Registered Office of the Company at Pimpri, Pune, not later than 48 hours before the time for holding the Meeting.

TEAR HERE

FINOLEX CABLES LIMITED

REGISTERED OFFICE: 26/27, MUMBAI-PUNE ROAD, PIMPRI, PUNE - 411 018.

45TH ANNUAL GENERAL MEETING - 28TH JUNE, 2013

ATTENDANCE SLIP

(To be handed over at the entrance of the venue of the Meeting)

Folio No. : _____ No. of Shares _____

DP ID : _____

Client ID No. : _____

Name of the attending member (in block letters)

Name of the Proxy (in block letters)

(to be filled by the Proxy attending instead of the member)

I hereby record my presence at the 45th Annual General Meeting held on 28th June, 2013 at 11.30 a.m. at Acharya Atre Rangmandir, Sant Tukaramanagar, Pimpri, Pune - 411 018.

Member's/Proxy's Signature

- Notes :
- 1) Interested joint members may obtain attendance slips from the Registered Office of the Company.
 - 2) Members/Joint members/proxies are requested to bring the duly filled in attendance slip with them. Duplicate slips will not be issued at the entrance of the Auditorium.

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Regd. Office : 26-27 Mumbai-Pune Road, Pimpri, Pune 411 018, India.

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Finolex



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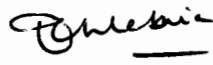
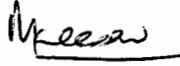

Regd. Office : 26-27 Mumbai-Pune Road, Pimpri, Pune 411 018, India.

Tel : 020-27475963. Fax : 020-27470344. Visit us at : www.finolex.com Email : sales@finolex.com



Form A

(Pursuant to SEBI Circular No. CIR/CFD/DIL/7/2012 dt. August 13, 2012)

1.	Name of Company	Finolex Cables Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	To be signed by:	
	• Mr. Deepak Chhabria, Managing Director	
	• Mr. Mahesh Viswanathan, Director - Finance & CFO	
	• Mr. Naresh Kumar Kataria, Partner, B K Khare & Co. (Statutory Auditors)	
	• Dr. H S Vachha, Audit Committee Chairman	