

Leadership since  
**1958**  
Finolex Cables

**Finolex**  
Cables Limited

ANNUAL REPORT 2014

# CABLE PERFORMANCE



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# Chairman's Message



Dear Shareholders,

This is my first communication to you as Chairman of the Company. I am indeed privileged and honored to occupy this position - a position that was so admirably held by Shri P. P. Chhabria before I stepped into this role.

I would be remiss in my duties if I did not thank Shri P. P. Chhabria for his invaluable leadership and guidance in bringing the Company to its present status. He has been the guiding force behind the Company's growth as well as the strong values that we have all imbibed over the years. It shall be my endeavor to develop on the very strong foundation and take the Company to its desired goals.

The year that concluded saw us building on the promise that our Company is; while the markets remained subdued, we focused on two things — one was to maintain our market position and the second was to improve profitability. We did this by continuously executing cost innovations, improving operational efficiencies and enhancing technical competencies. These efforts have resulted in Your Company achieving record profits in the year under review.

General sentiments regarding the economic prospects have become quite positive in the recent month or so; the belief is that the Country will soon return to its path and potential of high growth — this augurs very well for Your Company. With the additions that have been built to the capacities in the last couple of years, Your Company will be able to quickly react to any potential improvements in the economic demand.

I look forward to your continued support, guidance and encouragement, which I am sure will help us take the Company forward towards its destiny in the coming years.

With best wishes,

Deepak Chhabria  
Executive Chairman

# A Potent & Powered Product Portfolio

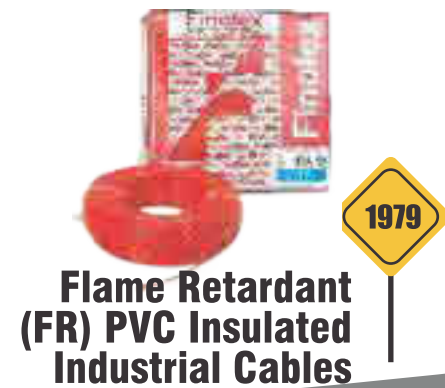
A modest journey that began in 1958 has spanned a course of 6 eventful decades. The essence of Finolex Cables' success lies in its quest to evolve into an electrical products company from a wire and cables company. Finolex Cables aspires to be a game-changer in this space.

The electrical expedition began with the likes of auto cables, electrical wires and cables and JFTC. It gradually evolved to include in its fold high-voltage power cables, communication cables, industrial cables, co-axial cables for the entertainment industry, lighting products and much more. The range has been expanded to include products like fibre-optic cables, Switches, CFL, tubelights, speaker cables, LED lights, CCTV cable, travelling cables for lift and elevator industry, hybrid power and telecom cables and others. The company would be launching switch gear products soon.

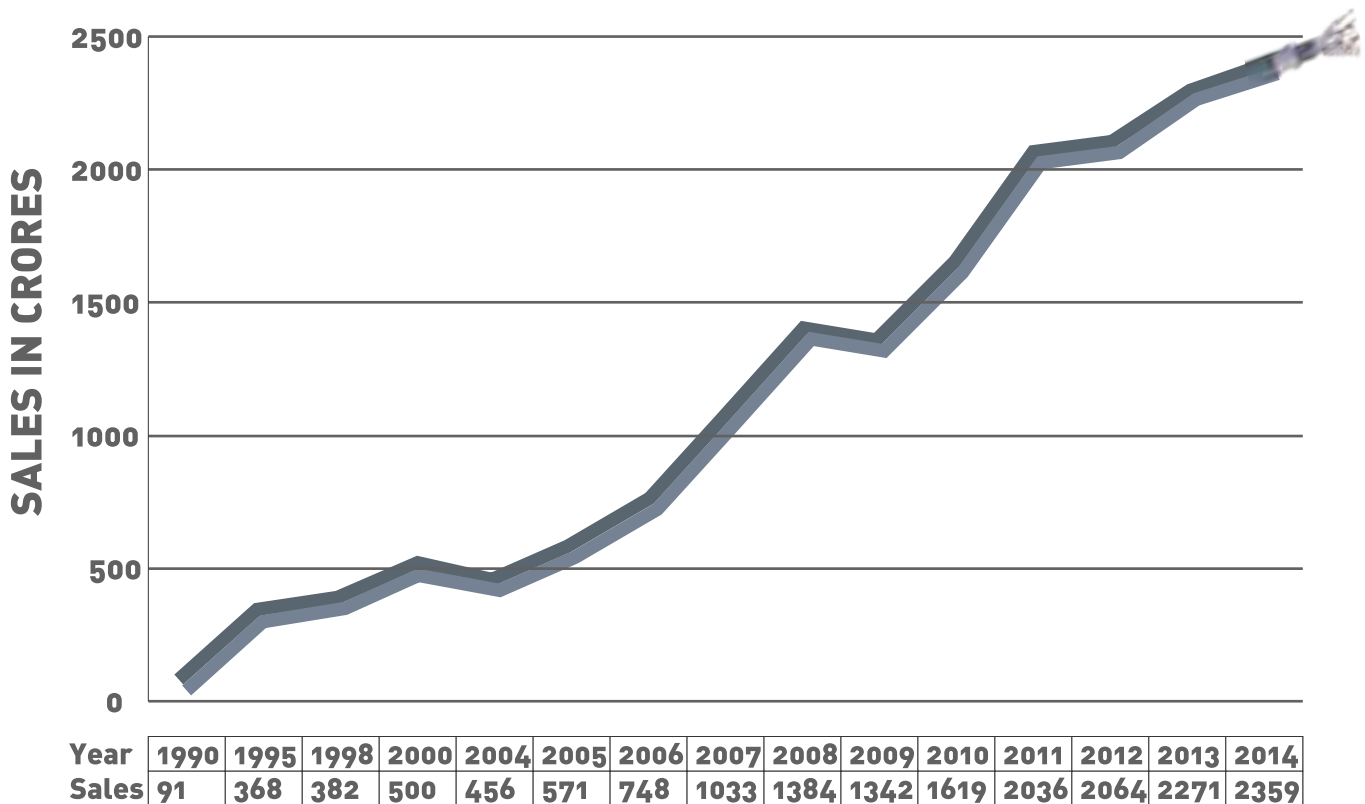
Over the years Finolex Cables has embraced technology and innovation resulting in a broad spectrum of offerings.

Augmentation of the product basket demands the support of superior logistics. Finolex Cables' visionary attitude and its incessant focus on research, operational efficiency and ERP carves new in-roads into the era where thinking of electrical goods will be synonymous with thinking of Finolex as a brand.

**1958** FINOLEX ESTABLISHED



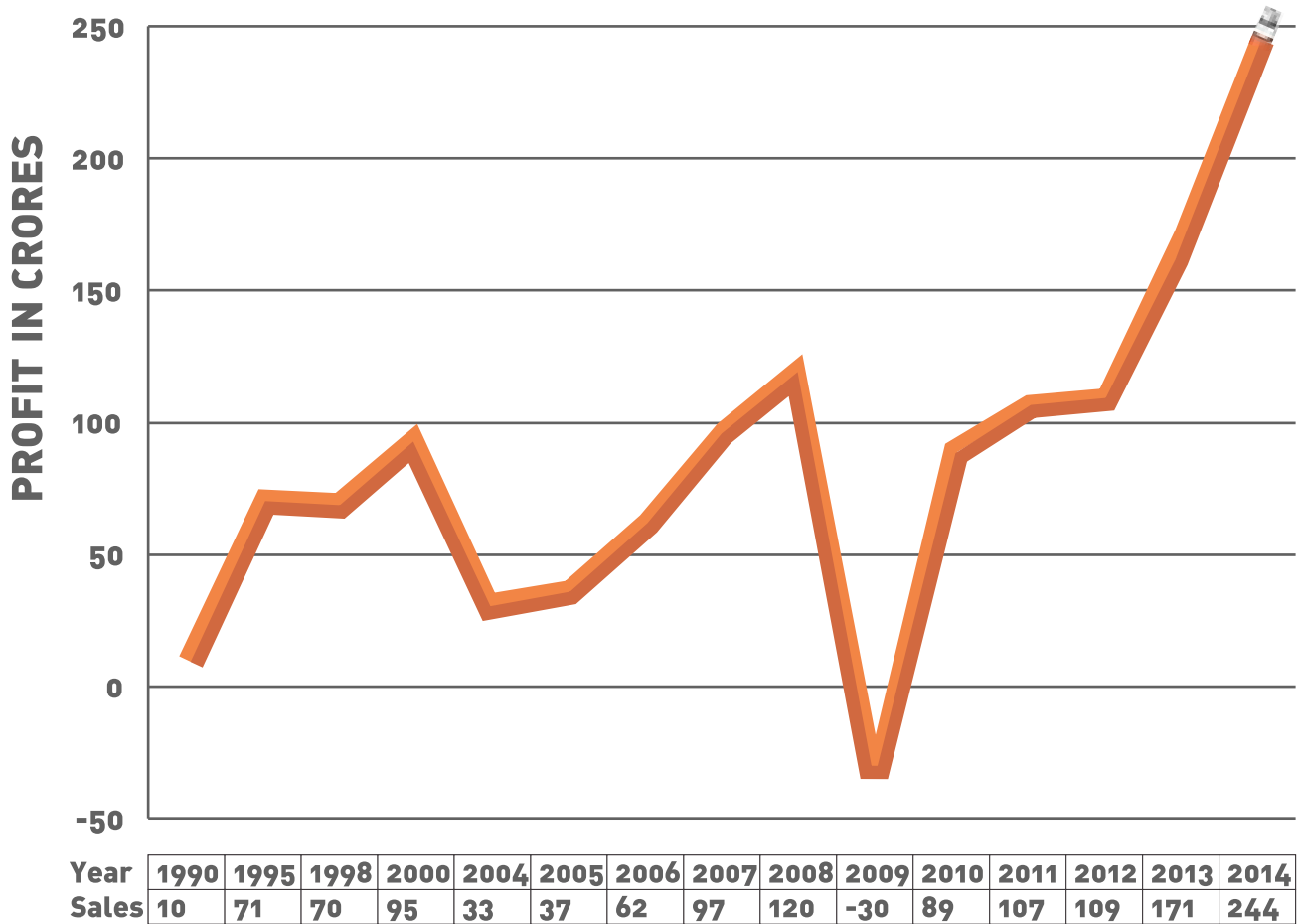
# Sales & Profit: A Promising Trajectory



India has advanced enormously as an economy in terms of technology and manpower skill. Its emerging position as a manufacturing hub speaks volumes about our capacity to innovate with quality cables at an international level and at competitive prices. Finolex Cables has always believed in outdoing itself and raising the bar.

Modernization of plants, use of upgraded machinery and know-how, enhancement of our capacities, maintenance of a dependable distribution network of channel partners and dealers and most importantly adherence to integrated processes and quality control has not only garnered customer satisfaction but has also elevated our profits.

This transition phase holds a number of promises, the prominent one being that of Finolex Cables' ambition to touch a turnover of Rs. 5,000 crore in the next three years. The company believes that product diversification is as vital as revenue growth.

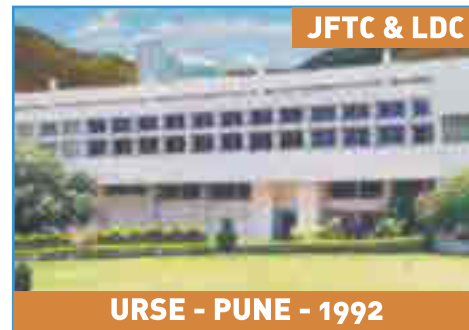


Finolex Cables has posted a 60 per cent increase in the net revenue from Rs. 1418 crore in March 2008, the year when the global financial crisis hit to Rs. 2,407 crore in March 2014. Its profit before tax also rose from Rs. 120 crore to Rs. 244 crore at this time.

During this period the company invested in additional capacities, entered new product segments, reduced debt, focused on working capital management as well as productivity improvements.

If earnings and cost-reduction go hand-in-hand, profits grow enormously. Backward integration and allied business activity like setting up a 5.5 megawatt solar power plant at the Urse facility is a perfect example.

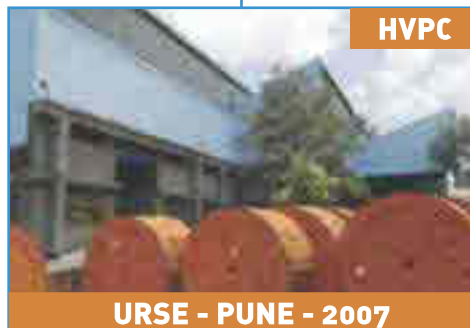
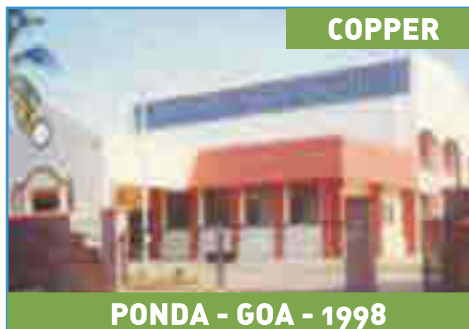
# Capacity equals Capability



When manufacturing organisations make key decisions regarding manufacturing facilities the important aspect that comes to mind is capacity.

Undeniable benefits are associated with larger capacities. Finolex Cables recognizes this and therefore boasts of large scale capacities and state-of-the-art manufacturing facilities spread across Pune, Goa and Roorkee. To adapt to the flexibility of the supply chain, the company develops and implements evolving logistics strategies. The network of Finolex Cables consists of 4,000 distributors, 30,000 dealers and depots at 19 locations and effective SAP system connecting them all.

The installed capacity of the LDC segment for the year 2014-15 across facilities at Pimpri, Urse, Goa and Roorkee is 25,00,000, for JFTC it is 22,000 and for OFC it is 96,000 cable kms per year.



The company has designated different factories for specific products which then are stored at 19 warehouses across the country.

The company had recently expanded the Roorkee plant and doubled its capacity by the year 2013-14. This follows a doubling of capacity at the Urse plant for medium voltage power cables using latest technology from Troester, Germany. This latest technology allows the company to offer near zero discharge cable to the customers.

The company expanded its fibre capacity from 1 million to 2 million fibre kms per year and its fibre-optic cable capacity from 6000 to 8000 kms per month. Further expansion is underway and it will take its capacity to 10,000 cable kms per month by Q2- 2014-15.



## Board of Directors

<i>D. K. Chhabria</i>	<i>Executive Chairman</i>
<i>P. P. Chhabria</i>	
<i>Dr. H. S. Vachha</i>	
<i>Atul C. Choksey</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>M. Viswanathan</i>	<i>Executive Director &amp; Chief Financial Officer</i>

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

# 46th

## Annual Report 2013-14

### Directors' Report

To

#### The Members

Your Directors are pleased to present their 46th Annual Report and Audited Accounts for the year ended 31st March, 2014.

#### FINANCIAL RESULTS:

(Rs. in million)

	2014	2013
Income	24,073.9	22,948.5
Profit Before Interest, Depreciation, Exceptional Items and Tax	2,954.6	2,529.1
Less : Interest	134.0	124.6
Less : Depreciation	484.3	466.3
Profit Before Exceptional Items and Tax	2,336.3	1,938.2
Less : Exceptional Items (Loss) / Gain	103.8	(230.1)
Profit Before Tax	2,440.1	1,708.1
Less : Provision for Taxation		
(a) Current Tax	578.3	333.9
(b) Deferred Tax	(49.5)	18.6
(c) MAT Credit	(166.5)	(108.1)
(d) Taxes of Earlier Year	1.0	11.0
Profit After Tax	2,076.8	1,452.7

#### BACKGROUND

Economic growth over the past couple of years has been muted - much will depend on the new government in terms of raising optimism with their approach to various policy issues. Growth estimates have been pruned from the earlier levels of 9% to between 5-6%. Investments which drove growth until 2008/9 have slowed down sharply. Domestic savings have declined while government deficits have ballooned. 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; the reigning in of the current account deficit has been one of the few positives for the year.

The depreciation in currency has resulted in an improvement in our competitiveness and should help improve exports in the coming months while at the same time compel industry to look for greater indigenization and import substitution. It is expected that inflation would moderate over the remaining part of 2014 and would pave way for some monetary easing. Recent clearance by the government of several projects that were held up for various reasons over the past couple of years also holds out hope for an improvement in business sentiments that could result in a turnaround to the investment cycles. However, there is a general expectation that the ongoing general elections will bring about a stable government and along with that there are renewed hopes of a strong and improved economic situation.

#### OPERATIONS

In terms of revenue, the year under review saw only a marginal growth over the previous year. Overall sales grew by 4% in value terms when compared to 2012-13. In volume terms the growth was higher. Higher volumes were achieved in Communication Cable and Copper segments as well as in the Lighting Business. Star performances came in from product offerings to the following customer sectors – agriculture in the Electrical Cables segment and Coaxial and Optic Fibre Cables in the Communication Cable segment. During the year under review both the Auto and Infrastructure (Power) sectors were under strain.

In terms of outlook for the upcoming year, sales of Optical Fiber Cables looks promising with the government firmly committed to achieving the targets set under the National Optic Fiber Network program as also the Defence Network. Similarly with the government clearing several major infrastructure projects recently, and more states opting for the Financial Restructuring Program, it is expected that the Power Sector would attract investments in cabling in the not too distant future.



# Finolex

## Cables Limited

Income for the year under review was higher at Rs.24,073.9 million (previous year Rs.22,948.5 million) representing a growth of 5% over the previous year. Your Company has recorded a Net Profit after Tax of Rs 2,076.8 million as against a Net Profit of Rs.1,452.7 million in the previous year. The improved profitability comes from a better product mix, growth in sales volumes across the product lines mentioned above and tight monitoring of working capital requirement.

### **DIVIDEND**

Considering the business situation, your Directors have pleasure in recommending a dividend on equity shares of 80%.The amount thereof per equity share will be Rs1.60. The total dividend outgo (including dividend tax) will be Rs.286.3 million.

### **EXPANSION, CONSOLIDATION & NEW PRODUCTS**

Consolidation of the Pune manufacturing operations at Urse has been largely completed with only skeletal activity remaining at Pimpri. This has helped further improve the cost competitiveness in the Low Duty Electrical Cables offered by Your Company.

The planned 5MW solar power plant at Urse is now operational – the plant went live in March 2014 and the power generated will be entirely consumed within the Urse site leading to cost efficiencies.

The Roorkee facility expansion is now complete and the enhanced capacity will be available for market requirements effective 2014-15. This should greatly enhance product availability as well as ensure better reach to the markets in Northern and Eastern India.

Expansion of the Optic Fiber Cable manufacturing capacity at the Goa unit was completed during the year. An additional line is currently under commissioning at the Urse unit as well. These additions would serve the Company well in being able to meet its obligations under the NOFN order as well as any additional demand from the market.

As announced last year, your Company intends to enter the switchgear market. Product launch is expected during the 3rd quarter of 2014-15 – these products will be manufactured at the Roorkee site and equipment necessary has been ordered and is expected towards end May/early June.

Your Company launched a series of LED based lamps during the year under review. Market acceptance has been very encouraging and more varieties are being considered for a launch in the upcoming year. Together with the CFL based lamps, it is envisaged that Lighting products would bring substantial value to the Company.

### **JOINT VENTURES**

#### **Finolex J-Power Systems Limited, Shirval near Pune**

Two major orders worth Rs 500 million were executed by the JV during the year. As members would be aware, the Power Sector in our country has been going through uncertain times as evidenced by difficulties in fuel sourcing as well as the tight financial position of most power utilities. Given this scenario, capital investment in the sector has been minimal during the year. Moreover the stringent pre-qualification conditions imposed by utilities have also been a dampening factor in order acquisition by the JV. It is estimated that the JV will become profitable only around 2016 and will need financial support in the form of equity infusion until then. While the long term outlook of the JV is positive, in the short term there is an erosion of net worth in the JV. Taking a prudent view of the same, an amount of Rs 73.7 million has been recognized as a diminution in the value of investment.

During the year, your Company injected equity of Rs 147.0 million, taking the Company's participation up to Rs 627.2 million at the end of 2013-14.

#### **Corning Finolex Optical Fibre Private Limited**

Business operations which commenced during the last quarter of 2012-13, have picked up during the year under review. The JV clocked a turnover of Rs 1,000 million during 2013-14 and is expected to do well in the coming years as well. During the year, the equity in the JV was enhanced to Rs 35 million and your Company's participation at the end of 2013-14 stands at Rs 17.5 million.

### **EXPORTS**

Despite the depressed market situation overseas FOB value of exports for the year was Rs 494.4 million (Previous year's export value of Rs. 486.9 million).

### **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 regained the AA+/Stable rating for its Rs.500 million long term non convertible debentures program as well as on the long term loans currently outstanding. This upgradation by CRISIL reflects the strong financial risk management policies followed by your Company.

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 1,546 permanent employees on its roll as on 31st March, 2014 (previous year 1,611 permanent employees as on 31st March, 2013).

### **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 I<sup>2</sup>IT as it is known is also patronized by the Company. I<sup>2</sup>IT 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, 2014 and of the Statement of Profit and Loss for the year ended 31st March, 2014;
- 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



# Finolex

## Cables Limited

are being sent 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**

Dr. V G Pai retires by rotation at the ensuing Annual General Meeting. Your Directors record their appreciation of the valuable contribution made by Dr. V G Pai during his tenure as a Director of the Company. Mr. Adi J Engineer and Dr. H S Vachha retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment. Mr. Atul C. Choksey, Mr. S. B. (Ravi) Pandit, Mr. Pradeep R Rathi, Mr. Sanjay K. Asher and Mr. Pratap G Pawar are Directors liable to retire by rotation and are eligible for appointment as Directors. The Board of Directors proposes and recommends the appointment of Mr. Adi J Engineer, Dr. H S Vachha, Mr. Atul C. Choksey, Mr. S. B. (Ravi) Pandit, Mr. Pradeep R Rathi, Mr. Sanjay K. Asher and Mr. Pratap G Pawar as Independent Directors on the Board of Directors of the Company, under the provisions of the Companies Act 2013 and Rules framed there under as also under the provisions of revised clause 49 of the Listing Agreement with the Stock Exchanges, as proposed in the resolutions set out at Item Numbers 5 to 11 in the Notice for the ensuing Annual General Meeting 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 continued cooperation and support. Your Directors warmly acknowledge the trust 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 constant trust and for the confidence shown in the Company.

For and on behalf of the Board of Directors

**D. K. Chhabria**  
*Executive Chairman*

Pune,  
Dated : 8th May, 2014

## 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 5 MW Solar Power Plant set up and made operational.
  - (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) Solar street lights installed to reduce the DISCOM power consumption and utilise natural resources.
  - (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) 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) CCTV Cable – RG59 + 3/4 Cores.
    - (ii) New range of FTTH Cable such as Figure 8.
    - (iii) Total Dry Optic Fibre Cables.
    - (iv) Tube Drop Cable for CATV market.
    - (v) New range of "Speaker Wires" for communication cable segment.
    - (vi) Elevator Cables.
2. Benefits derived as a result of the above R&D:  
The aforesaid newly developed products have been introduced in the market and give significant benefits in terms of quality, better performance of the end-user application and import substitution.
3. Future plan of action:
  - To develop Rubber based cables for windmill application
  - To develop cost effective Mini Optical Fibre Cable.
  - To develop cross-linkable HFFR cables for high temperature working.
  - To develop CAT7 LAN cables with higher bandwidth



# Finolex

## Cables Limited

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

### Technology Absorption, Adaptation and Innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
- New transformers installed with on load tap changers for better voltage regulation to enhance the life of equipments.
  - Several grades of PVC compounds were reformulated to suit higher line speeds and also made environmentally friendly complying with ROHS requirements.
  - Advanced machinery and raw material handling system provided to reduce wastage of material and manual handling.
  - 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:

Your Company has been able to marginally improve its performance in the export market during the year under review despite the depressed market situation still continuing. Sustained efforts are being made to retain old customers and add new customers in the Middle – East and African markets. The developed European Markets are being targeted for marketing various communication cables.

- Earnings by way of Exports : Rs. 494.4 million
- Outgo by way of Imports : Rs. 2,337.5 million

For and on behalf of the Board of Directors

**D. K. Chhabria**  
*Executive Chairman*

Pune,  
Dated : 8th May, 2014

## 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:

<b>Group</b>	<b>Products Covered</b>	<b>Application</b>
<b>Electrical Cables</b>	1,100 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
	Elevator cables	For use by Elevator industry
<b>Communication Cables</b>	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.
<b>Copper Rods</b>	V-SAT cables	For connecting V-SAT dish to base station.
	CCTV cables	For better quality of CCTV images
	CCC rods of 8 mm diameter	Raw material for manufacture of copper based cables.
<b>Electrical Switches</b>	Premium & classic switches, sockets, regulators, etc.	Domestic lighting, hotels, shops, offices, corridors.
<b>Lamps</b>	Retrofit & non-retrofit CFL lamps as well as T5 Tube Lights and Fittings.	Domestic lighting, hotels, shops, offices, corridors.





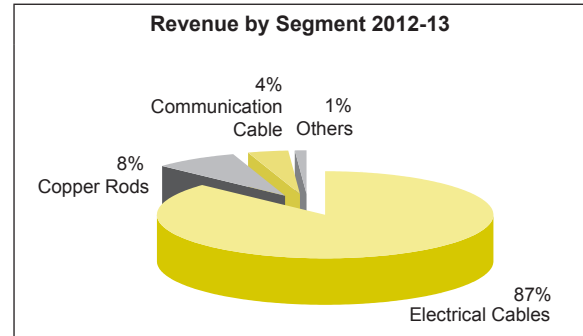
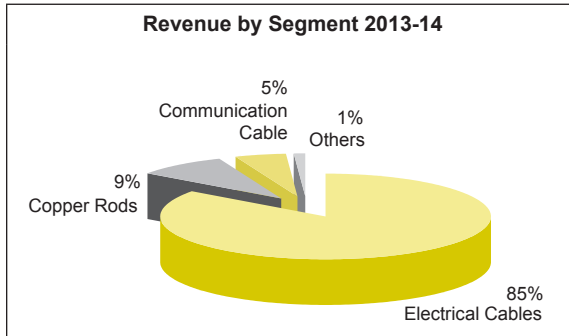
# Finolex

## Cables Limited

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 (including Excise Duty) :

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



## 2. REVIEW OF OPERATIONS:

### • Production:

- Electrical Cables at 54,423 MT as compared to 50,445 MT in the previous year.
- Metal based communication Cables at 5,576 MT as compared to 4,678 MT in the previous year.
- Optical Fibre Cables at 31,023 KM as compared to 49,080 KM in the previous year.

### • Sales:

- Electrical Cables (including Excise Duty) at Rs.21,132 million as compared to Rs. 20,858 million in the previous year.
- Communication cables (including Excise Duty) at Rs.2,264 million as compared to Rs.1,991 million in the previous year.
- Copper Rods (net of interdivisional transfers and including Excise Duty) at Rs. 1,178 million as compared to Rs.836 million in the previous year.
- Exports were marginally higher at Rs. 501 million as against Rs. 496 million of the earlier year.
- During the year, several new products were introduced, chief among them being Electrical Cables for the Elevator Industry, special purpose cables for CCTV applications, and innovations within the Optic Fiber Cable business. New product designs for innovative applications will continue to remain a focus area for the Company.
- The income from operations (including excise duty) was Rs.25,099 million for the year under review as compared to Rs.24,235 million for the earlier year.
- Two major orders worth Rs.500 million were executed by the JV (Finolex J-Power Systems Ltd.) during the year. As members would be aware, the Power Sector in our country has been going through uncertain times as evidenced by difficulties in fuel sourcing as well as the tight financial position of most power utilities. Given this scenario, capital investment in the sector has been minimal during the year. Moreover the stringent pre-qualification conditions imposed by utilities have also been a dampening factor in order acquisition by the JV. It is estimated that the JV will become profitable only around 2016 and will need financial support in the form of equity infusion until then. While the long term outlook of the JV is positive, in the short term there is an erosion of net worth in the JV.
- The Joint Venture with Corning SAS, Corning Finolex Optical Fibre Pvt. Ltd. which commenced operations during the last quarter of 2012-13, has clocked sales of over Rs. 1,000 million in the year 2013-14. The operations are expected to be profitable going forwards.
- 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, LED lamps and electrical switches – this move has brought additional market reach at minimal cost expansion.

### 4.0 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.

### 5.0 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.21,132 million against Rs.20,858 million of the previous year. It accounted for 85% of total sales for the year under review. Growth during the year was driven mainly by agricultural applications. Both infrastructure and automobile sectors 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), while in the construction sector growth was marginal. Margins, however, were strong with EBITA at 12.7% for the year as against 12.2% in the earlier year.



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### Outlook:

Electrical cables are the main focus area of business for the Company. In the long term the outlook is positive – 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.

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.2,264 million for the year under review against Rs.1,991 million for the earlier year. As mentioned in the previous year's report, there has been appetite from private service providers within the telecom sector to invest in cables consequent to their commencement of 4G rollouts. EBITA levels have improved to 13.7% in this segment as compared to 13.3% in the previous year.

### 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.7,005 million (previous year Rs.7,085 million) of which Rs.1,178 million were sales to third parties (previous year Rs.836 million) and balance was inter-divisional transfers. The trend of high premiums on cathodes Vs comparably lower premiums on copper rods continues and negatively impacts the sales of copper rods for the Company. 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.

#### **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 were launched during the year under review and have been well accepted.

### **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



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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.

### 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 7 times during the year under review.

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### Financial summary for ten years

(Rs. In million)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>PROFIT AND LOSS</b>										
<b>ACCOUNT DATA</b>										
Gross Revenue ++	6,701	8,899	12,055	16,270	15,525	17,507	22,123	22,188	24,477	25,583
Materials and manufacturing cost (including excise duty)	5,191	6,855	9,557	13,068	12,429	13,573	18,032	17,629	19,041	19,731
Employee cost	254	326	355	497	533	592	647	695	846	848
Administration & selling expenses	520	660	750	1,033	2,152	1,891	1,793	2,115	2,282	1,935
Extra ordinary Items	—	—	—	—	—	—	—	—	—	—
Depreciation	259	313	264	265	388	372	388	395	466	484
Interest and finance charges	106	128	159	204	324	187	191	261	134	145
<b>Profit before tax</b>	<b>371</b>	<b>617</b>	<b>970</b>	<b>1,203</b>	<b>(301)</b>	<b>892</b>	<b>1,072</b>	<b>1,093</b>	<b>1,708</b>	<b>2,440</b>
Taxation	63	113	280	314	54	315	204	111	255	363
<b>Profit after tax</b>	<b>308</b>	<b>504</b>	<b>690</b>	<b>889</b>	<b>(355)</b>	<b>576</b>	<b>868</b>	<b>982</b>	<b>1,453</b>	<b>2,077</b>
Dividend (including tax on dividend distribution if applicable)	157	209	251	268	36	107	124	142	214	286
<b>BALANCE SHEET DATA</b>										
Share capital	306	306	306	306	306	306	306	306	306	306
Reserves	4,702	5,055	5,495	6,109	5,656	6,125	6,869	7,698	8,937	10,728
Net worth	5,008	5,361	5,801	6,415	5,962	6,431	7,175	8,004	9,243	11,034
Loan Funds	1,321	2,343	2,653	2,876	2,959	2,751	2,601	1,716	1,806	1,470
Deferred Tax (Net)	184	213	208	175	221	319	310	326	345	295
<b>Total Liabilities</b>	<b>6,513</b>	<b>7,917</b>	<b>8,662</b>	<b>9,466</b>	<b>9,142</b>	<b>9,501</b>	<b>10,086</b>	<b>10,046</b>	<b>11,394</b>	<b>12,799</b>
Gross Block	4,126	4,753	5,807	6,773	8,022	8,313	8,563	8,846	9,777	10,728
Net Block	2,118	2,288	3,079	3,784	4,557	4,476	4,340	4,424	4,607	5,074
Investments	2,491	2,722	2,833	3,168	3,141	2,802	2,452	2,372	3,241	4,031
Net current assets	1,904	2,907	2,750	2,514	1,444	2,223	3,294	3,250	3,546	3,694
Micellaneous Expenditure (to the extent not written off or adjusted)	—	—	—	—	—	—	—	—	—	—
<b>Total Assets</b>	<b>6,513</b>	<b>7,917</b>	<b>8,662</b>	<b>9,466</b>	<b>9,142</b>	<b>9,501</b>	<b>10,086</b>	<b>10,046</b>	<b>11,394</b>	<b>12,799</b>
<b>KEY RATIOS</b>										
Growth in Revenue (%)	17.8	32.8	35.5	35.0	(4.6)	12.8	26.4	0.3	10.3	4.5
PAT to Revenue (%)	4.6	5.7	5.7	5.5	(2.3)	3.3	3.9	4.4	5.9	8.1
Return on Net Worth (%)	6.2	9.4	11.9	13.9	(6.0)	9.0	12.1	12.3	15.7	18.8
Earnings per Share Rupees (for face value of Rs.2/- each)	2.0	3.3	4.5	5.8	(2.3)	3.8	5.7	6.4	9.5	13.6
Asset Turns (Revenue to Total Assets)	1.0	1.0	1.4	1.7	1.7	1.8	2.2	2.2	2.1	2.0
Return on Capital Employed (%)	6.7	10.1	13.5	15.4	(0.01)	11.38	12.72	13.35	17.09	21.29
Debt to Equity Ratio	0.3	0.4	0.5	0.4	0.5	0.4	0.4	0.2	0.2	0.1
Dividend (incl. Dividend Tax) Distribution to PAT(%)	51.0	41.5	36.4	30.1	(10.1)	18.6	14.3	14.5	14.7	13.8

**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 is one promoter executive Director namely Mr. D. K. Chhabria, Executive Chairman, one promoter non executive Director namely Mr. P. P. Chhabria, Director Advisor, one non-promoter executive Director namely Mr. Mahesh Viswanathan designated as "Executive Director and Chief Financial Officer" and one non-promoter Non-Executive Director Dr. Vikas G. Pai.
- There are seven 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 and Mr. A. J. Engineer.

#### 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 30th April, 2013, 9th August, 2013, 9th November, 2013 and 12th February 2014.

The meetings were attended as follows:

- Mr. D.K. Chhabria, Mr. P.P. Chhabria, Dr. H.S. Vachha, Mr. Sanjay K. Asher, Mr. P.G. Pawar, Mr. A.J. Engineer, Dr. Vikas G. Pai and Mr. Mahesh Viswanathan attended all four meetings.
- Mr. S B (Ravi) Pandit attended three meetings.
- Mr. Atul C. Choksey and Mr. P.R. Rathi attended one meeting.

All Directors attended last Annual General Meeting held on 28th June, 2013 except for Mr. Atul C. Choksey and Mr. S.B. (Ravi) Pandit.

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### 2.3 Remuneration to Executive Directors:

(Amount Rs.)

Particulars	Mr. P P Chhabria Chairman (upto 30-06-2013)	Mr. D K Chhabria Executive Chairman (from 01-07-2013)	Mr. Mahesh Viswanathan Executive Director & CFO
Salary and Allowances	1,500,000	7,125,000	5,769,000
Contribution to Provident and Superannuation Funds	180,000	2,130,000	1,126,950
Other Perquisites	2,951,706	7,124,565	1,086,063
*Commission / **Incentive	*10,500,000	*49,875,000	**6,000,000
<b>Total</b>	<b>15,131,706</b>	<b>66,254,565</b>	<b>13,982,013</b>

#### Notes:

- 1) There was no scheme of "Employee Stock Options" during the year.
- 2) The above does not include contributions to group gratuity fund as the contributions/ benefits are on group basis.
- 3) In the case of Mr. D K Chhabria and Mr. Mahesh Viswanathan, the service contract is for a period of five years from the date of appointment. Notice period/severance fees applicable is 180 days for Mr. D.K. Chhabria and 90 days in case of Mr. Mahesh Viswanathan. The contract with Mr. P P Chhabria is for a period of three years from date of appointment and notice period/severance fees applicable is 180 days
- 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	165,000	600,000	765,000	-
Mr. P P Chhabria	105,000	400,000	505,000	1,760,400
Mr. Atul C. Choksey	15,000	400,000	415,000	-
Mr. Sanjay K. Asher	255,000	400,000	655,000	12,395
Mr. P. G. Pawar	255,000	400,000	655,000	-
Mr. S.B. (Ravi) Pandit	45,000	400,000	445,000	-
Mr. P.R. Rathi	135,000	400,000	535,000	-
Mr. A.J. Engineer	60,000	400,000	460,000	-
Dr. Vikas G Pai	60,000	400,000	460,000	23,500
<b>Total</b>	<b>1,095,000</b>	<b>3,800,000</b>	<b>4,895,000</b>	<b>1,796,295</b>

- (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 197 of the Companies Act, 2013 or Rupees Fifty Lakhs, which ever is less, which is the ceiling limit proposed for approval in this regard by the shareholders at the ensuing Annual General Meeting to be held on 9th September, 2014 will be 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 Nomination and Remuneration Committee may recommend and be approved by the Board.





### 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	7	1 (Chairman of none)
Dr. H.S. Vachha	4	2	5 (Chairman of Four)
Mr. Atul C. Choksey	8	3	-
Mr. Sanjay K. Asher	16	35	8 (Chairman of Four)
Mr. P.G. Pawar	5	10	4 (Chairman of Two)
Mr. D.K. Chhabria	2	2	1 (Chairman of none)
Mr. S.B. (Ravi) Pandit	5	5	3 (Chairman of one)
Mr. P.R. Rathi	9	9	4 (Chairman of one)
Mr. A.J. Engineer	1	-	1 (Chairman of none)
Mr. Mahesh Viswanathan	1	1	2 (Chairman of one)
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,



- 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 seven times during the financial year ended 31st March 2014, as against the minimum requirement of four meetings i.e. on 30th April, 2013, 9th August, 2013, 21st August, 2013, 19th September, 2013, 9th November, 2013, 7th January, 2014 and 12th February, 2014. Dr. H.S. Vachha and Mr. P.G. Pawar attended all seven meetings, Mr. Sanjay K. Asher attended six meetings. Mr. P.R. Rathi attended four 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 seven meetings of the Audit Committee held in financial year ended 31st March, 2014. 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 in financial year ended 31st March, 2014.

The date of the meeting of the Committee held for considering finalization of accounts for the year ended 31st March, 2014 was 8th May, 2014.

The due date for filing of Cost Audit Report for the financial year ended 31st March, 2013 in XBRL format was 27th September, 2013 and the Company has filed the same within the said prescribed date.

#### **4. REMUNERATION COMMITTEE:**

In view of the importance given by the Company to good corporate governance 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.

At its meeting held on 8th May 2014 the Board changed the nomenclature of the Committee to "Nomination and Remuneration Committee" as also its role to align the same with the provisions of the Companies Act, 2013 and Rules framed thereunder. 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 30th April, 2013 during the financial year ended 31st March 2014. Mr. Sanjay K. Asher and Mr. P.G. Pawar attended the meeting of the Committee. Mr. P. R. Rathi could not attend the meeting,

#### **5. SHAREHOLDERS' COMMITTEE:**

The Share Transfer-cum-Investors' Grievances Committee presently comprises of two executive Directors [namely: Mr. D.K. Chhabria and Mr. Mahesh Viswanathan and one non executive Director (namely : Mr. P.P. Chhabria)] 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.

At its meeting held on 8th May 2014 the Board changed the nomenclature of the Committee to "Share Transfer-cum-Stakeholders Relationship Committee" as also its role to align the same with the provisions of the Companies Act, 2013 and Rules framed thereunder. 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 six meetings held during the year.

3 Complaints were received from shareholders during the year and no complaint was outstanding as on 31st March 2014.

### 6. GENERAL BODY MEETINGS:

Location and time for last three Annual General Meetings:

Year	Location	Date	Time	Whether any special resolution passed therein
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 a.m.	No
2012-13	Acharya Atre Rangmandir Sant Tukaramnagar, Pimpri, Pune 411 018	28th June, 2013	11.30 a.m.	Yes

- (a) Following special resolutions were passed through postal ballot last year and no such resolution is proposed to be passed by postal ballot this year.
- (i) Item No.1 Alteration of Memorandum of Association of the Company by inserting new Clause No. 71 under Object Clause III therein to enable the Company to carry on the business of manufacturing, assembling, altering, exchanging, buying, selling, importing, exporting or otherwise dealing in all types of electrical goods and instruments including circuit breakers, miniature circuit breakers, earth leakage circuit breakers, distribution boards, fans, distribution boxes and all types of parts accessories including chokes, starters, switches and condensers; and
- (ii) Item No. 2 Approval of the Company to commence the business under said new clause 71 under the Object Clause III of the Memorandum of Association of the Company as mentioned in the Postal Ballot Notice dated 9th August 2013.

### 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 of India 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



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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.

### 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 : 8th May, 2014

Sd/-

D K Chhabria

Executive Chairman

## 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, 2014 as stipulated in clause 49 of the Listing Agreements (as modified and in force from time to time) entered into with National Stock Exchange 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 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

Partner Date : 8th May, 2014

### Shareholder / Debentureholder Information

#### Registered Office

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

#### Annual General Meeting

The Forty Sixth Annual General Meeting ("AGM") of the Company will be held on Tuesday, 9th September, 2014 at 11.30 a.m. at Acharya Atre Rangmandir, Sant Tukaramnagar, Pimpri, Pune- 411 018.

#### Financial Calendar (Tentative):

- |   |                               |
|---|-------------------------------|
| (a) Annual General Meeting :                          | 9th September, 2014           |
| (b) Results for quarter ending 30th June, 2014 :      | Second week of August, 2014   |
| (c) Results for quarter ending 30th September, 2014 : | Second week of November, 2014 |
| (d) Results for quarter ending 31st December, 2014 :  | Second week of February, 2015 |
| (e) Results for quarter ending 31st March, 2015 :     | Last week of May, 2015        |

#### Dates of Book Closure

The Company's Transfer Books will be closed from Saturday, 30th August, 2014 to Tuesday, 9th September, 2014 (both days inclusive) for purpose of AGM and for payment of Dividend for the year ended 31st March, 2014.

#### Dividend Payment

The Board of Directors of the Company at its meeting held on 8th May, 2014 recommended payment of Dividend @ 80% (i.e. Rs.1.60 per share) for the year ended 31st March, 2014. The payment of dividend is to be approved by the shareholders at the AGM and as on the 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 8th October, 2014 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, 29th August, 2014).

#### 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 of India Limited 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 Limited	500144	
Trading Symbol National Stock Exchange of India Limited	FINCABLES-EQ	INE235A01022

#### Payment of Listing Fees

Annual Listing Fee for the year 2014-15 as applicable has been paid to the said Stock Exchanges and Annual Maintenance Fees for the Calender year 2014 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 of India 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 13	54.90	45.45	2,713,503	54.80	45.50	1,197,704
May 13	59.90	48.25	11,226,399	59.85	48.20	4,128,198
June 13	54.10	46.90	2,452,002	54.15	47.00	965,111
July 13	65.90	49.50	8,913,821	65.90	49.45	3,874,016
August 13	58.00	49.70	2,744,652	56.80	49.70	1,225,403
September 13	56.40	50.10	4,575,664	56.50	50.10	1,595,568
October 13	63.30	54.40	4,130,746	63.25	54.60	1,933,244
November 13	75.90	58.55	16,411,612	76.00	58.50	5,010,883
December 13	87.00	73.50	11,487,539	86.95	73.75	3,536,307
January 14	92.40	79.25	12,188,932	92.10	79.50	2,756,038
February 14	88.40	73.50	8,309,481	88.30	73.40	2,300,679
March 14	119.00	77.30	17,360,272	115.45	77.55	3,784,855
<b>Total</b>			<b>102,514,623</b>			<b>32,308,006</b>

### Shareholding Pattern as on 31st March, 2014

Category	No. of shares held	Percentage Shareholding
<b>A. Promoters Shareholding</b>		
1. Promoters*	54,841,470	35.86
- Indian Promoters	NIL	NIL
- Foreign Promoters	NIL	NIL
2. Persons acting in Concert		
<b>Sub Total</b>	<b>54,841,470</b>	<b>35.86</b>
<b>B. Non-Promoters holding</b>		
3. Institutional Investors		
a. Mutual Funds and UTI	13,258,720	8.67
b. Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	2,963,851	1.94
c. FIIs	8,419,318	5.50
<b>Sub Total</b>	<b>24,641,889</b>	<b>16.11</b>
4. OTHERS		
a. Private Corporate Bodies**	27,083,047	17.71
b. Indian Public	39,250,541	25.66
c. NRIs/ OCBs	1,035,973	0.68
d. Any others (Custodian for GDRs)	6,086,425	3.98
<b>Sub Total</b>	<b>73,455,986</b>	<b>48.03</b>
<b>Grand Total</b>	<b>152,939,345</b>	<b>100.00</b>

\* 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 2014

\*\* 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, 2014

No. of Equity Shares held	No. of shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-5000	39,658	97.86	19,367,653	12.66
5001-10000	444	1.10	3,249,155	2.13
10001 & above	424	1.04	130,322,537	85.21
<b>Grand Total</b>	<b>40,526</b>	<b>100.00</b>	<b>152,939,345</b>	<b>100.00</b>

### 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 and found valid 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 - 2012- 2014

<u>31st March</u>	<u>No. of shareholders</u>
2012	51,764
2013	47,982
2014	40,526

### 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)
2012-13	28 <sup>th</sup> June, 2013	2*	60	1.20*
2011-12	14 <sup>th</sup> August, 2012	2*	40	0.80*
2010-11	8 <sup>th</sup> August, 2011	2*	35	0.70*
2009-10	9 <sup>th</sup> August, 2010	2*	30	0.60*
2008-09	26 <sup>th</sup> August, 2009	2*	10	0.20*
2007-08	30 <sup>th</sup> July, 2008	2*	75	1.50*
2006-07	29 <sup>th</sup> June, 2007	2*	70	1.40*
2005-06	27 <sup>th</sup> June, 2006	10	60	6.00
2004-05	5 <sup>th</sup> July, 2005	10	45	4.50
2003-04	18 <sup>th</sup> June, 2004	10	40	4.00

\* 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, 2014, 98.11% (i.e. NSDL: 93.67% and CDSL: 4.44%) 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, 2014.

### 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

#### Urse (Electrical & Communication Cables)

Taluka Maval  
Dist – Pune - 410 506  
Telephone: (02114) 662551/662466  
Facsimile: (02114) 237025  
Email: PM\_Deshpande@finolex.com

#### Optic Fibre Division

Urse  
Taluka Maval  
Dist – Pune - 410 506  
Telephone: (02114) 662551/662466  
Facsimile: (02114) 237025  
Email: sunil@finolex.com

#### Lighting Division (CFL)

Plot No. 399, Village Urse  
Taluka Maval  
Dist – Pune - 410 506  
Telephone: (02114) 662551/662466  
Facsimile: (02114) 237025  
Email: SVDeshpande@finolex.com

#### Switches Division

Gat No. 344 Village Urse,  
Taluka Maval  
Dist- Pune - 410 506  
Telephone: (02114) 662551/662466  
Facsimile: (02114) 237025  
Email: MV\_Rangwani@finolex.com

#### HVPC Urse, Pune

Gat No. 343, Village Urse  
Taluka Maval  
Dist-Pune-410 506  
Telephone: (02114) 662551/662466  
Facsimile: (02114) 237025  
Email: amit\_bakhle@finolex.com

#### Goa (Electrical & Communication Cables)

Plot No. 117/L118  
Verna Industrial Estate  
Verna Salcette  
South Goa, Goa – 403 722  
Telephone: (0832) 2782002/3/4  
Facsimile: (0832) 2783909  
Email: ratnakar\_barve@finolex.com

#### Goa (Communication Cables)

Plot No. L123/9A,  
Verna Industrial Estate, Verna Salcette,  
South Goa, Goa – 403 722  
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 – 403 406  
Telephone: (0832) 2344376/8/9  
Facsimile: (0832) 2344140  
Email: knarayanan@finolex.com

#### Roorkee

Plot Nos.K-1 & K-2 AIS Industrial Estate  
Latherdeva Hoon, Mangaur, Roorkee,  
Taluka Haridwar,  
Uttarakhand – 247 667  
Telephone: (01332) 224069/224044/45  
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](mailto: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](mailto: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 (whether holding shares singly or jointly) 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 21<sup>st</sup> 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.



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(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.

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

## Independent Auditor's Report

To the Members of Finolex Cables Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Finolex Cables Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, and the Statements of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. 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.

### Auditor's Responsibility

3. 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.
4. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. 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 31<sup>st</sup> March 2014;
  - (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.



## Report on Other Legal and Regulatory Requirements

7. 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 (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.
8. 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, the Balance Sheet, the Statements of Profit and Loss and Cash Flow dealt with by this report, comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - c. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For B. K. Khare & Co.**  
**Chartered Accountants**

Firm Registration Number 105102W

**Naresh Kumar Kataria**  
**Partner**

Membership No.:37825

Place: Pune

Dated: 8<sup>th</sup> May 2014

**Annexure to the Auditor's 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 in the process of completing the reconciliation of physical assets verified during the year with the book records.
  - 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 noted 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) The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) of the Order is not applicable to the Company.
- 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 Section 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.
- 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:
  - i) 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



# Finolex

## Cables Limited

statutory dues with the appropriate authorities during the year.

- ii) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- iii) Particulars of dues of Sales Tax, Customs Duty, Excise Duty and cess which have not been deposited on account of disputes are as under:

Nature of Dues	Rs in 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
	553.02	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	2.59	Asst. Commissioner	Various Years
	73.15	Customs Excise and Service Tax Appellate Tribunal – Mumbai	Various Years
	3.16	Commissioner Appeals	2012-13
	62.37	Commissioner Excise	Various Years
The Indian Customs Act, 1962	13.43	Commissioner Customs	1999-2000

- 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:
  - a) 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.
  - b) The shares and securities have been held by the Company in its own name.
- 15) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.

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## Annual Report 2013-14

- 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.
- 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) During the year, 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 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 and Co.**  
**Chartered Accountants**

Firm Registration Number: 105102W

**Naresh Kumar Kataria**  
**Partner**

Membership No.:37825

Place: Pune

Dated: 8<sup>th</sup> May, 2014.





### Balance Sheet

as at 31st March, 2014

(Rs. in million)

	Notes	2014	2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	305.9	305.9
Reserves and Surplus	2	10,727.8	8,937.3
		<b>11,033.7</b>	<b>9,243.2</b>
<b>Non - Current Liabilities</b>			
Long - Term Borrowings	3	1,266.9	1,451.5
Other Long - Term Liabilities	4	17.9	13.6
Long - Term Provisions	5	35.3	568.8
Deferred Tax Liabilities (Net)	32a	295.2	344.7
		<b>1,615.3</b>	<b>2,378.6</b>
<b>Current Liabilities</b>			
Short - Term Borrowings	6	-	171.1
Trade Payables	7	526.8	632.9
Other Current Liabilities	8	1,590.4	1,391.2
Short - Term Provisions	5	873.5	224.4
		<b>2,990.7</b>	<b>2,419.6</b>
		<b>15,639.7</b>	<b>14,041.4</b>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Fixed Assets :			
Tangible Assets	9	4,958.0	4,120.7
Intangible Assets		0.4	0.4
Capital Work-In-Progress		107.0	357.3
Non - Current Investments	10	2,260.8	2,173.9
Long -Term Loans and Advances	11	47.7	166.5
Other Non - Current Assets	12	264.9	190.8
		<b>7,638.8</b>	<b>7,009.6</b>
<b>Current Assets :</b>			
Current Investments	13	1,770.6	1,067.0
Inventories	14	3,524.0	3,296.3
Trade Receivables	15	1,451.7	1,496.5
Cash and Bank Balances	16	648.6	398.1
Short - Term Loans and Advances	11	605.1	771.8
Other Current Assets	12	0.9	2.1
		<b>8,000.9</b>	<b>7,031.8</b>
		<b>15,639.7</b>	<b>14,041.4</b>

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 &amp;

Vice President (Legal)

**P. P. Chhabria**  
**Dr. H. S. Vachha**  
**S. K. Asher**  
**A. J. Engineer**  
**Dr. V. G. Pai**  
**P. R. Rathi**

**D. K. Chhabria**  
*Executive Chairman*  
**M. Viswanathan**  
*Executive Director &*  
*Chief Financial Officer*

Pune: 8th May, 2014

Pune: 8th May, 2014

### Statement of Profit and Loss for the year ended 31st March, 2014

(Rs. in million)

Continuing operations	Notes	2014	2013
<b>INCOME</b>			
Revenue From Operations (Gross)	17	25,099.5	24,235.3
Less : Excise Duty		1,509.1	1,528.5
Revenue From Operations (Net)		23,590.4	22,706.8
Other Income	18	483.5	241.7
<b>Total Revenue</b>		24,073.9	22,948.5
<b>EXPENSES</b>			
Cost of Materials Consumed	19	17,759.3	17,131.6
Purchase of Stock-in-Trade	20	112.1	58.0
(Increase) / Decrease in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	21	(215.3)	(296.8)
Employee Benefit Expenses	22	848.3	845.9
Finance Costs	23	144.8	133.8
Depreciation, Amortization and Impairment	24	484.3	466.3
Other Expenses	25	2,604.1	2,671.5
<b>Total Expenses</b>		21,737.6	21,010.3
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		2,336.3	1,938.2
Exceptional Items - Income / (Expenses)	26	103.8	(230.1)
<b>Profit Before Extraordinary Items and Tax</b>		2,440.1	1,708.1
Extraordinary Items		-	-
<b>Profit Before Tax</b>		2,440.1	1,708.1
Less : Tax Expenses			
- Current Tax		484.0	333.9
- MAT Credit Availed		94.3	-
		578.3	333.9
- Deferred Tax (Net) (Refer Note 32a)		(49.5)	18.6
- MAT Credit Entitlement (Refer Note 32b)		(166.5)	(108.1)
- Taxes of Earlier Years		1.0	11.0
		363.3	255.4
<b>Profit for the year</b>		2,076.8	1,452.7
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	13.6	9.5
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**  
Dr. H. S. Vachha  
S. K. Asher  
A. J. Engineer  
Dr. V. G. Pai  
P. R. Rathi

**D. K. Chhabria**  
Executive Chairman  
**M. Viswanathan**  
Executive Director &  
Chief Financial Officer

Pune: 8th May, 2014

Pune: 8th May, 2014



### Cash Flow for the year ended 31st March, 2014

	(Rs. in million)	
	2014	2013
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAXATION AND AFTER EXCEPTIONAL ITEMS	2,440.1	1,708.1
Adjustments for :		
Depreciation, Amortisation and Impairment	484.3	466.3
Reversal of Exchange Difference considered as an adjustment to Borrowing Cost (Refer Note 31)	-	(34.9)
Dividend Income	(225.6)	(124.7)
Interest Income	(100.9)	(27.0)
Loss / (Profit) on : Sale of Fixed Assets	0.6	1.1
Loss / (Profit) on : Sale of Investments	(118.6)	(39.7)
Losses / (Gain) on Derivative Contracts	(103.8)	278.6
Finance Costs	144.8	124.6
Provision for doubtful debts	10.5	-
Provision for Diminution in value of Investments	75.3	32.9
	<u>166.6</u>	<u>677.2</u>
<b>Operating Profit before working capital changes</b>	<b>2,606.7</b>	<b>2,385.3</b>
Adjustments for :		
(Increase ) / Decrease Trade and Other Receivables and Loans and Advances	(72.9)	(537.6)
(Increase ) / Decrease Inventories	(227.7)	(484.9)
Increase / (Decrease) Trade Payables and other liabilities	140.5	462.0
Changes in Working Capital	(160.1)	(560.5)
Cash generated from Operations	<u>2,446.6</u>	<u>1,824.8</u>
Tax refunds / (paid)	(219.3)	(335.3)
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)</b>	<b><u>2,227.3</u></b>	<b><u>1,489.5</u></b>
<b>B. Cash Flow from Investing Activities</b>		
Dividend Income	225.6	124.7
Interest Income	100.9	27.0
Purchase/Sale of Fixed Assets/Capital Expenditure (Net)	(952.7)	(498.4)
(Purchase) / Sale of Investments (Current and Non-current)	118.5	21.9
Investment in Associate and Joint Venture Company	(164.0)	-
<b>NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)</b>	<b><u>(671.7)</u></b>	<b><u>(324.8)</u></b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of Borrowings	(184.6)	(146.8)
Term loans from banks	-	450.0
Repayment of Short - term borrowings	(171.1)	(213.4)
(Losses) / Gain on derivatives contracts	103.8	(278.6)
Finance Costs	(144.8)	(125.1)
Dividend & Dividend Tax paid	(213.8)	(141.7)
<b>NET CASH FLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C )</b>	<b><u>(610.5)</u></b>	<b><u>(455.6)</u></b>
<b>Total (A) + (B) + (C)</b>	<b><u>945.1</u></b>	<b><u>709.1</u></b>

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## Annual Report 2013-14

(Rs. in million)

	2014	2013
<b>D. Increase / (Decrease) in Cash and Cash Equivalents</b>		
Cash and Cash Equivalents		
Opening Balance	1,366.6	657.5
Closing Balance	2,311.7	1,366.6
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>945.1</b>	<b>709.1</b>

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) **Cash and Cash equivalents :-**

Cash and Bank Balances as per Balance sheet	648.6	398.1
Less : Margin Money deposits and Unpaid dividend accounts	(90.9)	(83.8)
Mutual fund investments freely convertible (included in current investments)	1,754.0	1,052.3
	<b>2,311.7</b>	<b>1,366.6</b>

3) 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

**P. P. Chhabria**  
**Dr. H. S. Vachha**  
**S. K. Asher**  
**A. J. Engineer**  
**Dr. V. G. Pai**  
**P. R. Rathi**

**D. K. Chhabria**  
*Executive Chairman*  
**M. Viswanathan**  
*Executive Director &  
Chief Financial Officer*

**NARESH KUMAR KATARIA**  
*Partner*  
Membership No. 37825

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

Pune: 8th May, 2014

Pune: 8th May, 2014



### Notes forming part of the Balance Sheet

#### Note 1: Share Capital

	(Rs. in million)	
	2014	2013
<b>Authorised</b>		
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
	<b>500.0</b>	<b>500.0</b>
<b>Issued, Subscribed and Paid Up</b>		
152,939,345 (Previous year 152,939,345) Equity Shares of Rs. 2/- each fully paid.	305.9	305.9
	<b>305.9</b>	<b>305.9</b>

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

	2014		2013	
	No.	Rs. million	No.	Rs. million
<b>Equity Shares</b>				
Balance at the beginning of the year	152,939,345	305.9	152,939,345	305.9
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>152,939,345</b>	<b>305.9</b>	<b>152,939,345</b>	<b>305.9</b>

#### 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, 2014 the amount of per share dividend recognised as distributions to the equity shareholders is Rs. 1.60 per share ( Previous year Rs. 1.20 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

	2014		2013	
	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
Orbit Electricals Private Limited	46,956,120	30.7	46,843,120	30.6

#### 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

### Note 2 : Reserves and Surplus

	(Rs. in million)	
	2014	2013
<b>Capital Reserve</b>	84.1	84.1
<b>Share Capital Buyback Reserve</b>	55.2	55.2
<b>Securities Premium Reserve</b>	1,091.0	1,091.0
<b>Debenture Redemption Reserve</b>	250.0	250.0
<b>General Reserve</b>		
Balance at the beginning of the year	4,833.2	4,683.2
Add : Amount Transferred from Surplus in the Statement of Profit and Loss	210.0	150.0
Balance at the end of the year	5,043.2	4,833.2
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	2,623.8	1,534.9
Profit for the year	2,076.8	1,452.7
Less: Appropriations :		
Proposed dividend on the Equity Shares (amount per share Rs. 1.60, Previous year Rs.1.20)	(244.7)	(183.5)
Dividend distribution tax on proposed dividend on Equity Shares	(41.6)	(30.3)
Transfer to General Reserve	(210.0)	(150.0)
Total Appropriations	(496.3)	(363.8)
Balance at the end of the year	4,204.3	2,623.8
<b>Total Reserves and Surplus</b>	10,727.8	8,937.3

### Note 3 : Long Term Borrowings

	(Rs. in million)			
	Non Current		Current	
	2014	2013	2014	2013
<b>Secured:</b>				
<b>Bonds / Debentures</b>				
9.10% 'M' Series Non Convertible Debentures (500 Debentures of Rs.1,000,000 each)	500.0	500.0	-	-
<b>Term Loans from Banks</b>				
Indian Rupee Loan	750.0	750.0	-	-
Foreign Currency Loan	-	180.9	199.7	181.0
	750.0	930.9	199.7	181.0
<b>Unsecured:</b>				
Deferred Sales Tax Loan	16.9	20.6	3.7	2.5
	1,266.9	1,451.5	203.4	183.5
Amount shown under Other Current Liabilities (Note 8)			(203.4)	(183.5)



## Notes forming part of the Balance Sheet

### Notes:

Particulars	Tenor	Rs. in Million	Repayment Schedule	Interest Rate
a) Debenture – M Series	5 years	500.0	Lump sum on 24 <sup>th</sup> August, 2015	9.1%
b) Rupee Term Loan from Bank	6 years	750.0	3 equal installments of Rs.250 million each on 31 <sup>st</sup> Dec 2015, 31 <sup>st</sup> Dec 2016, 31 <sup>st</sup> Dec 2017	Bank base rate plus 0.25%
c) Foreign Currency Loan from Banks	5 years	199.7	Repayable on 6 <sup>th</sup> Jan 2015	6 month's Libor plus 0.18%
d) Deferred Sales Tax Loan	-	20.6	Repayable in installments, last installment being on 26 <sup>th</sup> April 2020	Interest free

### Security

- |                                    |  |
|------------------------------------|--|
| a) Debentures M Series             | First Pari Passu charge on plant and machinery and the immovable properties of plant at Verna Industrial Estate, Goa and premises situated at Ahemdabad 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 Compact Fluorescent Lamp and High Voltage Power Cable plant   |

### Note 4 : Other long - term liabilities

	(Rs. in million)	
	2014	2013
Retention Money	17.9	13.6
	<b>17.9</b>	<b>13.6</b>

### Note 5 : Provisions

	(Rs. in million)			
	Long - Term		Short - Term	
	2014	2013	2014	2013
<b>Provision for Employee benefits</b>				
Gratuity	-	3.1	2.0	-
Leave encashment	35.3	40.5	9.2	10.6
	<b>35.3</b>	<b>43.6</b>	<b>11.2</b>	<b>10.6</b>
<b>Other Provisions</b>				
Proposed Equity Dividend	-	-	244.7	183.5
Tax on Proposed Equity Dividend	-	-	41.6	30.3
Derivative Contracts (Refer Note 30)	-	525.2	525.2	-
Other Provisions - Duties/Taxes	-	-	50.8	-
	-	525.2	862.3	213.8
	<b>35.3</b>	<b>568.8</b>	<b>873.5</b>	<b>224.4</b>

### Notes forming part of the Balance Sheet

#### Note 6 : Short - term borrowings

	(Rs. in million)	
	2014	2013
<b>Secured :</b>		
Cash Credit	-	-
Packing Credit	-	-
<b>Unsecured:</b>		
Buyers Credit	-	171.1
	-	171.1

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

#### Note 7 : Trade Payables

	(Rs. in million)	
	2014	2013
For dues to Micro, Small and Medium Enterprises Refer Note 33	526.8	632.9
	526.8	632.9

#### Note 8 : Other Current Liabilities

	(Rs. in million)	
	2014	2013
Current Maturities of Long - Term Borrowing (Refer Note 3)	203.4	183.5
Other Payables #	1,361.7	1,183.4
Interest free Deposits from Distributors	7.9	8.3
Interest accrued but not Due on Borrowings	7.7	7.2
Unpaid Dividend *	9.7	8.8
	1,590.4	1,391.2

\*There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

# Includes Derivative Liability Rs.30.0 million (Previous Year Rs. 80.4 million net of Counter Claims), Expenses payable of Rs.743.9 million (Previous Year Rs. 728.9 million), Statutory dues of Rs.141.2 million (Previous Year Rs. 136.3 million), Creditors of capital goods and Services Rs. 355.0 million (Previous Year Rs. 86.7 million), Other liability Rs.41.8 million (Previous Year Rs. 115.4 million), Advances from Customers Rs.49.8 million (Previous Year Rs. 35.7 million)





### Notes forming part of the Balance Sheet

#### Note 9: Fixed Assets

Description	Gross Block				Depreciation/Amortisation / Impairment						Net Block		
	Balance as at 1 April 2013	Additions (Refer Note (a) below)	Deductions/ Adjustments	Gross Block as at 31 March 2014	Balance as at 1 April 2013	Depreciation For the year	Deductions/ Adjustments	Total Depreciation 31 March 2014	Provision for impairment as at 1 April 2013	Charge / (Reversal) for the year	Provision for impairment as at 31 March 2014	Balance as at March 2014	Balance as at 31 March 2013
<b>Tangible Assets (A)</b>													
Land	106.8	7.9	-	114.7	-	-	-	-	-	-	-	114.7	106.8
Leasehold Land	161.0	-	-	161.0	10.8	1.6	-	12.4	-	-	-	148.6	150.2
Buildings (Refer Note (b) below)	2,052.9	290.2	4.2	2,338.9	498.6	70.6	0.2	569.0	-	-	-	1,769.9	1,554.3
Plant & Machinery (Refer Note (b) and (c) below)	6,494.6	999.2	0.5	7,493.3	3,982.2	395.7	0.2	4,377.7	304.0	-	304.0	2,811.6	2,208.4
Furniture, Fittings	118.0	4.5	-	122.5	91.3	3.4	-	94.7	-	-	-	27.8	26.7
Office Equipment	62.0	6.5	-	68.5	32.3	2.5	-	34.8	-	-	-	33.7	29.7
Computers, Peripherals	98.1	4.1	1.1	101.1	83.8	4.0	1.0	86.8	-	-	-	14.3	14.3
Vehicles	54.4	11.8	0.8	65.4	31.3	4.6	0.5	35.4	-	-	-	30.0	23.1
Dies & Moulds	15.7	2.1	-	17.8	8.5	1.9	-	10.4	-	-	-	7.4	7.2
<b>Tangible Assets Total</b>	<b>9,163.5</b>	<b>1,326.3</b>	<b>6.6</b>	<b>10,483.2</b>	<b>4,738.8</b>	<b>484.3</b>	<b>1.9</b>	<b>5,221.2</b>	<b>304.0</b>	<b>-</b>	<b>304.0</b>	<b>4,958.0</b>	<b>4,120.7</b>
<i>Previous year</i>	8,873.8	296.9	7.2	9,163.5	4,293.5	450.8	5.5	4,738.8	288.5	15.5	304.0	4,120.7	4,291.9
<b>Intangible Assets (B)</b>													
<b>Software &amp; Others</b>	<b>128.3</b>	<b>-</b>	<b>-</b>	<b>128.3</b>	<b>127.9</b>	<b>-</b>	<b>-</b>	<b>127.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>0.4</b>
<i>Previous year</i>	128.3	-	-	128.3	127.9	-	-	127.9	-	-	-	0.4	0.4
<b>Total (A) + (B)</b>	<b>9,291.8</b>	<b>1,326.3</b>	<b>6.6</b>	<b>10,611.5</b>	<b>4,866.7</b>	<b>484.3</b>	<b>1.9</b>	<b>5,349.1</b>	<b>304.0</b>	<b>-</b>	<b>304.0</b>	<b>4,958.4</b>	<b>4,121.1</b>
<i>Previous year</i>	9,002.1	296.9	7.2	9,291.8	4,421.4	450.8	5.5	4,866.7	288.5	15.5	304.0	4,121.1	4,292.3

a) Includes exchange difference on foreign exchange loan and borrowings cost capitalized during the year: Buildings Rs.12.2 million (Previous year Rs. 18.5 million), Plant & Machinery Rs.33.9 million (Previous year Rs.51.5 million), Refer Note 31

b) The Borrowing cost capitalised to Plant and Machinery and Building is Rs.3.0 million (Previous year Rs.5.2 million)

c) Additions for the year includes Rs.379.5 million towards Solar Power Plant.

### Notes forming part of the Balance Sheet

**Note 10: Non-Current Investments**

		(Rs. in million)	
		2014	2013
<b>Non-Trade Investments (At Cost)</b>			
<b>Investment in Quoted Equity Instruments</b>			
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
<b>Investment in Unquoted Equity Instruments</b>			
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		(35.1)	(31.7)
		25.9	29.3
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)*	-	-
5,343,404	Equity Shares of Rs.10 each fully paid in Finolex Infrastructure Limited (Previous Year 5,343,404)	53.4	53.4
		167.2	170.6
<b>Investments in Joint Venture Company- Unquoted</b>			
62,720,000	Equity Shares of Rs.10 each fully paid in Finolex J-Power Systems Limited (Previous Year 48,020,000)	627.2	480.2
Less : Provision for Diminution in value of investments (Refer Note: 35)		(73.7)	-
		553.5	480.2
1,750,000	Equity Shares of Rs.10 each fully paid in Corning Finolex Optical Fibre Private Limited (Previous Year 50,000)	17.5	0.5
		571.0	480.7
		2,260.8	2,173.9
Aggregate amount of Quoted Investments		1,522.6	1,522.6
(Market Value Rs.7,877.4 million, Previous year Rs.3,605.9 million)			
Aggregate amount of Unquoted Investments		738.2	651.3
Aggregate provision for diminution in value of Investments		108.8	31.7
* indicate investments having value in rupees less than Rupees Million			



## Notes forming part of the Balance Sheet

### Note 11 : Loans and Advances

(Rs. in million)

	Non Current		Current	
	2014	2013	2014	2013
<b>Unsecured, Considered Good unless stated otherwise</b>				
<b>Capital Advances</b>				
Considered Good	9.0	128.2	-	-
Considered Doubtful	0.4	0.4	-	-
	<b>9.4</b>	<b>128.6</b>	<b>-</b>	<b>-</b>
Less: Provision for Doubtful Capital Advances	0.4	0.4	-	-
	<b>9.0</b>	<b>128.2</b>	<b>-</b>	<b>-</b>
<b>Security Deposits #</b>	<b>38.7</b>	<b>38.3</b>	<b>-</b>	<b>-</b>
<b>Advances Recoverable in Cash or in kind</b>				
Considered Good Unsecured # #	-	-	391.2	296.1
Considered Doubtful	-	-	8.7	8.7
	<b>-</b>	<b>-</b>	<b>399.9</b>	<b>304.8</b>
Less: Provision for Doubtful Advances	-	-	8.7	8.7
	<b>-</b>	<b>-</b>	<b>391.2</b>	<b>296.1</b>
Advance Income-tax (Net of Provision for Taxation)	-	-	185.9	453.5
Balances with Customs and Excise	-	-	28.0	22.2
	<b>-</b>	<b>-</b>	<b>213.9</b>	<b>475.7</b>
	<b>47.7</b>	<b>166.5</b>	<b>605.1</b>	<b>771.8</b>

# Security Deposits include rent deposit Rs. 2.5 million (Previous Year Rs. 2.5 million) given to related party, Orbit Electricals Pvt.Ltd., towards premises taken on lease.

## Includes Interest Receivable of Rs.4.2 million (Previous Year Rs 12.1 million), Sales Tax Receivable of Rs.116.9 million (Previous Year Rs. 119.5 million), Advances to Creditors of Rs.158.4 million (Previous Year Rs. 42.3 million), Excise claim of Rs.49.3 million (Previous Year Rs.50.8 million), Export Rebate of Rs. 3.6 million (Previous Year Rs.7.0 million), Advance contribution for Superannuation Scheme of Rs.9.5 million (Previous Year Rs.21.6 million), Other Advances of Rs.45.9 million (Previous Year Rs.39.3 million), Prepaid Expenses of Rs.3.4 million (Previous Year Rs. 3.5 million)

## Notes forming part of the Balance Sheet

### Note 12 : Other Assets

	(Rs. in million)			
	Non Current		Current	
	2014	2013	2014	2013
MAT Credit Entitlement	264.9	190.8	-	-
Unamortised Premium on Forward Contracts	-	-	0.9	2.1
	264.9	190.8	0.9	2.1

### Note 13 : Current Investments

(Valued at lower of cost and fair value)

#### Investment in Quoted Equity Instruments

	2014	2013
10 Equity Shares of Rs.5 each fully paid in Apar Industries Limited (Previous Year Nil)*	-	-
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 Investments Limited (Previous Year 168,750)	-	-
100 Equity Shares of Rs.10 each fully paid in Birla Ericsson Optical Limited (Previous Year 100)*	-	-
100 Equity Shares of Rs. 10 each fully paid in Delton Cables Limited (Previous Year 100)*	-	-
57 Equity Shares of Re. 1 each fully paid in Dish TV India Limited (Previous Year 57)*	-	-
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	(0.9)	(1.8)
	5.3	4.4
100 Equity Shares of Rs. 10 each fully paid in Nicco Corporation (Previous Year 100)*	-	-
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)*	-	-
50 Equity Shares of Re. 1 each fully paid in Siti Cable Network Limited (Previous Year NIL)*	-	-
- Equity Shares of Rs. 10 each fully paid in Uniflex Cables Limited (Previous Year 100)*	-	-
100 Equity Shares of Rs. 10 each fully paid in Usha Martin Education & Solutions Limited (Previous Year 100)*	-	-
500 Equity Shares of Re. 1 each fully paid in Usha Martin Limited (Previous Year 500)*	-	-
100 Equity Shares of Rs. 10 each fully paid in Vindhya Telelinks Limited (Previous Year 100)*	-	-
- Equity Shares of Rs. 10 each fully paid in Wire & Wireless India Limited (Previous Year 50)*	-	-
218 Equity Shares of Rs. 10 each fully paid in ZEE Entertainment Enterprises Limited (Previous Year 218)*	-	-
4,578 6% Cumulative Redeemable Non-Convertible Preference Shares of Re. 1 each (Previous Year Nil)	-	-
27 Equity Shares of Rs. 10 each fully paid in ZEE Learn Limited (Previous Year 27)*	-	-
45 Equity Shares of Rs. 10 each fully paid in ZEE Media Corporation Limited (Previous Year 45)	-	-
	6.8	5.9



### Notes forming part of the Balance Sheet

		(Rs. in million)	
		2014	2013
<b>Note 13 : Current Investments (Contd.)</b>			
<b>Investments in Quoted Mutual Funds</b>			
67,211	Units of Rs. 10 each of Axis Liquid Fund - Growth (Previous Year Nil)	93.7	-
611,162	Units of Rs 10 each of Birla Sun Life Cash Plus-Growth (Previous Year 570,396)	125.1	105.8
71,170	Units of Rs 10 each of Baroda Pioneer Short Liquid Fund Plan A-Growth (Previous Year 49,159)	102.5	50.0
-	Units of Rs 10 each of Baroda Pioneer Short Term Bond Fund-Growth (Previous Year 4,117,870)	-	65.9
66,048	Units of Rs 10 each of DSP Blackrock Liquidity Fund-Institutional Plan-Growth (Previous Year 100,400)	120.0	167.1
529,738	Units of Rs. 10 each of ICICI Prudential Liquid-Regular Plan- Growth (Previous Year 536,413)	100.0	92.0
1,189,631	Units of Rs. 10 each of HDFC Liquid Fund - Growth (Previous Year 359,307)	30.0	8.3
96,190	Units of Rs. 1,000 each of IDBI Liquid Fund - Growth (Previous Year 36,211)	130.5	45.5
-	Units of Rs. 10 each of IDFC Ultra Short Term Fund - Growth-Regular Plan (Previous Year 3,081,797)	-	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 investments	-	(0.3)
		<b>2.5</b>	<b>2.2</b>
858,462	Units of Rs.10 each of JM High Liquidity Fund-Growth (Previous Year 4,063,921)	30.0	129.4
3,033,260	Units of Rs 10 each of JM Floater Short Term Fund - Growth (Previous Year Nil)	60.0	-
28,569	Units of Rs.10 each of L&T Liquid Fund-Growth (Previous Year 4,667)	50.0	7.5
41,521	Units of Rs.10 each of Reliance Liquid Fund-Treasury Plan-Growth (Previous Year 15,766)	128.0	45.0
9,759	Units of Rs.10 each of Reliance Liquid Fund-Cash Plan-Growth (Previous Year Nil)	20.0	-
15,643	Units of Rs.10 each of Reliance Liquidity Fund -Growth Plan - Growth (Previous Year Nil)	30.0	-
-	Units of Rs.10 each of Religare Liquid Fund-Super Institutional-Growth (Previous Year 53,932)	-	84.9
67,829	Units of Rs.10 each of Religare Invesco Liquid Fund-Growth (Previous Year Nil)	115.2	-
34,292	Units of Rs.10 each of SBI Magnum Insta Cash Fund Liquid Floater-Regular Plan -Growth (Previous Year 14,966)	75.0	30.0
14,900	Units of Rs.10 each of SBI Premier Liquid Fund-Growth (Previous Year 43,558)	30.0	78.7
5,250,898	Units of Rs.10 each of Sundaram Money Fund Regular-Growth (Previous Year Nil)	140.0	-
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	(2.7)	(3.4)
		<b>7.3</b>	<b>6.6</b>
12,688	Units of Rs. 10 each of Tata Liquid Fund Plan A - Growth (Previous Year Nil)	30.0	-
68,404	Units of Rs.10 each of Templeton India Treasury Management Account-Super Institutional Plan-Growth (Previous Year Nil)	130.1	-
63,406	Units of Rs.10 each of Taurus Liquid Fund-Existing Plan-Super Institutional-Growth (Previous Year 73,901)	87.5	92.2
61,780	Units of Rs. 10 each of UTI Liquid Cash Plan - Institutional - Growth (Previous Year Nil)	126.4	-
		<b>1,763.8</b>	<b>1,061.1</b>
		<b>1,770.6</b>	<b>1,067.0</b>
Aggregate amount of Quoted Investments		<b>1,770.6</b>	<b>1,067.0</b>
(Market Value Rs.1,921.1 million, Previous year Rs.1,120.4 million)			
Aggregate provision for diminution in value of Investments		<b>3.6</b>	<b>5.5</b>
* indicate investments having value in rupees less than Rupees Million			

## Notes forming part of the Balance Sheet

### Note 14 : Inventories ( Valued at lower of cost and net realisable value unless stated otherwise)

	2014	(Rs. in million) 2013
Raw Materials (Includes in transit Rs.93.8 million, Previous Year Rs.75.2 million)	652.1	644.2
Work-in-Progress	785.4	939.6
Finished Goods	1,814.9	1,497.1
Stock-in-Trade	40.7	18.4
Stores and Spares	149.5	145.3
Packing Materials	41.8	34.7
Scrap (Valued at realisable value)	39.6	17.0
	3,524.0	3,296.3

### Note 15: Trade Receivables

	Current	
	2014	2013
<b>Unsecured, considered good, unless stated otherwise</b>		
<b>Outstanding for a period exceeding six months</b>		
Considered Good	60.9	77.6
Considered Doubtful	38.0	28.9
	98.9	106.5
Less: Provision for Doubtful Receivables	38.0	28.9
	60.9	77.6
<b>Other Receivables</b>	1,390.8	1,418.9
	1,451.7	1,496.5

### Note 16 : Cash and Bank Balances

	Current	
	2014	2013
<b>Cash and Cash Equivalents</b>		
Balances with Banks:		
On Current Accounts	444.5	261.5
On Unpaid Dividend Account	9.7	8.8
Cash on Hand	2.1	1.8
	456.3	272.1
<b>Other Bank Balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	111.1	51.0
Margin Money Deposits	81.2	75.0
	192.3	126.0
	648.6	398.1

Margin money deposit includes deposit kept with banks against the Bank Guarantee / Letter of Credit of Rs 79.7 million (Previous year Rs 75.0 million) given by them and Rs.1.5 million (Previous year Rs.Nil) as security deposit given to Goa Electricity Board.



## Notes forming part of the Statement of Profit and Loss

### Note 17: Revenue From Operations

		(Rs. in million)
	2014	2013
<b>Sale of Products :</b>		
Finished Goods	24,769.1	23,890.9
Traded Goods	106.7	76.0
	<b>24,875.8</b>	<b>23,966.9</b>
<b>Other Operating Revenue:</b>		
Scrap sales	214.1	261.0
Export Benefits	9.6	7.4
<b>Revenue from Operations (Gross)</b>	<b>25,099.5</b>	<b>24,235.3</b>
Less: Excise duty	(1,509.1)	(1,528.5)
<b>Revenue from Operations (Net)</b>	<b>23,590.4</b>	<b>22,706.8</b>

### Details of Products Sold

#### Finished Goods Sold

Electrical Cables	21,131.5	20,858.5
Communication Cables	2,264.1	1,990.6
Copper Rods	1,177.6	835.7
Others	195.9	206.1
	<b>24,769.1</b>	<b>23,890.9</b>

#### Traded Goods sold

Others	106.7	76.0
<b>Products Sold Total</b>	<b>24,875.8</b>	<b>23,966.9</b>

### Note 18: Other Income

Interest on :		
Deposits	24.5	14.7
Others	76.4	12.3
Dividend From :		
Long Term Investments	225.3	124.4
Current Investments	0.3	0.3
Profit on Sale of Assets	0.4	-
Net Gains on Sale of Current Investments	118.6	39.7
Reversal of Exchange Differences considered as an adjustment to Borrowing Cost (Refer Note 31 b)	-	34.9
Reversal of Provisions for Doubtful Debts no longer required	1.4	-
Other Non Operating Income	36.6	15.4
	<b>483.5</b>	<b>241.7</b>

## Notes forming part of the Statement of Profit and Loss

### Note 19: Cost of Material Consumed

	2014	Rs. in million) 2013
<b>Raw Material :</b>		
Inventory at the beginning of the year	644.2	455.6
Add : Purchases	17,452.4	17,037.5
	18,096.6	17,493.1
Less: Inventory at the end of the year	652.1	644.2
Cost of Raw Material Consumed	17,444.5	16,848.9
Packing Material Consumed	314.8	282.7
<b>Total Cost of Material Consumed</b>	17,759.3	17,131.6
 <b>Details of Raw Material consumed</b>		
Copper	14,287.5	13,794.5
PVC	1,525.2	1,244.2
Polythene	351.2	293.1
Preform	120.6	198.3
Others	1,160.0	1,318.8
	17,444.5	16,848.9
 <b>Details of Inventory of Raw Materials</b>		
Copper	149.1	237.8
PVC	188.5	138.8
Polythene	78.6	38.7
Preform	78.6	62.3
Others	157.3	166.6
	652.1	644.2
 <b>Note 20 : Details of Purchase of Stock-in-Trade</b>		
Others (Includes Compact Fluorescent Lamps and Electrical Switches)	112.1	58.0





## Notes forming part of the Statement of Profit and Loss

### Note 21 : (Increase)/Decrease in Inventories

		(Rs. in million)
	2014	2013
<b>Inventories at the end of the year (A)</b>		
Work-in-Progress	785.4	939.6
Finished Goods	1,814.9	1,497.1
Stock-in-Trade	40.7	18.4
Scrap	39.6	17.0
	<b>2,680.6</b>	<b>2,472.1</b>
<b>Inventories at the beginning of the year (B)</b>		
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
	<b>2,472.1</b>	<b>2,186.1</b>
<b>(Increase) / Decrease in Inventories (A) - (B)</b>	<b>(208.5)</b>	<b>(286.0)</b>
Adjustments for Captive Consumption	(6.8)	(10.8)
	<b>(215.3)</b>	<b>(296.8)</b>

### Note 22 : Employee Benefit Expenses

Salaries, Wages, Bonus and Commission etc.	791.0	781.6
Contribution to Provident and other Funds	49.6	55.8
Workmen and Staff Welfare Expenses	4.7	4.3
Recruitment and Training Expenses	3.0	4.2
	<b>848.3</b>	<b>845.9</b>

### Note 23 : Finance Costs

Interest Expenses	134.0	124.6
Bank Charges	10.8	9.2
	<b>144.8</b>	<b>133.8</b>

### Note 24 : Depreciation, Amortisation and Impairment Expenses

Depreciation on Tangible Assets	484.3	450.8
Impairment of Tangible Assets	-	15.5
	<b>484.3</b>	<b>466.3</b>

## Notes forming part of the Statement of Profit and Loss

### Note 25: Other Expenses

	2014	(Rs. in million) 2013
Consumption of Stores and Spares	204.1	203.3
Increase / (Decrease) in Excise duty on Closing Stock of Finished Goods	(13.1)	3.9
Processing Charges	3.9	5.4
Power and Fuel	370.7	406.9
Rent, Rates and Taxes	20.6	23.2
Insurance	9.1	15.4
Repairs and Maintenance		
Building	7.1	4.9
Machinery	18.1	21.3
Other Assets	21.9	24.1
Directors' Sitting Fees	1.1	1.0
Auditors' Remuneration		
Audit Fees	3.3	3.3
Tax Audit Fees	0.8	0.8
Other Services	1.0	1.0
Reimbursement of Expenses	0.1	0.1
Travelling and Conveyance	76.2	69.8
Communication Expenses	12.6	13.4
Selling and Distribution Expenses		
Sales Incentives	1,003.9	1,166.5
Freight Outward (Net)	340.9	282.6
Advertisement, Publicity etc.	98.8	106.6
Miscellaneous Expenses #	282.8	218.0
Provision for Doubtful Debts	10.5	15.3
Non Recoverable Balances Written Off	4.7	2.2
Provision for Diminution in value of Investments (Refer Note 35)	75.3	32.9
Loss on Sale of Assets	1.0	1.1
Loss on Exchange Fluctuations (Net)	48.7	48.5
	2,604.1	2,671.5

# Includes contribution to political party Rs.0.3 million (Previous Year. Nil)

### Note 26 : Exceptional Items - Income/(Expenses)

Gain / (Losses) on Derivative Contracts	103.8	(230.1)
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### Note 27 : Earnings per Share (EPS - Basic and Diluted)

Profit After Tax for calculation of Basic and Diluted EPS (Rs. in Million)	2,076.8	1,452.7
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)	13.6	9.5



## Notes forming part of the Accounts

### 28. Summary of Significant Accounting Policies

#### i) 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 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). The accounting policies have been consistently applied by the Company during the period and are consistent with those used in previous year.

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. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

#### ii) 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.

#### iii) 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.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

##### b) Intangible assets

Costs incurred 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 assets would flow to the Company. Intangible assets are stated at cost less accumulated amortisation and impairments, if any. Cost includes taxes, duties and other incidental expenses related to acquisition, development and enhancement.

##### c) Capital work in progress

Capital work-in-progress comprise of cost of fixed assets that are not yet ready for their intended use at the reporting date.

##### d) Borrowing costs

Borrowing costs directly attributable to acquisition, construction of qualifying asset are capitalised as part of the cost of those assets until such time as the assets are substantially ready for their intended use. Other borrowing costs are recognised as expense in the period in which they are incurred.

##### e) Depreciation and amortisation

Depreciation on tangible fixed assets is provided on a pro-rata basis on the straight-line method as per the rates prescribed under Schedule XIV to the Companies Act, 1956.

## Notes forming part of the Accounts

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.

Intangible assets are amortised on a straight line basis over their estimated useful life.

### f) Impairment

The carrying amount of cash generating units / assets is reviewed at balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Impairment loss is recognised whenever carrying amount exceeds the recoverable amount. Conversely, previously recognised losses are reversed when the estimated recoverable amount exceeds the carrying amount.

### iv) Investments:

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at cost or fair value, whichever is lower, computed individually for each investment. In case of unquoted mutual funds, their net asset value on the reporting date is taken as their fair value.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of investments is made to recognise a decline in the value of the investments, other than temporary, such reduction being determined and made for each investment individually.

### v) Inventories:

Inventories are stated at lower of cost and net realisable value. Cost of raw materials, packing materials and consumables stores and spares is determined using the weighted average cost method. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost of finished goods and work in progress comprises cost of raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Scrap generated during the manufacturing process is valued at net realisable value.

### vi) Foreign Currency Translation:

#### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### **Conversion**

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### **Exchange differences**

Exchange differences arising on conversion/settlement of foreign currency monetary items are recognized as income or expenses in the period in which they arise. Exchange differences arising on long term foreign currency monetary items, related to acquisition of fixed assets are capitalised and depreciated over the remaining useful lives of the asset.

#### **Forward exchange contracts covered by AS 11 "The effects of changes in Foreign Exchange rates"**

The premium or discount arising at the inception of forward exchange contracts is amortized and is recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss



### Notes forming part of the Accounts

in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the reporting period.

**vii) Revenue Recognition:**

- a) Revenue from sale of goods is recognised on despatches to customers which generally coincides with transfer of title, significant risk and rewards of ownership to customer. Sales are stated net of trade discounts, rebates, excise duty, sales tax and Value Added Tax.
- b) Interest and other income are recognised on accrual basis.
- c) 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.
- d) Dividend income is recognised when right to receive dividend is established.

**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 insurance companies. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they arise.

**b) Superannuation**

The Company's contribution to the Superannuation Scheme, a defined contribution scheme, administered by an insurance company is recognised as expense in the Statement of Profit and Loss, for the services rendered by the employees. 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 Company's liability is provided based on actuarial valuation at each balance sheet date and recognised as expense in Statement of Profit and Loss.

**d) Provident fund**

Provident fund contributions are made to the Employee's Provident Fund Organisation, which is administered by the Government. The rate at which the contributions are made as per the statutory requirements and is recognised as expense in the Statement of Profit and Loss, for the services rendered by the employees.

**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

## Notes forming part of the Accounts

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 reporting 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
- Any present obligation, where it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or a reliable estimate of the amount of obligation cannot be made.

However, in situations where the likelihood of an outflow of resources is assessed to be remote, no disclosure is made as such items are not in the nature of Contingent Liabilities.

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

### **x i) Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

### **x ii) 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. 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.

### **x iii) Segment Reporting**

#### ***Identification of segments***

The Company's operating businesses are organized and managed separately according to the nature of products produced and sold, with each segment representing a strategic business unit that offers different products. The analysis of geographical segments is based on the location of customers within India and outside India.

#### ***Inter-segment transfers***

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

#### ***Allocation of common costs***

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

#### ***Unallocated items***

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

#### ***Segment accounting policies***

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.



## Notes forming part of the Accounts

### 29. Contingent Liabilities and commitments

#### a) Contingent liabilities

(Rs. in million)

Particulars	2014	2013
<b>Demands disputed by the Company in appeal</b>		
Excise	141.3	201.5
Customs	13.4	13.4
Sales tax	944.5	946.9
Income tax	76.6	497.9
Appeals preferred by the authorities against Appellate decisions in favour of the Company		
Income tax	42.4	524.4
Guarantees given by Bankers on behalf of the Company, towards performance and other matters, (Secured by hypothecation of Stock in trade, Book Debts, Stores and Spares etc.)	1,212.1	573.8
Margin deposits against the above guarantee Rs 29.7 million (Previous Year Rs 75.0 million)		
Corporate counter guarantee given to J-Power Systems Corporation Japan, joint venture partner towards credit facilities from a bank availed by the Joint Venture Company, Finolex J-Power Systems Limited	245.0	-
Claims against the Company by a bank not acknowledged as debts in respect of derivative transactions which are under dispute	175.0	170.9

#### b) Commitments

- i. 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. 1,211.7 million (Previous year Rs. 1,474.0 million) over a period of six / eight years from the date of license.
- ii. Estimated amount of contracts remaining to be executed on capital account (net of advances paid), not provided for Rs. 77.0 million (Previous year Rs. 279.6 million).

### 30. Provision for Derivatives:

Provision for derivatives as at the year-end is Rs. 525.2 million (Previous year Rs. 525.2 million) including provided during the year of Rs. Nil million (Previous year Rs. 233.9 million).

### 31. Foreign Exchange differences

- a) In terms of the circular issued by Ministry of Corporate Affairs ("MCA"), in respect of changes to Accounting Standard 11 and subsequent amendments thereto, the Company had in earlier years exercised the option of capitalising foreign exchange difference arising on long term foreign currency borrowings taken for acquisition of fixed assets. Accordingly, foreign exchange loss of Rs 46.1 million (Previous year: Rs 35.2 million) arising during the year has been added to the cost of fixed assets.
- b) As per the clarifications of MCA, the Company in the previous year had adjusted exchange loss of Rs 34.9 million to the cost of respective fixed assets with retrospective effect from 1 April 2011, which was earlier charged to Statement of Profit and Loss as borrowing cost. The corresponding reversal was reflected in Other Income in the previous year.

## Notes forming part of the Accounts

### 32. Taxes on Income

a) **Deferred Tax:**

Break-up of major components of deferred tax assets and liabilities is as below.

	(Rs. in million)	
<b>Particulars</b>	<b>2014</b>	<b>2013</b>
Deferred Tax Liabilities		
Depreciation	341.2	384.3
(A)	341.2	384.3
Deferred Tax Assets		
Employee Benefits	15.8	18.4
Provision for doubtful debts	12.9	9.8
Others	17.3	11.4
(B)	46.0	39.6
Deferred Tax Liabilities (Net) (A) – (B)	295.2	344.7

b) MAT Credit entitlement of Rs 166.5 million (Previous Year Rs 108.1 million) represents prior year adjustments.

### 33. Dues to Micro, Small and Medium Enterprises:

- a) Outstanding to suppliers other than Micro and Small enterprises Rs 526.7 million (Previous Year Rs 631.6 million)
- b) Outstanding to Micro and Small enterprises Rs 2.4 million (Previous Year Rs 1.5 million) including Trade Payables Rs 0.1 million (Previous Year Rs 1.3 million).

	(Rs. in million)	
	<b>2014</b>	<b>2013</b>
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of year		
Principal amount due to micro and small enterprises	2.4	1.5
Interest due on above	0.2	-
	2.6	1.5
Interest paid in terms of Section 16 of MSMED Act 2006 along with payment made to suppliers beyond appointed day during the year	-	-
Interest due and payable for the delay in making payment (which have been paid but beyond appointed day during the year) but without adding interest specified under MSMED Act.	-	-
Interest accrued and remaining unpaid at the end of year	0.2	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act	-	-

Identification of suppliers as Micro and Small Enterprises covered under the "MSMED Act, 2006" was done on the basis of the information to the extent provided by suppliers to the Company.





## Notes forming part of the Accounts

### 34. Preform Manufacturing Facility

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 the Company has not made any further provision (Previous Year: Rs 15.5 million). Consequently, the impairment loss of Rs. 304.0 million (Previous Year Rs.304.0 million) is being carried forward.

### 35. Investment in Joint Venture

a) The Company has the following investments in jointly controlled entities, which are incorporated in India:

	Investment in shares (Rs in million)		Ownership Interest (Percentage)	
	2014	2013	2014	2013
Finolex J-Power Systems Limited (Note C below)	627.2	480.2	49%	49%
Corning Finolex Optical Fibre Private Limited	17.5	0.5	50%	50%

b) Company's share in Assets and Liabilities etc :

The below mentioned figures for jointly controlled entities are provided based on the latest available audited accounts for the year ended March 31, 2013. (Previous years figures for the year ended March 31, 2012).

(Rs. in million)

	Year	Assets	Liabilities	Income	Expenses	Contingent Liabilities	Capital & Other Commitment
Finolex J-Power Systems Limited	2013	970.4	652.4	107.1	215.4	78.6	3.3
	2012	969.1	542.8	31.1	76.7	65.7	20.9
Corning Finolex Optical Fibre Private Limited	2013	8.5	8.2	7.5	7.6	-	-
	2012	0.5	0.1	-	0.1	-	-

c) The Company has made a long term and strategic investment in a joint venture, Finolex J-Power Systems Limited ("the JV"), which is engaged in manufacturing and sale of high voltage power cables. The operations of the JV in the initial years have been impacted by economic slow-down and the JV has incurred losses, resulting its net worth being partially eroded. The management expects improvement in the operations of JV upon revival of the economic environment and along with the joint venture partner, continues to support the JV's operations. Having regard to the uncertainty in the timing of economic revival the management, on prudent basis has made a provision of Rs 73.7 million towards diminution in the value of investments.

### 36. Related Party Transactions:

a) Names of Related Parties:

Associate Companies	Finolex Industries Limited Finprop Advisory Services Limited Finolex Plasson Industries Private Limited
Joint Venture	Finolex J-Power Systems Limited Corning Finolex Optical Fibre Private Limited

## Notes forming part of the Accounts

**b) Key management Personnel and Relatives**

<b>Key Management Personnel</b>	
Mr. D. K. Chhabria	Executive Chairman
Mr. Mahesh Viswanathan	Executive Director and Chief Financial Officer
Mr. P. P. Chhabria	Director
<b>Relatives</b>	
Mr. K. P. Chhabria	Father of Executive Chairman and Brother of the Director

**c) Enterprises over which Key Management Personnel and their relatives exercise significant influence:**

Orbit Electricals Private Limited  
Finolex Infrastructure Limited  
Magnum Machines Technologies Limited

**d) Transactions with Related Parties - Major Parties**

(Rs in million)

Name of Transactions	2014	2013
<b>Associate Companies / Joint Venture</b>		
<b>Sales, Services and Other Income</b>		
<b>1 Sale of goods</b>		
Finolex Industries Limited	6.1	33.4
Finolex J-Power Systems Limited	368.1	270.4
Others	1.0	1.4
<b>2 Sale of Other Material / Services</b>		
Finolex J-Power Systems Limited	21.5	1.2
<b>3 Recoveries</b>		
Finolex Industries Limited	1.0	1.1
Finolex J-Power Systems Limited	2.3	2.2
Others	0.3	2.4
<b>4 Dividend Received</b>		
Finolex Industries Limited	221.1	120.6
Finolex Plasson Industries Private Limited	2.0	2.0
<b>5 Interest Received</b>		
Finolex Infrastructure Limited	-	2.6
<b>Purchase of Material / Assets</b>		
<b>1 Purchase of Raw Material and Components</b>		
Finolex Industries Limited	11.8	69.1
Finolex J-Power Systems Limited	161.3	236.3
Others	2.9	3.8



## Notes forming part of the Accounts

(Rs in million)

Name of Transactions	2014	2013
<b>2 Purchase of Fixed Assets</b>		
Magnum Machines Technologies Limited	9.8	-
Others	1.7	-
<b>3 Purchase of Investments</b>		
Finolex J-Power Systems Limited	147.0	-
Finolex Infrastructure Limited	-	16.8
Corning Finolex Optical Fibre Private Limited	17.0	-
<b>Expenses</b>		
<b>1 Services</b>		
Finprop Advisory Services Limited	12.4	12.7
Others	-	36.0
<b>2 Rent</b>		
Orbit Electricals Private Limited	2.7	2.7
<b>3 Reimbursement of Expenses Paid</b>		
Finolex Industries Limited	12.3	15.2
Finprop Advisory Services Limited	3.5	3.5
Others	0.2	2.2
<b>4 Dividend Paid</b>		
Finolex Industries Limited	26.6	17.7
<b>Amount Outstanding</b>		
<b>1 Creditors</b>		
Finolex Industries Limited	1.4	1.9
Others	1.4	0.2
<b>2 Debtors</b>		
Finolex Industries Limited	1.8	1.8
Finolex J-Power Systems Limited	15.4	-
Others	1.0	14.0
<b>3 Loans and Advances and Deposits</b>		
Orbit Electricals Private Limited	2.5	2.5
<b>Key Management Personnel</b>		
Remuneration to Key Management Personnel		
Mr. D. K. Chhabria	16.4	13.6
Mr. Mahesh Viswanathan	14.0	11.5
Mr. P. P. Chhabria	4.6	13.6

## Notes forming part of the Accounts

### 37. Foreign currency related disclosures

a) The Company has the following unhedged foreign currency exposures:

	<b>2014</b>	2013
Long term borrowings	<b>199.7</b>	361.9
Trade payables	<b>179.1</b>	150.3
Trade receivables	<b>68.3</b>	68.7

(Rs. in million)

b) The Company has hedged exposures in respect of creditors and Buyer's credit by way of forward covers which are mostly USD – INR contracts. At the end of the year forward covers to the extent of Rs. 93.8 million (Previous year Rs. 274.5 million) were outstanding at the year-end to hedge the exposure of equivalent value of Creditors and Buyers Credit.

### 38. Raw Material Consumed:

	2014		2013	
	Quantity (MT)	Value (Rs. million)	Quantity (MT)	Value (Rs. million)
Copper	<b>28,414</b>	<b>14,287.5</b>	28,948	13,794.5
PVC	<b>18,721</b>	<b>1,525.2</b>	13,586	1,244.2
Polythene	<b>3,181</b>	<b>351.2</b>	2,644	293.1
Preform	<b>15</b>	<b>120.6</b>	8	198.3
Others		<b>1,160.0</b>		1,318.8
<b>Total</b>		<b>17,444.5</b>		16,848.9

### 39. CIF Value of Imports:

	<b>2014</b>	2013
Raw Material	<b>2,035.8</b>	1,263.0
Spares and Components	<b>20.9</b>	21.0
Capital Goods	<b>280.8</b>	93.7
<b>Total</b>	<b>2,337.5</b>	1,377.7

Rs. in million

### 40. Consumption of Raw Material:

	2014		2013	
	%	Rs in million	%	Rs in million
Imported	<b>11.8</b>	<b>2,050.2</b>	7.2	1,217.5
Indigenous	<b>88.2</b>	<b>15,394.3</b>	92.8	15,629.0
<b>Total</b>	<b>100.0</b>	<b>17,444.5</b>	100.0	16,846.5



## Notes forming part of the Accounts

### 41. Consumption of Stores and Spares:

	2014		2013	
	%	Rs in million	%	Rs in million
Imported	8.6	17.6	9.3	18.9
Indigenous	91.4	186.5	90.7	184.4
<b>Total</b>	<b>100.0</b>	<b>204.1</b>	<b>100.0</b>	<b>203.3</b>

### 42. Expenditure in foreign Currency:

	(Rs. in million)	
	2014	2013
Travelling	2.1	1.8
Interest	10.5	16.9
Foreign Bank Charges	1.0	0.7
Export Sales Commission	1.9	1.2
Professional Fees	23.3	15.6
Others	1.2	1.9
<b>Total</b>	<b>40.0</b>	<b>38.1</b>

### 43. Earnings in foreign Currency: (on accrual basis)

	(Rs. in million)	
	2014	2013
FOB Value of Exports	494.4	486.9

### 44. Dividends Remitted in foreign Currency:

	2014	2013
Number of Share holders	1	1
Number of Shares held	6,086,425	6,086,425
Year to which dividend relates	March 2013	March 2012
Amount remitted (Net of tax deducted at source) (Rs. in million)	7.3	4.9

### 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:

- Electrical Cables
- Communication Cables
- Copper Rods
- Others

The above business segments have been identified considering

- The nature of the product/services
- The related risks and returns
- 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 31 March 2014

(Rs. in million)

	Electrical Cables		Communication Cables		Copper Rod		Others		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>REVENUE</b>												
External	<b>21,328.8</b>	21,083.2	<b>2,271.6</b>	2,012.2	<b>1,186.8</b>	835.7	<b>312.3</b>	304.2	-	-	<b>25,099.5</b>	24,235.3
Inter - segment (Net of Excise)	-	-	-	-	<b>5,827.8</b>	6,248.9	<b>2,458.5</b>	1,473.5	<b>(8,286.3)</b>	(7,722.4)	-	-
Less : Excise Duty	<b>1,168.7</b>	1,231.2	<b>198.2</b>	193.3	<b>130.0</b>	93.0	<b>12.2</b>	11.0	-	-	<b>1,509.1</b>	1,528.5
Total Revenue	<b>20,160.1</b>	19,852.0	<b>2,073.4</b>	1,818.9	<b>6,884.6</b>	6,991.6	<b>2,758.6</b>	1,766.7	<b>(8,286.3)</b>	(7,722.4)	<b>23,590.4</b>	22,706.8
<b>RESULTS</b>												
Segment Results	<b>2,576.3</b>	2,419.5	<b>285.4</b>	242.5	<b>22.0</b>	40.8	<b>(65.0)</b>	(25.4)	-	-	<b>2,818.7</b>	2,677.4
Other Unallocable expenditure (net)	-	-	-	-	-	-	-	-	-	-	<b>(244.6)</b>	(844.7)
Less : Interest Expenses	-	-	-	-	-	-	-	-	-	-	<b>134.0</b>	124.6
Profit before Taxes	-	-	-	-	-	-	-	-	-	-	<b>2,440.1</b>	1,708.1
Less : Provision for Taxation	-	-	-	-	-	-	-	-	-	-	<b>363.3</b>	255.4
Profit after Tax	-	-	-	-	-	-	-	-	-	-	<b>2,076.8</b>	1,452.7
<b>OTHER INFORMATION</b>												
Segment Assets	<b>6,431.1</b>	6,256.8	<b>2,410.2</b>	2,342.9	<b>329.8</b>	390.5	<b>6,468.6</b>	5,051.2	-	-	<b>15,639.7</b>	14,041.4
Segment Liabilities	<b>1,051.9</b>	618.6	<b>394.3</b>	231.7	<b>54.0</b>	38.6	<b>168.3</b>	66.1	-	-	<b>1,668.5</b>	955.0
Capital Expenditure	<b>530.6</b>	426.0	<b>130.1</b>	57.2	<b>3.9</b>	1.6	<b>404.9</b>	26.3	-	-	<b>1,069.5</b>	511.1
Depreciation	<b>263.2</b>	226.8	<b>131.3</b>	135.3	<b>20.5</b>	20.7	<b>69.3</b>	68.0	-	-	<b>484.3</b>	450.8

### B) Secondary Segment Information (by Geographical Segments)

(Rs. in million)

Particulars	2014	2013
<b>REVENUE (Net of Excise)</b>		
Exports	<b>501.0</b>	496.1
Domestic	<b>23,089.4</b>	22,210.7
<b>Total</b>	<b>23,590.4</b>	22,706.8
<b>DEBTORS</b>		
Exports	<b>46.2</b>	59.3
Domestic	<b>1,405.5</b>	1,437.2
<b>Total</b>	<b>1,451.7</b>	1,496.5

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.



## Notes forming part of the Accounts

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

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

	(Rs. in million)	
<b>Statement showing changes in Present Value of obligations as on 31st March</b>	<b>2014</b>	<b>2013</b>
Present value of obligations at the beginning of the year	108.3	91.9
Interest Cost	8.9	7.3
Current service cost	7.6	8.0
Benefits paid	(21.2)	(4.9)
Actuarial (gain)/loss on obligations	(4.6)	6.0
Present Value of obligations as at end of year	99.0	108.3
<b>Table showing changes in the fair value of plan assets as on 31st March</b>		
Fair value of plan assets at the beginning of the year	105.1	97.0
Expected return on plan assets	9.1	8.7
Contributions	5.0	4.0
Benefits paid	(21.2)	(4.9)
Actuarial gain/(loss) on obligations	(1.0)	0.3
Fair value of plan asset at end of year	97.0	105.1
Funded status	100%	100%
<b>Amounts to be recognised in the Balance Sheet</b>		
Present Value of obligations as at the end of the year	99.0	108.2
Fair value of plan assets as at the end of the year	97.0	105.1
Net Asset/(Liability) recognised in balance sheet	(2.0)	(3.1)
<b>Expenses Recognised in Statement of Profit and Loss</b>		
Current Service Cost	7.6	8.0
Interest Cost	8.9	7.3
Expected return on plan assets	(9.1)	(8.7)
Net Actuarial(gain)/Loss recognised in the year	(3.6)	5.7
Expenses recognised in Statement of Profit and Loss	3.8	12.4
<b>Table showing administration of Plan Assets</b>	<b>2014</b>	<b>2013</b>
Administered by LIC	95.2	102.6
Administered by Birla Sun Life	1.8	2.5
Total	97.0	105.1
<b>Actuarial Assumptions:</b>	<b>2014</b>	<b>2013</b>
Discounted Rate	9.32%	8.25%
Rate on return on assets	8.70%	8.70%
Salary escalation	7%	7%
Attrition rate	15%	15%
Mortality		

<b>Indian Assured Lives</b> <b>Mortality (2006-08) Ultimate</b>
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	31st March				
	2014	2013	2012	2011	2010
<b>Experience adjustments</b>					
On plan liability gain/(loss)	<b>4.6</b>	(5.9)	4.7	(5.0)	(3.9)
On plan asset gain/(loss)	<b>(1.0)</b>	0.3	(0.2)	(0.1)	0.5

As per actuarial valuation report, Expected employer's contribution in next year is Rs. 9.0 million (previous year Rs. 10.7 million)

Privileged leave (Compensated absence for employees):

Amount recognised in Statement of Profit and Loss and movements in Net Liability: (Rs. in million)

	2014	2013
Opening balance of compensated absences (a)	<b>51.1</b>	44.9
Present value of compensated absences as at the year end (b)	<b>44.5</b>	51.1
(Excess)/ Unfunded liability of Compensated Absences recognised in Statement of Profit and Loss for the year (b-a)	<b>(6.6)</b>	6.2

The privileged leave liability is not funded

Hitherto the Company was providing Leave Encashment on actual basis. During the year the provision has been made on actuarial basis. This change has no material effect on the Financial Statements.

**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**  
**Dr. H. S. Vachha**  
**S. K. Asher**  
**A. J. Engineer**  
**Dr. V. G. Pai**  
**P. R. Rathi**

**D. K. Chhabria**  
Executive Chairman  
**M. Viswanathan**  
Executive Director &  
Chief Financial Officer

Pune: 8th May, 2014

Pune: 8th May, 2014





### NOTICE

NOTICE is hereby given that the Forty-Sixth Annual General Meeting of Members of Finolex Cables Limited will be held on Tuesday, 9<sup>th</sup> September, 2014 at 11.30 a.m. at Auditorium of Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D Mart, Chinchwad, Pune - 411019, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial Statement of the Company for the financial year ended 31st March, 2014 and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Dr. Vikas G Pai [DIN: 00395317], who retires by rotation at this meeting, but though eligible, does not offer himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 and pursuant to the recommendation of the Audit Committee, M/s. B. K. Khare & Co., Chartered Accountants, [Firm Registration No. 105102W], be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as shall be fixed by the Board of Directors of the Company."

#### SPECIAL BUSINESS

5. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Adi J. Engineer [DIN: 00016320], who retires by rotation at this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from the date of this Annual General Meeting of the Company."
6. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchanges, Dr. Homiar S. Vachha [DIN: 00016610], who retires by rotation at this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from the date of this Annual General Meeting of the Company."
7. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Atul C. Choksey [DIN: 00002102], who was appointed as a Director liable to retire by rotation be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from the date of this Annual General Meeting of the Company."
8. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchanges, Mr. S.B. (Ravi) Pandit [DIN: 00075861], who retires by rotation at this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from the date of this Annual General Meeting of the Company."
9. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Pradeep R. Rathi [DIN: 00018577], who retires by rotation at this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from the date of this Annual General Meeting of the Company."
10. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the

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Listing Agreement with the Stock Exchanges, Mr. Sanjay K. Asher [DIN: 00008221], who was appointed as a Director liable to retire by rotation be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from the date of this Annual General Meeting of the Company.”

11. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Pratap G. Pawar [DIN: 00018985], who was appointed as a Director liable to retire by rotation be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from the date of this Annual General Meeting of the Company.”

12. 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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made there under and of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee constituted by the Board or any person(s) authorised by the Board) to borrow any sum or sums of money, from time to time, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), provided that the total amount so borrowed shall not at any time exceed Rs.1000 Crores (Rupees One thousand Crores) over and above the aggregate of the paid up capital of the Company and its free reserves from time to time and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions in respect of the moneys borrowed/to be borrowed from time to time whether as to interest, repayment, security or otherwise howsoever as it may deem fit, as also to execute all such deeds and documents as may be considered to be necessary, usual, proper or expedient for this purpose.

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

13. 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 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made there under, subject to such approvals, consents and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee constituted by the Board or any person(s) authorised by the Board) for mortgaging and/or charging from time to time as and by way of first/exclusive charge(s)/second or subsequent charge(s) or charge(s) of any nature whatsoever and on such terms and conditions as the Board may deem fit, all or any part of the movable and/or immovable properties of the Company, wherever situate, both present and future, and the whole or substantially the whole of all or any of the undertakings of the Company (Save and except the current assets that are or may be hypothecated and/or pledged in favour of the Company’s bankers for securing borrowings for working capital requirements) in favour of one or more banks and/or financial institutions and/or trustees for debenture-holders and/or others to secure term loans borrowed/to be borrowed and/or debentures issued/to be issued (whether on a rights basis to the shareholders of the Company and/or to the public and/or to any other person or persons) and/or any banking or financial or other facilities or arrangements made/to be made in terms of any Agreement/Heads of Agreement/Letter of Sanction/Memorandum of the Terms and Conditions/Debtenture Trust Deed entered into/to be entered into by the Company in respect of such term loans and/or debentures and/or any banking or financial or other facilities or arrangements but so that the first/exclusive charge(s) created/to be created shall not be for securing a sum exceeding Rs.1000 Crores (Rupees One Thousand Crores) over and above the aggregate of the paid up capital of the Company and its free reserves from time to time plus interest, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company, and the charge(s) other than the first/exclusive charge(s) created or to be created shall be for such sum(s) (upto the said sum of Rs.1000 Crores over and above the said aggregate of the paid up capital of the Company and its free reserves from time to time) as may be secured in favour of the banks/financial institutions/trustees for debenture-holders or others;

AND RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with such banks/financial institutions/trustees for debenture-holders and/or any other person(s) the documents for creating the aforesaid first, second or subsequent or other mortgage(s) and/or charge(s) and to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper or expedient for giving effect to the aforesaid resolution, and also to agree to any amendments thereto from time to time as it may think fit for giving effect to the aforesaid resolution.”

14. To consider, and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Article 121(2) and other applicable provisions, if any, of the Articles of Association of the Company and Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made thereunder and subject to approval of the Central Government, if required, approval of the Company be and is hereby accorded for the payment, to Directors and Alternate Directors (who are neither in the whole-time employment nor Managing Directors of the



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Company) of remuneration, in addition to sitting fees for each meeting of the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board or any person(s) authorised by the Board), by way of commission, not exceeding one percent of the net profit of the Company or Rupees Fifty Lakhs, whichever is lower, as may be determined by the Board in each financial year, calculated in accordance with the provisions of the Act, such commission being divisible amongst the Directors and Alternate Directors as aforesaid, in such proportion as the Nomination and Remuneration Committee may recommend and be approved by the Board;

AND RESOLVED FURTHER THAT the Board be and is hereby authorised to exercise all such powers and authorities and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper or expedient to give effect to the aforesaid resolution."

AND RESOLVED FURTHER THAT this resolution shall be effective for a period of five years from the accounting year commencing from 1<sup>st</sup> April 2013."

15. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendation of the Audit Committee in this regard, M/s Joshi Apte & Associates, Cost Accountants, Pune who were appointed as Cost Auditors by the Board of Directors of the Company (the "Board"), to conduct cost audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2015, be paid remuneration of Rs.4.50 Lakhs (Rupees Four Lakhs Fifty Thousand only) plus taxes and out of pocket expenses, if any, chargeable extra on actuals basis.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do or to authorize any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper or expedient for giving effect to the aforesaid resolution."

16. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and subject to the provisions of the Articles of Association of the Company, approval of the Members of the Company (the "Members") be and is hereby accorded to authorize the Board of Directors of the Company (the "Board") to offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating up to Rs.100 Crores (Rupees Hundred Crores only), on private placement basis, on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company including as to when the said Debentures are to be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto;

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

17. To approve related party transaction with Corning Finolex Optical Fibre Private Limited

**To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to Section 188 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement and subject to such other approvals, consents, sanctions and permissions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall include a Committee constituted by the Board or any person(s) authorized by the Board) to continue to purchase optical fibre from Corning Finolex Optical Fibre Private Limited from time to time at a price to be agreed between the Company and Corning Finolex Optical Fibre Private Limited and on the existing terms and conditions set out in the agreement dated 16<sup>th</sup> June, 2011.

**RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to execute or authorize any person to execute all such documents, instruments and writings as may be considered necessary, relevant, usual, customary and/ or expedient for giving effect to the aforesaid resolution.**

By Order of the Board of Directors

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

Place : Pune

Dated : 8<sup>th</sup> August, 2014

Registered Office:

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

CIN: L31300MH1967PLC016531

Email: Investors@finolex.com

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### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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.

A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT MORE THAN FIFTY MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER OF THE COMPANY.

2. The Statement setting out the material facts concerning each item of the special business mentioned under item No. 5 to 17 of the Notice as required under Section 102 of the Companies Act, 2013 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 30<sup>th</sup> August, 2014 to Tuesday, 9<sup>th</sup> September, 2014 (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 8<sup>th</sup> May, 2014 has recommended payment of Dividend of 80 % (Rs.1.60 per equity share) for the year 2013-14. 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 8<sup>th</sup> October, 2014 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 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, 29<sup>th</sup> August, 2014).
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 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.**

Further the Companies Act, 2013 has also recognized serving of documents to any Member through electronic mode. In terms of the Circular No.NSDL/CIR/II/10/2012 dated 9<sup>th</sup> March, 2012 issued by National Securities Depository Limited, email addresses made available by the Depository for Member's respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be the concerned Member's registered email address for serving notices/ documents including those covered under Sections 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating to transmission of documents in electronic mode. In light of the requirements prescribed by the aforesaid circulars, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended 31<sup>st</sup> March, 2014 would be dispatched to the recorded addresses of only those Members whose Depository Participant accounts do not contain the details of their email address.

Members holding shares in electronic mode are requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company quoting their folio number(s).



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The Notice of Annual General Meeting and the copies of audited financial statements, directors' report, auditors' report, etc. will also be displayed on the website [www.finolex.com](http://www.finolex.com) of the Company.

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 earlier 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 earlier Companies Act, 1956, the amount of dividends for the financial years ended 31st March, 1996 to 31st March 2006, 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. Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 and applicable Rules made thereunder (the "Act"), the dividends remaining unpaid or unclaimed for the financial year ended 31st March 2007 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, 2007 (which is to be transferred to the Fund within one month from 4<sup>th</sup> August, 2014) 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 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. **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 46<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- (A) Members whose shareholding is in dematerialized form and whose email addresses (IDs) are registered with the Company/ Depository Participants(s) will receive an email from NSDL informing the Member the User ID and Password:
  - (i) Open email and open PDF file viz; "Finolex Cables Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select "EVEN" (E-Voting Event Number) of Finolex Cables Limited.
  - (viii) Now you are ready for e-voting as Cast Vote page opens.

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- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
  - (xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to e-voting@nsdl.co.in or forward the relevant documents to the Company's email ID i.e. investors@finolex.com with a copy marked to evoting@nsdl.co.in
- (B) For Members holding shares in dematerialized form whose email IDs are not registered with the Company/Depository Participants(s), all Members holding shares in physical form as well as those Members who have requested for physical copy of the Notice and Annual Report, the following instructions are to be noted:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) given in I(A) above, to cast vote.

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Please note login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event you will need to go through the option "Forgot Password" available on the site to reset the password.**

- III. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 3<sup>rd</sup> September, 2014 (9:00 am) and ends on 5<sup>th</sup> September, 2014 (6:00 pm). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (relevant date) of 8<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- VI. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 8<sup>th</sup> August, 2014.
- VII. Mr. S. V. Deulkar, Practicing Company Secretary (C.P. No.965) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Executive Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.finolex.com](http://www.finolex.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges including National Stock Exchange Limited of India Limited and Bombay Stock Exchange Limited, where the shares of the Company are listed.
- X. This Notice is also being published on or before 14<sup>th</sup> August 2014 in Marathi language newspaper 'Loksatta', Pune edition and in English language newspaper 'The Financial Express', Pune edition.
12. All documents referred to in the accompanying Notice are open for inspection by Members at the Registered Office of the Company between 9.00 a.m. to 11.00 a.m. on any working day of the Company till 9<sup>th</sup> September, 2014.



### EXPLANATORY STATEMENT IN RESPECT OF ITEM NOS. 5 TO 17 OF THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item Nos. 5 to 11

Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, Mr. S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar are Independent Directors of the Company and have held the positions as such for more than 5 (five) years.

The provisions of Section 149 of the Companies Act, 2013 (the "Act") read with Schedule IV of the Act and the provisions of the Companies (Appointment and Qualification of Directors) Rules 2014 requires every listed company to have at least one-third of the total number of Directors as Independent Directors with any fraction contained in such one-third number required to be rounded off as one. Further the Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement with Stock Exchanges *inter alia* stipulating the conditions for the appointment of Independent Directors by a listed company.

Pursuant to the recommendation in this behalf of the Nomination and Remuneration Committee in their meeting held on 8<sup>th</sup> May, 2014 it is proposed to appoint Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, Mr. S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement with Stock Exchanges to hold office for 5 (five) consecutive years with effect from the date of this Annual General Meeting of the Company. Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, Mr. S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar, upon their appointment as Independent Directors, shall not be liable to retire by rotation.

Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, Mr. S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 (the "Act") and have given their consent to act as Directors.

The Company has also received declarations from Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, Mr. S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement with the Stock Exchanges.

In the opinion of the Board, Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, Mr. S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement with the Stock Exchanges. Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, Mr. S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar are independent of the management of the Company.

Brief resume of Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, Mr. S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided hereinafter.

Copy of the draft letters for respective appointments of Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, Mr. S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company.

Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, Mr. S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar are interested in the resolutions set out respectively at Item Nos. 5 to 11 of the Notice with regard to their respective appointments.

The relatives of Mr. Adi J. Engineer, Dr. Homiar S. Vachha, Mr. Atul C. Choksey, S.B. (Ravi) Pandit, Mr. Pradeep R. Rathi, Mr. Sanjay K. Asher and Mr. Pratap G. Pawar may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 to 11 of the Notice, to the extent of their respective shareholding interest, if any, in the Company.

Save and except for the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, whether financially or otherwise, in the said resolutions.

The Board recommends the Ordinary Resolutions set out at Item Nos. 5 to 11 of the Notice for approval by the Members of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The information or details to be provided under the Code of Corporate Governance in respect of the Directors proposed to be appointed *vide* Item Nos. 5 to 11 of the Notice, are as under:

- (a) Mr. Adi J. Engineer who is a Director of the Company since 23<sup>rd</sup> October, 2007 is a Chartered Engineer by profession with B.E. (Civil), FIE, AIIA and has considerable experience in Industry. He has been a member of various expert Committees appointed by the Government on Power and Infrastructure. He has tremendous expertise in Project Management and Construction including execution of projects overseas. He is also a Director of M/s KPIT Technologies Limited, Pune (also a member of its Audit Committee). Mr. Adi J. Engineer does not hold any shares in the Company as on 31<sup>st</sup> March, 2014.
- (b) Dr. H.S. Vachha who is a Director of the Company since 11<sup>th</sup> June 1993 has a masters degree (Gold Medalist) in Economics from University of Bombay and has also done doctorate (Ph.D) from Centre of Advanced Study in Economics, University of Bombay. Dr. H S Vachha has over 25 years experience in ICICI Limited and retired as General Manager of its Market Research and Industry

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Study Department. Dr. H S Vachha is and has been a Nominee of the then ICICI Limited on the Board of Directors of a number of Companies and is currently on the Boards of the following companies viz : The Tata Power Co. Ltd (also Chairman of its Audit Committee and of its Stakeholders Relationship Committee), Tata International Ltd (also Chairman of its Audit Committee), Tata Ceramics Ltd. (also Chairman of its Audit Committee), Af-Taab Investments Co Ltd (also Member of its Audit Committee), Bachi Shoes (India) Ltd (also Chairman of its Audit Committee) and Tata Africa Holdings (SA) (Pty.) Ltd. (also Member of its Audit Committee). Dr. Vachha does not hold any shares in the Company as on 31st March, 2014.

- (c) Mr. A. C. Choksey is a Director of the Company since 11<sup>th</sup> November, 1997 and is a B.S. (Chemical Engineering). Mr. A. C. Choksey is the former Managing Director of Asian Paints Ltd. and has a number of years experience in industry including in marketing and distribution management under competitive conditions. He is also a Director in the following companies viz: Apco Enterprises Ltd., Apcotex Industries Ltd. (previously known as Apcotex Lattices Ltd), Ceat Ltd., Mazda Colours Ltd., Marico Industries Ltd., Shyamal Finvest (India) Ltd., Titan Trading & Agencies Ltd., Trivikram Investments & Trading Co. Ltd., Choksey Chemicals Pvt. Ltd. Dhurmaketu Investments and Trading Co. Pvt. Ltd. and Saldhar Investments and Trading Co. Pvt. Ltd. Mr. Choksey does not hold any shares in the Company as on 31st March, 2014.
- (d) Mr. S.B. (Ravi) Pandit is a Director of the Company from 1<sup>st</sup> August, 2006 and is a MS from MIT, USA where he specialized in Finance and Controls. Mr Pandit is the Chairman and Group Chief Executive Officer of KPIT Technologies Limited. He is the ex President of the Mahratta Chamber of Commerce, Industries and Agriculture. A fellow member of the Institute of Chartered Accountants of India and a Member of Institute of Cost & Works Accountants of India, he has over 30 years of experience in the fields of Information Technology, Corporate Strategy Formulation and Management Consulting. He is also a senior partner in M/s Kirtane & Pandit, Chartered Accountants and Proficient Finstock LLP. He is a Director in the following companies, viz.: KPIT Technologies Limited (also Member of its Share Transfer Committee and its Audit Committee), K & P Capital Services Limited, KP Corporate Solutions Limited, Proficient Trading & Investment Private Limited, K & P Management Services Private Limited, Kirtane & Pandit Consulting Private Limited, Kirtane Pandit Foundation Private Limited, Impact Automotive Solutions Private Limited (also Chairman of its Audit Committee), Aga Khan Rural Support Programme (India) and Pune Restoration & Navigation Co Ltd . Mr. Pandit does not hold any shares in the Company as on 31st March, 2014.
- (e) Mr. P. R. Rathi 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 has been 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), Rathi Brothers Poona Limited, Rathi Brothers Calcutta Limited, Rathi Brothers Madras Limited, Rathi Brothers Delhi Limited, RIECO Industries 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, 2014.
- (f) Mr. Sanjay K. Asher is a Director of the Company from 1st July, 1998 and is a Chartered Accountant and a Solicitor and Senior Partner of Crawford Bayley & Co., Solicitors, Advocates & Notaries, Mumbai. Mr. Sanjay K. Asher has been practicing 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 Boart Marketing Private Limited, Enam Infrastructure Trusteeship Services Private Limited, Finolex Plasson Industries Private Limited, Hoganasa India Private Limited, ArjoHuntleigh Healthcare India Private Limited, Indian Cookery 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, Oerlikon Textile India Private Limited, Repro India Limited (also a member of its Audit Committee), Sanghvi Movers 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. Narendra Plastic Private Limited and Team Relocations India Private Limited. He is also an Alternate Director in the following companies, viz.: Pallazzio Hotels & Leisure Limited, Vamona Developers Private Limited, Classic Mall Development Company Private Limited, Gangetic Hostels Private Limited, Offbeat Developers Private Limited, Alliance Hospitality Services Private Limited, Turning Point Estates Private Limited, Surya Treasure Island Private Limited, Jabalpur Treasure Island Private Limited, Raipur Treasure Island Private Limited, Indore Treasure Island Private Limited and AKME Rhine River Projects Private Limited Mr. S. K. Asher holds 12,395 shares in the Company as on 31st March, 2014.
- (g) Mr. P G Pawar is a B.E. (BITS, Pilani) and a Director of the Company since 9<sup>th</sup> September 1998. Mr P G Pawar is the former President of the Mahratta Chamber of Commerce, Industries & Agriculture, Pune. He is the Chairman of Sakal Papers Private





# Finolex

## Cables Limited

Limited and P P Holdings Limited and has a number of years experience in chemical and engineering products and agriculture. He is also a Director in the following companies viz : Bharat Forge Limited (also Chairman of its Audit Committee), Kirloskar Oil Engines Limited (also a Member of its Audit Committee and Share Transfer Cum Investor's Grievances Committee), Force Motors Limited (also a Member of its Audit Committee), Abhijit Pawar Media Limited, A.P. Holdings 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, Ask' Chemicals India Private Limited, World Association of Newspapers and The Indian News Papers Society. Mr. P. G. Pawar does not hold any shares in the Company as on 31<sup>st</sup> March, 2014.

### Item No.12

At the Extraordinary General Meeting held on 29<sup>th</sup> June, 2007, the Board of Directors was authorised to, from time to time, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) provided that the total amount so borrowed shall not at any time exceed Rs.1000 Crores (Rupees One Thousand Crores Only) over and above the aggregate of the paid up capital of the Company and its free reserve from time to time. The Company may require funds in future from various sources to meet expenditure on its projects, to augment its working capital needs, to repay / prepay high cost debts or for corporate restructuring or other purposes in the course of its business.

With the coming into force of the Companies Act, 2013 effective from 1<sup>st</sup> April, 2014, the resolution passed by the Company at the Annual General Meeting held on 29<sup>th</sup> June, 2007 will be valid only till 31<sup>st</sup> March, 2015 as clarified by the Ministry of Corporate Affairs, Government of India vide General Circular No.04/2014 Ref. No. 1/32/2013-CL V(Pt.file) dated 25<sup>th</sup> March, 2014. In the circumstances, it is advisable to obtain fresh approval of the Members in this behalf under the applicable provisions of Section 180 of the Companies Act, 2013. Accordingly, it is proposed to pass fresh resolution by the Members to enable the Company to borrow moneys, as stated in the resolution.

The Directors/Key Managerial Personnel of the Company/their relatives who are shareholders are concerned or interested in this resolution like any other individual shareholder of the Company.

### Item No.13

Similarly, at the Extraordinary General Meeting held on 29<sup>th</sup> June, 2007, the Board of Directors was authorised for mortgaging and/or charging all/part of the movable and/or immovable property and/or undertaking(s) of the Company to secure borrowings made by the Company from time to time where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) provided that the total amount so borrowed shall not at any time exceed Rs.1000 Crores (Rupees One Thousand Crores Only) over and above the aggregate of the paid up capital of the Company and its free reserve from time to time. The Company may require funds in future from various sources to meet expenditure on its projects, to augment its working capital needs, to repay / prepay high cost debts or for corporate restructuring or other purposes in the course of its business. With the coming into force of the Companies Act, 2013 effective from 1<sup>st</sup> April, 2014, the resolution passed by the Company at the Annual General Meeting held on 29<sup>th</sup> June, 2007 will be valid only till 31<sup>st</sup> March, 2015 as clarified by the Ministry of Corporate Affairs, Government of India vide General Circular No.04/2014 Ref. No. 1/32/2013-CL V(Pt.file) dated 25<sup>th</sup> March, 2014. In the circumstances, it is advisable to obtain fresh approval of the Members in this behalf under the applicable provisions of Section 180 of the Companies Act, 2013. Accordingly, it is proposed to pass fresh resolution by the Members to enable the Company for creation of charges/security on the assets of the Company as stated in the resolution.

The Directors/Key Managerial Personnel of the Company/their relatives who are shareholders are concerned or interested in this resolution like any other individual shareholder of the Company.

### Item No. 14

Article 121(2) of the Articles of Association of the Company, *inter alia*, provides for payment of remuneration by way of commission to a Director, who is neither in the whole time employment nor a Managing Director of the Company, if the Company by a Special Resolution authorises such payment.

Section 197 of the Companies Act, 2013 (the "Act") provides, *inter alia*, that a Director, who is neither in the wholetime employment of a company nor a Managing Director may be paid remuneration by way of commission not exceeding one percent of the net profits of the Company, if the Company has a Managing or wholetime Director, provided such payment is authorised by a special resolution passed in that behalf. At the Annual General Meeting held on 30<sup>th</sup> July, 2008, the shareholders had earlier passed a resolution in this regard approving payment of remuneration by way of commission to such Directors upto a limit not exceeding one percent of the next profit of the Company or Rupees Thirty Lakhs whichever is less, which resolution was valid for five years upto the accounting year ended on 31<sup>st</sup> March, 2013.

However, having regard to the time and attention devoted by such Directors to the affairs of your Company and in view of the responsibilities cast on the Directors under the Companies Act, 2013 and Rules made thereunder, it is proposed that the shareholders approve increase in the aforesaid ceiling limit of Rupees Thirty Lakhs to Rupees Fifty Lakhs or upto a limit not exceeding one percent of the net profits of the Company as calculated under the provisions of the Act, whichever is lower and that such resolution shall remain in force for a period of five years from the accounting year commencing from 1<sup>st</sup> April, 2013. The Board recommends remunerating the non whole time Directors also of your Company by payment of commission as mentioned in the said Resolution.

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Since this resolution relates to the payment of remuneration to non whole time Directors, each of the Directors (who is neither in the wholetime employment nor is the Managing Director of your Company) is interested and concerned in this resolution. None of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way whether financially or otherwise concerned or interested in this resolution.

The Board recommends the Special Resolution set out at Item No.14 of the Notice for approval by the Members.

### Item No.15

The Board of Directors of the Company (the "Board") on the recommendation of the Audit Committee has approved the appointment of M/s Joshi Apte & Associates, Cost Accountants, Pune, to conduct audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members of the Company (the "Members") is sought for passing an Ordinary Resolution as set out at Item No.15 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2015.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested whether financially or otherwise in the resolution set out at Item No.15 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.15 of the Notice for approval by the Members.

### Item No.16

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed, *inter alia*, under Section 42 of the Companies Act, 2013 (the "Act") deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement basis, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year. In this regard private placement means an offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in Section 42 of the Act.

The Company may require to augment long term resources for financing, its planned/ ongoing capital expenditure and for general corporate purposes and the Company may offer or invite subscription for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches on private placement basis, issuable/redeemable at par.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No.16 of the Notice. This resolution will enable the Board of Directors of the Company (the "Board") to take necessary actions to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested whether financially or otherwise, in the resolution set out at Item No.16 of the Notice.

The Board recommends the Special Resolution set out at Item No.16 of the Notice for approval by the Members of the Company.

### Item No.17

**The Board of Directors of the Company, at its meeting held on 8<sup>th</sup> February, 2011 had approved the terms of the agreement between the Company and Corning Finolex Optical Fibre Private Limited for the purpose of purchasing optical fibre (the "Transaction").**

For the purpose of the Transaction, Corning Finolex Optical Fibre Private Limited may be treated as 'related party' in view of the provisions of Section 2 (76) of the Companies Act, 2013 and Clause 49 (VII) of the Listing Agreement.

The particulars of the Transaction in terms of the Explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

1	Name of the related party	Corning Finolex Optical Fibre Private Limited
2	Name of the director or key managerial personnel who is related, if any.	Mr D K Chhabria Mr Mahesh Viswanathan
3	Nature of relationship	Nominee Directors of the Company on the Board of Corning Finolex Optical Fibre Private Limited
4	Nature of material terms, monetary value and particulars of the contract or arrangement.	<b>Estimated annual purchase value at current prices is Rs.12 Crores; credit period applicable is 30 days.</b>
5	Any other information relevant or important for the members to take a decision on the proposed resolution.	None



# Finolex

## Cables Limited

The Transaction is entered into in the ordinary course of business. The Ministry of Corporate Affairs has vide its General Circular No. 30 / 2014 dated July 17, 2014 clarified that contracts entered into by companies, after making necessary compliances under Section 297 of the Companies Act, 1956, which already came into effect before the commencement of Section 188 of the Companies Act, 2013, that is, April 1, 2014, will not require fresh approval under Section 188 till the expiry of the original term of such contracts, except where any modification in such contract is made on or after April 1, 2014.

However, for ensuring better corporate governance and as a matter of abundant caution, the approval of the members is being sought by way of a special resolution.

The Board resolution dated 8<sup>th</sup> February, 2011 and the agreement dated 16<sup>th</sup> June, 2011 entered into between the Company and Corning Finolex Optical Fibre Private Limited are available for inspection by the members during working hours and on any working day of the Company at its Registered Office.

Mr. D. K. Chhabria and Mr. Mahesh Viswanathan, Directors of the Company are the nominees of the Company on the Board of Directors of Corning Finolex Optical Fibre Private Limited, and accordingly, may be deemed to be concerned or interested in this Special Resolution. Mr. D. K. Chhabria and Mr. Mahesh Viswanathan do not hold any shares or have any pecuniary interest in Corning Finolex Optical Fibre Private Limited. No other Director or Key Managerial Personnel or their respective relatives are concerned or interested in this Special Resolution.

The Board commends the Resolution set forth in Item No.17 for the approval of the Members.

By Order of the Board of Directors

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

Place : Pune  
Dated : 8<sup>th</sup> August, 2014

Registered Office:  
26/27, Mumbai-Pune Road, Pimpri, Pune - 411 018.  
CIN: L31300MH1967PLC016531  
Email: Investors@finolex.com

# FINOLEX CABLES LIMITED

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

[CIN: L31300MH1967PLC016531]

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : \_\_\_\_\_  
 Registered Address : \_\_\_\_\_  
 E-Mail ID : \_\_\_\_\_  
 Folio No. / Client ID : \_\_\_\_\_  
 DP ID : \_\_\_\_\_  
 I/We, being the member(s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint Mr \_\_\_\_\_ residing at \_\_\_\_\_  
 E-Mail ID: \_\_\_\_\_ or failing him Mr \_\_\_\_\_ residing at \_\_\_\_\_ E-Mail ID: \_\_\_\_\_ or failing him Mr \_\_\_\_\_ residing at \_\_\_\_\_  
 E-Mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/our behalf at the 46th Annual General Meeting of the Company, to be held on Tuesday the 9th day of September, 2014 at 11.30 a.m. at Auditorium of Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D Mart, Chinchwad, Pune – 411019 and at any adjournment thereof in respect of such resolution as are indicated below:

Sr. No.	Resolution	Vote (Optional see Note)*	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	Adoption of financial Statement of the Company for the financial year ended 31st March, 2014 and the reports of the Board of Directors and Auditors thereon.		
2	Declaration of dividend on equity shares for the financial year ended 31st March, 2014.		
3	Appointment of Dr. Vikas G Pai [DIN: 00395317], who retires by rotation at this meeting, but though eligible, does not offer himself for re-appointment.		
4	Appointment Auditors and fixing their remuneration.		
<b>SPECIAL BUSINESS</b>			
5	Appointment of Mr. Adi J. Engineer as Independent Director of the Company for a period of five consecutive years with effect from the date of this Annual General Meeting of the Company		
6	Appointment of Dr. Homiar S. Vachha as Independent Director of the Company for a period of five consecutive years with effect from the date of this Annual General Meeting of the Company		
7	Appointment of Mr. Atul C. Choksey as Independent Director of the Company for a period of five consecutive years with effect from the date of this Annual General Meeting of the Company		
8	Appointment of Mr. S.B. (Ravi) Pandit as Independent Director of the Company for a period of five consecutive years with effect from the date of this Annual General Meeting of the Company		
9	Appointment of Mr. Pradeep R. Rathi as Independent Director of the Company for a period of five consecutive years with effect from the date of this Annual General Meeting of the Company		
10	Appointment of Mr. Sanjay K. Asher as Independent Director of the Company for a period of five consecutive years with effect from the date of this Annual General Meeting of the Company		
11	Appointment of Mr. Pratap G. Pawar as Independent Director of the Company for a period of five consecutive years with effect from the date of this Annual General Meeting of the Company		
12	Authority for borrowing monies in excess of paid up capital and free reserves of the Company, as set out in the Resolution.		
13	Authority for creation of charges / mortgages etc on movable and/or immovable properties of the Company, where ever situate, both present and future, as set out in the Resolution.		
14	Approval for the payment, to Directors (other than whole-time employment and Managing Directors of the Company and Alternate Directors of remuneration, in addition to sitting fees for each meeting of the Board of Directors of the Company by way of commission, not exceeding one percent of the net profit of the Company as computed under the provisions of the Act or Rupees Fifty Lakhs, whichever is lower, as may be determined by the Board in each financial year.		
15	Appointment of M/s Joshi Apte & Associates, Cost Accountants, Pune who were appointed as Cost Auditors by the Company with a remuneration of Rs.4.50 Lakhs plus taxes and out of pocket expenses, if any, chargeable extra on actuals basis.		
16	Approval to offer or invite subscriptions for secured/ unsecured redeemable non-convertible debentures, in one or more series/ tranches, aggregating up to Rs.100 Crores		
17	Approval for the Company to purchase optical fibre from Corning Finolex Optical Fibre Private Limited under the agreement with them as set out in the resolution and explanatory statement.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholder

Signature of Proxy holder

Affix  
 Rs. 1/-  
 Revenue  
 Stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 46<sup>th</sup> Annual General Meeting.
- \*It is optional to indicate your preference. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

TEAR HERE

**FINOLEX CABLES LIMITED**

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

CIN: L31300MH1967PLC016531

**46TH ANNUAL GENERAL MEETING - Tuesday, 9th September, 2014**

**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 46th Annual General Meeting held on Tuesday the 9<sup>th</sup> day of September, 2014 at 11.30 a.m. at Auditorium of Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D Mart, Chinchwad, Pune – 411019.

\_\_\_\_\_  
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.

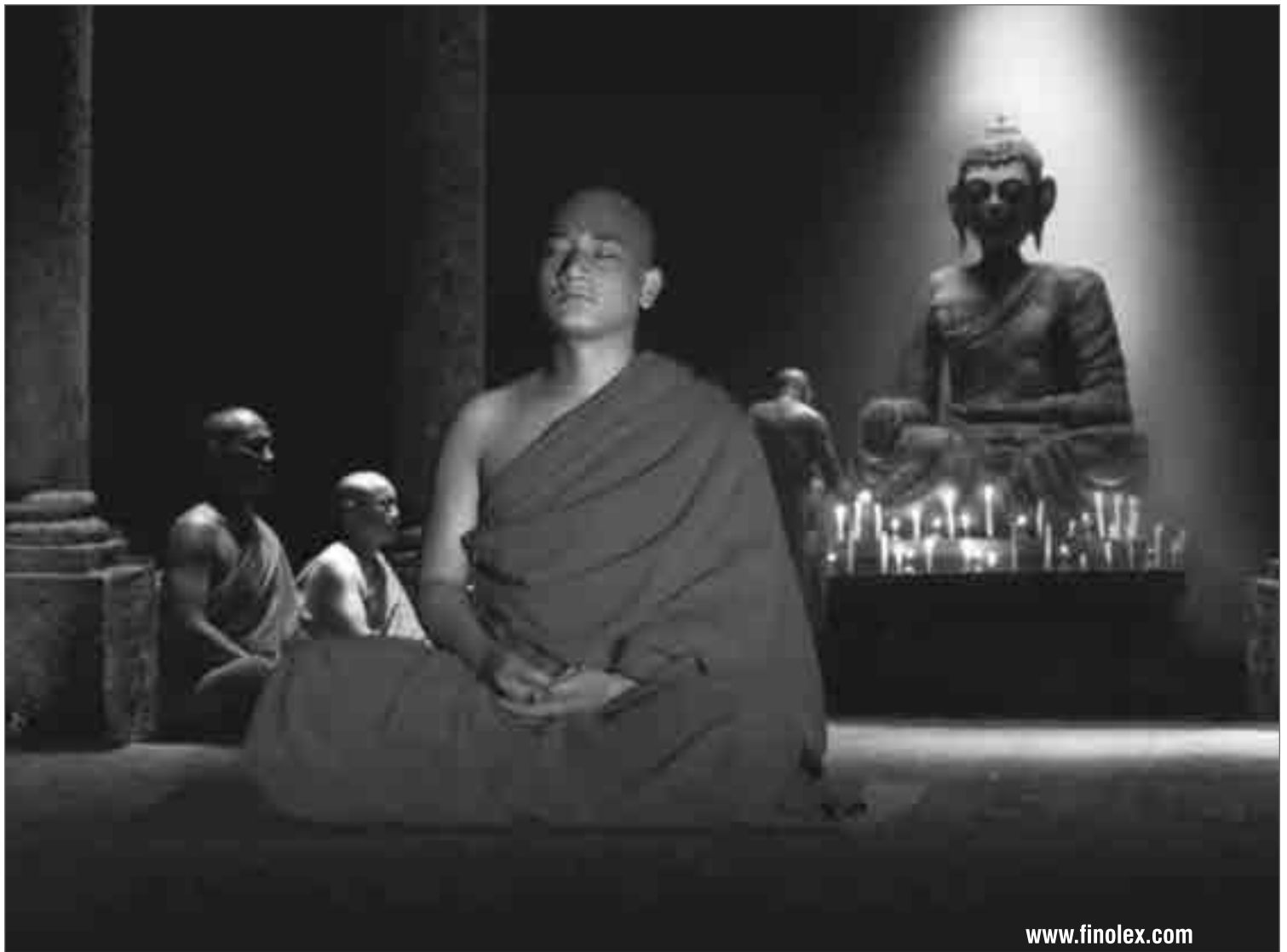
# Finolex

# Luminescence with **FinOLED**



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

Tel : 020-27475963. Fax : 020-27470344. Visit us at : [www.finolex.com](http://www.finolex.com) Email : [sales@finolex.com](mailto:sales@finolex.com)



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# Laal

*Bharosay ka rang, sadiyon se!*

**Suraksha,  
Behtar *ElectriKAL* ke liye!**

**FLAME RETARDANT (FR) PVC  
INSULATED INDUSTRIAL CABLES**



FOCUS - PUNE



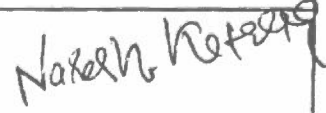
■ 99.99% copper metal purity ■ Special grade PVC compound insulation ■ High thermal stability

Regd. Office: 26-27 Mumbai-Pune Road, Pimpri, Pune 411 018, India. Tel: 020-27475963. Fax: 020-27470344. Email: [sales@finolex.com](mailto:sales@finolex.com)  
CIN: L31300MH1967PLC016531



**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 statement for the year ended	31st March 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not applicable
5	To be signed by :	
	Mr. Deepak Chhabria Executive Chairman	
	Mr. Mahesh Viswanathan - Director Finance & CFO	
	Mr. Naresh Kumar Kataria - Partner, B K Khare & Co. (Statutory Auditor)	
	Dr. H S Vachha, Audit Committee Chairman	