



Annual Report, 2016

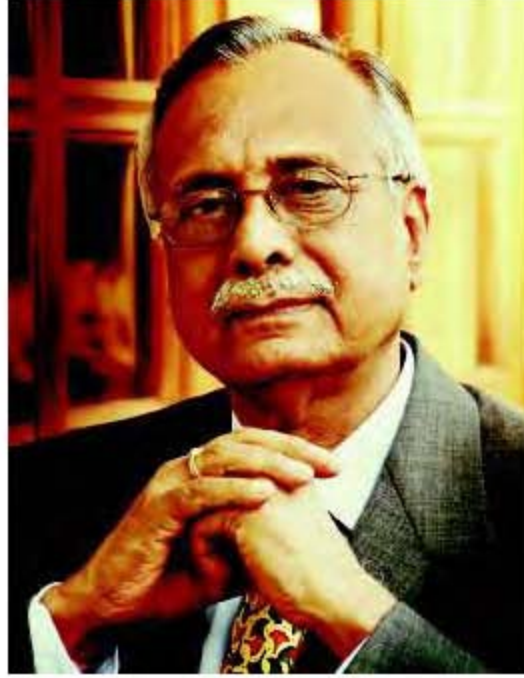
**Finolex**  
**Cables Limited**





देहिन्दोऽस्मिन् यथा देहे कौमारं यौवनं जरा ।  
तथा देहान्तरप्रसिर्धीरस्तत्र न मुह्यति ॥  
भगवद् गीता अ. २-१३

**Just as in the physical body of the embodied being  
is the process of childhood, youth and old age;  
similarly by transmigration from one body to another,  
the wise are never deluded ~ Bhagvad Gita, Ch.2.13**



**Shri. Pralhad P. Chhabria**  
(12/05/1930 - 05/05/2016)

**"I have not gone, just moved on.  
Each morning we are born again to work hard &  
live another beautiful journey..."**

1945



Two young brothers come to Pune from Karachi in search of livelihood. After doing a series of menial jobs, PP begins trading in electrical cables.

1950



A sizable order in the mid 1950's from the Defence Department bolsters their confidence and in 1956, they manufacture PVC insulated cables for the automobile industry. The Finolex brand is born from "Flex" & "Flexible" and "O" with an electric arc across it - signifying their electrical cable business.

1972



The business continued to progress with their relentless efforts and innovative products. They purchased Alpha Rubber Pvt. Ltd. that later became "Finolex Cables Ltd."

1981



The two brothers expanded the business with the inception of Finolex Pipes Ltd in March 1981 in Pune. As a backward integration that Company set up a PVC resin manufacturing facility at Ratnagiri on the west coast and Finolex Industries Ltd as it is known, today is the largest integrated manufacturer of PVC pipes and fittings in India.

1989



Following a public offering in July 1985, Finolex Cables Ltd. embarked on a continuous process of expansion and modernization. Under Shri. P P Chhabria's dynamic leadership, Finolex is presented with the Harvard Business School and Economic Times Award for the Best Corporate Performance. Also was recognized as one of the Hidden Champions of the World by World Link Magazine published by World Economic Forum, Geneva.

1992



Shri. PP also established Finolex Plasson Industries Pvt. Ltd. (FPIPL) in 1992 the first Joint Venture between Finolex Group - India and Plasson Ltd. - Israel. FPIPL offers wide range of products and solutions in the field of precise irrigation and intensive agriculture cultivation. In recognition of his efforts, Shri. PPC received an "Award of Honour" from the Prime Minister of Israel, Mr. Ehud Olmert at a glittering ceremony held in Jerusalem, Israel, on 12 November 2008.



# Glimpse of his Business Journey

1995



The early nineties saw the Finolex Group expanding into new business domains to manufacture Optic Fibre Cables and Copper Rods. AT & T Finolex Fibre Optic was established for manufacture of Fiber Optic Cable. The company was subsequently merged with Finolex Cables Ltd. (FCL) and through backward integration expanded to manufacture glass fibre. In the same year started Finolex Essex Ltd. a 50,000 ton per year capacity for production of copper rod with technical collaboration from Essex, Inc USA. Today the company is merged with Finolex Cables and supplies copper rods to the FCL plants.

1996



Shri. P P Chhabria's interrupted schooling at a very young age of seven and the struggles due to lack of formal education inspired him to create academic opportunities for the under-privileged. He set up the Finolex Academy of Management & Technology (FAMT) at Ratnagiri in 1996. Today FAMT is the largest technical institute in Ratnagiri with 2400 students studying in six different B.E. Programs and two Postgraduate Programs.

2003



Shri. P P Chhabria set up the International Institute of Information Technology (IIIT), at Hinjawadi, Pune. IIIT was dedicated to the service of our nation at the hands of Bharat Ratna, Dr. A. P. J. Abdul Kalam, Honorable Former President of India on May 28, 2003.

2008



Under Shri. PP's leadership, FCL entered into a JV with Sumitomo Japan and set up Finolex J Power Systems for manufacturing Extra High Voltage Power cable up to 500Kv. The state-of-the-art plant is situated at Shirwal near Pune.

2011



Under his leadership Finolex Cables Ltd. (FCL) started marketing JV - Corning Finolex Optical Fibre Pvt. Ltd. Corning Incorporated is the world leader in specialty glass, ceramics and the world's largest fibre manufacturing company.

2016



Today more than 6,000 families are part of the Finolex Family by way of employment across its facilities in Uttarakhnad, Maharashtra, Gujarat and Goa. A modest journey that began in 1956 has spanned a course of six eventful decades. And the company expects to conquer many more milestones and realize new dreams with the guidance Late Shri. Pralhad P Chhabria has given us over the years.



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Dear Shareholders,

I would like to begin this message with some words about our beloved founder and my uncle, late Shri P P Chhabria; From humble beginnings, through sheer hard work, commitment to quality, ethical business practices and strong customer focus, he built this organization to where it stands today. All of us who worked with him, have been mentored by him and have been brought up on the values which he believed in and practiced. His belief that "Each morning, we are born again to work and live another beautiful journey" will continue to guide us and the Company on our journey forward. The lessons and values learnt from him will form the basis of our approach to business and conduct with our stakeholders. While we will all miss his presence, I sincerely believe that the values we imbibed over the years from him will continue to guide us in the future as well.

2015-16 witnessed a steady fall in commodity prices – while this had a negative impact on the Company's top line, we were judicious in managing costs and margins. Profit after tax improved substantially to Rs.2488.5 million from Rs.1996.6 million – a growth of 25%. At a Balance Sheet level as well, the Company is on a much stronger footing than in the past – this I believe, should position us well for the opportunities ahead of us.

The Union budget for 2016-17 shows substantial allocation for various infrastructure led activities. This should present sufficient opportunities for the Company to show case its capabilities – be it in the power and energy fields or in the communications field. Simultaneously, the Company is also broad basing its product portfolio by entering into new product areas such as Switchgears and Fans – I am confident that new additions should bring substantial growth to the Company in the years to come.



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





# FINOLEX FAN: THE NEW STYLE STATEMENT

## MIND BLOWING WIND BLOWING

Style and Substance come together like never before in our exciting range of ceiling, table, pedestal, wall, exhaust and multi- purpose fans that are fast catching the consumers interest.

Our catchy much watched TVC has also generated tremendous excitement amongst trade partners and consumers and has further cemented our relationship with them.

Finolex Fans are the perfect solution for the urban integrated home in our growing cities. Aesthetics play an important role in the design of these fans with high air delivery and noiseless performance differentiating us from our competitors.

Our after sales service setup - "Finolex Delight" is the new game changer and we are backing it up with the highest service standards to make consumer's relationship with Finolex even more delightful





# FINOLEX SWITCHGEAR: THE NEXT LEVEL OF PRODUCT SATISFACTION



Moving forward is a belief that is better conveyed in action. New products catering to demands of modern integrated households are taking the Finolex trust equity to a whole new level. India is a young nation and we need to have renewed reasons for the consumer to associate with us beyond just wires and cables. The latest offering in our consumer facing journey are Switchgears and Distribution boards. The modern household is every bit as efficient in safety aspects as it is in aesthetics. Our switchgears come under many variants like MCBs, RCCBs, along with the user friendly, optimal Distribution Boards. The primary role of Switchgear is to ensure the safety of an electrical system. In common terms switchgears protect you from Short Circuit and Overload amongst other electrical faults. Though the market is highly competitive we are motivated to make this product a resounding success.

## RANGE OF MCBs, RCCBs AND DISTRIBUTION BOARDS



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**Board Of Directors**



D. K. Chhabria

Executive Chairman

P. P. Chhabria (sad demise on 05.05.2016)

Dr. H. S. Vachha

Atul C. Choksey

Sanjay K. Asher

P. G. Pawar

S. B. (Ravi) Pandit

Pradeep R. Rathi

Adi J. Engineer

Mrs. Namita V. Thapar

M. Viswanathan

Executive Director &  
Chief Financial Officer

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R. G. D'Silva

Company Secretary &  
President (Legal)

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Bankers

Central Bank of India  
Corporation Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
State Bank of India  
The Bank of Nova Scotia

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Auditors

B. K. Khare & Co.  
Chartered Accountants

---

Cost Auditors

Joshi Apte & Associates  
Cost Accountants

---

Secretarial Auditors

SVD & Associates  
Company Secretaries

---

Solicitors

Crawford Bayley & Co.

---

Registered Office

26-27, Mumbai-Pune  
Road, Pimpri,  
Pune 411 018, India  
Tel.: 020-27506200 /  
27475963

# 48th Annual Report 2015-16

## Directors' Report

To

### The Members

Your Directors are pleased to present their 48th Annual Report and Audited Accounts for the year ended 31st March, 2016.

### FINANCIAL RESULTS:

	(Rs. in million)		
	Standalone	Standalone	Consolidated
	2016	2015	2016
Income	25,251.8	25,075.6	26,078.2
Profit Before Interest, Depreciation, Exceptional Items and Tax	4,025.6	3,175.1	4,164.5
Less : Interest	89.5	129.2	124.7
Less : Depreciation	572.3	639.6	613.9
Profit Before Exceptional Items and Tax	3,363.9	2,406.2	3,425.9
Exceptional Items(Loss)/Gain	-	225.2	-
Profit Before Tax	3,363.9	2,631.5	3,425.9
Less : Provision for Taxation			
(a) Current Tax	1,033.7	619.0	1,033.7
(b) Deferred Tax	(70.6)	26.2	(70.6)
(c) MAT Credit	-	-	-
(d) Taxes of Earlier Year	(87.7)	(0.3)	(87.8)
Share of profit/ (loss) of Associate	-	-	773.9
Profit After Tax	2,488.4	1,986.6	3,324.5

### BACKGROUND

In a year that has seen a moderation of global growth from 3.4% to 3.1%, India came off as one of the better performers. The IMF has repeatedly said in the recent past that India is a "bright spot" amidst a slowing global economy. That our local economy has been able to sustain a growth of 7.6% in a year that saw a very poor monsoon (rainfall deficiency of 13%) is a testimony to the Government's and RBI's focus on containing inflation, reigning in the CAD, managing the overall budget deficit within the promised 3.9%, of course still supported by soft commodity prices and a reasonably stable currency. While the deficiency in monsoon has impacted the growth of rural economy, and export volumes continued to decline, some green shoots have been observed and overall economic fundamentals have started to improve in recent months. In your Company's case, volume expansion has been very visible in the second half of the year. The focus that the Government's budget of 2016-17 provides on infrastructure spending (a planned 22.5% hike from earlier levels), as well as progress on the previously announced programmes such as the various Industrial Corridors, Railways Investments, Smart City Initiatives, Digital Connectivity and Make in India, Power generation thru non-conventional energy sources, etc., augur well for your Company's chosen areas in the near and medium terms.

### OPERATIONS

**OVERALL:** Growth remained flat in revenue terms for the year under review. As members are aware, your Company's revenue is linked to commodity prices and the year continued to be "soft" as regards commodity prices. Copper prices were down by about 20% at the end of the year as compared to March 2015. Volume growth was, however, robust during the year. Volumes were higher in all product lines – as compared to the previous year, Electrical Wires grew by 12%, Flexible Wires by 20%, Power Cables by 19%, and all Communication Cables by over 35%.

In terms of outlook for the upcoming year, the recent budget announced by the Government has allocated a substantial increased outlay on infrastructure related spending. Programs such as Railway and Industrial Corridors, Smart City initiatives, Digital Connectivity via Bharat Net etc are beginning to take shape; the Government's initiative in the Power Sector with the UDAY program is gaining acceptance; the push towards generating clean energy is starting to yield results. It is expected that some of these projects would reach the execution stage in the coming year and that would be positive to your Company's position in product lines such as Electrical Cables for various applications, as well as Optical Fiber Cables.

Income for the year under review was higher at Rs. 25,251.8 million (previous year Rs. 25,075.6 million) representing a growth of 1% over the previous year. Your Company has recorded a Net Profit before Tax of Rs. 3,363.8 million as against Rs. 2,631.5 million in the previous year – a growth of 28%.



# Finolex

## Cables Limited

Highlights of the performance are discussed in detail in the Management Discussion and Analysis Report (MDAR) attached as Annexure A to this Report.

**EXPORTS:** Due to the depressed market situation, overseas FOB value of exports for the year was Rs. 416.5 million (Previous year's export value of Rs. 539.5 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. Your Company retained 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.

During the 3rd quarter of the year, your Company redeemed its outstanding non-convertible debentures of Rs 500 million. Post this redemption, only a small portion of one long term loan remains outstanding.

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 the year 2003 and accordingly, no fixed deposits have been accepted during the year under review.

### DIVIDEND

Considering the business situation, your Directors have pleasure in recommending a dividend on equity shares of 125%. The amount thereof per equity share will be Rs 2.50. The total dividend outgo (including dividend tax) will be Rs.460.2 million. Included in the above recommendation is a special dividend of 25% (Rs 0.50 per share) as homage to late Shri. P. P. Chhabria, Founder Promoter of your Company.

Payment of Dividend is subject to the approval of the members at the ensuing Annual General Meeting.

### EXPANSION & NEW PRODUCTS

As mentioned in our previous report, the switchgear facility in Roorkee has been awaiting approval from BIS prior to market release. This is now expected in the coming months and the product launch is now planned for Q2, 2016-17.

Your Company announced in Q2, 2015-16 that it was entering the Fan segment – members will be pleased to know that a completely new range of fans, specially designed for your Company, has been introduced in the market in May 2016. While the current introduction targets all price segments, it is the intention of your Company to constantly innovate and bring new and meaningful designs to the market from time to time. These new products are expected to open up a new growth area for your Company as well as take it on the path of being an Electrical Products and Solutions Company eventually.

Anticipating and catering to market demand has been a hallmark of your Company – in this connection, capacity additions were made in several product lines – LAN/Coaxial/speciality cables for security applications all currently operate at increased capacities and are poised to capture market growth in these areas.

In the pipeline for 2016-17 are new products from the Lighting/Lamp business, electrical cables for solar and automobile applications and an entirely new range of switches etc.

### JOINT VENTURES, SUBSIDIARIES AND ASSOCIATES

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

#### Finolex J-Power Systems Private Limited

With the government's emphasis on improving investments in the infrastructure sector beginning with Roads, Ports and Railways, followed by Energy sector, it is expected that more tenders would be floated and hence the JV expects to participate and see a favorable order book.

The year has been very positive for company in terms of market penetration, improved reach and attaining visibility by relationship building with the customer base and the same is reflected in terms of the JV's ability to participate in company tenders. Tender participation and enquiry register has grown six fold. The challenge remains in terms of meeting pre-qualification requirements and on the export front where overseas third party certifications are mandated. Because of several representations made by the JV, it has been successful in persuading various State and Central Government utilities & Public Sector undertakings to accept credentials of the JV partners; it has been successful in participating in majority of tenders. While the level of tender participation has improved, the tender conclusion process is still very slow and the JV is awaiting the results in most tenders that it has participated in.



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Thus, it is estimated that the JV will still take some time before it becomes profitable 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. 194.5 million has been recognized as a diminution in the value of investment. During the year, your Company injected equity of Rs. 232.8 million, taking the Company's participation up to Rs. 982.5 million at the end of FY 2015-16.

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

During the year, the JV realized revenues of Rs. 1,596.6 million against Rs. 1,581.3 million in the previous year. Profitability, however, is yet to improve and the JV is currently at break-even levels. With consumer demand increasing for mobile data services and e commerce, it is hoped that the fiber penetration in India will improve. Further, Government initiatives such as Bharat Net and Digital India are expected to add buoyancy to demand. Demand for better quality and feature rich products is on the increase and the JV expects to capitalize on the same. Your Company's participation in the JV's equity at the end of FY 2015-16 remains at Rs 17.5 million.

### **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. Several skilled based training programs were conducted during the year with the help of external consultants, especially for the staff in Sales and Marketing functions. Your Company is also in the process of revamping its hiring and appraisal processes in line with benchmarked practices in industry.

### **Industrial relations continued to be cordial during the year.**

The Company had 1,694 permanent employees on its rolls as on 31st March, 2016 (previous year 1,531 permanent employees as on 31st March, 2015).

### **Particulars of employees and related disclosures:**

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

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

### **KEY MANAGERIAL PERSONNEL**

The following persons continued as Key Managerial Personnel during the year 2015-16:

<b>Name</b>	<b>Title</b>
Mr. D K Chhabria	Executive Chairman
Mr. Mahesh Viswanathan	Executive Director & CFO
Mr. R G D'Silva	Company Secretary & President (Legal)

### **CORPORATE GOVERNANCE**

Your Company is in full compliance with the Corporate Governance guidelines as set out in Clause 49 of the Listing Agreement and is committed to good corporate governance laying a strong emphasis on transparency, accountability and integrity. All Directors and Senior Management employees have confirmed in writing their adherence to the Company's Code of Conduct.

A separate report on Corporate Governance (Annexure B) is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance with conditions of Corporate Governance as Annexure C, as mandated under Clause 49 of the Listing Agreement. There is no qualification, reservation or adverse remark or disclaimer made by the auditor in his report. A Certificate of the Chief Executive Officer and Chief Financial Officer of the Company in terms of Clause 49 (IX) of the Listing Agreement, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee is also annexed.

### **CORPORATE SOCIAL RESPONSIBILITY ('CSR')**

As in the past, your Company continues to serve the community around it. Members will recall that during the previous year, your Company had approved an expenditure of Rs. 30.0 million towards construction of an additional building in an engineering college supported by the Company. While this amount was approved in 2014-15, the actual spend was to happen in 2015-16 – we are pleased to state that this project has been successfully completed and the college now boasts of an excellent building with state of art class rooms. Keeping in mind the projected growth in student population in the college, your Company in 2015-16 sanctioned a further sum of Rs. 30.0 million from its CSR funds for the construction of an additional block – the cash flow on this project will happen in 2016-17.

The annual report on CSR activities of the Company for the year under review is set out in Annexure J forming part of this report.



# Finolex

## Cables Limited

### DIRECTORS

Mr. P.P. Chhabria, founder promoter of your Company, breathed his last on 5th May 2016 after a brief illness. He had been the guiding factor, in the growth of your Company right from its formative years all the way through the present time. He believed that **“Each morning we are born again to work hard and live another beautiful journey”**. His pioneering effort, dedication to promoting and marketing a quality product, ability to connect with customers and other stakeholders, encouragement that he provided to employees are qualities that have helped your Company immensely during the period of his association. His presence will be missed, but it would be endeavor of the Board to ensure that his values are continued. Your Directors wish to place on record his valuable contribution to the Company.

In accordance with the provisions of the Companies Act, 2013 and relevant Rules framed there under and the Articles of Association of the Company, Mrs. Namita Vikas Thapar [DIN: 05318899] retires by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment. The Board recommends her re-appointment as Woman Director on the Board of Directors of the Company.

### COMPLIANCE UNDER THE COMPANIES ACT, 2013

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

1. **Extract of Annual Return:** An extract of the Annual Return in Form MGT9 as on March 31, 2016 is enclosed as Annexure D to this Report.
2. **Number of meetings of the Board:** The Board met on 4 occasions during the year. Details of the meetings are furnished in the Report on Corporate Governance which is attached as Annexure B to this Report.
3. **Directors' Responsibility Statement:** Pursuant to Sections 134(3)(c) and 134(5) of the Companies Act, 2013, (the "Act"), the Directors, to the best of their knowledge and belief and according to the information and explanations provided to them, confirm that:
  - (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
  - (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
  - (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - (d) The Directors had prepared the annual accounts on a going concern basis;
  - (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
  - (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
4. **Remuneration and Nomination Policy:** The Board of Directors has framed the policy which lays down a framework in relation to Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Executives of the Company including the criteria for determining qualifications, selection and appointment. Further details are provided in the Corporate Governance Report which is attached as Annexure B to this Report.
5. **Board Evaluation:** Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement, independent directors at their meeting dated 10th February 2016, without the participation of the non-independent directors and Management, considered and evaluated the Board's performance, performance of the Chairman and other non-independent directors. The evaluation was performed taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The Board of Directors expressed its satisfaction with the evaluation process.
6. **Particulars Of Loans, Guarantees Or Investments Under Section 186 Of The Companies Act, 2013:** During the year, an investment of Rs. 232.8 million was made in the equity of the Company's Joint Venture - M/s Finolex J-Power Systems Pvt. Limited.
7. **Contracts Or Arrangements With Related Parties:** All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. Each of these transactions was reviewed by the Audit Committee prior to being entered into and where necessary, was approved by the Board of Directors and members. In respect of transactions of a repetitive nature, an omnibus approval was obtained from the Audit Committee and Members where necessary. At every meeting, the Audit Committee reviews the transactions that were entered into during the immediately preceding period. Details of related party transactions have been disclosed under Note 36 to the financial statements. Details of the same are also reproduced in Form AOC 2 which is attached as Annexure F to this Report. The Company's Policy on transactions with related parties as approved by the Board is also available on the website of the Company at [www.finolex.com](http://www.finolex.com).
8. **Material Changes And Commitments Affecting The Financial Position Of The Company Which Have Occurred Between March 31, 2016 And May 26, 2016 (Date Of This Report):** There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (March 31, 2016) and date of this Report (May 26, 2016)

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9. **Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status Of The Company:** There are no significant and material orders passed by the Regulators or Courts or Tribunals that would impact the going concern status of the Company and the Company's operations in the future.

10. **Adequacy Of Internal Financial Controls With Reference To The Financial Statements:**

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

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

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

At the entity level, it has been decided that the Company's internal control mechanism would follow the COSO framework. At individual business levels, the existing controls are being strengthened by the adoption of an electronic tool which will provide for review, monitoring and reporting of the various control mechanism both at a location and functional level prior to being periodically certified by its robustness by the Management.

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

11. **Risk Management Policy:** Your Company has set up a Risk Management Committee of the Board of Directors which comprises Dr. H S Vachha, Mr. Sanjay Asher, Mr. D K Chhabria and Mr. Mahesh Viswanathan. More details of the risks faced by the Company are available in the Management Discussion & Analysis Report which, pursuant to Clause 49 (VIII) (D) of the Listing Agreement, is attached as Annexure A to this Report.

12. **Vigil Mechanism / Whistle Blower Policy:** As required under Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Boards and its Powers) 2014 and Clause 49 of the Listing Agreement, the Company has adopted a policy on vigil mechanism / whistle blower. The policy provides direct access to the Chairman of the Audit Committee in case any employee should choose to report or bring up a complaint. Your Company affirms that no one has been denied access to the Chairman of the Audit Committee and also that no complaints were received during the year. Brief details about the policy are provided in the Corporate Governance Report which is attached as Annexure B to this Report. Also, the policy is available at the Company's website.

13. **Prevention Of Sexual Harassment Policy:**

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

During the year under review, no complaints were received by the Company relating to sexual harassment.

### AUDITORS

M/S B. K. Khare & Company, Chartered Accountants (Firm Registration Number: 105102W), Auditors of your Company, hold office until conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Further as required under the provisions of Section 139 and Section 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014, M/S B. K. Khare & Company have confirmed their consent as well as eligibility to act as Auditor of the Company.

The Audit Committee and the Board of Directors have recommended the appointment of the Auditors for the financial year 2016-17. Necessary resolution is being placed before the Members for approval.

### COST AUDIT

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) rules of 2014 as amended from time to time, your Company has been carrying out an audit of cost records every year. In respect of the financial year 2015-16, at the previous AGM, members had approved of the appointment of M/S. Joshi Apte & Associates as Cost Auditor at a remuneration of Rs. 4.5 lakhs plus service tax, as applicable, and reimbursement of out of pocket expenses. Their work will commence shortly and their report would be filed with MCA on or before the due date.

The Cost Audit Report was filed for the financial year 2014-15 was filed prior to its due date in September 2015.



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### SECRETARIAL AUDIT

In accordance with the provisions of Section 204 of the Companies Act, 2013, and the rules made there under, M/S. S.V. Deulkar & Co., a firm of Company Secretaries in practice was appointed to conduct the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark or disclaimer made by them.

Their Report is attached as Annexure G to this Report.

### 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. 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.

### ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached to this Report as Annexure I.

### PARTICULARS OF EMPLOYEES

Information as required under the provisions of the Companies Act, 2013 (the "Act") read with Rule 5 sub rules (2 and 3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the "Rules") forms part of this Report. However, as per the provisions of Section 136(1) of the Act, the Report and Accounts are being sent to the members, excluding the statement of particulars of employees under the Rules of the Act. Any shareholder desirous of obtaining a copy of the said statement may write to the Company Secretary & President (Legal) at the registered office of the Company.

### CAUTIONARY STATEMENT

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

### ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Pune  
Dated: 26th May 2016

**D.K. Chhabria**  
Executive Chairman



### Annexure A to the Directors' Report

### 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 types of cables, the Company manufactures Continuous Cast Copper Rods (CCCRods), 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 accounts for less than 5% of the Company's turnover and are hence reported as "Others" in the Segment Results.

#### 1.1 Main Segments:

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

Group	Product Covered	Application	
<b>Electrical Cables</b>	1100 V PVC Insulated Cables	Electrification of industrial establishments, electrical panel wiring and consumer electrical goods	
	Motor winding PVC insulated cables and 3 core flat cables	Submersible pumps and electrical motors.	
	Automotive/battery cables	Wiring harness for automobile industry and battery cables for various applications	
	UPS cables	For providing power from the UPS to the computer / appliances in the networking environment	
	Heavy duty, underground, low voltage, power and control cables	Connection to the user point from main supply of power	
	Heavy duty, underground, high voltage, power cable	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 Communication Cables
		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 & electronic goods.	
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, Fittings and LED base lighting switches.	Domestic lighting, hotels, shops, offices, corridors and industrial lighting,	

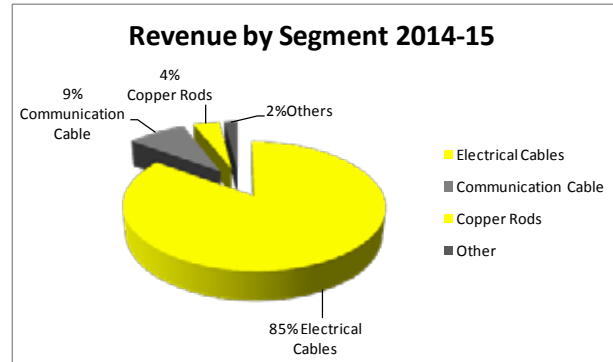
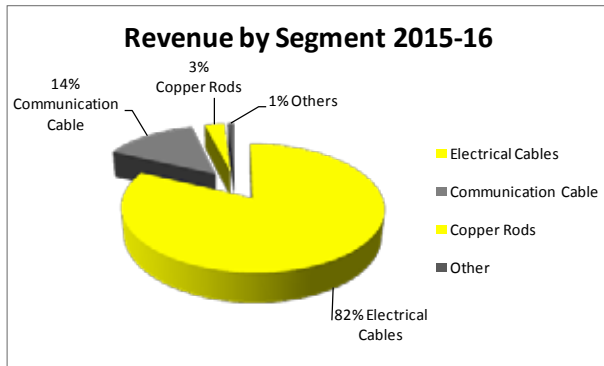
The Company's product application range is thus for electrical usage, transmission of voice, data and images (contents) for domestic, commercial and industrial applications to electrical products, touching every person in his daily life.



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## 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 55,678 MT as compared to 50,716 MT in the previous year.
- Metal based communication Cables at 6,716 MT as compared to 5,607 MT in the previous year.
- Optical Fibre Cables at 1,179,806 FKM as compared to 818,515 FKM in the previous year.

### • Sales:

- Electrical Cables (including Excise Duty) at Rs.21,507 million as compared to Rs. 21,919 million in the previous year.
- Communication cables (including Excise Duty) at Rs.3,764 million as compared to Rs. 2,445 million in the previous year.
- Copper Rods (net of interdivisional transfers and including Excise Duty) at Rs. 1,086 million as compared to Rs.1,060 million in the previous year.
- Exports were lower at Rs. 432 million as against Rs. 545 million of the earlier year.
- The income from operations (including excise duty) was Rs. 26,125 million for the year under review as compared to Rs. 25,748 million for the earlier year.
- As explained in the Director's Report, it is estimated that the JV with J Power Systems will still require time to stabilize and become profitable and will continue to need financial support in the form of equity infusion. While the long term outlook of the JV is positive, in the short-term there continues to be an erosion of net worth in the JV.
- The Joint Venture with Corning SAS, Corning Finolex Optical Fibre Pvt. Ltd. has clocked sales of over Rs. 1,597 million in the Year 2015-16 as against Rs. 1,581 million in the previous year and have reached a break even position. 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. GROWTH DRIVERS:

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

- Product quality
- Continuous product improvement
- Introduction of new products through in-house developments
- Creating customer preferences
- Competitive pricing and extremely competitive cost structure
- Dynamic approach to situations
- Strong and dependable distribution channel spread all over the Country.

#### 5. BUSINESS ENVIRONMENT:

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

##### 5.1 Electrical Cables:

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

- (i) Light duty electrical cables include electrical wires used extensively for electrification of industrial establishments, electrical panel wiring in industrial establishments and major equipments, consumer durable goods, automobiles, agricultural pump sets, small generator applications besides general lighting purposes.
- (ii) In power cable category, the Company has the ability to manufacture such cables within the range 1.1 kV to 66 kV. These cables are high voltage cables designed in various constructions depending upon their applications; however, always meant for underground usage. Power and control cables up to 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.21,507 million against Rs. 21,919 million of the previous year. It accounted for 82% of total sales for the year under review. Volume growth during the year was spread across all product lines – Electrical Wires grew 11%, Flexible Wires by 20% and Power Cables by 18%. The year saw very subdued commodity prices and hence value growth in revenue did not keep pace with the volume growth. Margins, however, were strong with EBITA at 15.4% for the year as against 13.6% in the earlier year.

##### Outlook:

Electrical cables are the main focus area of business for the Company. Both in the near and in the long term the outlook is positive – construction sector appears positive especially given the governments drive towards Housing For All by 2022 as well as the recent passage of the Real Estate Regulatory Bill; agricultural applications also appear positive and poised to continue on the growth shown in the previous years; spends in the social and infrastructure (power), should see a boost in the near term given the substantial increase in budgetary allocations as well as the focus that the Budget 2016-17 places on these sectors. 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 to 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. Newer products include



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special cables that provide for both image capture as well as power solutions to CCTV cameras. 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 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.3,764.2 million for the year under review against Rs.2,445 million in the earlier year. There was a significant improvement in both volumes and value of products supplied during the year – all product lines under this segment delivered substantial volume growth (in excess of 53%). Consequently plant utilisations across all product lines improved leading to a much improved EBITA level. EBITA levels for the year improved to 10.6% in this segment as compared to 6.35% 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.4,784.9 million (previous year Rs.5,884.2 million) of which Rs.707.8 million were sales to third parties (previous year Rs.973 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.

### **5.4 Electrical Switches and Lighting Products:**

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.



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### 5.5 Summary:

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

### 6. OPPORTUNITIES AND THREATS:

Your Company has adequate production capacity to meet the surge in demand. Restart of mining activity, government policy on infrastructure development & digitalization of rural India will expect to surge in demand for power & communication cables.

Competition, high volatility in copper price & enforcement of overload regulation remains as threats.

### 7. FINANCIAL REVIEW:

Summary of Statement of Profit and Loss is given below.

	(Rs in million)		
	2015-16	2014-15	Inc/Dec %
<b>INCOME</b>			
Revenue From Operations (Net)	24,610.9	24,490.9	0.5
Other Income	640.8	584.7	9.6
<b>Total</b>	<b>25,251.8</b>	25,075.6	0.7
<b>EXPENDITURE</b>			
Material Costs	17,214.3	18,236.8	(5.6)
Employee Benefit Expense	1,075.6	939.6	14.5
Finance Costs	95.3	136.5	(30.2)
Depreciation, Amortization and Impairment	572.3	639.6	(10.5)
Other Expenses	2,930.5	2,716.7	7.9
<b>Total</b>	<b>21,888.0</b>	22,669.3	(3.5)
Profit Before Exceptional and Extraordinary Items	3,363.8	2,406.3	39.8
Exceptional Items - Income / (Expenses)	-	225.2	(100)
Profit Before Tax	3,363.8	2,631.5	27.8
<b>Tax Expense:</b>			
Current Tax	1,033.7	619.0	67.1
Deferred Tax	(70.6)	26.2	(269.5)
Taxes of Earlier Years(written back)	(87.7)	(0.3)	-
Profit After Tax	2,488.4	1,986.6	25.3
Basic Earnings per Share	16.3	13.0	25.4

#### Revenues:

In terms of revenue, the year under review saw only a marginal growth over the previous year

#### Costs:

- **Material Cost** The lower commodity costs during the year, led to price reductions; however, your Company was able to retain a premium due to its superior range and quality.
- **Staff Cost** Employee expenses increased in proportion to inflation as well as on account of new hires. Further, a reduction in general interest rates led to an additional retrial contribution.
- **Other expenses** Higher spends on advertisements and product promotions resulted in a marginal increase.
- **Depreciation** for the year was lower since the impact of additional costs absorbed in 2014-15 consequent to changes brought in by Companies Act 2013 were now normalised.
- **Finance Cost** decreased in proportion to reduction of borrowings.

The shareholders' funds as at March 31, 2016 after providing for dividend including distribution tax of Rs. 460.20 million stood at Rs14,676.3 million which is an increase of Rs. 2,028.20 million over the fund balance as at March 31, 2015.



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Summary of Statement of Balance Sheet is given below.

(Rs in million)

	2015-16	2014-15	Inc/Dec %
<b>SOURCES OF FUND</b>			
Shareholder's Fund	14,676.3	12,648.1	16.0
Non-Current Liabilities	540.5	866.4	(37.6)
Current Liabilities	2,965.9	2,823.2	5.1
<b>Total</b>	<b>18,182.7</b>	<b>16,337.7</b>	<b>11.3</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	4,279.7	4,704.5	(9.0)
Investments	2,269.0	2,256.6	0.6
Loans & other Non-Current Assets	66.2	235.5	71.9
Current Assets	11,567.9	9,141.1	26.6
<b>Total</b>	<b>18,182.7</b>	<b>16,337.7</b>	<b>11.3</b>

- Capital Expenditure and Investments During the year, Your Company incurred Rs.147.6 million towards capital expenditure, predominantly towards sustenance of existing capacity and product development activities. Your Company has invested in Joint Venture Rs.232.8 million.
- Liquidity Your Company continued with the "cash and carry" system of sales for all retail customers during the year. For Institutional & OEM customer the Company continued with credit period mutually agreed as per purchase order contract. Your Company manages its liquidity through rigorous weekly monitoring of cash flows.
- Profitability Your Company's profit before tax improved due to increase in volumes in the financial year 2015-16, tighter control on material cost and operating expenses.

Presently, your Company's debts have been rated by CRISIL. Details are as follows:

Agency	Long Term Loan	Short Term Loan
CRISIL	AA+	A1+

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

- Results of Operations Your Company registered a net cash inflow of Rs. 2,976.1 million from its operations as compared to Rs. 1,826.9 million generated last year. In addition your Company redeemed NCDs of Rs 500 million and partially repaid a long term loan to the tune of Rs. 250 million during the year.

Profit before tax and exceptional items stood at Rs. 3,363.8 million as against a Rs. 2,406.3 million in last year.

Taxation: After reckoning a current and deferred tax liability of Rs. 875.5 million, Profit after tax for the current year stood Rs.2,488.4 million which is substantially higher than the previous year's Rs. 1,986.6 million.

- Cash flow statement

(Rs in million)

	2015-16	2014-15
Profit from operations before tax	3,363.8	2,631.4
(INC)/Dec in Net working capital	(387.7)	(804.5)
Net cash flow from operating activities	2976.1	1,826.9
Payment for acquisition of assets-net	(147.6)	(320.8)
Cash outflow for investing activities	(1,426.5)	(1,420.1)
Proceed from long term assets & investment	(232.8)	(122.5)
Cash outflow for Financing activities	(1,176.0)	(393.3)
Net cash flow / (Outflow)	(6.7)	(429.8)

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- The Year Ahead: With additional focus on infrastructure building, policy on Housing For All by 2022 and the Digital India move, it is expected that demand for products dealt in by your Company will improve and continue to grow. Your Company is positioned to capture the demand surge as it happens.

### **8. 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.

### **9 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 has appointed outside agency to develop tools to monitor Internal Control System . This will be implemented in next financial year .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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### Annexure B to the Directors' Report

#### CORPORATE GOVERNANCE

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

The Company has adopted certain practices to achieve good corporate governance; the salient ones being fairness and transparency in dealings, accountability for performance, effective management control by the Board of Directors of the Company (the "Board"), constitution of Board Committees as a part of internal control system, fair representation of professional, qualified, non-executive and independent directors on Board, adequate and timely disclosure of financial and other information and prompt discharge of statutory obligations and duties. The Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct has been hosted on the website (<http://www.finolex.com>) of the Company.

#### 2. BOARD OF DIRECTORS :

##### 2.1 Constitution of the Board:

- The Company believes that a diverse Board will further enhance the quality of the decisions made by the Board by utilizing the different skills, qualifications, professional experience, gender, knowledge, etc. of the members of the Board, necessary for achieving sustainable and balanced development.
- The composition of the Board with reference to the number of executive and non-executive directors, amply meets the requirement of Corporate Governance provisions as specified in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Out of Ten Directors, there is one promoter executive Director namely Mr. D. K. Chhabria, Executive Chairman, one non-promoter executive Director namely Mr. Mahesh Viswanathan designated as "Executive Director and Chief Financial Officer", Seven Independent Directors and one non-promoter non-executive Woman Director, Mrs. Namita V Thapar.
- Mr. P P Chhabria who was a promoter non executive Director and former Chairman of the Company for last so many decades ceased to be a Director due to sad demise on 5th May 2016.
- The majority of Directors on the Board are independent 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. The independent directors are all eminent persons having expertise and many years of experience in their respective fields. None of the independent directors are related to the promoters and neither collectively nor individually do they hold two percent or more of the total voting power of the Company.

##### 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 12th May, 2015, 10th August, 2015, 3rd November, 2015 and 10th February 2016.

Attendance at meetings of the Board in financial year 2015-16 and last Annual General Meeting (AGM) and details of membership of Directors in other companies' Boards and their committees, is set out below:

Names of Directors	No. of Board meetings attended during the year 2015-16	Whether attended last AGM held on 10th August 2015	No. of Directorship(s) as on 31.03.2016		No. of Membership(s) / Chairmanship(s) of Board Committees as on 31.03.2016	
			Public Companies	Private Companies	as Member	as Chairman
Mr. D K Chhabria	4	Yes	Nil	4	Nil	Nil
Mr. P P Chhabria*	2	Yes	2	7	1	Nil
Dr. H S Vachha	4	Yes	8	Nil	5	4
Mr. Atul C Choksey	1	No	9	4	Nil	1
Mr. Sanjay K Asher	3	Yes	9	10	2	4
Mr. P G Pawar	4	Yes	5	8	2	2
Mr. S B (Ravi) Pandit	3	No	3	3	2	Nil
Mr. Pradeep R Rathi	3	Yes	9	4	3	1
Mr. Adi J Engineer	4	Yes	2	Nil	2	Nil
Mr. Mahesh Viswanathan	3	Yes	Nil	2	Nil	Nil
Ms. Namita V Thapar	3	Yes	2	2	Nil	Nil

\* Ceased due to sad demise on 5th May, 2016



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In accordance with the provisions of Regulation 26 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. memberships/chairmanships of only the Audit Committee and Share Transfer/ Stakeholders Relationship Committees of all public limited companies whether listed or not have been considered

### 2.3 Remuneration to Executive Directors:

(Amount Rs.)

Particulars	Mr. D K Chhabria Executive Chairman	Mr. Mahesh Viswanathan Executive Director & CFO
Salary and Allowances	7,500,000	7,308,000
Contribution to Provident and Superannuation Funds	2,025,000	1,394,400
Other Perquisites	7,499,910	1,707,605
*Commission/**Incentive - payable	67,500,000	9,000,000
<b>Total</b>	<b>84,524,910</b>	<b>19,410,005</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 contracts are 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.
4. Performance is evaluated by the Nomination and Remuneration Committee, which, inter alia, considers and recommends payment of commission/ incentive based on the performance of the Company and contemporary practices in the industry. The recommendations of the Committee are further considered by the Board and a collective decision taken without participation of interested Directors.

### 2.4 Remuneration to Non-Executive Directors:

Non Executive Directors are entitled to sitting fees for attending each meeting of the Board or any Committee(s) of the Board and profit related commission. The details of payment of fees, sitting fees and commission to Non Executive Directors for the financial year 2015-16 is set out below:

Name of Non-Executive Director	Advisory Fees	Sitting Fees (Rs.)	Commission Payable (Rs.)	Total (Rs.)	Shareholding (in Nos. of shares) of Non-Executive Directors in the Company	Remarks
Dr. H.S. Vachha	-	1,95,000	10,00,000	11,95,000	-	
Mr. P P Chhabria*	3,00,00,000	135,000	5,00,000	3,06,35,000	100	
Mr. Atul C. Choksey	-	15,000	5,00,000	5,15,000	-	
Mr. Sanjay K. Asher	-	2,80,000	5,00,000	7,80,000	12,395	Joint holder
Mr. P. G. Pawar	-	3,30,000	5,00,000	8,30,000	-	
Mr. S.B. (Ravi) Pandit	-	60,000	5,00,000	5,60,000	-	
Mr. P.R. Rathi	-	2,60,000	5,00,000	7,60,000	-	
Mr. A.J. Engineer	-	75,000	5,00,000	5,75,000	-	
Ms. Namita V Thapar	-	60,000	5,00,000	5,60,000	-	
<b>Total</b>	<b>3,00,00,000</b>	<b>14,10,000</b>	<b>50,00,000</b>	<b>3,64,10,000</b>		

\* Ceased due to sad demise on 5th May, 2016

- a) Sitting fees paid to each non-executive Director was earlier uniform @ Rs.15,000/- for attending each meeting of the Board/ Committee thereof. As its meeting held on 3rd November, 2015 the Board increased sitting fees for attending Board Meetings from Rs.15,000/- to Rs.30,000/-, Audit Committee Meetings from Rs.15,000/- to Rs.20,000/- and for attending all other Committee meetings remaining unchanged at Rs.15,000/- per Meeting.
- b) Commission as may be decided by the Board but not exceeding one percent of the net profits of the Company as per the provisions of Section 197 of the Companies Act, 2013 or Rupees Fifty Lakhs, whichever is less, which is the ceiling limit



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## Cables Limited

approved in this regard by the members at the Annual General Meeting held on 9th September, 2014 is payable to non executive Directors. The said commission, as may be determined by the Board each financial year, is payable to non executive Directors. Such commission is divisible amongst such Directors in such proportion as the Nomination and Remuneration Committee may recommend and be approved by the Board.

- c) The contract with Mr. P. P. Chhabria, Director Advisor was for a period of three years with effect from 6th August, 2013 Mr. P P Chhabria, founder Promoter Director and former Chairman of the Company has since expired on 5th May 2016.

### 2.5 Information placed before the Board:

The information placed before the Board 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 removal / cessation of office by Chief Financial Officer and Company Secretary.
- f) Show cause, demand and prosecution notices and penalty notices, which are materially important.
- g) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- h) Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- i) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- j) Details of any joint venture or collaboration agreement.
- k) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- l) Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- m) Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- n) Quarterly details on foreign exchange exposure and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- o) Status on compliance with all regulatory, statutory or listing requirements and material contractual requirements.
- p) Details of delegation of authorities to executives and Powers of Attorney issued.

### 3. AUDIT COMMITTEE:

#### Constitution and Composition:

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 & President (Legal) acts as the Secretary to the Committee.

#### Terms of reference:

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

A. The role of the audit committee shall include the following:

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

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- (a) matters required to be included in the director's responsibility statement to 63 be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (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) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) approval or any subsequent modification of transactions of the listed entity with related parties;
  - (9) scrutiny of inter-corporate loans and investments;
  - (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (11) evaluation of internal financial controls and risk management systems;
  - (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (13) 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;
  - (14) discussion with internal auditors of any significant findings and follow up there on;
  - (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (18) to review the functioning of the whistle blower mechanism;
  - (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
  - (21) The Audit Committee oversees and reviews the Reports as may be submitted from time to time by the Compliance Officer under the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015
- B. The audit committee shall mandatorily review the following information:
- (1) management discussion and analysis of financial condition and results of operations;
  - (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (4) internal audit reports relating to internal control weaknesses; and
  - (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - (6) statement of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).



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## Meetings and Attendance:

The Audit Committee has met seven times during the financial year ending 31st March 2016, as against the minimum requirement of four meetings i.e. on 12th May, 2015, 10th August, 2015, 10th September, 2015, 3rd November, 2015, 12th January, 2016, 10th February, 2016 and 7th March 2016. The necessary quorum was present for each of the meetings of the Committee. The following table sets out the attendance of Audit Committee members:

Sr. No.	Name of the Director	Status	Category	No. of meetings attended
1	Dr. H S Vachha	Chairman	Independent	7 out of 7
2	Mr. Sanjay K Asher	Member	Independent	5 out of 7
3	Mr. P R Rathi	Member	Independent	5 out of 7
4	Mr. P G Pawar	Member	Independent	7 out of 7

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

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 ending 31st March, 2016. 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 ending 31st March, 2016.

The date of the meeting of the Committee held for considering finalization of accounts for the year ending 31st March, 2016 was 26th May, 2016.

The due date for filing of Cost Audit Report for the financial year ending 31st March, 2015 in XBRL format was 30th September, 2015 and the Company has filed the same within the said prescribed date.

## 4. NOMINATION AND REMUNERATION COMMITTEE:

In view of the importance given by the Company to good corporate governance a Remuneration Committee was constituted by the Board at its meeting held on 21st October, 2000. 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, Members.

### Terms of reference:

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

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

- a) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with criteria laid down.
- b) To recommend to the Board their appointment and removal.
- c) To carry out evaluation of every Director's performance.
- d) To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- e) To recommend to the Board a Remuneration Policy relating to the remuneration for Directors, key managerial personnel and other employees and also device a policy on Board diversity.
- f) While formulating the Remuneration Policy the Committee shall ensure that:-
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
  - remuneration to Directors, key managerial personnel, senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (g) approve/decide any matters/issues incidental/necessary or connected with the aforesaid premises.

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

### **Meetings and Attendance:**

The Committee has met on 12th May 2015 during the financial year ended 31st March 2016. Mr. P.R. Rathi and Mr. P.G. Pawar attended the meeting of the Committee. Mr. Sanjay K. Asher could not attend the meeting.

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

#### **Constitution and Composition:**

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

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

#### **Terms of reference:**

The Committee in addition to considering matters of share transfers oversees redressal of shareholders' and investors' complaints/grievances and recommends measures to improve the level of investor services.

The role of the Share Transfer-cum-Stakeholders Relationship Committee includes the following:

- a) To resolve the grievances of security holders of the Company including complaints related to transfer/transmission of shares, no receipt of balance sheet, non receipt of declared dividends, etc.
- b) To attend to transfer of securities formalities at least once in a fortnight, as may be required.
- c) To redress security holders complaints/grievances and recommend measures to improve the level of investors/stakeholders services.
- d) To approve/decide any matters/issues incidental/necessary or connected with the aforesaid premises.

#### **Meetings and Attendance:**

The Committee meets as and when required, depending on the receipt of requests for share transfers, etc from members / investors and there were nine meetings held during the year. The majority of the members of the Committee attended all nine meetings held during the year.

One Complaint alleging non transfer of shares in the year 1986 was received from an investor during the year which was duly replied by the Company. No complaint was outstanding as on 31st March 2016.

### **6. CORPORATE SOCIAL RESPONSIBILITY "CSR" COMMITTEE:**

#### **Constitution and Composition:**

The Corporate Social Responsibility Committee (CSR Committee) comprises of three Directors namely: Mr. P R Rathi, Independent Director and Chairman of the Committee, Mr. D K Chhabria, Executive Chairman and Mr. Mahesh Viswanathan, Executive Director and Chief Financial Officer, Members. The composition of the CSR Committee, its terms of reference and activities are in line with the requirements of the Companies Act, 2013 (The "Act") read with the applicable Rules of Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

#### **Terms of reference:**

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

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





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

The CSR Committee has formulated a Corporate Social Responsibility Policy ("CSR Policy") which has been approved by the Board. The CSR Policy has been placed on the website of the Company <http://www.finolex.com>.

### **Meetings and Attendance:**

The CSR Committee has met once in the financial year i.e. on 9th February 2016. Mr. P R Rathi, Chairman, Mr. D K Chhabria and Mr. Mahesh Viswanathan, Members attended the meeting.

## **7. RISK MANAGEMENT COMMITTEE**

### **Constitution and Composition:**

The Committee consists of Dr H S Vachha, Independent Director as Chairman of the Committee, Mr. Sanjay K Asher, Independent Director as Member, Mr. D K Chhabria, Executive Chairman and Mr. Mahesh Viswanathan, Executive Director and Chief Financial Officer as Members. The constitution of the Committee meets the requirements of the Companies Act, 2013 and of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

### **Terms of reference:**

#### **The Role and responsibilities of the Committee includes the following:**

- a) The Committee has a primary responsibility and accountability to the Board to use its best efforts to ensure that the Company's risk management framework is properly managed and improved on a regular basis so as to protect the Company's interests and enhance its risk mitigating effort to meet its risk management objectives;
- b) The Committee shall consider matters relating to the identification, assessment, monitoring and management of risks associated with the operations of the Company. The Committee shall also examine any other matters referred to it by the Board and/or the Executive Chairman of the Company;
- c) The Committee has oversight of the development and implementation of internal control systems and procedures to manage risks;
- d) The Committee to assess and monitor the effectiveness of controls instituted;
- e) Review and making of recommendations to the Board in relation to risk management, overall current and future risk appetite and risk management strategy suitable for the Company;
- f) Oversight of implementation of risk management strategy by the Senior Management/Functional Heads or Heads of Department of the Company and their performance in this regard;
- g) Review and constructive analysis of the proposals and decisions on all aspects of risk management arising from the Company's operations;
- h) Assessing and reporting to the Board on any material changes to the risk profile of the Company;
- i) Reporting to the Board in connection with the Company's annual risk management reporting responsibilities to be given in the Board's Report attached to the financial statement of the Company in the format prescribed, if any, and
- j) Monitoring the risks associated with all material outsourcing arrangements, if any, by the Company.

### **Meetings and Attendance:**

Since Risk Management issues are also normally discussed and addressed by the Audit Committee no separate meeting of the Committee was held during the financial year ending 31st March 2016.

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

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

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### 8. GENERAL BODY MEETINGS:

Location and time for last three Annual General Meetings:

Year	Location	Date	Time	Whether any special resolution passed therein
2012-13	Acharya Atre Rangmandir Sant Tukaramnagar, Pimpri, Pune - 411 018	28th June, 2013	11.30 a.m.	Yes
2013-14	Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D' Mart, Chinchwad, Pune - 411 019	9th September, 2014	11.30 a.m.	Yes
2014-15	Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D' Mart, Chinchwad, Pune - 411 019	10th August, 2015	11.30 a.m.	Yes

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

### 9. INDEPENDENT DIRECTORS' MEETING

Section 149(8) of the Companies Act, 2013 has prescribed the Code for independent directors in Schedule IV for every company that has independent directors. Clause VII of this Schedule requires every company to convene a separate meeting of the independent directors.

During the year, the independent directors met on 10 February, 2016, to:

- Review the performance of non-independent directors and the Board as a whole;
- Review of performance of the Chairman; and
- Assess quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent directors were present at the meeting except for Mr. Atul C Choksey, and Mr. P R Rathi who had expressed their inability to attend the said meeting.

### 10. DISCLOSURES:

- Disclosures regarding materially significant related party transactions:  
For details please refer Note No. 36 (d) of Notes forming part of the Accounts.
- 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.
- The Company has complied with the mandatory requirements of corporate governance under erstwhile Clause 49 of the Listing Agreements with the Stock Exchanges and of SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 1st December, 2015.
- The non-mandatory requirements have not been adopted as a formal policy except for Nomination and Remuneration Committee as set out in Item 4 above.

### 11. MEANS OF COMMUNICATIONS:

- 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>). The same are also available on the websites of National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) pursuant to the filing made by the Company on the said stock exchanges. Official news/media releases, blank forms/formats for convenience of members and other information of the Company are uploaded on its said website and where relevant are also informed to the stock exchanges for taking the same on record. The management provides detailed analysis of Company's operations in the Directors' Report and Management Discussion and Analysis section, which forms a part of the Annual Report.
- National Stock Exchange of India Limited (NSE) Electronic Application Processing System (NEAPS): NEAPS is a web based application designed by NSE and BSE Limited (Bombay Stock Exchange Limited) – Listing Centre 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.



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- c) Securities and Exchange Board of India (SEBI) Complaints Redress System (SCORES): Investor complaints are processed in centralized web based complaints redressal system, which provides for centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its status.
- d) Investor Services Email ID: The Company has designated a dedicated Email ID namely Investors@finolex.com exclusively for investor servicing.

## 12. SHAREHOLDER INFORMATION:

The Annual report includes financial statements, key financial data and detailed information in the Management Discussion and Analysis and Shareholders'/Debtenture holders information sections.

## 13. CODE OF CONDUCT:

The Board had laid down a code of conduct for all Board members and senior management of the Company. The Code of Conduct anchors ethical and legal behaviour within the Company. The Code of Conduct has been hosted on the website (<http://www.finolex.com>) of the Company. In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company in the year under review.

### Declaration:

The 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 : 26th May, 2016

Sd/-  
**D K Chhabria**  
Executive Chairman

## Annexure C to the Directors' Report 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 31st March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Boards of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st December 2015 to 31st March 2016.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

We further 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

Place : Pune  
Date : 26th May, 2016

Sd/-  
**NARESH KUMAR KATARIA**  
Partner  
Membership No. 037825

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## Annexure D to Directors' Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.]

### I. REGISTRATION AND OTHER DETAILS:

i	CIN	L31300MH1967PLC016531
ii	Registration Date	5th June, 1967
iii	Name of the Company	Finolex Cables Limited
iv	Category/Sub-category of the Company	Public Company / Limited by Shares
v	Address of the Registered office and contact details	26-27, Mumbai - Pune Road, Pimpri, Pune - 411 018 Tel No. (020) 27475963 Facsimile : (020) 27470344, E-Mail : sales@finolex.com / Investors@finolex.com
vi	Whether listed company	Yes
vii	Name, Address and contact details of Registrar and Transfer Agent, if any.	M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Tel No. (040) 6716 2222/6716 1630 Facsimile : (040) 2342 0814 E-Mail : einward.ris@karvy.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products/services	"NIC Code of the Product /service"	"% to total turnover of the company (ie. Gross turnover)"
1	Electrical Cables	3610	82.33%
2	Communication Cables	3610	14.41%
3	Copper Rods	3493	2.71%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	"HOLDING/ SUBSIDIARY/ ASSOCIATE"	"% OF SHARES HELD"	"APPLICABLE SECTION"
1	Finolex Industries Limited Gat No. 399, Village : Urse, Taluka : Maval, Dist : Pune - 410 506	L40108PN198PLC024153	Associate	32.39%	S-2(6)
2	Finolex J-Power Systems Private Limited 26/27, Mumbai - Pune Road, Pimpri, Pune - 411 018	U31300PN2008PTC131238	Associate (JV)	49.00%	S-2(6)
3	Corning Finolex Optical Fibre Pvt Ltd. D-237, MIDC Phase - II, Chakan Industrial Area, Varale, Ta : Khed, Chakan - 410 501	U74900PN2011PTC139393	Associate (JV)	50.00%	S-2(6)



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### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as percentage to total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	78,75,000	0	78,75,000	5.15%	78,75,000	0	78,75,000	5.15%	0.00%
b) Central Govt.	0	0	0	0	0	0	0	0	0.00%
c) Statte Govt.(s)	0	0	0	0	0	0	0	0	0.00%
d) Bodies Corporates	4,69,66,170	0	4,69,66,170	30.71%	4,69,66,170	0	4,69,66,170	30.71%	0.00%
e) Bank/FI	0	0	0	0	0	0	0	0	0.00%
f) Any other	0	0	0	0	0	0	0	0	0.00%
<b>SUB TOTAL:(A) (1)</b>	<b>5,48,41,170</b>	<b>0</b>	<b>5,48,41,170</b>	<b>35.86%</b>	<b>5,48,41,170</b>	<b>0</b>	<b>5,48,41,170</b>	<b>35.86%</b>	<b>0.00%</b>
<b>(2) Foreign</b>							0		
a) NRI- Individuals	0	0	0	0	0	0	0	0	0.00%
b) Other Individuals	0	0	0	0	0	0	0	0	0.00%
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00%
d) Banks/FI	0	0	0	0	0	0	0	0	0.00%
e) Any other...	0	0	0	0	0	0	0	0	0.00%
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>"Total Shareholding of Promoter (A)= (A)(1)+(A)(2)"</b>	<b>5,48,41,170</b>	<b>0</b>	<b>5,48,41,170</b>	<b>35.86%</b>	<b>5,48,41,170</b>	<b>0</b>	<b>5,48,41,170</b>	<b>35.86%</b>	<b>0.00%</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	1,79,43,712	12,450	1,79,56,162	11.74%	2,53,32,621	12,450	2,53,45,071	16.57%	4.83%
b) Banks/FI	16,06,183	11,500	16,17,683	1.06%	6,49,513	11,500	6,61,013	0.43%	-0.63%
C) Cenntal govt	0	0	0	0	0	0	0	0	0.00%
d) State Govt.	0	0	0	0	0	0	0	0	0.00%
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0.00%
f) Insurance Companies	0	0	0	0	3136181	0	31,36,181	2.05%	2.05%
g) Foreign Portfolio Investors	1,47,57,340	16,850	1,47,74,190	9.66%	73,94,473	16,850	74,11,323	4.85%	-4.81%
"h) Foreign Venture Capital Funds"	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>3,43,07,235</b>	<b>40,800</b>	<b>3,43,48,035</b>	<b>22.46%</b>	<b>3,65,12,788</b>	<b>40,800</b>	<b>3,65,53,588</b>	<b>23.90%</b>	<b>1.44%</b>
<b>(2) Non Institutions</b>							0		0.00%
a) Bodies corporates	2,50,30,404	22,355	2,50,52,759	16.38%	2,48,59,073	22,355	2,48,81,428	16.27%	-0.11%
i) Indian	0	0	0	0	0	0	0	0	0.00%
ii) Overseas	0	0	0	0	0	0	0	0	0.00%
b) Individuals	0	0	0	0	0	0	0	0	0.00%
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1,82,93,054	21,80,039	2,04,73,093	13.39%	1,78,67,047	20,30,639	1,98,97,686	13.01%	-0.38%



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Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1,18,18,196	3,72,267	1,21,90,463	7.97%	1,03,59,381	3,84,542	1,07,43,923	7.02%	-0.95%
c) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>SUB TOTAL (B)(2):</b>	<b>5,51,41,654</b>	<b>25,74,661</b>	<b>5,77,16,315</b>	<b>37.74%</b>	<b>5,30,85,501</b>	<b>24,37,536</b>	<b>5,55,23,037</b>	<b>36.30%</b>	<b>-1.43%</b>
<b>"Total Public Shareholding (B)= (B)(1)+(B)(2)"</b>	<b>8,94,48,889</b>	<b>26,15,461</b>	<b>9,20,64,350</b>	<b>60.20%</b>	<b>8,95,98,289</b>	<b>24,78,336</b>	<b>9,20,76,625</b>	<b>60.20%</b>	<b>0.01%</b>
C. Shares held by Custodian for GDRs & ADRs	60,21,550	12,275	60,33,825	3.95%	60,21,550	0	60,21,550	3.94%	-0.01%
<b>Grand Total (A+B+C)</b>	<b>15,03,11,609</b>	<b>26,27,736</b>	<b>15,29,39,345</b>	<b>100.00%</b>	<b>15,04,61,009</b>	<b>24,78,336</b>	<b>15,29,39,345</b>	<b>100.00%</b>	<b>0.00%</b>

## (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	PRALHAD PARSRAM CHHABRIA	100	0.00%	N.A.	100	0.00%	N.A.	0.00%
2	SUNITA KISHAN CHHABRIA	11,63,400	0.76%	N.A.	11,63,400	0.76%	N.A.	0.00%
3	ARUNA KATARA	28,12,850	1.84%	N.A.	28,12,850	1.84%	N.A.	0.00%
4	KISHAN PARSRAM CHHABRIA	9,50,750	0.62%	N.A.	9,50,750	0.62%	N.A.	0.00%
5	DEEPAK KISHAN CHHABRIA	9,36,750	0.61%	N.A.	9,36,750	0.61%	N.A.	0.00%
6	PRAKASH PRALHAD CHHABRIA	8,31,850	0.54%	N.A.	8,31,850	0.54%	N.A.	0.00%
7	VIJAY KISHAN CHHABRIA	5,39,250	0.35%	N.A.	5,39,250	0.35%	N.A.	0.00%
8	HANSIKA HIYA PRAKASH CHHABRIA	1,05,000	0.07%	N.A.	1,05,000	0.07%	N.A.	0.00%
9	GAYATRI PRAKASH CHHABRIA	1,05,000	0.07%	N.A.	1,05,000	0.07%	N.A.	0.00%
10	RITU PRAKASH CHHABRIA	95,000	0.06%	N.A.	95,000	0.06%	N.A.	0.00%
11	AMIT KATARA	87,400	0.06%	N.A.	87,400	0.06%	N.A.	0.00%
12	AMRITA KATARA	85,400	0.06%	N.A.	85,400	0.06%	N.A.	0.00%
13	VINI DEEPAK CHHABRIA	33,750	0.02%	N.A.	33,750	0.02%	N.A.	0.00%



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SI No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
14	KATARA MUKESH DOLUMAL	31,000	0.02%	N.A.	31,000	0.02%	N.A.	0.00%
15	RADHIKA DEEPAK CHHABRIA	30,000	0.02%	N.A.	30,000	0.02%	N.A.	0.00%
16	KARAN VIJAY CHHABRIA	22,500	0.01%	N.A.	22,500	0.01%	N.A.	0.00%
17	PRIYA VIJAY CHHABRIA	22,500	0.01%	N.A.	22,500	0.01%	N.A.	0.00%
18	RISHI VIJAY CHHABRIA	22,500	0.01%	N.A.	22,500	0.01%	N.A.	0.00%
19	ORBIT ELECTRICALS PRIVATE LIMITED	4,69,56,120	30.70%	N.A.	4,69,56,120	30.70%	N.A.	0.00%
20	KATARA DENTAL PVT. LTD.	10,050	0.01%	N.A.	10,050	0.01%	N.A.	0.00%
	Total	5,48,41,170	35.86%	N.A.	5,48,41,170	35.86%	N.A.	0.00%

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

SI No.		Share holding at the beginning of the Year (As on 01-04-2015)		Cumulative Share holding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	5,48,41,170	35.86%	5,48,41,170	35.86%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change in promoters' shareholding during the year			
	At the end of the year	5,48,41,170	35.86%	5,48,41,170	35.86%

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding			Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015 / end of the year (31-03-2016)	% of total shares of the company				No of shares	% of total shares of the company
1	FINOLEX INDUSTRIES LIMITED	2,21,87,075	14.51%	01-Apr-2015	Nil	No change	0	0.00%
		2,21,87,075	14.51%	31-Mar-2016				
2	ANIL RAMCHAND CHHABRIA	51,46,060	3.36%	01-Apr-2015	Nil	No change	0	0.00%
		51,46,060	3.36%	31-Mar-2016				
3	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA	38,62,831	2.53%	01-Apr-2015	0	0	0	0.00%
				25-Apr-2015	2,00,000	Transfer	40,62,831	2.66%
				06-Jun-2015	30,799	Transfer	40,93,630	2.68%
				13-Jun-2015	19,201	Transfer	41,12,831	2.69%
				20-Jun-2015	60,000	Transfer	41,72,831	2.73%
				08-Jan-2016	1,00,000	Transfer	42,72,831	2.79%
		42,72,831	2.79%	31-Mar-2016			42,72,831	2.79%
4	FRANKLIN INDIA SMALLER COMPANIES FUND	25,36,466	1.66%	01-Apr-2015	0	0	0	0.00%
				11-Apr-2015	150	Transfer	25,36,616	1.66%
				25-Apr-2015	2,00,000	Transfer	27,36,616	1.79%
				02-May-2015	991	Transfer	27,37,607	1.79%
				09-May-2015	1,06,767	Transfer	28,44,374	1.86%
				16-May-2015	25,788	Transfer	28,70,162	1.88%
				23-May-2015	41,454	Transfer	29,11,616	1.90%
				20-Jun-2015	18,696	Transfer	29,30,312	1.92%
				01-Aug-2015	56,843	Transfer	29,87,155	1.95%



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Sl. No	For Each of the Top 10 Shareholders	Shareholding			Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015 / end of the year (31-03-2016)	% of total shares of the company				No of shares	% of total shares of the company
				08-Aug-2015	16,729	Transfer	30,03,884	1.96%
				22-Aug-2015	1,01,789	Transfer	31,05,673	2.03%
				29-Aug-2015	2,99,234	Transfer	34,04,907	2.23%
				05-Sep-2015	51,327	Transfer	34,56,234	2.26%
				12-Sep-2015	26,407	Transfer	34,82,641	2.28%
				26-Sep-2015	13,607	Transfer	34,96,248	2.29%
				03-Oct-2015	7,911	Transfer	35,04,159	2.29%
				10-Oct-2015	99,725	Transfer	36,03,884	2.36%
				12-Dec-2015	998	Transfer	36,04,882	2.36%
				19-Dec-2015	1,469	Transfer	36,06,351	2.36%
				31-Dec-2015	72,533	Transfer	36,78,884	2.41%
				23-Jan-2016	1,84,599	Transfer	38,63,483	2.53%
				13-Feb-2016	229	Transfer	38,63,712	2.53%
				20-Feb-2016	61,873	Transfer	39,25,585	2.57%
		39,25,585	2.57%	31-Mar-2016			39,25,585	2.57%
5	DSP BLACKROCK MICRO CAP FUND	15,99,256	1.05%	01-Apr-2015	0	0	0	0.00%
				25-Apr-2015	1,50,000	Transfer	17,49,256	1.14%
				09-May-2015	1,20,000	Transfer	18,69,256	1.22%
				16-May-2015	1,04,000	Transfer	19,73,256	1.29%
				20-Jun-2015	33,000	Transfer	20,06,256	1.31%
				27-Jun-2015	38,987	Transfer	20,45,243	1.34%
				03-Jul-2015	89,418	Transfer	21,34,661	1.40%
				10-Jul-2015	2,91,900	Transfer	24,26,561	1.59%
				19-Sep-2015	-35000	Transfer	23,91,561	1.56%
				30-Jan-2016	9,166	Transfer	24,00,727	1.57%
				20-Feb-2016	19,618	Transfer	24,20,345	1.58%
				27-Feb-2016	25,306	Transfer	24,45,651	1.60%

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Sl. No	For Each of the Top 10 Shareholders	Shareholding			Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015 / end of the year (31-03-2016)	% of total shares of the company				No of shares	% of total shares of the company
				05-Mar-2016	12,044	Transfer	24,57,695	1.61%
		24,57,695	1.61%	31-Mar-2016				
6	LEELA RAMCHAND CHHABRIA	17,79,600	1.16%	01-Apr-2015	Nil	No change	0	0.00%
		17,79,600	1.16%	31-Mar-2016				
7	LIFE INSURANCE CORPORATION OF INDIA	15,45,182	1.01%	01-Apr-2015	Nil	No change	0	0.00%
		15,45,182	1.01%	31-Mar-2016				
8	RAMESH BHAGWANDAS CHHABRIA	14,84,888	0.97%	01-Apr-2015	0	0	0	0.00%
				11-Apr-2015	-20000	Transfer	14,64,888	0.96%
				10-Oct-2015	-24000	Transfer	14,40,888	0.94%
				31-Oct-2015	-3500	Transfer	14,37,388	0.94%
				07-Nov-2015	-500	Transfer	14,36,888	0.94%
				21-Nov-2015	-2000	Transfer	14,34,888	0.94%
				28-Nov-2015	-500	Transfer	14,34,388	0.94%
		14,34,388	0.94%	31-Mar-2016			14,34,388	0.94%
9	RELIANCE CAPITAL TRUSTEE CO. LTD. A/C RELIANCE DIV	13,40,873	0.88%	01-Apr-2015	0	0	0	0.00%
				16-Jan-2016	-150000	Transfer	11,90,873	0.78%
		11,90,873	0.78%	31-Mar-2016			11,90,873	0.78%
10	DSP BLACKROCK 3 YEARS CLOSE ENDED EQUITY FUND	11,54,862	0.76%	01-Apr-2015	Nil	No change	0	0.00%
		11,54,862	0.76%	31-Mar-2016	Nil	No change	0	0.00%



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### (v) Shareholding of Directors & Key Managerial Personnel:

Sl. No	For Each of the Top 10 Shareholders	Shareholding			Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company	Date			No. of Shares	% of total shares of the Company
A	DIRECTORS:							
1	Mr. D K Chhabria Executive Chairman	9,36,750 9,36,750	0.61% 0.61%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	9,36,750	0.61%
2	Mr. P P Chhabria Director Advisor	100 100	1.15% 0.00%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	100	0.00%
3	Mr. H S Vachha Independent Non-Executive Director	0 0	0.00% 0.00%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	0	0.00%
4	Mr. Atul C Choksey Independent Non-Executive Director	0 0	0.00% 0.00%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	0	0.00%
5	Mr. Sanjay K Asher Independent Non-Executive Director	12,365 12,365	0.01% 0.01%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	12,365	0.01%
6	Mr. P G Pawar Independent Non-Executive Director	0 0	0.00% 0.00%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	0	0.00%
7	Mr. S B (Ravi) Pandit Independent Non-Executive Director	0 0	0.00% 0.00%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	0	0.00%
8	Mr. P R Rathi Independent Non-Executive Director	0 0	0.00% 0.00%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	0	0.00%
9	Mr. Adi Engineer Independent Non-Executive Director	0 0	0.00% 0.00%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	0	0.00%
10	Mr. Mahesh Viswanathan Executive Director & CFO	0 0	0.00% 0.00%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	0	0.00%
11	Ms. Namita V Thapar Non-Executive Director	0 0	0.00% 0.00%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	0	0.00%
	Appointed as an Additional Director (Woman Director) w.e.f. 8th November 2014							

### B KEY MANAGERIAL PERSONNEL (KMP)

1	Mr. R G D'Silva Company Secretary & President (Legal)	0 0	0.00% 0.00%	01-Apr-2015 31-Mar-2016	0	Nil movement during the year	0	0.00%
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### V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Million)

	"Secured Loans excluding deposits"	"Unsecured Loans"	Deposits	"Total Indebtedness"
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,250.00			1,250.00
ii) Interest due but not paid	-			
iii) Interest accrued but not due	6.70			6.70
<b>Total (i+ii+iii)</b>	<b>1,256.70</b>			<b>1,256.70</b>
<b>Change in Indebtedness during the financial year</b>				
• Additions	-			
• Reduction	752.50			752.50
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	500.00			500.00
ii) Interest due but not paid				
iii) Interest accrued but not due	4.20			4.20
<b>Total (i+ii+iii)</b>	<b>504.20</b>			<b>504.20</b>

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(Rs. In Million)

SI No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mr. D K Chhabria Executive Chairman	Mr. Mahesh Viswanathan Executive Director & CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	7.50	7.31	14.81
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	7.50	1.71	9.21
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission Payable			
	- as % of profit (2.71%)	67.50	-	67.50
	- others (specify) (Incentive)	-	9.00	9.00
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>82.50</b>	<b>18.02</b>	<b>100.52</b>
	<b>Ceiling as per the Act (10%)</b>			<b>346.3</b>



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## B. Remuneration to other directors:

(Rs. In Million)

Sl. No	Particulars of Remuneration	Name of the Directors							Total
		Dr. H S Vachha	Mr. Atul C Choksey	Mr. Sanjay Asher	Mr. P G Pawar	Mr. S B (Ravi) Pandit	Mr. P R Rathi	Mr. A J Engineer	Amount
1	Independent Directors								
	(a) Fee for attending board / committee meetings	0.19	0.02	0.28	0.33	0.06	0.26	0.07	1.21
	(b) Commission Payable	1.00	0.50	0.50	0.50	0.50	0.50	0.50	4.00
	(c ) Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	1.19	0.52	0.78	0.83	0.56	0.76	0.57	5.21
2	Other Non Executive Directors	<b>Mr. P P Chhabria</b>	<b>Ms. Namita V Thapar</b>						<b>Total Amount</b>
	(a) Fee for attending Board / committee meetings	0.13	0.06						0.19
	(b) Commission Payable	0.50	0.50						1.00
	(c ) Others, please specify. (Advisory Fees)	30.00	-						30.00
	<b>Total (2)</b>	30.63	0.56						31.19
	<b>Total (B)=(1+2)</b>								36.40
	<b>Total Managerial Remuneration</b>								136.92
	<b>Overall Ceiling as per the Act. (11%)</b>								380.93

## C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(Rs. In Million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO*	"Company Secretary"	CFO *	Total	
1	<b>Gross Salary</b>					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		2.49			
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961		0.13			
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-			
2	Stock Option		-			
3	Sweat Equity		-			
4	Commission Payable		-			
	as % of profit		-			
	others, specify		-			
5	Others, please specify		-			
	<b>Total</b>		2.62			

\* Please refer item No. VI(A) above

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### VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeall made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL



# Finolex

## Cables Limited

### Annexure E to Directors' Report

DISCLOSURE IN DIRECTOR'S REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

Sr. No.	Requirements	Disclosure	
		Name of the Director	Ratio
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. D. K. Chhabria	331.3X
		Mr. P. P. Chhabria	122.6X
		Dr. H. S. Vachha	3.0X
		Mr. Atul C. Choksey	2.1X
		Mr. Sanjay K. Asher	2.1X
		Mr. P. G. Pawar	2.1X
		Mr. S. B. (Ravi) Pandit	2.1X
		Mr. Pradeep R. Rathi	2.1X
		Mr. Adi J. Engineer	2.1X
		Dr. Vikas G Pai	2.1X
		Mrs. Namita V Thapar	2.1X
		Mr. M. Viswanathan	72.4X
		1. For this purpose, sitting fees paid to the Directors and Company's contribution to PF and superannuation funds have not been considered as remuneration	
2	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year.	Mr. D. K. Chhabria	15.8%
		Mr. M. Viswanathan	17.5%
		Mr. R. G. D'Silva	10.7%
3	The percentage increase in the median remuneration of employees in the financial year:	During FY 2015-16, the percentage decrease in the median remuneration of employees as compared to previous year was approximately 0.99 %	
4	The number of permanent employees on the rolls of company	1694 (including whole time directors)	
5	The explanation on the relationship between average increase in remuneration and company performance:	<p>Factors considered while recommending increase in fixed compensation:</p> <ol style="list-style-type: none"> <li>1. Financial performance of the Company.</li> <li>2. Comparison with peer companies.</li> <li>3. Industry Benchmarking</li> <li>4. Contribution made by the employee.</li> <li>5. Regulatory guidelines as applicable to Managerial Personnel.</li> </ol> <p>The Company had revenue growth of 1.5 % over the previous year. The profit before tax calculated under Section 198 of the Companies Act, 2013 has grown from Rs. 2,631.4 million for FY 14-15 to Rs. 3,363.9 million, an increase of 27.8 % against which the average increase in remuneration is 9% (approx.)</p>	
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:	For the FY 2015-16, the remuneration paid to three KMPs aggregate to approx. 0.4% of the Gross Revenue (previous year 0.35%) The Gross Revenue was Rs. 25,251.8 million (previous year Rs. 25,075.6 Million)	

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7	Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies	The Market capitalization of the Company has changed from Rs. 43,550 Million as on March 31, 2015 to Rs.43,007 million as on March 31, 2016. Over the same period, the price to earnings ratio moved from 21.90 to 17.28.			
8	Average percentage increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration is 9.0% for employees other than Managerial Personnel and 13.07% for Managerial Personnel			
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Particulars	Remuneration for FY 2015-16	% of gross Rev	% of Net Profit
		Mr. D.K. Chhabria	82.49	0.32%	3.31%
		Mr. M. Viswanathan	18.01	0.07%	0.72%
		Mr. R.G.D' Silva	2.62	0.01%	0.11%
10	The key parameters for any variable component of remuneration availed by the directors	Both, Mr. D.K.Chhabria, Executive Chairman and Mr. M. Viswanathan, Executive - Director & CFO are paid variable pay as per their respective agreement provisions. Non-Executive Directors of the Company are paid commission as approved by shareholders in the General Meeting			
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	This is not applicable to the Company			
12	Affirmation, that the remuneration is as per the remuneration policy of the Company	Yes			

**General Note:**

- 1 Calculation of Market Capitalisation, price to earnings and other details are based on stock price on National Stock Exchange of India Limited on relevant dates.
- 2 Profit of the Company is calculated as per Section 198 of the Companies Act, 2013
- 3 Managerial Personnel includes Executive Chairman and whole time Director.

For and on behalf of the Board of Directors

Pune  
Dated : 26th May, 2016

D.K. Chhabria  
Executive Chairman



# Finolex

## Cables Limited

### Annexure F to the Directors' Report

FORM NO. AOC-2

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
  - a) Name(s) of the related party and nature of relationship: NIL
  - b) Nature of contracts/arrangements/transactions: NIL
  - c) Duration of the contracts / arrangements/transactions: NIL
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
  - e) Justification for entering into such contracts or arrangements or transactions: NIL
  - f) Date(s) of approval by the Board: NIL
  - g) Amount paid as advances, if any: NIL
  - h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: NIL
2. Details of material contracts or arrangements or transactions at arm's length basis:
  - a) Name of the related party and nature of relationship: Corning Finolex Optical Fibre Private Limited
  - b) Nature of transaction: Purchasing optical fibre
  - c) Duration of transaction: The Transaction is entered into in the ordinary course of business.
  - d) Salient terms of the transaction including the value, if any: Purchase during the Year Rs. 48.6 million
  - e) Date of approval by Members, if any: 10th August, 2015.
  - f) Amount paid as advances, if any: NIL

For and on behalf of the Board of Directors

Pune  
Dated : 26th May, 2016

D.K. Chhabria  
Executive Chairman



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## Annexure G to Directors' Report

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

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

To,

The Members,  
Finolex Cables Limited  
26/27, Mumbai Pune Road,  
Pimpri, Pune-411018

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2016** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder (**in so far as they are made applicable**);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**not applicable to the Company during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**not applicable to the Company during the Audit Period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**not applicable to the Company during the Audit Period**); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**not applicable to the Company during the Audit Period**);
- (vi) No law is specifically applicable to the Company.



# Finolex Cables Limited

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with effect from 1st July, 2015;
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) till 30th November, 2015; and the provision of sub regulation (4) of the regulation 23 and regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable from 2nd September, 2015; and
- (iii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1st December, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except redemption of 9.10% 'M' series Secured Non-Convertible 500 Debentures of Rs. 10,00,000/- each on 24th August, 2015.

Place: Pune  
Date: 26th May, 2016

For **SVD & Associates**  
Company Secretaries

Sd/-  
**S. V. Deulkar**  
Partner  
FCS No: 1321  
C P No: 965

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

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### **‘Annexure A to the Secretarial Auditor’s Report Dated 26th May, 2016’**

To,

The Members,  
Finolex Cables Limited  
26/27, Mumbai Pune Road,  
Pimpri, Pune-411018

Our Secretarial Audit Report of even date is to be read along with this letter.

#### **Management’s Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### **Auditor’s Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events, etc.

#### **Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune  
Date: 26th May, 2016

For **SVD & Associates**  
Company Secretaries

Sd/-  
**S. V. Deulkar**  
Partner  
FCS No: 1321  
C P No: 965



# Finolex

## Cables Limited

### Annexure H to Directors' Report

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

##### A. Conservation of Energy:

Steps taken or impact on conservation of energy, utilizing alternate sources of energy and capital investments on energy conservation equipments:

- (i) Aluminium Air pipe line, new VFD based Air compressor, LED tube lights, Energy efficient Air conditioners (5 star rating) and Energy efficient Wire drawing and Buncher machine with AC Motor and VFD are all installed to reduce power consumption.
- (ii) Installation of energy efficient indoor high bay LED lamps inside shop floor to reduce power consumption.
- (iii) Installation of cold insulation over chilled water troughs for reduction of wastage of energy.
- (iv) Manual operation of capacitor was modified for automatic operation such that the total bank is under auto operation to improve power factor and reduce power consumption. The capacity of the bank itself and of the thyristor ratings were suitably increased to facilitate greater reliability and maintaining of the power factor.
- (v) Tower fan/pumps and process pumps were fitted with a mechanism for automatic switch "off" when the casting line stops to eliminate idle running of these equipments.
- (vi) Imported process controllers of furnace burners and imported contactors for CCCR line were replaced with branded Indian ones.
- (vii) Cloud based electronic production management system installed to track various machine related parameters like UP/DOWN time, line speeds, etc for optimizing machine performance and productivity.
- (viii) GSM based remote control system installed at jack well to ensure optimization of use of water.
- (ix) Power factor maintained at optimum level to reduce power consumption.
- (x) Improved preventive maintenance of machines to reduce energy loss.

##### B. Technology Absorption:

Efforts made in technology absorption 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) Special type of automotive cable CIVUS developed.
  - (ii) TS 16949 Certification obtained for automotive cables.
  - (iii) CCTV cable developed for requirements of high technology precision cameras.
  - (iv) TUV certification for PV Solar Cable completed for both standards 2 Pfg 1169/08.2007 and 2 Pfg 1990/05.12. The Company is the first company in India to obtain TUV 2 Pfg certification for 1990/05.12 for such 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 new type of Auto Cable i.e. CAVUS Type
- To develop Type D, 150 deg C Auto Cables
- To develop cables with thermo plastic rubber insulation for welding application
- To develop Rubber based cables for windmill application
- To develop CAT7 LAN cables with higher bandwidth

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

(a) Capital	}	The development work is carried on
(b) Recurring	}	by the concerned departments on
(c) Total	}	an ongoing basis. The expenses
(d) Total R & D expenditure as	}	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:

- Development of Sag Control Amorphous Coil indigenously as import substitute of expensive foreign component. Also locally developed special ceramic coating for sag control as an import substitute.
- Developed REACH compliant special PVC compound as per European standards.
- Developed special PVC compound suitable for temperature ranging from – 60° to + 105°.
- Special PVC compound with very high volume resistivity developed as import substitute.
- Indigenously developed calcium carbonate for high speed PVC compound as import substitute.
- Several grades of PVC compounds were reformulated to suit higher line speeds and also made environmentally friendly complying with ROHS requirements.
- 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):

- Technology Imported : Nil
- Year of Import : Not applicable
- Has technology been fully absorbed? : Not applicable
- 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:**

Due to the depressed market situation still continuing overseas FOB value of exports for the year was Rs. 416.5 Million. Your Company is continuing its sustained efforts to retain old customers and add new customers in various export markets. The developed European Markets are also being targeted for marketing various communication and other cables. Your Company has also developed REACH compliant special PVC compound as per European standards to better target this discerning market

- Earnings by way of Exports : Rs.431.8 Million
- Outgo by way of Imports : Rs.1756 Million

For and on behalf of the Board of Directors

Pune,  
Dated : 26th May, 2016

D. K. Chhabria  
*Executive Chairman*

## Annexure I to Directors Report

Sub-Section 3 of the Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 ( Form AOC-1)



# Finolex

## Cables Limited

### Part "A": Associates

Sl. No.	Name of Associates	Latest Audited Balance Sheet date	Shares held by the Company on the year end			Significant Influence	Reason for not consolidation	Network ( Only Holding % considered)	Profit/(Loss) for the year	
			No.	Investment Held Rs in million	Holding %				Considered in consolidation	Not considered in consolidation ( Only Holding % considered) ( -ve indicate loss)
1	Finolex Industries Limited	31-Mar-16	40192597	1518.5	32.39%	Voting Power	Not Applicable	3324.2	773.9	-

### Part "B": Joint Venture

1	Finolex J-Power Systems Limited	31-Mar-16	98245000	982.45	49.00%	Voting Power	Not Applicable	440.4	(132.3)	-
2	Corning Finolex Optical Fibre Private Limited	31-Mar-16	1750000	17.5	50.00%	Voting Power	Not Applicable	14.2	-	-

For and on behalf of the Board of Directors

Pune  
Dated : 26th May 2016

D.K. Chhabria  
Executive Chairman



### Annexure J to the Directors' Report

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the CSR policy and projects or programs.

#### Composition of the CSR Committee

Mr. D K Chhabria Executive Chairman;  
 Mr. M Viswanathan Executive Director & CFO; and  
 Mr. P R Rathi Independent Director

The Committee met twice during the year under review.

Average net profit of the Company for the last three financial years

Average net profit: Rs. 1860.2 million

Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2015-16 is required to spend Rs. 30.0 million towards CSR.

Details of CSR spent during the financial year:

- Total amount spent for the financial year Rs. 30.0 million
- Amount unspent, if any; Rs.30.0 million - Cash Flow will happen in 2016-17.

Manner in which amount Committed:

SI No.	CSR project or activity identified	Sector in which the	Locations (Unit)	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount Committed: Direct or through implementing agency
1	Building for Library and Academic Block	Education	In Finolex Academy of Management & Technology, Ratnagiri	30	31.1	Rs 61.1 million

#### Responsibility Statement by the Corporate Social Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Pune,  
 Dated : 26th May, 2016

D. K. Chhabria  
 Executive Chairman



# Finolex Cables Limited

## Shareholder / Debentureholder Information

### Registered Office

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

### Annual General Meeting

The Forty-Eighth Annual General Meeting ("AGM") of the Company will be held on Thursday, 8th September, 2016 at 11.30 a.m. at the Auditorium of Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D' Mart, Chinchwad, Pune - 411 019.

### Financial Calendar (Tentative):

- |   |                                 |
|---|---------------------------------|
| (a) Annual General Meeting                          | : 8th September, 2016           |
| (b) Results for quarter ending 30th June, 2016      | : Second week of August, 2016   |
| (c) Results for quarter ending 30th September, 2016 | : Second week of November, 2016 |
| (d) Results for quarter ending 31st December, 2016  | : Second week of February, 2017 |
| (e) Results for quarter ending 31st March, 2017     | : Last week of May, 2017        |

### Dates of Book Closure

The Company's Transfer Books will be closed from Tuesday, 30th August, 2016 to 8th September, 2016 (both days inclusive) for purpose of AGM and for payment of Dividend for the year ending 31st March, 2016.

### Dividend Payment

The Board of Directors of the Company at its meeting held on 26th May, 2016 recommended payment of Dividend @125% (i.e. Rs.2.50 per equity share of Rs.2/- each fully paid up) for the year ending 31st March, 2016 which includes special one time dividend @25% (i.e. @0.50 per equity share of Rs.2/- each fully paid up) to pay homage to late Mr. P P Chhabria, Founder Promoter Director and Former Executive Chairman of the Company. The payment of dividend is to be approved by the members at the AGM and as on date is exempt from income-tax in the hands of members. The aforesaid Dividend, if declared at the AGM, will be paid on or before 7th October, 2016 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 Monday, 29th August, 2016).

### Stock Exchange Listing

The Company's equity shares are tradable and/or quoted on National Stock Exchange of India Limited ("NSE") and BSE Limited (Bombay Stock Exchange Limited) which are nationwide recognized Stock Exchanges. The Company's Global Depository Receipts (GDRs) are listed on the Luxembourg Stock Exchange.

### Stock Code

	Code/Trading Symbol
Trading Symbol BSE Limited	500144
Trading Symbol National Stock Exchange of India Limited	FINCABLES-EQ
International Securities Identification Number (ISIN)	INE235A01022

### Payment of Listing Fees

Annual Listing Fee for the year 2016-17 as applicable has been paid to the Stock Exchanges (i.e., NSE and BSE) and Annual Maintenance Fees for the Calendar year 2016 has been paid by the Company to the Luxembourg Stock Exchange in respect of the GDRs listed thereon.

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## Annual Report 2015-16

### Stock Market Data

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

(Source: BSE and NSE Websites)

Period	NSE			BSE		
	High (Rs.)	Low (Rs.)	Volume Shares traded (Nos.)	High (Rs.)	Low (Rs.)	Volume Shares traded (Nos.)
April 15	298.00	262.40	2,703,860	298.15	262.00	731,692
May 15	276.60	234.60	3,042,373	276.00	234.40	526,022
June 15	255.00	217.30	2,295,711	255.00	217.40	407,809
July 15	271.25	247.55	2,173,692	270.90	247.45	1,183,213
August 15	274.80	213.00	2,386,027	274.80	214.95	499,428
September 15	248.00	224.10	1,596,167	245.00	225.00	192,064
October 15	259.90	231.60	1,503,790	259.90	230.90	189,452
November 15	270.00	230.10	1,292,750	269.60	230.05	287,232
December 15	269.90	240.20	1,307,522	268.00	240.15	379,575
January 16	262.00	202.20	1,609,032	261.40	201.00	341,794
February 16	251.00	216.00	732,266	250.00	212.60	139,083
March 16	304.90	226.15	2,604,331	305.00	225.00	339,134
<b>Total</b>			<b>23,247,521</b>			<b>5,216,498</b>

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

### Shareholding Pattern as on 31st March, 2016

Category	No. of shares held	Percentage Shareholding
<b>A. Promoters Shareholding</b>		
1. Promoters*	54,841,170	35.86
- Indian Promoters	NIL	NIL
- Foreign Promoters	NIL	NIL
2. Persons acting in Concert	NIL	NIL
Sub Total	54,841,170	35.86
<b>B. Non-Promoters holding</b>		
3. Institutional Investors		
a. Mutual Funds and UTI	25,345,071	16.57
b. Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	661,013	0.43
c. Foreign Portfolio Investors	7,411,323	4.85
d. Insurance Companies	3,136,181	2.05
Sub Total	36,553,588	23.90
<b>4. OTHERS</b>		
a. Private Corporate Bodies**	24,881,428	16.27
b. Indian Public	29,925,322	19.57
c. NRIs/ OCBs	716,287	0.47
d. Any others (Custodian for GDRs)	6,021,550	3.94
Sub Total	61,544,587	40.24
<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 any of their shares held in the Company as at 31st March 2016 with any party / bank.

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



# Finolex Cables Limited

## Distribution by Size of Shareholding as on 31st March, 2016

No. of Equity Shares held	No. of Members	% of Members	No. of Shares	% of Shareholding
1-5000	38,755	98.41	15,005,256	9.81
5001-10000	296	0.75	2,155,013	1.41
10001 & above	329	0.84	135,779,076	88.78
<b>Grand Total</b>	<b>39,380</b>	<b>100.00</b>	<b>152,939,345</b>	<b>100.00</b>

## Registrar and Transfer Agents

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

However, pursuant to certain reputed clients of Sharepro alleging certain fraudulent acts by persons connected with Sharepro, SEBI had carried out an investigation and vide its Press Release dated 22nd March 2016 and interim Order Ref. WTM/RKA/MIRSD2/41/2016 of even date intimated of a ban on Sharepro and entities connected with it from acting as such. SEBI had also directed the clients of Sharepro to carry out audit of their Share Transfer Activities carried out by Sharepro and also directed them to carry out / switch over their activities related to Share Transfer Agent either in house or through another Share Transfer Agent registered with SEBI. Even though the alleged fraudulent acts were said to have occurred at Sharepro office at Mumbai and not at Pune, as directed, the Company had accordingly appointed M/s. SVD & Associates, Company Secretaries to carry out audit of all share transfer activities done by Sharepro for the Company right from date of their appointment till upto date. M/s. SVD & Associates carried out said audit and submitted their Report dated 22nd June 2016 confirming that so far as the Company and its Shareholders were concerned they had not come across any cases of fraudulent transfer, transmission, demat, remat or fraudulent encashment of dividend warrant etc., A copy of the Report dated 22nd June 2016 of M/s. SVD & Associates in this regard is available on the Company's website <http://www.finolex.com> under "Investor Section" for ready reference of shareholders.

Further as per the directions of SEBI, the Company has terminated the services of Sharepro and appointed M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 as its Share Transfer Agent in place of Sharepro.

## Share Transfer System

Share Transfer requests received in physical form and found valid are normally 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 Members - 2014- 2016

<u>31st March</u>	<u>No. of members</u>
2014	40,526
2015	40,086
2016	39,380

## 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	Dividend Rate	
			Percentage (%)	Amount (Rs. per share)
2014-15	10th August, 2015	2*	90	1.80*
2013-14	9th September, 2014	2*	80	1.60*
2012-13	28th June, 2013	2*	60	1.20*
2011-12	14th August, 2012	2*	40	0.80*
2010-11	8th August, 2011	2*	35	0.70*

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Financial Year	Date of Declaration	Face Value of Equity Shares	Dividend Rate	
			Percentage (%)	Amount (Rs. per share)
2009-10	9th August, 2010	2*	30	0.60*
2008-09	26th August, 2009	2*	10	0.20*
2007-08	30th July, 2008	2*	75	1.50*
2006-07	29th June, 2007	2*	70	1.40*
2005-06	27th June, 2006	10	60	6.00

\* 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.

## 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 members. As on 31st March, 2016, 98.31% (i.e. NSDL: 95.67% and CDSL: 2.63%) of the equity share capital of the Company has been dematerialized.

Annual custody fees for the financial year 2015-16 had been paid to NSDL and CDSL.

## Outstanding GDRs/ DRs/ Warrants, etc.

There are no outstanding GDRs/ DRs/ Warrants or any convertible instruments for conversion as on 31st March, 2016.

## Plant Locations:

### Pimpri (Electrical Cables)

26/27, Mumbai-Pune Road  
Pimpri, Pune - 411 018  
Telephone: 27475963/27506200 (15 lines)  
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 and Optic Fibre Cable 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

### Power Cable Division Urse, Pune

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



# Finolex Cables Limited

## 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: omprakash\_yadav@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, Mangalaur Zebrede Road,  
Roorkee, Taluka Haridwar,  
Uttarakhand – 247 667  
Telephone: (01332) 224069/224044/45  
Telefax: (01332) 224068  
Email: pravind\_ahire@finolex.com

## Investor Correspondence:

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

For the convenience of members the Memorandum of Association and Articles of Association of the Company besides various blank forms and formats are available under "Investors Section" of Company's website [http:// www.finolex.com](http://www.finolex.com). Further, any query relating to shares and requests for transactions such as transfers, transmissions, nomination facilities, issue of duplicate share certificates, change of address pertaining to physical shares and non-receipt of dividends/Annual Reports, as also regarding 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 6202/2750 6230/2750 6279  
Board: (020) 2750 6200(15 lines)/2747 5963  
Facsimile: (020) 2747 2239  
Email: Investors@finolex.com

### (B) Share Transfer Agent:

M/s. Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad, Telangana – 500 032  
Telephone: (040) 6716 1630  
Board: (040) 6716 2222  
Facsimile: (040) 2342 0814  
Email: einward.ris@karvy.com

### Contact Persons:

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

### Contact Person:

Mr. Milind Kudkar - Deputy 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 requisite blank forms / formats and other major developments.

## Nomination facility:

Individual members (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 members 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.

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### **Members Contact Email Address:**

The Government in its concern for the environment has, as part of its green initiative, vide Circular No. 17/2011 dated 21st April, 2011 issued by the Ministry of Corporate Affairs, permitted companies to serve requisite documents through electronic mode on their members. 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) Members holding shares in physical form are requested to furnish their Bank account number with the name of the Bank/Branch, its address (with 9 digit MICR Code) and quoting their folio number, etc so that the Bank account details are available for payment of dividend by ECS / can be printed on the dividend warrants.
- (b) Members holding shares in dematerialized form may please immediately inform changes, if any, in their Bank account details (with 9 digit MICR Code) to their Depository Participant (DP) to enable the correct Bank account details to be made available to the Company by the DP for ECS / printing on the dividend warrants.

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

### **Debt Securities**

The Non Convertible Debentures (NCDs) i.e., 9.10% Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Debentures of Rs.500,000,000/- ("M" Series) earlier issued by the Company which had been listed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange of India Limited (NSE) have been fully redeemed by the Company on its maturity on 24th August, 2015.

The Company has not issued any further NCDs in Financial Year 2015-16 and no NCDs are outstanding as on 31st March 2016.





# Finolex Cables Limited

## INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To the Members of Finolex Cables Limited

### Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of Finolex Cables Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 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, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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10. As required by Section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
- e. on the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 (a) to the financial statements
  - ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses, and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For B. K. Khare and Co.**  
Chartered Accountants  
(FRN: 105102W)

**Naresh Kumar Kataria**  
Partner  
Membership No.:037825

Pune,  
May 26, 2016



### Annexure A to the Auditor's Report referred:

The Annexure referred to in the Independent Auditor's Report to the members of the Company on standalone financial statements for the year ended 31 March 2016, we report that:

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed to us no material discrepancies as compared to book records were noticed on assets verified during the year.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) According to the information and explanations given to us and on the basis of our examination of the records of the Company, physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed have been properly dealt with in the books of account;
- 3) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii) (a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Act, with respect to the loans and investments made.
- 5) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. Accordingly paragraph 3(12) of the Order is not applicable.
- 6) We have broadly reviewed the books of account maintained by the Company in respect of a product where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, 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 determine whether they are accurate or complete.
- 7) a) According to the records of the Company examined by us and information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, cess and other applicable statutory dues with the appropriate authorities during the year.

There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.

- b) According to the information and explanations given to us and records of the Company examined by us, 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	Amount 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
	35.74	Appellate Tribunal	From 1992-93 to 2003-04
	66.67	Joint Commissioner (Appeals)	Various Years
	269.85	Additional Commissioner (Appeals)	Various Years
	359.21	A.C.C.T (Appeals)	From 2002-03 to 2007-2008
	11.19	A.C.C.T	2012-13
Central Excise	169.02	Customs Excise and	Various Years  Various Years Various Years

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Nature of Dues	Amount in Million	Forum where dispute is pending	Period to which Amount relates
Service Tax Appellate Tribunal – Mumbai	Various Years	Commissioner (Customs)	1999-2000
	7.55	Commissioner Appeals	Various Years
	3.43	Commissioner Excise	Various Years
	8.17	Additional Commissioner	Various Years
	0.10	Assistant Commissioner	2011-12 to 2012-13
The Indian Customs Act, 1962	13.43	Commissioner Customs	1999-2000
Income Tax Act, 1961	1.42	Supreme Court	Various Years
	65.21	High Court	Various Years
	41.58	ITAT	Various Years
	9.66	CIT (A)	Various Years

- 8) Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues from financial institution or bank or debenture holders as at the Balance Sheet date.
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3(9) of the Order is not applicable.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance 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.
- 11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(12) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(15) of the Order is not applicable.
- 16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For B. K. Khare and Co.**  
Chartered Accountants  
(FRN: 105102W)

**Naresh Kumar Kataria**  
Partner  
Membership No.:037825

Pune,  
May 26, 2016



# Finolex Cables Limited

## Annexure-B to the Auditors' Report referred:

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Finolex Cables Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and (3) error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B. K. Khare and Co.**  
Chartered Accountants  
(FRN: 105102W)

**Naresh Kumar Kataria**  
Partner  
Membership No.: 037825

Pune,  
May 26, 2016

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## Financial summary for ten years

(Rs. In million)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>PROFIT AND LOSS ACCOUNT DATA</b>										
Gross Revenue ++	12,055	16,270	15,525	17,507	22,123	22,188	24,477	25,583	26,333	<b>26,765</b>
Materials and manufacturing cost(including excise duty)	9,557	13,068	12,429	13,573	18,032	17,629	19,041	19,731	19,983	<b>19,608</b>
Employee cost	355	497	533	592	647	695	846	848	940	<b>1,076</b>
Administration & selling expenses	750	1,033	2,152	1,891	1,793	2,115	2,282	1,935	2,002	<b>2,051</b>
Extra ordinary Items	-	-	-	-	-	-	-	-	-	-
Depreciation	264	265	388	372	388	395	466	484	640	<b>572</b>
Interest and finance charges	159	204	324	187	191	261	134	145	136	<b>95</b>
<b>Profit before tax</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>	<b>2,631</b>	<b>3,364</b>
Taxation	280	314	54	315	204	111	255	363	645	<b>876</b>
<b>Profit after tax</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>	<b>1,987</b>	<b>2,488</b>
Dividend (including tax on dividend distribution if applicable)	251	268	36	107	124	142	214	286	331	<b>460</b>
<b>BALANCE SHEET DATA</b>										
Share capital	306	306	306	306	306	306	306	306	306	<b>306</b>
Reserves	5,495	6,109	5,656	6,125	6,869	7,698	8,937	10,728	12,342	<b>14,370</b>
Net worth	5,801	6,415	5,962	6,431	7,175	8,004	9,243	11,034	12,648	<b>14,676</b>
Loan Funds	2,653	2,876	2,959	2,751	2,601	1,716	1,806	1,470	1,267	<b>512</b>
Deferred Tax (Net)	208	175	221	319	310	326	345	295	300	<b>230</b>
<b>Total Liabilities</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>14,216</b>	<b>15,418</b>
Gross Block	5,807	6,773	8,022	8,313	8,563	8,846	9,777	10,728	10,960	<b>11,074</b>
Net Block	3,079	3,784	4,557	4,476	4,340	4,424	4,607	5,074	4,704	<b>4,248</b>
Investments	2,833	3,168	3,141	2,802	2,452	2,372	3,241	4,031	4,942	<b>6,195</b>
Net current assets	2,750	2,514	1,444	2,223	3,294	3,250	3,546	3,693	4,569	<b>4,974</b>
<b>Total Assets</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>14,216</b>	<b>15,418</b>
<b>KEY RATIOS</b>										
Growth in Revenue (%)	35.5	35	-4.6	12.8	26.4	0.3	10.3	4.5	2.9	<b>1.6</b>
PAT to Revenue (%)	5.7	5.5	-2.3	3.3	3.9	4.4	5.9	8.1	7.5	<b>9.3</b>
Return on Net Worth (%)	11.9	13.9	-6	9	12.1	12.3	15.7	18.8	15.7	<b>17</b>
Earnings per Share Rupees	4.5	5.8	-2.3	3.8	5.7	6.4	9.5	13.6	13	<b>16.3</b>
(for face value of Rs.2/- each)										
Asset Turns (Revenue to Total Assets)	1.4	1.7	1.7	1.8	2.2	2.2	2.1	2	1.9	<b>1.7</b>
Return on Capital Employed (%)	13.5	15.4	-0.01	11.38	12.72	13.35	17.09	21.29	21.88	<b>23.6</b>
Debt to Equity Ratio	0.5	0.4	0.5	0.4	0.4	0.2	0.2	0.1	0.1	<b>0.03</b>
Dividend (incl. Dividend Tax) Distribution to PAT(%)	36.4	30.1	-10.1	18.6	14.3	14.5	14.7	13.8	16.7	<b>18.5</b>

**Note :**

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



# Finolex

## Cables Limited

### Balance Sheet

as at 31st March, 2016

(Rs. in million)

	Notes	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	305.9	305.9
Reserves and Surplus	2	14,370.4	12,342.2
		<u>14,676.3</u>	<u>12,648.1</u>
<b>Non - Current Liabilities</b>			
Long - Term Borrowings	3	257.5	512.1
Other Long - Term Liabilities	4	4.0	4.1
Long - Term Provisions	5	49.1	49.7
Deferred Tax Liabilities ( Net)	32a	229.9	300.5
		<u>540.5</u>	<u>866.4</u>
<b>Current Liabilities</b>			
Short - Term Borrowings	6	-	0.3
Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	7	5.3	1.0
Total outstanding dues other than Micro Enterprises and Small Enterprises	7	1,044.7	653.8
Other Current Liabilities	8	1,348.5	1,748.8
Short - Term Provisions	5	567.4	419.4
		<u>2,965.9</u>	<u>2,823.2</u>
		<u>18,182.7</u>	<u>16,337.6</u>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Fixed Assets :			
Tangible Assets	9	4,243.8	4,633.0
Intangible Assets		4.5	4.7
Capital Work-In-Progress		31.4	66.7
Non - Current Investments	10	2,269.0	2,256.6
Long -Term Loans and Advances	11	65.7	42.6
Other Non - Current Assets	12	0.5	192.9
		<u>6,614.9</u>	<u>7,196.5</u>
<b>Current Assets :</b>			
Current Investments	13	3,896.0	2,685.6
Inventories	14	3,368.1	3,186.2
Trade Receivables	15	1,259.2	1,186.1
Cash and Bank Balances	16	2,188.2	1,383.7
Short - Term Loans and Advances	11	856.3	699.4
Other Current Assets	12	0.1	-
		<u>11,567.9</u>	<u>9,141.1</u>
		<u>18,182.7</u>	<u>16,337.6</u>
Notes	28 to 48		
The notes are an intgral part of the financial statements			

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

**Dr. H. S. Vachha**  
**S. K. Asher**  
**P. R. Rathi**  
**P. G. Pawar**  
**A. J. Engineer**  
**Namita Thapar**

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

**NARESH KUMAR KATARIA**  
*Partner*  
 Membership No. 037825

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

Pune: 26th May 2016

# 48th

## Annual Report 2015-16

### Statement of Profit and Loss for the year ended 31st March,2016

		(Rs. in million)	
Continuing Operations	Notes	2016	2015
<b>INCOME</b>			
Revenue From Operations (Gross)	17	26,124.5	25,747.9
Less : Excise Duty		1,513.6	1,257.0
Revenue From Operations (Net)		24,610.9	24,490.9
Other Income	18	640.8	584.7
<b>Total Revenue</b>		<b>25,251.8</b>	<b>25,075.6</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	19	17,172.5	17,577.6
Purchase of Stock-in-Trade	20	215.0	138.6
(Increase) / Decrease in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	21	(173.2)	520.6
Employee Benefit Expense	22	1,075.6	939.6
Finance Costs	23	95.3	136.5
Depreciation, Amortization and Impairment	24	572.3	639.6
Other Expenses	25	2,930.5	2,716.7
<b>Total Expenses</b>		<b>21,888.0</b>	<b>22,669.3</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>3,363.9</b>	<b>2,406.3</b>
Exceptional Items - Income / (Expenses)	26	-	225.2
<b>Profit Before Extraordinary Items and Tax</b>		<b>3,363.9</b>	<b>2,631.5</b>
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>3,363.9</b>	<b>2,631.5</b>
Less : Tax Expenses			
- Current Tax		786.2	535.7
- MAT Credit Availed		247.5	83.3
		1,033.7	619.0
- Deferred Tax (Net) (Refer Note 32a)		(70.6)	26.2
Current Year Tax Expenses		963.1	645.2
- Taxes of Earlier Years (written back)		(87.7)	(0.3)
Total Tax Expenses		875.5	644.8
Profit / (Loss) for the year from continuing operations		2,488.4	1,986.6
<b>Profit for the year</b>		<b>2,488.4</b>	<b>1,986.6</b>
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	16.3	13.0
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

**Dr. H. S. Vachha**  
**S. K. Asher**  
**P. R. Rathi**  
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*Executive Chairman*  
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*Executive Director &  
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**NARESH KUMAR KATARIA**  
*Partner*  
 Membership No. 037825

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

Pune: 26th May 2016





# Finolex

## Cables Limited

### Cash Flow Statement

for the year ended 31st March, 2016

(Rs. in million)

	2016	2015
<b>A Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAXATION AND AFTER EXCEPTIONAL ITEMS	<b>3,363.8</b>	2,631.4
Adjustment for:		
Depreciation , Amortisation and Impairment	<b>572.3</b>	639.6
Dividend Income	<b>(85.3)</b>	(285.1)
Interest Income	<b>(205.2)</b>	(50.5)
Loss / (Profit) on Sale of Fixed Assets	<b>(18.7)</b>	1.3
Loss / (Gain) on Redemption of current Investments	<b>(226.5)</b>	(185.7)
Loss / (Gain ) on Derivative Contracts	-	(225.2)
Finance Cost	<b>89.5</b>	129.2
Provision for doubtful debts	<b>3.6</b>	4.0
Provision for Diminution in value of Investments	<b>194.5</b>	122.9
Provision for Diminution in value of Investments written back	<b>(35.1)</b>	-
Gain on sales of long term investments	<b>(29.0)</b>	-
	<b>260.1</b>	150.5
<b>Operating profit before working Capital changes</b>	<b>3,623.9</b>	2,781.9
Adjustments for :		
(Increase) /Decrease in Trade and Other Receivables and Loans and Advances	<b>(64.4)</b>	242.3
(Increase) /Decrease in Inventories	<b>(181.9)</b>	337.8
Increase / (Decrease) in Trade Payables and other liabilities	<b>78.5</b>	(1,061.1)
Changes in Working Capital (Increase) /Decrease	<b>(167.8)</b>	(481.1)
Cash generated from Operations	<b>3,456.1</b>	2,300.8
Tax refunds / (paid)	<b>(480.0)</b>	(473.9)
<b>NET CASH FLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)</b>	<b>2,976.1</b>	1,826.9
<b>B Cash Flow from Investing Activities</b>		
Dividend Income	<b>85.3</b>	285.1
Interest Income	<b>205.2</b>	50.5
(Purchase) / Sale of Fixed Assets / Capital Expenditure (Net)	<b>(147.6)</b>	(320.8)
(Purchase) / Sale / Redemption of Investments (Net)	<b>(1,717.0)</b>	(1,755.7)
Investments in Joint Venture Company	<b>(232.8)</b>	(122.5)
<b>NET CASH FLOW / (OUTFLOW) FROM INVESTMENT ACTIVITIES (B)</b>	<b>(1,806.9)</b>	(1,863.5)
<b>C Cash Flow from Financing Activities</b>		
Repayments of Borrowings ( Term Loan )	<b>(254.9)</b>	(203.3)
Repayments of Borrowings ( Debenture)	<b>(500.0)</b>	-
Receipts / (Repayments) Short - term borrowing	<b>(0.3)</b>	0.3
(Losses) / Gain on derivatives contracts	-	225.2
Finance Costs	<b>(89.5)</b>	(129.2)
Dividend and Dividend Tax Paid	<b>(331.3)</b>	(286.3)
<b>NET CASH FLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)</b>	<b>(1,176.0)</b>	(393.3)
<b>Total (A)+(B)+( C )</b>	<b>(6.7)</b>	(429.8)

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## Annual Report 2015-16

(Rs. in million)

	2016	2015
<b>D Increase / (Decrease) in Cash and Cash Equivalents</b>		
Cash and Cash Equivalents		
Opening Balance	218.8	648.6
Closing Balance	212.1	218.8
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(6.7)</b>	<b>(429.8)</b>

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statement specified under section 133 of the Companies Act, 2013.
- Cash and cash equivalents :-(Refer Note 16)**

Cash on Hand	1.0	2.7
Balances with Banks in current accounts	211.1	216.1
	<b>212.1</b>	<b>218.8</b>
- Previous year figures have been regrouped wherever necessary to confirm to current year classification.

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

**Dr. H. S. Vachha**  
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**R.G.D'SILVA**  
*Company Secretary & President (Legal)*

Pune: 26th May 2016



# Finolex

## Cables Limited

### Notes forming part of the Balance Sheet

#### Note 1 - Share Capital

(Rs. in million)

	Standalone	
	2016	2015
<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

	2016		2015	
	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 2016, the amount of per share dividend recognised as distributions to the equity shareholders is Rs. 2.5 per share ( Previous year Re. 1.80 per share)

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

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

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

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

	2016		2015	
	No. of Shares	%	No. of Shares	%
Finolex Industries Limited	2,21,87,075	14.5	2,21,87,075	14.5
Orbit Electricals Private Limited	4,69,56,120	30.7	4,69,56,120	30.7

#### 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

During the 5 years immediately preceding the reporting date, no bonus shares were issued. Also during this period shares were not issued for consideration other than cash, neither was any shares bought back during this period.

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

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

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## Annual Report 2015-16

### Notes forming part of the Balance Sheet

#### Note 2 : Reserves and Surplus

	(Rs. in million)	
	2016	2015
<b>a) Capital Reserve</b>	<b>84.1</b>	84.1
<b>b) Share Capital Buyback Reserve</b>	<b>55.2</b>	55.2
<b>c) Securities Premium Reserve</b>	<b>1,091.0</b>	1,091.0
<b>d) Debenture Redemption Reserve</b>		
Balance at the beginning of the year	250.0	250.0
Less : Transferred to General Reserve	250.0	-
<b>Balance at the end of the year</b>	<b>-</b>	250.0
<b>e) General Reserve</b>		
Balance at the beginning of the year	5,243.2	5,043.2
Add : Amount Transferred from Surplus in the Statement of Profit and Loss	-	200.0
Add: Transfer from Debenture Redemption Reserve	250.0	-
Balance at the end of the year	5,493.2	5,243.2
<b>f) Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	5,618.9	4,204.3
Less: Transitional effect of change in useful life of assets (net of deferred tax of Rs 20.92 Million)--(Refer note 9 b)	-	(40.6)
Add : Profit for the year	2,488.4	1,986.6
Less: Appropriations:		
Proposed dividend on the Equity Shares (amount per share Rs 2.5 , Previous year Rs 1.80)	(382.4)	(275.3)
Dividend distribution tax on proposed dividend on Equity Shares	(77.8)	(56.0)
Transfer to General Reserve	-	(200.0)
Balance at the end of the year	7,647.1	5,618.9
<b>g) Total Reserves and Surplus=(a+b+c+d+e+f)</b>	<b>14,370.4</b>	12,342.2

#### Note 3 - Long Term Borrowings

	(Rs. in million)			
	Non Current		Current	
	2016	2015	2016	2015
<b>Secured:</b>				
<b>Debentures</b>				
9.10% 'M' Series Non Convertible Debentures (500 Debentures of Rs.1,000,000 each)	-	-	-	500.0
<b>Term Loans from Banks</b>	250.0	500.0	250.0	250.0
	<b>250.0</b>	<b>500.0</b>	<b>250.0</b>	<b>750.0</b>
<b>Unsecured:</b>				
Deferred Sales Tax Loan	7.5	12.1	4.6	4.9
	<b>257.5</b>	<b>512.1</b>	<b>254.6</b>	<b>754.9</b>
Amount shown under Other Current Liabilities (Note 8)			<b>(254.6)</b>	<b>(754.9)</b>



# Finolex

## Cables Limited

### Notes forming part of the Balance Sheet

#### Notes : Details of Loans

	Particulars	Tenor	Rs. in Million	Repayment Schedule	Interest Rate
a)	Debenture – M Series	5 years	500.0	Lump sum paid on 24th August, 2015. Outstanding Rs Nil as on 31st Mar'16(Previous year Rs 500 million)	9.1%
b)	Rupee Term Loan from Bank	6 years	750.0	3 equal installments of Rs.250 million each on 31st Dec 2015, 31st Dec 2016, 31st Dec 2017, Outstanding Rs 500.0 million as on 31st Mar'16 (Previous year Rs 750 million)	Bank base rate plus 0.25%
c)	Deferred Sales Tax Loan	-	12.1	Repayable in installments, last installment being on 26th 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.

#### Note 4 : Other Long - Term Liabilities

(Rs. in million)

	2016	2015
Retention Money	4.0	4.1
	<u>4.0</u>	<u>4.1</u>

#### Note 5 : Provisions

(Rs. in million)

	Non Current		Current	
	2016	2015	2016	2015
<b>Provision for Employee benefits</b>				
Gratuity	-	4.6	9.6	21.4
Leave encashment	49.1	45.1	14.1	11.9
	<u>49.1</u>	<u>49.7</u>	<u>23.7</u>	<u>33.2</u>
<b>Other Provisions</b>				
Proposed Equity Dividend	-	-	382.4	275.3
Tax on Proposed Equity Dividend	-	-	77.8	56.0
Provision for Income-tax (Net of Provision for Taxation)	-	-	28.7	-
Other Provisions - Duties/Taxes (Refer Note 30 a)	-	-	54.8	54.8
	<u>-</u>	<u>-</u>	<u>543.7</u>	<u>386.1</u>
	<u>49.1</u>	<u>49.7</u>	<u>567.4</u>	<u>419.4</u>

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## Annual Report 2015-16

### Notes forming part of the Balance Sheet

#### Note 6 - Short - Term Borrowings

(Rs. in million)

Secured :	2016	2015
Cash Credit	-	0.3
	-	0.3

The Company has Cash Credit and Packing Credit facilities from banks which are secured by hypothecation of inventories and book debts. Cash Credit is repayable on demand. Interest rate is 12.3%(Previous Year 12.3%). As at the year end, there is no utilisation of these facilities.

#### Note 7 : Trade Payables

(Rs. in million)

	2016	2015
Total outstanding dues of Micro Enterprises and Small Enterprises	5.3	1.0
Total outstanding dues other than Micro Enterprises and Small Enterprises	1,044.7	653.8
Total	1,050.0	654.8

( For dues to Micro,Small and Medium Enterprises -Refer Note 33 )

#### Note 8 : Other Current Liabilities

(Rs. in million)

	2016	2015
Current Maturities of Long - Term Borrowing (Refer Note 3)	254.6	754.9
Other Payables #	1,067.9	967.7
Interest free Deposits from Distributors	8.8	7.7
Interest accrued but not Due on Borrowings	4.2	6.7
Unpaid Dividend *	13.0	11.9
	1,348.5	1,748.8

# Other Payables Include :-Expenses payables Rs 821.9 million(Previous year Rs 770.3 million), Statutory Dues Rs 109.8 million (Previous year Rs 107.5 million),Creditors of capital goods and service Rs 3.5 million (Previous year Rs 33.9 million) , other liability Rs 5.4 million (Previous year Rs 6.8 million),Advance from customers Rs 127.3 million (Previous year Rs 49.1 million)

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



# Finolex

## Cables Limited

### Notes forming part of the Balance Sheet

#### Note No. 09(a) - Fixed Assets

(Rs. in million)

Description	Gross Block				Depreciation/Amortisation / Impairment					Net Block			
	Balance as at 01.04.2015. (Refer Note (b) below)	Additions (Refer Note (a) below)	Deductions/ Adjustments	Gross Block as at 31.03.2016	Balance as at 01.04.2015. (Refer Note 9(b))	Depreciation For the year (Refer Note (b) below )	Adjusted against opening balance of Surplus in Profit and Loss (Refer Note b )	Deductions/ Adjustments	Total Depreciation 31.03.2016	Provision for impairment as at 01.04.2015 (Refer Note 9(b))	Charge / (Reversal) for the year(Refer Note 34 )	Provision for impairment as at 31.03.2016	Balance as at 31.03.2016
<b>Tangible Assets (A)</b>													
Land	114.7	24.6	0.4	138.8	-	-	-	-	-	-	-	-	138.8
Lease Hold Land	161.0	(0.0)	-	161.0	14.0	1.8	-	-	15.8	-	-	-	145.1
Buildings (Refer Note (b) below)	2,343.2	0.5	-	2,343.7	670.2	68.8	-	-	739.0	-	-	-	1,604.7
Plant & Machinery (Refer Note (b) below)	7,827.1	111.1	29.1	7,909.1	4,842.9	422.2	-	27.2	5,237.9	380.7	53.0	433.7	2,237.6
Furniture, Fittings	124.4	2.8	3.7	123.4	101.5	4.3	-	3.2	102.6	-	-	-	20.8
Office Equipment	70.9	2.0	2.2	70.6	56.4	5.6	-	2.1	59.8	-	-	-	10.8
Computers, Peripherals	103.8	22.0	6.3	119.5	89.9	6.0	-	5.9	90.0	-	-	-	29.5
Vehicles	79.8	16.3	5.3	90.9	41.7	7.7	-	5.0	44.3	-	-	-	46.6
Dies & Moulds	17.8	7.6	6.7	18.8	12.3	2.9	-	6.3	8.8	-	-	-	9.9
<b>Tangible Assets Total</b>	<b>10,842.8</b>	<b>186.8</b>	<b>53.7</b>	<b>10,975.9</b>	<b>5,828.9</b>	<b>519.1</b>	<b>-</b>	<b>49.8</b>	<b>6,298.3</b>	<b>380.7</b>	<b>53.0</b>	<b>433.7</b>	<b>4,243.8</b>
Previous Year	10,483.2	377.8	18.3	10,842.8	5,221.2	562.9	61.5	16.7	5,828.9	304.0	76.7	380.7	4,633.0
<b>Intangible Assets (B)</b>													
Software & Others	132.6	(0.0)	-	132.58	127.9	0.2	-	-	128.1	-	-	-	4.5
<b>Intangible Assets Total</b>	<b>132.6</b>	<b>(0.0)</b>	<b>-</b>	<b>132.6</b>	<b>127.9</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>128.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.5</b>
Previous Year	128.3	4.3	-	132.6	127.9	-	-	-	127.9	-	-	-	4.7
<b>Total (A) + (B)</b>	<b>10,975.4</b>	<b>186.8</b>	<b>53.7</b>	<b>11,108.5</b>	<b>5,956.8</b>	<b>519.3</b>	<b>-</b>	<b>49.8</b>	<b>6,426.3</b>	<b>380.7</b>	<b>53.0</b>	<b>433.7</b>	<b>4,248.4</b>
Previous Year	10,611.5	382.1	18.3	10,975.4	5,349.1	562.9	61.5	16.7	5,956.8	304.0	76.7	380.7	4,637.7

a) Includes exchange difference on foreign exchange loan and borrowing capitalized during the year : Buildings Rs.Nil million (Previous year Rs. 2.98 million), Plant and Machinery Rs.Nil million (Previous year Rs.8.3 million), Refer Note 31

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

c) As stated in Note 28 (iii)(e), the Company had in the previous year pursuant to the provisions of Companies Act, 2013, assessed the depreciation at rates prescribed useful life of its assets and recomputed depreciation at rates prescribed in Schedule II of the Act or as assessed by an independent valuer. As a result of the above, depreciation charge for the said year was higher by Rs Nil (Previous year higher by Rs 20.27 Million). Further additional depreciation charge of Rs 40.64 Million (net of deferred tax Rs.20.93 Million) in respect of those assets whose useful life is fully exhausted as at 1st April, 2014 had been adjusted against the opening balance of surplus in the Statement of Profit and Loss account.

## Notes forming part of the Balance Sheet

Note No. 09(b) - Fixed Assets as at March 31st, 2015

(Rs. in million)

Description	Gross Block				Depreciation/Amortisation / Impairment						Net Block		
	Balance as at 01.04.2014. (Refer Note 9(b))	Additions (Refer Note (a) below)	Deductions/ Adjustments	Gross Block as at 31.03.2015	Balance as at 01.04.2014. (Refer Note 9(b))	Depreciation For the year (Refer Note c)	Adjusted against opening balance of Surplus in Profit and Loss (Refer Note c)	Deductions/ Adjustments	Total Depreciation 31.03.2015	Provision for impairment as at 01.04.2014 (Refer Note 9(b))	Charges / (Reversal) for the year	Provision for impairment as at 31.03.2015	Balance as at 31.03.2015
<b>Tangible Assets (A)</b>													
Land	114.7	-	-	114.7	-	-	-	-	-	-	-	-	114.7
Lease Hold Land	161.0	-	-	161.0	12.4	1.6	-	-	14.0	-	-	-	147.0
Buildings (Refer Note (b) below)	2,338.9	4.3	-	2,343.2	569.0	69.4	31.8	-	670.2	-	-	-	1,673.0
Plant & Machinery (Refer Note (b) below)	7,493.3	347.5	13.7	7,827.1	4,377.7	462.6	15.3	12.7	4,842.9	304.0	76.7	380.7	2,603.4
Furniture, Fittings	122.5	1.9	-	124.4	94.7	4.1	2.7	-	101.5	-	-	-	22.9
Office Equipment	68.5	2.4	0.0	70.9	34.8	11.3	10.3	-	56.4	-	-	-	14.5
Computers, Peripherals	101.1	4.5	1.8	103.8	86.8	3.7	0.9	1.5	89.9	-	-	-	13.9
Vehicles	65.4	17.2	2.8	79.8	35.4	8.3	0.5	2.5	41.7	-	-	-	38.1
Dies & Moulds	17.8	-	-	17.8	10.4	1.9	-	-	12.3	-	-	-	5.5
<b>Tangible Assets Total</b>	<b>10,463.2</b>	<b>377.83</b>	<b>18.28</b>	<b>10,842.8</b>	<b>5,221.2</b>	<b>562.9</b>	<b>61.5</b>	<b>16.7</b>	<b>5,828.9</b>	<b>304.0</b>	<b>76.7</b>	<b>380.7</b>	<b>4,633.0</b>
Previous Year	9,163.5	1,326.3	6.6	10,483.2	4,738.8	484.3	-	1.9	5,221.2	304.0	-	304.0	4,958.0
<b>Intangible Assets (B)</b>													
Software & Others	128.3	4.3	-	132.6	127.9	-	-	-	127.9	-	-	-	4.7
<b>Intangible Assets Total</b>	<b>128.3</b>	<b>4.3</b>	<b>-</b>	<b>132.6</b>	<b>127.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.7</b>
Previous Year	128.3	-	-	128.3	127.9	-	-	-	127.9	-	-	-	0.4
<b>Total (A) + (B)</b>	<b>10,611.5</b>	<b>382.1</b>	<b>18.3</b>	<b>10,975.3</b>	<b>5,349.1</b>	<b>562.9</b>	<b>61.5</b>	<b>16.7</b>	<b>5,956.8</b>	<b>304.0</b>	<b>76.7</b>	<b>380.7</b>	<b>4,637.7</b>
Previous Year	9,291.8	1,326.3	6.6	10,611.5	4,866.7	484.3	-	1.9	5,349.1	304.0	-	304.0	4,958.4

a) Includes exchange difference on foreign exchange loan and borrowing capitalized during the year : Buildings Rs.2.98 million (Previous year Rs. 12.2 million), Plant and Machinery Rs.8.30million (Previous year Rs.33.9 million), Refer Note 31

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

c) As stated in Note 28 (iii)(e), the Company has pursuant to the provisions of Companies Act, 2013, assessed the depreciation at rates prescribed useful life of its assets and recomputed depreciation at rates prescribed in Schedule II of the Act or as assessed by an independent valuer. As a result of the above, depreciation for the year ended 31st March 2015 is higher by Rs 20.27 Million. Further additional depreciation charge of Rs 40.64 Million (net of deferred tax Rs 20.93 Million) in respect of those assets whose useful life is fully exhausted as at 1st April, 2014 has been adjusted against the opening balance of surplus in the Statement of Profit and Loss account.





# Finolex

## Cables Limited

### Notes forming part of the Balance Sheet

#### Note 10 - Non - Current Investments

		(Rs in million)	
		2016	2015
<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
358,500	Equity Shares of Rs. 10 each fully paid in IndusInd Bank Limited (Previous Year 358,500)	3.6	3.6
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
		<b>1,522.6</b>	<b>1,522.6</b>
<b>Investment in Unquoted Equity Instruments</b>			
-	Equity Shares of Rs. 10 each fully paid in I2IT Private Limited (Previous Year 6,100,000)	-	61.0
Less: Provision for Diminution in value of investments		-	(35.1)
		-	25.9
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
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
		<b>141.2</b>	<b>167.1</b>
<b>Investments in Joint Venture Company- Unquoted</b>			
982,450,000	Equity Shares of Rs.10 each fully paid in Finolex J-Power Systems Private Limited (Previous Year 74,970,000)	982.5	749.7
Less: Provision for Diminution in value of investments (Refer Note 35)		<b>(394.8)</b>	<b>(200.3)</b>
		<b>587.7</b>	<b>549.4</b>
1,750,000	Equity Shares of Rs.10 each fully paid in Corning Finolex Optical Fibre Private Limited (Previous Year 1,750,000)	17.5	17.5
		<b>605.2</b>	<b>566.9</b>
<b>Non - Current Investments</b>		<b>2,269.0</b>	<b>2,256.6</b>
Aggregate amount of Quoted Investments		<b>1,522.6</b>	<b>1,522.6</b>
Aggregate Market Value of Quoted Investments Rs. 15,015.7 million (Previous Year Rs.11,755.9 million)			
Aggregate amount of Unquoted Investments		<b>746.4</b>	<b>734.0</b>
Aggregate provision for diminution in value of investment		<b>394.8</b>	<b>235.4</b>
* Indicate investments having value in rupees less than Rs Million			

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### Note 11 : Loans and Advances

(Rs. in million)

	Non Current		Current	
	2016	2015	2016	2015
<b>Unsecured, Considered Good unless stated otherwise</b>				
<b>Capital Advances</b>				
Considered Good	30.2	8.4	-	-
Security Deposits #	35.5	34.2	-	-
Advances Recoverable in cash or kind ##	-	-	822.7	557.9
Advance Income-tax (Net of Provision for Taxation)	-	-	-	128.7
Balances with Customs and Excise	-	-	33.7	12.9
	<b>65.7</b>	<b>42.6</b>	<b>856.3</b>	<b>699.4</b>

# Security Deposits includes Rent Deposit Rs. 2.5 million (Previous Year Rs. 2.5 million) given to a related party, Orbit Electricals Pvt. Ltd., towards premises taken on lease.

## Includes Interest Receivable of Rs.75.2 million (Previous Year Rs 17.4 million), Sales Tax Receivable of Rs.114.80 million (Previous Year Rs. 118.8 million) , Advances to Creditors of Rs.510.5 million (Previous Year Rs. 285.3 million), Excise claims of Rs.50.90 million (Previous Year Rs.60.3 million), Export Rebate of Rs. 13.90 million (Previous Year Rs.14.7 million), Other Advances of Rs.47.80 million (Previous Year Rs.57.4 million), Prepaid Expenses of Rs. 9.5 million (Previous Year Rs. 3.95 million )



# Finolex

## Cables Limited

### Notes forming part of the Balance Sheet

#### Note 12 : Other Assets

	(Rs. in million)			
	Non Current		Current	
	2016	2015	2016	2015
MAT Credit Entitlement	0.5	192.9	-	-
Unamortised Premium on Forward Contracts	-	-	0.1	-
	<b>0.5</b>	<b>192.9</b>	<b>0.1</b>	<b>-</b>

#### Note 13 : Current Investments

	(Rs in million)	
	2016	2015
<b>(Valued at lower of cost and fair value)</b>		
<b>Investment in Quoted Equity Instruments</b>		
10 Equity Shares of Rs.5 each fully paid in Apar Industries Limited (Previous Year 10)	-	-
168,750 Equity Shares of Rs.5 each fully paid in BF Utilities Limited (Previous Year 168,750)	<b>0.8</b>	0.8
168,750 Equity Shares of Rs.5 each fully paid in BF Investment Limited (Previous Year 168,750)	-	-
100 Equity Shares of Rs.10 each fully paid in Birla Ericsson Optical Limited (Previous Year 100)	-	-
300 Equity Shares of Rs. 10 each fully paid in Delton Cables Limited (Previous Year 300)	-	-
57 Equity Shares of Re. 1 each fully paid in Dish TV India Limited (Previous Year 57)	-	-
22,105 Equity Shares of Rs. 2 each fully paid in ICICI Bank Limited (Previous Year 22,105)	<b>0.6</b>	0.6
200,000 Equity Shares of Rs. 5 each fully paid in Kirloskar Ferrous Limited (Previous Year 200,000)	<b>6.2</b>	6.2
100 Equity Shares of Rs. 2 each fully paid in Nicco Corporation (Previous Year 100)	-	-
525 Equity Shares of Rs.2 each fully paid in KEC International Limited (Previous Year 525)	<b>0.1</b>	0.1
500 Equity Shares of Rs. 2 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 50)	-	-
100 Equity Shares of Re. 1 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)	-	-
218 Equity Shares of Re. 1 each fully paid in ZEE Entertainment Enterprises Limited (Previous Year 218)	-	-
4,578 6% Cumulative Redeemable Non-convertible Preference Shares of Re. 1 each fully paid in ZEE Entertainment Enterprises Limited (Previous Year 4,578)	-	-
45 Equity Shares of Rs. 10 each fully paid in ZEE Media Limited (Previous Year 45)	-	-
27 Equity Shares of Rs. 10 each fully paid in ZEE Learn Limited (Previous Year 27)	-	-
	<b>7.7</b>	<b>7.7</b>

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### Note 13 : Current Investments (Contd.)

		(Rs in million)	
		2016	2015
<b>Investments in Quoted Mutual Funds</b>			
120,036	Units of Rs 1,000 each of Axis Liquid Fund-Growth (Previous Year 133,384)	200.0	205.4
1,289,410	Units of Rs 100 each of Birla Sun Life Cash Plus-Growth-Regular Plan (Previous Year 749,722)	310.2	165.0
204,874	Units of Rs 100 each of Birla Sun Life Saving Fund-Growth-Regular Plan (Previous Year 260,158)	60.0	70.0
134,713	Units of Rs 1,000 each of DSP Black Rock Liquidity Fund-Institutional Plan-Growth (Previous Year Nil)	288.5	-
24,573	Units of Rs 1,000 each of DSP Black Rock Money Manager Fund-Regular Plan-Growth (Previous Year Nil)	50.0	-
179,208	Units of Rs.1,000 each of Franklin India Treasury Management Account-Super Institutional Plan-Growth (Previous Year 127,295)	399.3	260.3
135,133	Units of Rs. 1,000 each of HDFC Liquid Fund - Growth (Previous Year 8,880,454)	397.9	242.8
1,388,093	Units of Rs. 100 each of ICICI Prudential Liquid Plan- Growth (Previous Year 1,255,973)	308.1	258.3
174,690	Units of Rs. 100 each of ICICI Prudential Flexible Income- Growth (Previous Year Nil)	50.0	-
155,813	Units of Rs. 1,000 each of IDFC Cash Fund -Growth-Regular Plan (Previous Year 108,021)	284.4	179.2
179,967	Units of Rs.10 each of JM Basic Fund - Growth (Previous Year 179,967)	2.5	2.5
8,094,632	Units of Rs.10 each of JM High Liquidity Fund-Growth (Previous Year 6,831,989)	330.3	253.5
-	Units of Rs.1,000 each of L&T Liquid Fund-Growth (Previous Year 124,607)	-	235.4
48,302	Units of Rs.1,000 each of Reliance Liquid Fund-Treasury Plan-Growth Plan - Growth Option (Previous Year 60,531)	173.9	205.4
-	Units of Rs.1,000 each of Reliance Money Manager -Growth Plan - Growth Option (Previous Year 26,128)	-	50.0
7,718,670	Units of Rs.10 each of Reliance Yearly Interval Fund -Series 1 -Direct Plan - Growth Plan (Previous Year Nil)	100.0	-
7,326,150	Units of Rs.10 each of Reliance Quarterly Interval Fund -Series II -Direct Growth Plan - Growth Plan (Previous Year Nil)	150.0	-
-	Units of Rs.1,000 each of Religare Invesco Liquid Fund-Growth (Previous Year 102,641)	-	192.0
132,885	Units of Rs.1,000 each of SBI Premier Liquid Fund-Regular Plan-Growth (Previous Year 81,659)	312.8	178.1
418,264	Units of Rs.10 each of Sundaram Infrastructure Advantage Fund- Regular-Dividend (Previous Year 418,264)	7.3	7.3
110,085	Units of Rs.1,000 each of Tata Liquid Fund-Regular Plan-Growth (Previous Year 68,477)	303.7	172.7
65,687	Units of Rs.1,000 each of UTI Liquid Cash Plan -Institutional-Growth (Previous Year Nil)	159.4	-
		<b>3,888.3</b>	<b>2,677.9</b>
	Aggregate amount of Quoted Investments	<b>3,896.0</b>	<b>2,685.6</b>

[Aggregate Market Value of Current Quoted Investments Rs.4,066.2 million (Previous Year Rs.2,887.7 million)]

\* Indicate investments having value in rupees less than Rupees Million



# Finolex

## Cables Limited

### Notes forming part of the Balance Sheet

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

(Rs. in million)

	<u>2016</u>	<u>2015</u>
Raw Materials (Includes in Transit Rs 159.24 million, Previous Year Rs 158.92 million)	<b>847.1</b>	832.6
Work-in-Progress	<b>839.4</b>	817.7
Finished Goods	<b>1,352.1</b>	1,249.4
Stock-in-Trade	<b>53.9</b>	47.4
Stores and Spares	<b>177.4</b>	159.4
Packing Materials	<b>49.5</b>	41.0
Scrap (Valued at realisable value)	<b>48.8</b>	38.8
	<b><u>3,368.1</u></b>	<b><u>3,186.2</u></b>

**Note 15: Trade Receivables**

**Current**

**Unsecured, considered good, unless stated otherwise**

**Outstanding for a period exceeding six months**

Secured, Considered Good

    Considered Good

    Considered Doubtful

Less: Provision for Doubtful Receivables

Other Receivables

	<u>2016</u>	<u>2015</u>
	<b>34.4</b>	59.2
	<b>30.3</b>	28.1
	<b>64.7</b>	87.2
	<b>30.3</b>	28.1
	<b>34.4</b>	59.2
	<b>1,224.8</b>	1,127.0
	<b><u>1,259.2</u></b>	<b><u>1,186.1</u></b>

**Note 16 : Cash and Bank Balances**

**Current**

Cash and Cash Equivalents

Balances with Banks:

    On Current Accounts

Cash on Hand

Other Bank Balances

Deposits with original maturity for more than 3 months but less than 12 months

Unpaid Dividend

Margin Money Deposits

	<u>2016</u>	<u>2015</u>
	<b>211.1</b>	216.1
	<b>1.0</b>	2.7
	<b>212.1</b>	218.8
	<b>1,960.0</b>	1,150.0
	<b>13.0</b>	11.9
	<b>3.0</b>	3.0
	<b>1,976.1</b>	1,164.9
	<b><u>2,188.2</u></b>	<b><u>1,383.7</u></b>

Deposit includes Rs Nil million (Previous year Rs 100 million) towards debentures which were due for redemption on 26th Aug'15, as per statutory requirements. Margin money deposit includes Deposit given to Goa Electricity Board Rs 3 million, (Previous year Rs 3 million).

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

#### Note 17 - Revenue From Operations

	(Rs. in million)	
	2016	2015
<b>Sale of Products :</b>		
Finished Goods	25,707.7	25,386.8
Traded Goods	247.5	167.6
	<b>25,955.2</b>	<b>25,554.4</b>
<b>Other Operating Revenue</b>		
Scrap Sales	167.3	188.2
Export Benefits	2.1	5.3
<b>Revenue from Operations (Gross)</b>	<b>26,124.5</b>	<b>25,747.9</b>
Less: Excise duty	(1,513.6)	(1,257.0)
<b>Revenue from Operations (Net)</b>	<b>24,610.9</b>	<b>24,490.9</b>

#### Details of Products Sold

Finished Goods Sold		
Electrical Cables	21,947.4	21,924.5
Communication Cables	3,273.7	2,376.6
Copper Rods	350.4	917.1
Others	136.2	168.6
	<b>25,707.7</b>	<b>25,386.8</b>
<b>Traded Goods sold</b>		
Others	247.5	167.6
<b>Products Sold Total</b>	<b>25,955.2</b>	<b>25,554.4</b>

#### Note 18 - Other Income

	(Rs. in million)	
	2016	2015
Interest on :		
Deposits	117.3	22.0
Others	87.9	28.5
<b>Total</b>	<b>205.2</b>	<b>50.6</b>
Dividend from :		
Non-Current Investments	84.7	285.0
Current Investments	0.6	0.1
<b>Total</b>	<b>85.3</b>	<b>285.1</b>
Profit on Sale of Assets(net)	18.7	-
Net Gains on Redemption of Current Investments	226.5	185.7
Gains on sales of Non Current Investments	29.0	-
Reversal of provisions on Demunition in value of Investment no longer required	35.1	-
Gain on Exchange Fluctuations (Net)	3.0	18.0
Other Non Operating Income	38.0	45.4
<b>Total</b>	<b>640.8</b>	<b>584.7</b>



# Finolex

## Cables Limited

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

#### Note 19 - Cost of Material Consumed

(Rs. in million)

	<u>2016</u>	<u>2015</u>
<b>Raw Material :</b>		
Inventory at the beginning of the year	832.6	652.1
Add : Purchases	16,722.5	17,405.5
	<u>17,555.1</u>	<u>18,057.6</u>
Less: Inventory at the end of the year	847.1	832.6
Cost of Raw Material Consumed	16,708.1	17,225.0
Packing Material Consumed	464.4	352.7
<b>Total Cost of Materials Consumed</b>	<u>17,172.5</u>	<u>17,577.6</u>

#### Details of Raw Materials Consumed

Copper	12,594.1	13,440.5
PVC	1,674.1	1,578.5
Polythene	582.4	401.7
Preform	304.8	127.6
Others	1,552.6	1,676.7
	<u>16,708.0</u>	<u>17,225.0</u>

#### Details of Inventories of Raw Materials

Copper	209.3	173.4
PVC	185.3	227.7
Polythene	69.9	92.9
Preform	90.9	63.8
Others	291.6	274.8
	<u>847.1</u>	<u>832.6</u>

#### Note 20 : Details of Purchase of Stock-in-Trade

Others (Includes Compact Fluorescent Lamps and Electrical Switches)	215.0	138.6
	<u>215.0</u>	<u>138.6</u>

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

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

(Rs. in million)

	<u>2016</u>	<u>2015</u>
<b>Inventories at the end of the year (A)</b>		
Work-in-Progress	839.4	817.7
Finished Goods	1,352.1	1,249.4
Stock-in-Trade	53.9	47.4
Scrap	48.8	38.8
	<u>2,294.1</u>	<u>2,153.2</u>
<b>Inventories at the beginning of the year (B)</b>		
Work-in-Progress	817.7	785.4
Finished Goods	1,249.4	1,814.9
Stock-in-Trade	47.4	40.7
Scrap	38.8	39.6
	<u>2,153.2</u>	<u>2,680.6</u>
<b>Increase / (Decrease) in Inventories (B) - (A)</b>	<b>(140.9)</b>	527.4
Adjustments for Captive Consumption	<b>(32.4)</b>	(6.8)
	<u>(173.2)</u>	<u>520.6</u>
<b>Note 22 - Employee Benefit Expense</b>		
Salaries, Wages, Bonus and Commission etc.	1,005.7	861.1
Contribution to Provident and other Funds	63.5	70.5
Workmen and Staff Welfare Expenses	5.2	4.6
Recruitment and Training Expenses	1.2	3.4
	<u>1,075.6</u>	<u>939.6</u>
<b>Note 23 : Finance Costs</b>		
Interest Expenses	89.5	129.2
Bank Charges	5.8	7.3
	<u>95.3</u>	<u>136.5</u>
<b>Note 24 : Depreciation, Amortisation and Impairment Expenses</b>		
Depreciation on Tangible Assets	519.3	562.9
Impairment of Tangible Assets #	53.0	76.7
	<u>572.3</u>	<u>639.6</u>

# Refer note : 34





# Finolex

## Cables Limited

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

#### Note 25 - Other Expenses

	(Rs. in million)	
	2016	2015
Consumption of Stores and Spares	212.5	181.7
Increase / (Decrease) in Excise duty on Closing Stock of Finished Goods	(0.5)	(4.7)
Processing Charges	9.2	3.9
Power and Fuel	424.2	308.4
Rent, Rates and Taxes	22.9	26.7
Insurance	10.6	9.0
Repairs and Maintenance :		
Building	9.1	10.5
Machinery	20.3	16.7
Other Assets	64.9	28.1
Directors' Sitting Fees	1.4	1.4
Auditors' Remuneration :		
Audit Fees	4.9	4.1
Tax Audit Fees	0.8	0.8
Other Services	0.5	0.5
Reimbursement of Expenses	0.3	0.3
Travelling and Conveyance	81.3	75.0
Communication Expenses	12.6	11.8
Selling and Distribution Expenses :		
Sales Incentives	1,052.7	1,222.7
Freight Outward (Net)	355.1	316.3
Advertisement, Publicity etc.	139.1	164.3
Miscellaneous Expenses	275.9	192.9
Provision for Doubtful Debts	3.6	4.0
Non Recoverable Balances Written Off	3.8	4.2
"Provision for Diminution in value of Investments (Refer Note 35 c)"	194.5	122.9
Loss on Sale of Assets	-	1.3
Corporate Social Responsibility Expenses	30.0	1.1
Donation (#)	0.7	12.8
	<b>2,930.5</b>	<b>2,716.7</b>

(#) Includes donation to Political Parties Nil (Previous Year Rs 12.3 million) - as under

Bhartiya Janta Party- Nil (Previous Year Rs 3.3 million), Nationalist Congress Party- Nil (Previous Year 7.0 million), Indian National Congress- Nil (Previous Year Rs 2.0 million).

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

Gain / (Losses) on Derivatives Contracts #	-	225.2
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# represents gains on account of settlement of claims in respect of foreign exchange derivatives

#### Note 27 : Earnings per Share (EPS) - Basic and Diluted

Profit After Tax for calculation of Basic and Diluted EPS (Rs. in Million)	2,488.4	1,986.6
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)	16.3	13.0

### 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 under Section 133 of the Companies Act, 2013(‘Act’) read with Rule 7 of the Companies (Accounts) Rules,2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or to a revision in existing accounting standard requires a change in the accounting policy hitherto in use.

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 II to the Companies Act, 2013. 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/amortization 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 recognized as expense in the period in which they are incurred.

###### e) Depreciation and amortization

###### Tangible Assets

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II of the Companies Act 2013, or as assessed by the Management based on the technical evaluation of an independent valuer. Estimated useful life adopted on this basis is different from the useful life prescribed in Schedule II of the Companies Act 2013 in case of following assets:

Asset Class	Useful Life Adopted(Years)	Useful Life as per Schedule –II(Years)
Plant & Machinery	9.5	7.5
Solar Plant	25	7.5

Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

Leasehold land is amortized over the primary period of the lease.

Depreciation for assets purchased / sold during the period is proportionately charged.



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## Cables Limited

### Notes forming part of the Accounts

#### Intangible Assets

Intangible assets are amortized over the estimated useful lives of respective assets on a straight line basis, commencing from the date the assets is available to the Company for its use.

Estimate useful life of software is considered 4.75 years.

#### Impairment

The carrying amount of cash generating units / assets is reviewed at balance sheet date to determine whether there is any indication of impairment. In situations where 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.

#### 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 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 dispatches 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 realization is reasonably certain.
- d) Dividend income is recognised when right to receive dividend is established.

### Notes forming part of the Accounts

#### viii) Employee Benefits:

##### a) Gratuity

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Funds managed by insurance companies and estimated terms of the defined benefit obligation. 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

The Company contributes to the Provident Fund, a defined contribution scheme, 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, of the period in which the services are rendered by 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) A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the reporting date.
- b) Contingent Liabilities are disclosed in respect of:
  - i) 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.
  - ii) 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.

#### xi) 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.

#### xii) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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.



# Finolex

## Cables Limited

### Notes forming part of the Accounts

#### xiii) 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.

#### xiv) Lease Rent

The Company has taken residential accommodation, office premises and warehouses on lease / rental basis. Lease period varies from one month to twelve months. These lease are cancellable in nature. Lease rentals recognised in the Statement of Profit and Loss is Rs 15.79 million (Previous Year Rs 18.57 million).

#### 29. Contingent Liabilities and commitments

##### a) Contingent liabilities

Particulars	(Rs. in million)	
	2016	2015
<b>I) Disputed Tax Matters</b>		
Excise	188.2	145.3
Customs	13.4	13.4
Sales tax	736.0	959.3
Income tax	51.2	86.2
Appeals preferred by the authorities against Appellate decisions in favour of the Company		
Income tax	66.6	42.4
II) 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.)	865.1	1,142.1
Margin deposits against the above guarantee Rs. Nil (Previous Year Rs. Nil million)		
III) The Company has procured capital goods under zero duty EPCG scheme under Foreign Trade Policy. The Policy allows Import of capital goods at zero duty subject to an export obligation of six times of duty saved on capital goods Imported under the policy to be fulfilled in six year reckoned from authorization issue date. As at March 31 2016, the export obligation amounting INR Rs.123.64 million has not been fulfilled by the Company and hence as per Para 5.8 of the policy, the Company may have to pay the duty saving amount to INR Rs.20.6 million (which if incurred will be capitalized to fixed assets) along with interest @ 18% p.a. of such duty saved with in the period of 3 months from the end of stipulated time to fulfill such export obligation (most of which are due within 12 months from balance sheet date) In the regard, the Company is in the process of obtaining export orders and has also filed application for further extension with Director General of Foreign Trade Accordingly, no provision has been considered in the financial statement and the liabilities are assessed by the management as contingent in nature.	20.6	-
IV) Please refer Note 35 (b)		

### Notes forming part of the Accounts

#### 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. 1,047.9 million** (Previous year Rs. 1,057.3 million) which is to be discharged over a period of six / eight years from the date of licence. This includes amount of Rs.123.64 million, referred in Note 29 (a) III above.
- ii. Estimated amount of contracts remaining to be executed on capital account (net of advances paid), not provided for **Rs. 251.2 million** (Previous year Rs. Nil).

#### 30 (a) Other Provisions:

Other provision for duties and taxes represents provision for disputed duties and taxes. There are no changes during the year. Outflow on account of said provision depends on the settlement of the pending cases.

#### 31. Foreign Exchange differences

- a. Exchange differences either on settlement or on translation are dealt with in the Statement of Profit and Loss. However exchange differences, arising either on settlement or on translation, in case of long-term borrowings used for acquisition of fixed assets are capitalised. Accordingly, foreign exchange loss of Rs Nil million (Previous year: Rs 11.3 million) arising during the year has been added to the cost of fixed assets.

#### 32. Taxes on Income

##### a) Deferred Tax:

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

	(Rs. in million)	
Particulars	2016	2015
Deferred Tax Liabilities		
Depreciation	343.3	356.2
(a)	343.3	356.2
Deferred Tax Assets		
Employee Benefits	25.2	28.7
Provision for doubtful debts	10.5	9.7
Provision for diminution in value of investments	45.6	-
Others	32.1	17.3
(b)	113.4	55.7
Deferred Tax Liabilities (Net) (a) – (b)	229.9	300.5

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

- a) Outstanding to suppliers other than Micro and Small enterprises **Rs 1,044.7 million** (Previous Year Rs 653.8 million)
- b) Outstanding to Micro and Small enterprises **Rs 5.3 million** (Previous Year Rs 1.1 million)

	(Rs. in million)	
Particulars	2016	2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprise	5.3	1.0
Interest due on above	0.3	0.2
	5.6	1.2
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of payment made to suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest Specified under the MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.3	0.2

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



# Finolex Cables Limited

## Notes forming part of the Accounts

### 34. Corporate Social Responsibility Expenses (CSR)

During the year, the company has incurred an expenditure of Rs. 30.1 million towards Corporate Social Responsibilities (CSR) activities which includes contribution to a educational Institute for construction of a Library, which is eligible under section 135 of Companies Act 2013 read with Schedule VII.

### 35. Investment in Joint Venture entities

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

	Investment in Shares (Rs in millions)		Ownership interest (Percentage)	
	2016	2015	2016	2015
Finolex J-Power Systems Private Limited (Note (c) Below)	982.5	749.7	49%	49%
Corning Finolex Optical Fibre Private Limited	17.5	17.5	50%	50%

b) Company's share in Assets and Liabilities

The below mentioned figures for jointly controlled entities are provided based on the latest available audited accounts for the year end March 31, 2016. (Previous year's figures for the year ended March 31, 2015)

(Rs. in million)							
	Year	Assets	Liabilities	Income	Expenses	Contingent Liabilities	Capital & others Commitment
Finolex J-Power Systems Private Limited (FJPSPL)	2016	1,015.9	*575.4	53.6	132.5	142.1	-
	2015	1,016.0	676.0	26.8	129.5	155.9	-
Corning Finolex Optical Fibre Private Limited	2016	318.9	304.7	798.4	798.4	-	-
	2015	178.4	164.3	790.6	791.8	-	-

\* Includes Rs 109.3 million towards short terms credit facility availed from a bank (Previous year Rs 145 million). The Company has given its JV partner, an undertaking, to share any future liabilities to the bank in line with its shareholding in the JV, in the event JV fails to pay the amount borrowed

c) The Company's investment in Finolex J Power Systems Private Ltd, (JV) is long term and strategic in nature. The JV is engaged in manufacturing and sale of high voltage power cables. The operations of the JV continued to be adversely impacted by economic slowdown and the JV has continued to incur losses, resulting its net worth being partially eroded. The management expects improvement in operations of the JV's upon revival of the economic environment and along with the Joint Venture partner, continues to support the JV operations by infusion of equity as required. Having regard to the uncertainty in the timing of economic revival, the management of the Company, on prudent basis, has made further provision of Rs 194.5 million (Previous year Rs 126.9 million) towards diminution in the value of investments.

### 36. Related Party Transactions (As per AS-18 on Related Party Disclosures Specified under Section 133 of the Companies Act, 2013):

a) Names of Related Parties:

Associate Companies	Finolex Industries Limited
Joint Venture entities	Finolex J-Power Systems Private Limited Corning Finolex Optical Fibre Private Limited

#### Key management Personnel and Relatives

<b>Key Management Personnel</b> Mr. D. K. Chhabria Mr. Mahesh Viswanathan Mr. R G D'Silva	Executive Chairman Executive Director and Chief Financial Officer Company Secretary & President (Legal)
<b>Relatives</b> Mr. K. P. Chhabria	Father of Executive Chairman

### Notes forming part of the Accounts

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

Orbit Electrical Private Limited  
 Finolex Infrastructure Limited  
 Magnum Machines Limited  
 Finprop Advisory Services Limited  
 Finolex Plasson Industries Private Limited

**c) Individual having significant influence over the Company**

Mr. P.P.Chhabria

**d) Transaction with Related Parties – Major Parties**

(Rs in million)

Name of Transactions	2016	2015
<b>Associate Companies / Joint Venture</b>		
<b>Sales, Services and Other Income</b>		
<b>1 Sale of goods</b>		
Finolex Industries Limited	-	2.7
Others	0.1	0.5
<b>2 Sale of Other Material / Services</b>		
Finolex J-Power Systems Private Limited	-	0.4
<b>3 Recoveries</b>		
Finolex Industries Limited	0.3	7.0
Finolex J-Power Systems Private Limited	2.7	2.2
Others	0.7	0.7
<b>4 Dividend Received</b>		
Finolex Industries Limited	80.4	281.3
Finolex Plasson Industries Private Limited	2.0	1.5
<b>Purchase of Material / Assets</b>		
<b>1 Purchase of Raw Material and Components</b>		
Finolex J-Power Systems Private Limited	-	8.1
Corning Finolex Optical Fibre Private Limited	48.6	132.0
Magnum Machines Technologies Limited	2.5	-
Others	-	1.6
<b>2 Purchase of Fixed Assets</b>		
Magnum Machines Technologies Limited	-	0.2
Finprop Advisory Services Limited	0.1	-
<b>3 Investments in Equity Shares</b>		
Finolex J-Power Systems Private Limited	232.8	122.5





# Finolex

## Cables Limited

### Notes forming part of the Accounts

(Rs in million)

Name of Transactions	2016	2015
<b>Expenses</b>		
<b>1 Services</b>		
Finprop Advisory Services Limited	-	4.8
International Institute of Information Technology ( CSR expenses) (Refer note No 34)	<b>30.1</b>	-
Mr. P.P.Chhabria (Advisory Services)	<b>30.0</b>	30.0
Others	-	0.8
<b>2 Rent</b>		
Orbit Electricals Private Limited	<b>2.7</b>	2.7
<b>3 Reimbursement of Expenses Paid</b>		
Finolex Industries Limited	-	11.9
Finprop Advisory Services Limited	-	2.9
Orbit Electricals Private Limited	-	-
<b>4 Dividend Paid</b>		
Finolex Industries Limited	<b>39.9</b>	35.5
<b>Amount Outstanding</b>		
<b>1 Creditors</b>		
Finolex Industries Limited	<b>5.7</b>	5.7
Corning Finolex Optical Fibre Pvt. Limited	-	10.9
Others	<b>9.6</b>	-
<b>2 Debtors</b>		
Finolex Industries Limited	<b>5.6</b>	5.2
Finolex J-Power Systems Private Limited	<b>0.9</b>	15.4
Corning Finolex Optical Fibre Pvt. Limited	<b>0.3</b>	-
Orbit Electricals Private Limited	<b>2.5</b>	-
<b>3 Loans and Advances and Deposits</b>		
Orbit Electricals Private Limited	<b>2.5</b>	2.5
<b>Key Management Personnel</b>		
Remuneration to Key Management Personnel		
Mr. D. K. Chhabria	<b>84.5</b>	73.3
Mr. Mahesh Viswanathan	<b>19.4</b>	16.6
Mr. R.G.D'Silva	<b>2.6</b>	2.4

### Notes forming part of the Accounts

#### 37. Foreign currency related disclosures

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

	(Rs. in million)	
	2016	2015
Trade payables	89.2	73.2
Trade receivables	23.2	50.3

b) The Company has hedged exposures in respect of creditors by way of forward covers which were mostly USD – INR contracts. Forward covers to the extent of Rs.35.3 million (Previous Year Rs 93.8 million) were outstanding as at year-end to hedge the exposures of equivalent value of the creditors.

#### 38. Raw Material Consumed:

	2016		2015	
	Quantity (MT)	(Rs in million)	Quantity (MT)	(Rs in million)
Copper	30,973	12,594.1	28,777	13,440.5
PVC	23,908	1,674.1	15,910	1,578.5
Polythene	5,636	582.4	3,358	401.7
Preform	29	304.8	15	127.6
Others		1552.6		1,676.7
<b>Total</b>		<b>16,708.0</b>		<b>17,225.0</b>

#### 39. CIF Value of Imports

	(Rs. in million)	
	2016	2015
Raw Material	1,722.0	1,287.0
Spares and Components	27.2	8.8
Capital Goods	6.8	244.8
<b>Total</b>	<b>1,756.0</b>	<b>1,540.5</b>

#### 40. Consumption of Raw Material:

	2016		2015	
	%	Rs in million	%	Rs in million
Imported	10.4	1,742.6	8.8	1,520.3
Indigenous	89.6	14,965.4	91.2	15,704.7
<b>Total</b>	<b>100.0</b>	<b>16,708.0</b>	<b>100.0</b>	<b>17,225.0</b>



# Finolex

## Cables Limited

### Notes forming part of the Accounts

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

	2016		2015	
	%	Rs in million	%	Rs in million
Imported	8.6	18.3	7.7	13.9
Indigenous	91.4	194.2	92.3	167.8
<b>Total</b>	<b>100.0</b>	<b>212.5</b>	<b>100.0</b>	<b>181.7</b>

#### 42. Expenditure in foreign Currency:

	(Rs. in million)	
	2016	2015
Travelling	2.0	1.8
Interest	-	4.4
Foreign Bank Charges	1.6	2.2
Export Sales Commission	-	1.1
Professional Fees	1.3	1.3
Others	1.9	0.3
<b>Total</b>	<b>6.8</b>	<b>11.1</b>

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

	(Rs. in million)	
	2016	2015
FOB Value of Export	416.5	539.5

#### 44. Dividends Remitted in foreign Currency:

	2016	2015
Number of Share holders	1	1
Number of Shares held	6,033,825	6,086,425
Year to which dividend relates	March 2015	March 2014
Amount remitted (Net of tax deducted at source ) (Rs. in million)	10.9	9.7

#### 45. Segment Reporting:

The Business segment has been considered as a primary segment for disclosure. The categories included in each of the reported business segment are as follows:

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

The above business segments have been identified considering

- i) The Nature of the product/services
- ii) The Related risks and returns
- iii) The Internal financial reporting systems

Revenue and expenses have been accounted for based on their relationship to the operating activities of the segment. Revenues and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocable Expenses". Assets and Liabilities which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocable Assets/Liabilities".

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## Annual Report 2015-16

### Notes forming part of the Accounts

#### 46. A) Primary Segment Information for the year ended 31 March 2016

(Rs. in million)

	Electrical Cables		Communication Cables		Copper Rod		Others		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>												
External	21,507.1	21,918.9	3,764.2	2,445.4	707.8	973.3	145.4	410.3	-	-	26,124.5	25,747.9
Inter - segment (Net of Excise)	-	-	-	-	4,455.1	4,997.6	421.0	2,091.2	(4,876.1)	(7,088.8)	-	-
Less : Excise Duty	904.2	992.1	219.8	169.7	378.0	86.7	11.6	8.6	-	-	1,513.6	1,257.0
Total Revenue	20,602.9	20,926.8	3,544.4	2,275.7	4,784.9	5,884.2	554.8	2,493.0	(4,876.1)	(7,088.8)	24,610.9	24,490.9
<b>RESULTS</b>												
Segment Results	3,311.9	2,871.4	400.9	144.6	18.1	40.3	(78.4)	(150.6)	-	-	3,652.5	2,905.7
Other Unallocable expenditure (net)	-	-	-	-	-	-	-	-	-	-	199.1	(145.0)
Interest Expenses	-	-	-	-	-	-	-	-	-	-	89.4	129.3
Profit before Taxes	-	-	-	-	-	-	-	-	-	-	3,363.9	2,631.5
Provision for Taxation	-	-	-	-	-	-	-	-	-	-	875.5	644.8
Profit after Tax	-	-	-	-	-	-	-	-	-	-	2,488.4	1,986.7
<b>OTHER INFORMATION</b>												
Segment Assets	6,104.4	4,887.7	1,791.8	1,804.2	242.2	312.8	10,044.3	9,332.9	-	-	18,182.7	16,337.5
Segment Liabilities	2,429.9	1,028.1	418.0	379.5	564.3	65.8	94.1	1,884.9	-	-	3,506.4	3,358.3
Capital Expenditure	4.8	111.7	78.8	212.9	-	3.2	64.8	35.9	-	-	148.4	363.7
Depreciation	164.5	302.5	37.4	132.5	0.2	13.6	370.3	191.1	-	-	572.3	*639.7

\* Includes Rs 61.5 million adjusted against retained earnings.

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

(Rs. in million)

Particulars	2016	2015
<b>REVENUE (Net of Excise)</b>		
Exports	431.8	544.8
Domestic	24,179.1	23,946.1
<b>Total</b>	<b>24,610.9</b>	<b>24,490.9</b>
<b>TRADE RECEIVABLES</b>		
Exports	-	52.9
Domestic	1,259.2	1,133.3
<b>Total</b>	<b>1,259.2</b>	<b>1,186.1</b>

#### 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.



# Finolex

## Cables Limited

### 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 2016</b>	<b>2016</b>	<b>2015</b>
Present value of obligations at the beginning of the year	121.6	99.0
Interest Cost	9.7	9.2
Current service cost	9.1	7.0
Benefits paid	(9.5)	(11.2)
Actuarial (gain)/loss on obligations	5.2	17.5
Present value of obligations as at end of year	136.1	121.6
<b>Table showing changes in the fair value of plan assets as on 31st March 2016</b>		
Fair value of plan assets at the beginning of the year	95.6	97.0
Expected return on plan assets	7.6	8.4
Contributions	31.0	1.7
Benefits paid	(9.5)	(11.2)
Actuarial gain/(loss) on obligations	1.8	(0.4)
Fair value of plan asset at end of year	126.5	95.6
Funded status	100%	100%
<b>Actuarial Gain/Loss recognized</b>		
Actuarial gain/(Loss) for the year - obligation	(5.2)	(17.5)
Actuarial gain/(Loss) for the year - plan assets	1.8	(0.4)
Total gain/(Loss) for the year	(3.5)	(17.9)
Actuarial gain/(Loss) recognized in the year	(3.5)	(17.9)
<b>Amounts to be recognized in the Balance Sheet</b>		
Present Value of obligations as at the end of the year	136.1	121.6
Fair value of plan assets as at the end of the year	126.5	95.6
Funded Status	(9.6)	(26.0)
Net Asset/(Liability) recognized in balance sheet	(9.6)	(26.0)
<b>Expenses Recognized in statement of Profit &amp; Loss</b>		
Current Service Cost	9.1	7.0
Interest Cost	9.7	9.2
Expected return on plan assets	(7.6)	(8.4)
Net Actuarial (gain)/Loss recognized in the year	3.5	18.0
Expenses recognized in statement of Profit & Loss	14.6	25.8
<b>Table showing fair value of plan assets</b>		
Fair Value of plan assets at beginning of the year	95.6	97.0
Actual return on plan assets	9.4	8.0
Contributions	31.0	1.7
Benefits Paid	(9.5)	(11.2)
Fair Value of plan assets at the end of the year	126.5	95.6
Funded Status	(9.6)	(26.0)
Excess of actual over estimated return on Plan Assets	1.8	(0.4)
<b>Actuarial Assumptions:</b>		
Discounted Rate	8.06%	8.00%
Rate on return on assets	8.06%	8.00%
Salary escalation	7%	7%
Attrition rate	15%	15%
Mortality		

**Indian Assued Lives  
Mortality (2006-08) Ultimate**

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## Annual Report 2015-16

### Notes forming part of the Accounts

	31st March				
	2016	2015	2014	2013	2012
<b>Experience adjustments</b>					
On plan liability gain/(loss)	<b>(5.2)</b>	(17.5)	4.6	(5.9)	4.7
On plan asset gain/(loss)	<b>1.8</b>	(0.4)	(1.0)	0.3	(0.2)

As per actuarial valuation report, Expected employer's contribution in next year is Rs. 9.62 million (previous year Rs. 21.4 million)

#### Privileged leave (Compensated absence for employee) :

Amount recognised in Statement of Profit and Loss and movements in Net Liability :

	(Rs. in million)	
	2016	2015
Opening balance of compensated absences (a)	<b>56.9</b>	44.5
Present value of compensated absences as at the year end (b)	<b>63.2</b>	56.9
(Excess)/Unfunded liability of Compensated Absences recognised in Statement of Profit and Loss for the year (b-a)	<b>6.3</b>	12.4

The privileged leave liability is not funded

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

**Dr. H. S. Vachha**  
**S. K. Asher**  
**P. R. Rathi**  
**P. G. Pawar**  
**A. J. Engineer**  
**Namita Thapar**

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

**NARESH KUMAR KATARIA**  
*Partner*  
 Membership No. 037825

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

Pune: 26th May 2016



# Finolex

## Cables Limited

### INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

#### To the Members of Finolex Cables Limited Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Finolex Cables Limited (hereinafter referred to as "the Company") and its investment in two joint venture entities and an associate company (collectively referred to as "the Group"), comprising the consolidated balance sheet as at March 31, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows including two joint venture entities and an associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the two joint venture entities and an associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Company, as aforesaid.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Company and of two joint venture entities and an associate company as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Emphasis of Matter

9. We draw attention to Note 28 (i) to the financial statements in terms of requirements of Section 129(3) of the Companies Act, 2013 the company is preparing its consolidated financial results for the first time. The corresponding previous year figures have not been provided. Our report is not qualified in this matter.

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### Other Matter

10. We did not audit the financial statements of two jointly controlled entities included in the consolidated financial results, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 1334.7 million as at March 31, 2016, total revenue (before consolidation adjustments) of Rs. 852 million for the year ended March 31, 2016 and a net loss (before consolidation adjustments) of Rs. 132.3 million for the year ended March 31, 2016 and an associate company whose share of profit of Rs. 773.9 million for the year ended March 31, 2016 has been considered in the consolidated financial statement. The financial statements of two jointly controlled entities and the associate company have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results for the quarter and the year ended March 31, 2016, in so far as it relates to the amounts and disclosures included in respect of two jointly controlled entities and the associate company, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entities and associate company, is based solely on the reports of such auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

#### 11. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2016 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of two joint venture entities and an associate company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and two joint venture entities and an associate company and the operating effectiveness of such controls, refer our separate report in Annexure 1.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and two joint venture entities and an associate company incorporated in India.

**For B. K. Khare and Co.**  
Chartered Accountants  
(FRN: 105102W)

**Naresh Kumar Kataria**  
Partner  
Membership No.:037825

Pune,  
May 26th 2016





# Finolex Cables Limited

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Finolex Cables Limited as of and for the ended March 31, 2016, we have audited the internal financial controls over financial reporting of Finolex Cables Limited (hereinafter referred to as "the Company"), two joint venture entities and an associate company, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Company and two joint venture entities and an associate company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control sated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the in herent limitations of internal financial controls over financial reporting, including the possibility of collusion rim proper management over ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

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## Annual Report 2015-16

over financial reporting may be come in adequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company and two joint venture entities and an associate company and, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls tatedin the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to an associate company and two joint venture entities, is based on the corresponding reports of the auditors of such companies.

**For B. K. Khare and Co.**  
Chartered Accountants  
(FRN: 105102W)

**Naresh Kumar Kataria**  
Partner  
Membership No.:037825

Pune,  
May 26th 2016



# Finolex

## Cables Limited

### Consolidated Balance sheet as at 31st March, 2016

(Rs. in million)

	Notes	2016
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds :</b>		
Share Capital	1	305.9
Reserves and Surplus	2	16,025.6
		<u>16,331.5</u>
<b>Non - Current Liabilities</b>		
Long - Term Borrowings	3	535.3
Other Long - Term Liabilities	4	4.0
Long - Term Provisions	5	49.1
Deferred Tax Liabilities ( Net)	32	229.9
		<u>818.3</u>
<b>Current Liabilities</b>		
Short - Term Borrowings	6	141.0
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	7	5.3
Total outstanding dues other than Micro Enterprises and Small Enterprises	7	1,371.1
Other Current Liabilities	8	1,481.5
Short - Term Provisions	5	568.7
		<u>3,567.6</u>
		<u>20,717.4</u>
<b>ASSETS</b>		
<b>Non - Current Assets</b>		
Fixed Assets :	9	
Tangible Assets		5,080.6
Intangible Assets		9.7
Capital Work-In-Progress		31.4
Non - Current Investments	10	3,469.5
Long -Term Loans and Advances	11	80.8
Trade Receivables	15(1)	15.2
Other Non - Current Assets	12	12.0
		<u>8,699.2</u>
<b>Current Assets :</b>		
Current Investments	13	3,896.0
Inventories	14	3,401.7
Trade Receivables	15(2)	1,650.6
Cash and Cash Equivalents	16	2,190.6
Short - Term Loans and Advances	11	872.6
Other Current Assets	12	6.7
		<u>12,018.2</u>
		<u>20,717.4</u>

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

**Dr. H. S. Vachha**  
**S. K. Asher**  
**P. R. Rathi**  
**P. G. Pawar**  
**A. J. Engineer**  
**Namita Thapar**

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

**NARESH KUMAR KATARIA**  
Partner  
Membership No. 037825

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

Pune: 26th May 2016

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## Annual Report 2015-16

### Statement of Consolidated Profit and Loss for the year ended 31st March,2016

	Notes	(Rs. in million) 2016
<b>Continuing Operations</b>		
<b>INCOME</b>		
Revenue From Operations (Gross)	17	26,953.1
Less : Excise Duty		1,522.2
Revenue From Operations (Net)		25,430.9
Other Income	18	647.3
<b>Total Revenue</b>		<b>26,078.2</b>
<b>EXPENSES</b>		
Cost of Materials Consumed	19	17,196.6
Purchase of Stock-in-Trade	20	1,003.7
(Increase) / Decrease in Inventories of Finished Goods,Work in Progress and Stock-in-Trade	21	(172.4)
Employee Benefit Expense	22	1,093.3
Finance Costs	23	133.0
Depreciation,Amortization and Impairment	24	613.9
Other Expenses	25	2,784.2
<b>Total Expenses</b>		<b>22,652.3</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>3,425.9</b>
Exceptional Items - Income / (Expenses)	26	-
<b>Profit Before Extraordinary Items and Tax</b>		<b>3,425.9</b>
Extraordinary Items		-
<b>Profit Before Tax</b>		<b>3,425.9</b>
Less : Tax Expenses		
- Current Tax		786.2
- MAT Credit Aailed		247.5
		1,033.7
- Deferred Tax (Net) (Refer Note 31)		(70.6)
Current Year Tax Expenses		963.1
- Taxes of Earlier Years (written back)		(87.8)
Total Tax Expenses		875.3
Profit / (Loss) for the year from continuing operations		2,550.6
Share of Profit/(Loss) of Associate		773.9
<b>Profit for the year</b>		<b>3,324.5</b>
Earnings Per Equity Share (Face value of share Rs.2 each)		
Basic and Diluted (Rs)	27	21.7

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

**NARESH KUMAR KATARIA**  
Partner  
Membership No. 037825

**Dr. H. S. Vachha**  
S. K. Asher  
P. R. Rathi  
P. G. Pawar  
A. J. Engineer  
Namita Thapar

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

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

Pune: 26th May 2016



# Finolex

## Cables Limited

### Consolidated Cash Flow Statement for the year ended 31st March, 2016

(Rs. in million)

2016

<b>A</b>	<b>Cash Flow from Operating Activities</b>	
	PROFIT BEFORE TAXATION AND AFTER EXCEPTIONAL ITEMS	3,425.9
	Adjustment for:	
	Depreciation , Amortisation and Impairment	613.9
	Dividend Income	-
	Interest Income	(206.7)
	Loss / (Profit) on Sale of Fixed Assets	(18.7)
	Loss / (Gain) on Redemption of Investments	(225.8)
	Finance Cost	127.2
	Provision for doubtful debts	4.9
	Provision for Diminution in value of Investments	194.5
	Provision for Diminution in value of Investments written back	(35.1)
	Gain on sales of long term investments	(29.0)
		<u>425.2</u>
	<b>Operating profit before working Capital changes</b>	<b>3,851.1</b>
	Adjustments for :	
	(Increase) /Decrease in Trade and Other Receivables and Loans and Advances	(257.6)
	(Increase) /Decrease in Inventories	(181.5)
	Increase / (Decrease) in Trade Payables and other liabilities	976.3
	Changes in Working Capital	<u>537.2</u>
	Cash generated from Operations	4,388.3
	Tax refunds / (paid)	(480.0)
	<b>NET CASH FLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)</b>	<b><u>3,908.3</u></b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>	
	Dividend Income	-
	Interest Income	206.7
	(Purchase) / Sale of Fixed Assets / Capital Expenditure (Net)	(164.2)
	(Purchase) / Sale / Redemption of Investments (Net)	(2,441.3)
	Investment in Associates and Joint Venture Company	(232.8)
	<b>NET CASH FLOW / (OUTFLOW) FROM INVESTMENT ACTIVITIES (B)</b>	<b><u>(2,631.6)</u></b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>	
	Repayment of Borrowings (Term Loan)	(334.6)
	Repayment of Borrowings (Debenture)	(500.0)
	Receipt from Short - term borrowing	(3.8)
	Finance Costs	(127.2)
	Dividend and Dividend Tax Paid	(331.3)
	<b>NET CASH FLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)</b>	<b><u>(1,296.9)</u></b>
	<b>Total (A)+(B)+( C )</b>	<b><u>(20.2)</u></b>

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(Rs. in million)

		2016
<b>D</b>	<b>Increase / (Decrease) in Cash and Cash Equivalents</b>	
	Cash and Cash Equivalents	
	Opening Balance	234.7
	Closing Balance	214.5
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(20.2)</b>

Notes :

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statement specified under section 133 of the Companies Act, 2013.
- 2) **Cash and cash equivalents :- (Refer Note 16)**

Cash on Hand	1.0
Balances with Banks in current accounts	213.5
	<b>214.5</b>
- 3) Consolidated Financial prepared for the first time so previous year cash flow was not disclosed.
- 4) 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

**Dr. H. S. Vachha**  
**S. K. Asher**  
**P. R. Rathi**  
**P. G. Pawar**  
**A. J. Engineer**  
**Namita Thapar**

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

**NARESH KUMAR KATARIA**  
*Partner*  
Membership No. 037825

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

Pune: 26th May 2016



# Finolex

## Cables Limited

### Notes forming part of the Consolidated Financial Statements

#### Note 1 - Share Capital

	2016
<b>Authorised</b>	
235,000,000 Equity Shares of Rs. 2/- each	470.0
15,000,000 Unclassified Shares of Rs. 2/- each	30.0
	<b>500.0</b>
<b>Issued, Subscribed and Paid Up</b>	
152,939,345 Equity Shares of Rs. 2/- each fully paid.	305.9
	<b>305.9</b>

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

	2016	
<b>Equity Shares</b>	No.	Rs. million
Balance at the beginning of the year	152,939,345	305.9
Issued during the year	-	-
Issued during the year - ESOP		
<b>Outstanding at the end of the year</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 2016, the amount of per share dividend recognised as distributions to the equity shareholders is Rs. 2.50 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

	2016	
	No. of Shares	%
Finolex Industries Limited	22,187,075	14.5
Orbit Electricals Private Limited	46,956,120	30.7

#### 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

During the 5 years immediately preceding the reporting date, no bonus shares were issued. Also during this period shares were not issued for consideration other than cash, neither was any shares brought back during this period.

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

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

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## Annual Report 2015-16

### Notes forming part of the Consolidated Financial Statements

**Note 2 : Reserves and Surplus**

	2016
a) <b>Capital Reserve</b>	84.1
b) <b>Share Capital Buyback Reserve</b>	55.2
c) <b>Securities Premium Reserve</b>	1,091.0
d) <b>Debenture Redemption Reserve</b>	
Balance at the beginning of the year	250.0
Less : Transferred to General Reserve	250.0
<b>Balance at the end of the year</b>	-
e) <b>General Reserve</b>	
Balance at the beginning of the year	5,243.2
Add : Amount Transferred from Surplus in the Statement of Profit and Loss	-
Add: Transfer from Debenture Redemption Reserve	250.0
Balance at the end of the year	5,493.2
f) <b>Surplus in the Statement of Profit and Loss</b>	
Balance at the beginning of the year	6,438.0
Add : Profit for the year	3,324.5
Less: Appropriations:	
Proposed dividend on the Equity Shares	(382.4)
(amount per share Rs 2.5)	
Dividend distribution tax on proposed dividend on Equity Shares	(77.8)
Transfer to General Reserve	-
Balance at the end of the year	9,302.2
g) <b>Total Reserves and Surplus (g=a+b+c+d+e+f)</b>	16,025.6
<b>Supplimentary Notes 2</b>	
	2016
a) <b>Capital Reserve</b>	84.1
b) <b>Share Capital Buyback Reserve</b>	55.2
c) <b>Securities Premium Reserve</b>	1,091.0
d) Debenture Redemption Reserve at the beginning of year	250.0
Less Transferred to General Reserve	250.0
<b>Debenture Redemption Reserve at the end of year</b>	-
e) <b>General Reserve</b>	
Balance at the beginning of the year as per standalone financial	5,243.2
<b>Amount Transferred from Surplus in Statement of Profit &amp; Loss</b>	-
Add:	
f) Amount Transferred from Debenture Redemption Reserve	250.0
g) Balance at the end of the year (g=e+f)	5,493.2
<b>Surplus in the Statement of Profit and Loss</b>	
h) Balance at the end of the year as per standalone financial	7,647.1
Add:	
Adjustment on account of consolidation	
Shares holders value in Joint Venture	
i) Finolex J-Power Systems Private Limited	440.4
j) Corning Finolex Optical Fibre Private Limited	14.2
Less:	
Elimination of investment	
k) Finolex J-Power Systems Private Limited	( 587.7)
l) Corning Finolex Optical Fibre Private Limited	(17.5)
Add:	
Post acquisition profit of associates	
m) Finolex Industries Limited - Share up to 31-3-2015	1,031.8
Add:	
n) Share of Profit/(Loss) of Associate for 2015-16	773.9
Balance at the beginning of the year as per consolidated financial	9,302.2
Total Reserves and Surplus	16,025.6





# Finolex

## Cables Limited

### Notes forming part of the Consolidated Financial Statements

#### Note 3 - Long Term Borrowings

	(Rs. in million)	
	Non Current	Current
	2016	2016
<b>Secured:</b>		
<b>Debentures</b>		
9.10% 'M' Series Non Convertible Debentures (500 Debentures of Rs.1,000,000 each)	-	-
<b>Term Loans from Banks</b>		
Indian Rupee Loan	398.4	309.4
Foreign Currency Loan (Include Company's share of loans in Finolex J-Power Systems Private Limited)	129.4	46.1
	<u>527.8</u>	<u>355.5</u>
<b>Unsecured:</b>		
Deferred Sales Tax Loan	7.5	4.6
	<u>535.3</u>	<u>360.1</u>
Amount shown under Other Current Liabilities (Note 8)		<u>(360.1)</u>

#### Notes : Details of Loans

	Particulars	Tenor	Rs. in Million	Repayment Schedule	Interest Rate
a)	Debenture – M Series (Refer Note(a) below)	5 years	500.0	Lump sum paid on 24th August, 2015, Outstanding Rs Nil as on 31st Mar'16	9.1%
b)	Rupee Term Loan from Bank (Refer Note(b) below)	6 years	750.0	3 equal installments of Rs.250 million each on 31st Dec 2015, 31st Dec 2016, 31st Dec 2017, Outstanding Rs 500.0 million as 31st Mar'16	Bank base rate plus 0.25%
c)	Deferred Sales Tax Loan	-	12.1	Repayable in installments, last installment being on 26th April 2020	Interest free
d)	Foreign currency loan from bank (refer note (c) below) (Company share of loans of Finolex J-Power Systems Private Limited)		129.4	The Company has option of one time swing by which balance outstanding loan will be reconverted to Indian rupee loan and will be repaid as per original maturity upto the year 2019.	Libor + 400 basis point
e)	Indian Rupee loan from bank (refer note (d) below) (Company share of loans of Finolex J-Power Systems Private Limited)		148.5	The loan is repayable in 13 quarterly installments till July 2019	Libor + 425 basis point

#### 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	First pari-passu charge on the immovable and moveable fixed assets, present and future of the Company.
d) Indian Rupee loan from bank	First pari-passu charge on Company's immovable and moveable fixed assets, present and future.

#### Note 4 : Other Long - Term Liabilities

	(Rs. in million)
	2016
Retention Money	4.0
	<u>4.0</u>

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## Annual Report 2015-16

### Notes forming part of the Consolidated Financial Statements

#### Note 5 : Provisions

	(Rs. in million)	
	Non-Current	Current
	2016	2016
<b>Provision for Employee benefits</b>		
Gratuity	-	9.7
Leave encashment	49.1	15.2
	49.1	24.9
<b>Other Provisions</b>		
Proposed Equity Dividend	-	382.4
Tax on Proposed Equity Dividend	-	77.8
Provision for Income-tax (Net of Provision for Taxation)	-	28.7
Other Provisions - Duties/Taxes (Refer Note 30)	-	54.9
	-	543.7
	49.1	568.7

#### Note 6 - Short - Term Borrowings

##### Secured :

Cash Credit	-
Working capital loan from bank	109.3
	141.0

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. Securities for Bills discounting, Packing credit and Buyer's credit are generally repayable within 180 days. As at the year end there are no utilisation of these facilities.

Finolex J-Power Systems Private Limited:

i) Working capital loan from bank carries interest linked to base rate at present @ 10.00% p.a. The loan is repayable on demand.

#### Note 7 : Trade Payables

	2016
Total outstanding dues of Micro Enterprises and Small Enterprises	5.3
Total outstanding dues other than Micro Enterprises and Small Enterprises	1,371.1
	1,376.4

( For dues to Micro, Small and Medium Enterprises -Refer Note 32)

#### Note 8 : Other Current Liabilities

	2016
Current Maturities of Long - Term Borrowing (Refer Note 3)-Indian Rupee Loan	360.1
Other Payables #	1,094.6
Interest free Deposits from Distributors	8.8
Interest accrued but not Due on Borrowings	5.0
Unpaid Dividend *	13.0
	1,481.5

# Other Payables Include :-Expenses payables Rs 848.6 million, Statutory dues capital goods and service Rs. 109.8 million, Creditors of Rs. 3.5 million other liability Rs. 5.40 million, Advance from customer Rs. 127.3 million.

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



# Finolex Cables Limited

## Notes forming part of the Consolidated Financial Statements

Description	Gross Block					Depreciation/Amortisation / Impairment					Net Block		
	Balance as at 01.04.2015.	Additions (Refer Note (a) below)	Deductions/ Adjustments	Gross Block as at 31.03.2016	Balance as at 01.04.2015	Depreciation For the year (Refer Note 9, b) below	Adjusted against opening balance of Surplus in Profit and Loss (Refer Note b) below	Deductions/ Adjustments	Total Depreciation 31.03.2016	Provision for impairment as at 01.04.2015 (Refer Note 9(b)) below	Charge / (Reversal) for the year	Provision for impairment as at 31.03.2016	Balance as at 31.03.2016
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
<b>Tangible Assets (A)</b>													
Land	162.4	24.6	0.4	186.5	-	-	-	-	-	-	-	-	186.5
Lease Hold Land	161.0	-	-	161.0	14.0	1.8	0.0%	-	15.8	-	-	-	145.1
Buildings (Refer Note (b) below)	2,714.4	0.5	-	2,714.9	708.9	81.2	0.0%	-	790.1	-	-	-	1,924.8
Plant & Machinery (Refer Note (b) below)	8,375.2	127.6	29.1	8,473.7	4,914.0	448.1	15.5	11.7	5,335.2	380.7	53.0	433.7	2,704.8
Furniture, Fittings	125.1	2.8	3.7	124.1	101.5	4.3	0.0%	3.2	102.6	-	-	-	21.5
Office Equipment	71.4	2.0	2.2	71.1	56.5	5.6	0.0%	2.1	59.9	-	-	-	11.2
Computers, Peripherals	104.8	22.1	6.3	120.6	90.6	6.2	0.0%	5.9	90.9	-	-	-	29.7
Vehicles	80.5	16.3	5.3	91.6	42.1	7.8	0.0%	5.0	44.8	-	-	-	46.8
Dies & Moulds	17.8	7.6	6.7	18.8	12.3	2.9	0.0%	6.3	8.8	-	-	-	10.0
<b>Tangible Assets Total</b>	<b>11,812.6</b>	<b>203.5</b>	<b>53.7</b>	<b>11,962.3</b>	<b>5,939.9</b>	<b>557.9</b>	<b>15.5</b>	<b>34.2</b>	<b>6,448.1</b>	<b>380.7</b>	<b>53.0</b>	<b>433.7</b>	<b>5,080.6</b>
<b>Intangible Assets (B)</b>													
<b>Software &amp; Others</b>	<b>133.2</b>	<b>-</b>	<b>-</b>	<b>133.2</b>	<b>128.4</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>128.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.6</b>
Technical Know to How	13.4	-	-	13.4	5.6	2.7	-	-	8.3	-	-	-	5.1
Intangible Assets Total	146.6	-	-	146.6	134.0	3.0	-	-	137.0	-	-	-	9.7
<b>Total (A) + (B)</b>	<b>11,959.2</b>	<b>203.5</b>	<b>53.7</b>	<b>12,108.9</b>	<b>6,073.9</b>	<b>560.9</b>	<b>15.5</b>	<b>34.2</b>	<b>6,585.1</b>	<b>380.7</b>	<b>53.0</b>	<b>433.7</b>	<b>5,090.3</b>

a) Includes exchange difference on foreign exchange loan and borrowing capitalized during the year : Buildings Rs. Nil million, Plant and Machinery Rs. Nil million. Refer Note 28(vii)(3)

b) As stated in Note 28 (iv)(a), the Company had pursuant to the provisions of Companies Act, 2013, assessed the depreciation at rates prescribed useful life of its assets and recomputed depreciation at rates prescribed in Schedule II of the Act or as assessed by an independent valuer.

As a result of the above, current year depreciation higher Rs Nil. Further additional depreciation charge of Rs 40.64 Million (net of deferred tax Rs.20.93 Million) in respect of those assets whose useful life is fully exhausted as at 1st April, 2014 had been adjusted against the opening balance of surplus in the Statement of Profit and Loss account.

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## Annual Report 2015-16

### Notes forming part of the Consolidated Financial Statements

#### Note 10 - Non - Current Investments

			2016
<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	A	0.5
358,500	Equity Shares of Rs. 10 each fully paid in IndusInd Bank Limited	B	3.6
<b>Investment in Associates</b>			
40,192,597	Equity Shares of Rs. 10 each fully paid in Finolex Industries Limited - Good will on Acquisition		1,203.6 314.9
	Add : Adjustment for Post-acquisition share of profit		1,805.7
<b>Investment in Associates</b>			C 3,324.2
			D=A+B+C 3,328.3
<b>Investment in Unquoted Equity Instruments</b>			
-	Equity Shares of Rs. 10 each fully paid in I2IT Private Limited		-
	Less: Provision for Diminution in value of investments		-
			-
1,000,000	Equity Shares of Rs. 10 each fully paid in Finolex Plasson Industries Limited		10.0
967,700	Equity Shares of Rs. 10 each fully paid in SICOM Limited		77.8
1,000	Equity Shares of Rs. 10 each fully paid in The Saraswat Co-op Bank Limited *		0.0
5,343,404	Equity Shares of Rs.10 each fully paid in Finolex Infrastructure Limited		53.4
			E 141.2
<b>Non - Current Investments</b>			F=D+E 3,469.5
	Aggregate amount of Quoted Investments		3,328.3
	Aggregate Market Value of Quoted Investments Rs. 15,015.7 million		
	Aggregate amount of Unquoted Investments		141.2

\* Indicate investment having value in Rs. less than Rs. million



# Finolex

## Cables Limited

### Notes forming part of the Consolidated Financial Statements

#### Note 11 : Loans and Advances

	(Rs. in million)	
	<u>Non Current</u>	<u>Current</u>
	<u>2016</u>	<u>2016</u>
<b>Unsecured, Considered Good unless stated otherwise</b>		
<b>Capital Advances</b>		
Considered Good	30.2	-
Considered Doubtful	2.7	-
	<u>32.9</u>	<u>-</u>
Less: Provision for Doubtful Capital Advances	2.7	-
	<u>30.2</u>	<u>-</u>
Security Deposits #	36.7	-
<b>Advance Recoverable in Cash or in Kind</b>		
Considered Good, Secured	-	-
Considered Good Unsecured # #	-	826.2
Considered Doubtful	-	-
	-	826.2
Less: Provision for Doubtful Advances	-	-
	<u>-</u>	<u>826.2</u>
Advance Income-tax (Net of Provision for Taxation)	-	-
Balances with Customs and Excise	13.9	46.4
	<u>80.8</u>	<u>872.6</u>

# Security Deposits include Rent Deposit Rs. 2.5 million given to related party, Orbit Electricals Pvt.Ltd., towards premises taken on lease.

## Includes Interest Receivable of Rs.75.2 million, Sales Tax Receivable of Rs.114.8 million, Advances to Creditors of Rs.510.5 million, Excise claims of Rs.50.9 million, Export Rebate of Rs. 13.9 million, Other Advances of Rs.51.4 million, Prepaid Expenses of Rs. 9.5 million.

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## Annual Report 2015-16

### Notes forming part of the Consolidated Financial Statements

#### Note 12 : Other Assets

	Non Current	Current
	<b>2016</b>	<b>2016</b>
MAT Credit Entitlement	0.5	-
Non Current bank balances #	10.8	-
Interest accrued on fixed deposits	0.7	-
Unbilled revenue (refer note 28(viii(e)))##	-	-
Government grant receivables	-	-
Others*	-	6.6
Unamortised Premium on Forward Contracts	-	0.1
	<b>12.0</b>	<b>6.7</b>

Non Current bank balances # :-Deposits with remaining maturity for more than twelve months in Finolex J-Power Systems Private Limited

\* This mainly relates to insurance claims receivables and forward contract receivables

Deposits with a carrying amount of Rs. 10.83 million are towards margin money for the guarantees issued by the bank on behalf of the Company.

## Unbilled revenue amounting to Rs. Nil has been reflected under the head "Other current assets." The Contract revenue reversal as of March 31, 2016 represents rectification of prior year error in contract cost estimate.

#### Note 13 : Current Investments

(Rs in million)

(Valued at lower of cost and fair value)

##### Investment in Quoted Equity Instruments

	<b>2016</b>
10 Equity Shares of Rs.5 each fully paid in Apar Industries Limited	-
168,750 Equity Shares of Rs.5 each fully paid in BF Utilities Limited	0.8
168,750 Equity Shares of Rs.5 each fully paid in BF Investment Limited	-
100 Equity Shares of Rs.10 each fully paid in Birla Ericsson Optical Limited	-
300 Equity Shares of Rs. 10 each fully paid in Delton Cables Limited	-
57 Equity Shares of Re. 1 each fully paid in Dish TV India Limited	-
22,105 Equity Shares of Rs. 2 each fully paid in ICICI Bank Limited	0.6
200,000 Equity Shares of Rs. 5 each fully paid in Kirloskar Ferrous Limited	6.2
100 Equity Shares of Rs. 2 each fully paid in Nicco Corporation	-
525 Equity Shares of Rs.2 each fully paid in KEC International Limited	0.1
500 Equity Shares of Rs. 2 each fully paid in Sterlite Technologies Limited	-
50 Equity Shares of Re. 1 each fully paid in Siti Cable Network Limited	-
100 Equity Shares of Re. 1 each fully paid in Usha Martin Education & Solutions Limited	-
500 Equity Shares of Re. 1 each fully paid in Usha Martin Limited	-
100 Equity Shares of Rs. 10 each fully paid in Vindhya Telelinks Limited	-
218 Equity Shares of Re. 1 each fully paid in ZEE Entertainment Enterprises Limited	-
4,578 6% Cumulative Redeemable Non-convertible Preference Shares of Re. 1 each fully paid in ZEE Entertainment Enterprises Limited	-
45 Equity Shares of Rs. 10 each fully paid in ZEE Media Limited	-
27 Equity Shares of Rs. 10 each fully paid in ZEE Learn Limited	-
	<b>7.7</b>



# Finolex

## Cables Limited

### Notes forming part of the Consolidated Financial Statements

#### Note 13 : Current Investments (Contd.)

(Rs. in million)

		<u>2016</u>
<b>Investments in Quoted Mutual Funds</b>		
120,036	Units of Rs 1,000 each of Axis Liquid Fund-Growth	<b>200.0</b>
1,289,410	Units of Rs 100 each of Birla Sun Life Cash Plus-Growth-Regular Plan	<b>310.2</b>
204,874	Units of Rs 100 each of Birla Sun Life Saving Fund-Growth-Regular Plan	<b>60.0</b>
134,713	Units of Rs 1,000 each of DSP Black Rock Liquidity Fund-Institutional Plan-Growth	<b>288.5</b>
24,573	Units of Rs 1,000 each of DSP Black Rock Money Manager Fund-Regular Plan-Growth	<b>50.0</b>
179,208	Units of Rs.1,000 each of Franklin India Treasury Management Account-Super Institutional Plan-Growth	<b>399.3</b>
135,133	Units of Rs. 1,000 each of HDFC Liquid Fund - Growth	<b>397.9</b>
1,388,093	Units of Rs. 100 each of ICICI Prudential Liquid Plan- Growth	<b>308.1</b>
174,690	Units of Rs. 100 each of ICICI Prudential Flexible Income- Growth	<b>50.0</b>
155,813	Units of Rs. 1,000 each of IDFC Cash Fund -Growth-Regular Plan	<b>284.4</b>
179,967	Units of Rs.10 each of JM Basic Fund - Growth	<b>2.5</b>
8,094,632	Units of Rs.10 each of JM High Liquidity Fund-Growth	<b>330.3</b>
-	Units of Rs.1,000 each of L&T Liquid Fund-Growth	<b>-</b>
48,302	Units of Rs.1,000 each of Reliance Liquid Fund-Treasury Plan-Growth Plan - Growth Option	<b>173.9</b>
-	Units of Rs.1,000 each of Reliance Money Manager -Growth Plan - Growth Option	<b>-</b>
7,718,670	Units of Rs.10 each of Reliance Yearly Interval Fund -Series 1 -Direct Plan - Growth Plan	<b>100.0</b>
7,326,150	Units of Rs.10 each of Reliance Quarterly Interval Fund -Series II -Direct Growth Plan - Growth Plan	<b>150.0</b>
-	Units of Rs.1,000 each of Religare Invesco Liquid Fund-Growth	<b>-</b>
132,885	Units of Rs.1,000 each of SBI Premier Liquid Fund-Regular Plan-Growth	<b>312.8</b>
418,264	Units of Rs.10 each of Sundaram Infrastructure Advantage Fund- Regular-Dividend	<b>7.3</b>
110,085	Units of Rs.1,000 each of Tata Liquid Fund-Regular Plan-Growth	<b>303.7</b>
65,687	Units of Rs.1,000 each of UTI Liquid Cash Plan -Institutional-Growth	<b>159.4</b>
	[Aggregate Market Value of Current Quoted Investments Rs.4,066.2 million]	<b>3,888.3</b>
<b>Current Investment</b>		<b>3,896.0</b>

\* Indicate investments having value in rupees less than Rupees Million

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## Annual Report 2015-16

### Notes forming part of the Consolidated Financial Statements

<b>Note 14 - Inventories ( Valued at lower of cost and net realisable value unless stated otherwise)</b>	(Rs. in million)
	<u>2016</u>
Raw Materials (Includes in Transit Rs 159.24 million)	853.8
Work-in-Progress	853.4
Finished Goods	1,352.0
Stock-in-Trade	60.9
Stores and Spares	183.3
Packing Materials	49.5
Scrap (Valued at realisable value)	48.8
	<u>3,401.7</u>
<b>Note 15(1): Trade Receivables</b>	<u>Non-Current</u>
	<u>2016</u>
<b>Unsecured, considered good, unless stated otherwise</b>	
<b>Outstanding for a period exceeding six months</b>	
Considered Good	15.2
	<u>15.2</u>
<b>Note 15(2): Trade Receivables</b>	<u>Current</u>
	<u>2016</u>
<b>Unsecured, considered good, unless stated otherwise</b>	
<b>Outstanding for a period exceeding six months</b>	
Considered Good	43.3
Considered Doubtful	29.7
	<u>73.0</u>
Less: Provision for Doubtful Receivables	29.7
	<u>43.3</u>
<b>Other Receivables</b>	1,607.3
	<u>1,650.6</u>
<b>Note 16 : Cash and Cash Equivalents</b>	<u>Current</u>
	<u>2016</u>
Balances with Banks:	
On Current Accounts	213.5
Cash on Hand	1.0
	<u>214.5</u>
<b>Other Bank Balances</b>	
Deposits with original maturity for more than 3 months but less than 12 months	1,960.0
On Unpaid Dividend Account	13.0
Margin Money Deposits	3.1
	<u>1,976.1</u>
	<u>2,190.6</u>
Deposit includes Rs Nil million towards debentures which were due for redemption on 26th Aug'15 , as per statutory requirements. Margin money deposit includes deposit given to Goa electricity board Rs 3 million	





# Finolex

## Cables Limited

### Notes forming part of the Consolidated Financial Statements

#### Note 17 - Revenue From Operations

(Rs. in million)

	<u>2016</u>
<b>Sale of Products :</b>	
Finished Goods	25,737.9
Traded Goods	1,045.8
	<u>26,783.7</u>
<b>Other Operating Revenue</b>	
Scrap sales	167.3
Export Benefits	2.1
<b>Revenue from Operations (Gross)</b>	<u>26,953.1</u>
Less: Excise duty	(1,522.2)
<b>Revenue from Operations (Net)</b>	<u>25,430.9</u>

#### Details of Products Sold

Finished Goods Sold	
Electrical Cables	21,977.6
Communication Cables	3,273.7
Copper Rods	350.4
Others	136.2
	<u>25,737.9</u>

#### Note 18 - Other Income

(Rs. in million)

	<u>2016</u>
Interest on :	
Deposits	118.3
Others	88.4
Dividend from :	-
Non-Current Investments	
Current Investments Dividend	-
Profit on Sale of Assets	18.7
Net Gains on Redemption of Current Investments	225.8
Gains on sales of Non Current Investments	29.0
Gain on Exchange Fluctuations (Net)	3.0
Reversal of provisions no diminution in value of investment no longer required	40.2
Other Non Operating Income	123.9
	<u>647.3</u>

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## Annual Report 2015-16

### Notes forming part of the Consolidated Financial Statements

**Note 19 - Cost of Material Consumed**

(Rs. in million)

	<b>2016</b>
<b>Raw Material :</b>	
Inventory at the beginning of the year	839.3
Add : Purchases	16,771.0
	17,610.3
Less: Inventory at the end of the year	853.8
Cost of Raw Material Consumed	16,756.5
Packing Material Consumed	440.1
<b>Total Cost of Materials Consumed</b>	<b>17,196.6</b>

**Details of Raw Materials Consumed**

Copper	12,633.7
PVC	1,680.6
Polythene	582.4
Preform	304.9
Others	1,554.9
	<b>16,756.5</b>

**Details of Inventories of Raw Materials**

Copper	216.1
PVC	185.3
Polythene	69.9
Preform	90.9
Others	291.6
	<b>853.8</b>

**Note 20 : Details of Purchase of Stock-in-Trade**

Others (Includes Compact Fluorescent Lamps and Electrical Switches)	1,003.7
Include Corning Finolex Optical Fibre Pvt. Ltd purchase Rs 788.7 million (Optic Fibre cables)	
	<b>1,003.7</b>



# Finolex

## Cables Limited

### Notes forming part of the Consolidated Financial Statements

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

(Rs. in million)

	<u>2016</u>
<b>Inventories at the end of the year (A)</b>	
Work-in-Progress	853.4
Finished Goods	1,352.1
Stock-in-Trade	60.9
Scrap	48.8
	<u>2,315.2</u>
<b>Inventories at the beginning of the year (B)</b>	
Work-in-Progress	824.8
Finished Goods	1,249.4
Stock-in-Trade	62.1
Scrap	38.8
	<u>2,175.1</u>
<b>Increase / (Decrease) in Inventories (B) - (A)</b>	(140.1)
Adjustments for Captive Consumption	(32.3)
	<u>(172.4)</u>
<b>Note 22 - Employee Benefit Expense</b>	
Salaries, Wages, Bonus and Commission etc.	1,022.0
Contribution to Provident and other Funds	64.6
Workmen and Staff Welfare Expenses	5.5
Recruitment and Training Expenses	1.2
	<u>1,093.3</u>
<b>Note 23 : Finance Costs</b>	
Interest Expenses	127.2
Bank Charges	5.8
	<u>133.0</u>
<b>Note 24 : Depreciation, Amortisation and Impairment Expenses</b>	
Depreciation on Tangible Assets	558.1
Impairment of Tangible Assets	55.8
	<u>613.9</u>

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## Annual Report 2015-16

### Notes forming part of the Consolidated Financial Statements

#### Note 25 - Other Expenses

	(Rs. in million)
	<u>2016</u>
Consumption of Stores and Spares	217.0
Increase / (Decrease) in Excise duty on Closing Stock of Finished Goods	(0.3)
Processing Charges	11.9
Power and Fuel	428.2
Rent, Rates and Taxes	31.0
Insurance	11.9
Repairs and Maintenance :	
Building	9.1
Machinery	22.3
Other Assets	64.9
Directors' Sitting Fees	1.4
Auditors' Remuneration :	
Audit Fees	5.4
Tax Audit Fees	0.8
Other Services	0.5
Reimbursement of Expenses	0.3
Travelling and Conveyance	82.5
Communication Expenses	12.6
Selling and Distribution Expenses :	
Sales Incentives	1,052.7
Freight Outward (Net)	355.3
Advertisement, Publicity etc.	139.1
Miscellaneous Expenses	288.3
Provision for Doubtful Debts	4.9
Non Recoverable Balances Written Off	3.8
Provision for Diminution in value of Investments write back	(1.3)
Loss on Sale of Assets	-
Loss on Exchange Fluctuations (Net)	11.2
Corporate Social Responsibility Expenses	30.0
Donation (#)	0.7
	<u>2,784.2</u>

(#) Includes donation to Political Parties Nil. -as under

Bhartiya Janta Party- Nil, Nationalist Congress Party- Nil, Indian National Congress- Nil.

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

Gain / (Losses) on Derivatives Contracts #

-

# represents gains on account of settlement of claims in respect of foreign exchange derivatives

#### Note 27 : Earnings per Share (EPS) - Basic and Diluted

Profit After Tax for calculation of Basic and Diluted EPS (Rs. in Million)

3,324.5

No. of Shares used for calculation of Basic and Diluted EPS

152,939,345

Earning Per Share Basic and Diluted (Face Value Rs.2 each)

21.7



# Finolex

## Cables Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2016

The Group and nature of its operations:

#### 28. Summary of Significant Accounting Policies

##### i) Basis of preparation of Consolidated 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 under Section 133 of the Companies Act, 2013('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or to a revision in existing accounting standard requires a change in the accounting policy hitherto in use.

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 II to the Companies Act, 2013. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

##### ii) The company has prepared consolidated financial statements for the first time in view of requirement of section 129(3) of the Company's Act, 2013 which were applicable with the effect from 1st April'2015. The Company has prepared consolidated financial statements for the first time in the current year and hence previous year figure are not presented.

Proportionate share of retained earnings as on 1st April, 2015 of the joint venture entities and post acquisition share of profit of associate companies upto 31st March, 2015 are adjusted to the opening surplus in the statement of profit and loss as under.

	(Rs in million)
	<u>2016</u>
a <b>Capital Reserve</b>	<b>84.1</b>
b <b>Share Capital Buyback Reserve</b>	<b>55.2</b>
c <b>Securities Premium Reserve</b>	<b>1,091.0</b>
Debenture Redemption Reserve at the beginning of year	<b>250.0</b>
Less Transferred to General Reserve	<b>250.0</b>
d <b>Debenture Redemption Reserve at the end of year</b>	<b>-</b>
e <b>General Reserve</b>	
Balance at the beginning of the year as per standalone financial	<b>5,243.2</b>
Amount Transferred from Surplus in Statement of Profit & Loss	
Add	
f <b>Amount Transferred from Debenture Redeemption Reserve</b>	<b>250.0</b>
Balance at the end of the year (g= e+f)	<b>5,493.2</b>
<b>Surplus in the Statement of Profit and Loss</b>	
h Balance at the end of the year as per standalone financial	<b>7,647.1</b>
Add	
<b>Adjustment on account of consolidation</b>	
Shares holders value in Joint Venture	
i Finolex J-Power Systems Private Ltd	<b>440.4</b>
j Corning Finolex Optical Fibre Private Limited	<b>14.2</b>
Less	
Elimination of investment	
k Finolex J-Power Systems Private Ltd	<b>(587.7)</b>
l Corning Finolex Optical Fibre Private Limited	<b>(17.5)</b>
Add	
Post acquisition profit of associates	
m Finolex Industries Ltd - as on 31-3-2015.	<b>1,031.8</b>
Add	
n Share of Profit/(Loss) of Associate for the year 2015-16	<b>773.9</b>
Balance at the end of the year as per consolidated financial (o=i+j+k+l+m+n)	<b>9,302.2</b>
<b>Total Reserves and Surplus (p=o+g+a+b+c+d)</b>	<b>16,025.5</b>

##### iii) A) Use of estimates

The preparation of the financial statements in conformity with Indian 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.

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## Annual Report 2015-16

### Notes to the Consolidated financial statements for the year ended March 31, 2016

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.

#### B) Principles of Consolidation

The consolidated financial statements relate to Finolex Cables Limited (FCL) ("the Company") and its joint ventures Finolex J-Power Systems Pvt. Ltd (FJPSPL), Corning Finolex Optical Fibre Pvt. Ltd (CFOFPL) and its associate Finolex Industries Limited (FIL)

**Following are entities considered in the consolidated financial statement**

Name of Entity	Nature	Place of incorporation	Proportion of ownership interest as at 31st March 2016
Finolex J-Power Systems Pvt. Ltd.	Joint Venture	India	49%
Corning Finolex Optical Fibre Pvt. Ltd.	Joint Venture	India	50%
Finolex Industries Ltd	Associate	India	32.39%

The consolidated financial statements have been prepared on the following basis:

- a) Interest in Joint Ventures has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".
- b) Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- c) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- d) The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information.
- e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

#### iv) Fixed assets

##### a) Tangible assets

Tangible assets are stated at cost of acquisition, less accumulated depreciation/amortization 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 amortization 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 capitalized 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 recognized as expense in the period in which they are incurred. Borrowing cost includes interest and amortization of ancillary cost incurred in connection with the arrangement of borrowings.



# Finolex

## Cables Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2016

#### e) Depreciation and amortization (Tangible Assets)

##### Finolex Cables Ltd.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II of the Companies Act 2013, or as assessed by the Management based on the technical evaluation of an independent valuer. Estimated useful life adopted on this basis is different from the useful life prescribed in Schedule II of the Companies Act 2013 in case of following assets:

Asset Class	Useful Life Adopted(Years)	Useful Life as per Schedule –II(Years)
Plant & Machinery	9.5	7.5
Solar Plant	25	7.5

Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

Leasehold land is amortized over the primary period of the lease.

Depreciation for assets purchased / sold during the period is proportionately charged.

##### Finolex J-Power Systems Pvt. Ltd.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

The management has reviewed the estimated useful lives and residual value of all its fixed assets. The Company has performed a technical evaluation of all the classes of fixed assets held by the Company. Based on such technical evaluation performed by the internal experts, the Company believes that life currently used fairly reflects its estimate of the useful lives, though these rates in certain cases are different from lives prescribed under Schedule II. Further, the estimates of residual values used by the Company also reflect its fair technical estimation of the residual values of the respective class of fixed assets. As a result of the aforesaid review, there has been no impact on the financial statements

Class of the assets	Useful lives estimated by the management (years)
Building	30
Plant and Machinery	21
Vehicles	10
Furniture and fixtures	15
Office equipment	15
Computers and peripherals	3 – 6

The residual values and useful lives of fixed assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### f) Depreciation and amortization (Intangible Assets)

##### i) Finolex Cables Ltd

Intangible assets are amortized over the estimated useful lives of respective assets on a straight line basis, commencing from the date the assets is available to the Company for its use.

Estimate useful life of software is considered 4.75 years.

##### ii) Finolex J Power System Pvt. Ltd

a. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

##### b. Technical Know-how

Technical Knowhow fees is amortized over its useful life of five years.

##### c. Computer Software

Software licenses without useful economic life are charged off to the Statement of profit and Loss account in the year of purchase. Software with perpetual licenses are capitalized and the cost is amortized on a straight line method over a period of five years.

### Notes to the Consolidated financial statements for the year ended March 31, 2016

#### g) Impairment

The carrying amount of cash generating units / assets is reviewed at balance sheet date to determine whether there is any indication of impairment. In situations where 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.

#### h) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

#### v) 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.

#### vi) Inventories:

##### Finolex Cables Ltd

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.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

##### Finolex J-Power Systems Private Limited

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

#### vii) Foreign Currency Translation:

##### 1) 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.





# Finolex

## Cables Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2016

#### 2) 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.

#### 3) Exchange differences

The Company accounts for exchange differences arising on translation settlement of foreign currency monetary items as below:

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concern monetary items.

All other exchange difference are recognised as income or as expenses in the period in which they arise.

Exchange differences either on settlement or on translation are dealt with in the Statement of Profit and Loss. However exchange differences, arising either on settlement or on translation, in case of long-term borrowings used for acquisition of fixed assets are capitalised. Accordingly, foreign exchange loss of Rs Nil million arising during the year has been added to the cost of fixed assets.

#### 4) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the 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 period.

#### viii) Revenue Recognition:

##### Finolex Cables Ltd

- a) Revenue from sale of goods is recognised on dispatches 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 licenses, duty drawback etc, are recognised on accrual basis to the extent the ultimate realization is reasonably certain.
- d) Dividend income is recognised when right to receive dividend is established.

##### Finolex J-Power Systems Private Limited

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

#### (i) Contract Revenue

Contract Revenue is recognized on a percentage completion method. Contract revenue and contract costs associated with project related activity is recognized as revenue and expenses respectively by reference to the stage of completion of the project at the Balance Sheet date. The stage of completion of project is determined by the proportion of contract costs incurred for work performed up to the Balance Sheet date to the estimated total contract costs. Full provision is made for any loss in the year in which it is first foreseen. The Contract revenue reversal as of March 31, 2016 represents rectification of prior year error in contract cost estimate.

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## Annual Report 2015-16

### Notes to the Consolidated financial statements for the year ended March 31, 2016

#### Share of company in Finolex J-Power Systems Private Limited

Disclosure pursuant to Accounting Standard (AS)-7 (revised)		
		<b>2016</b>
1	Contract revenue recognized during the year	<b>(0.6)</b>
2	Aggregate amount of contract cost incurred and recognised profits (less recognised losses)	<b>145.4</b>
3	Customer advance outstanding for contract in progress	-
4	Retention money due from customer for contract in progress	<b>15.2</b>
5	Gross amount due from customers	<b>48.9</b>
6	Gross amount due to customers	-

Unbilled revenue amounting to Rs. Nil has been reflected under the head "Other current assets".

#### ix) 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 and estimated terms of the defined benefit obligation. 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

The Company contributes to the Provident Fund, a defined contribution scheme, 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, of the period in which the services are rendered by employees.

#### x) Taxation:

a) Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

b) 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.

c) 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.

d) The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.



# Finolex

## Cables Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2016

#### **xi) Provisions and Contingent Liabilities:**

- a) A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the reporting date.
- b) Contingent Liabilities are disclosed in respect of:
  - (i) 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.
  - (ii) 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.

#### **c) Warranty provisions**

Provisions for warranty costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revisited annually.

#### **xii) 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.

#### **xiii) 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.

#### **xiv) Segment Reporting**

##### **a) 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.

##### **b) Inter-segment transfers**

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

##### **c) 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.

##### **d) Unallocated items**

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

##### **e) 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.

#### **xv) Lease Rent**

The Company has taken residential accommodation, office premises and warehouses on lease / rental basis. Lease period varies from one month to twelve months. These leases are cancellable in nature. Lease rentals recognised in the Statement of Profit and Loss is Rs 16.04 million.

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### Notes to the Consolidated financial statements for the year ended March 31, 2016

#### 29. Contingent Liabilities and commitments

##### a) Contingent liabilities

###### Finolex Cables Ltd

	(Rs in million)
Particulars	2016
I) Disputed Tax Matters	
Excise	188.2
Customs	13.4
Sales tax	736.0
Income tax	51.2
Appeals preferred by the authorities against Appellate decisions in favor of the Company Income tax	66.6
II) 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.) Margin deposits against the above guarantee Rs. NIL	865.1
III) The Company has procured capital goods under zero duty EPCG scheme under Foreign Trade Policy. The Policy allows Import of capital goods at zero duty subject to an export obligation of six times of duty saved on capital goods Imported under the policy to be fulfilled in six year reckoned from authorization issue date. As at March 31 2016, the export obligation amounting INR Rs.123.64 million has not been fulfilled by the Company and hence as per Para 5.8 of the policy, the Company may have to pay the duty saving amount to INR Rs.20.6 million (which if incurred will be capitalized to fixed assets) along with interest @ 18% p.a. of such duty saved with in the period of 3 months form the end of stipulated time to fulfill such export obligation (most of which are due within 12 months from balance sheet date) In the regard, the Company is in the process of obtaining export orders and has also filed application for further extension with Director General of Foreign Trade accordingly, no provision has been considered in the financial statement and the liabilities are assessed by the management as contingent in nature.	20.6

##### iv) Finolex J-Power Systems Pvt. Ltd. (Company's share of contingent liabilities)

	Rs in million
	2016
EPCG scheme	72.0
Royalty Charges	12.7
Income Tax Demand	0.0
Bank guarantee	37.7
Liquidated damages	16.2
Others	3.5
<b>Total</b>	<b>142.1</b>

##### v) Finolex Industries Ltd. (Company's share of contingent liabilities)

	(Rs in million)
	2016
<b>1.2 Contingent liabilities and commitments:</b>	
<b>i) Claims against the Company not acknowledged as debt:</b>	
a) Liabilities in respect of income tax matters for which the Company has succeeded in appeal but Income Tax Department has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	0.3
b) Liabilities in respect of income tax matters for which the Company has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	16.2
c) Excise/Customs/Service Tax in respect of which either show cause notice is received or the Company/ Department is in appeal	204.9



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## Cables Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2016

(Rs in million)

	<b>2016</b>
d) Sales Tax matters in respect of which either show cause notice is received or the Company / Department is in appeal	<b>10.6</b>
e) Amounts claimed by banks in respect of derivative transactions which are under dispute not acknowledged as debt is USD 20,821,480/- (USD 20,821,480/-) In view of counter claims of the Company against the banks, the facts and circumstances of the case and uncertainty of period for which the litigations will continue, a reliable estimate of the liability, if any, cannot be made. It is unlikely that there will be a material liability on the Company on this account in the near future. Therefore, in view of what is stated above no provision is required to be made out of the current year's profit. The company has been legally advised in respect of this issue confirming the aforesaid.	<b>446.9</b>
<b>ii) Commitments:</b>	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	<b>112.4</b>

#### 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. 1,441.9 million over a period of six / eight years from the date of licence.
- ii. Estimated amount of contracts remaining to be executed on capital account (net of advances paid), not provided for Rs.251.2 million.

#### 30. Other Provisions:

Other provision for duties and taxes represents provision for disputed duties and taxes. There are no changes during the year. Outflow on account of said provision depends on the settlement of the pending cases.

#### 31. Taxes on Income

##### Finolex Cables Ltd

##### Deferred Tax:

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

	(Rs. in million)
<b>Particulars</b>	<b>2016</b>
Deferred Tax Liabilities	
Depreciation	<b>343.3</b>
	(a) <b>343.3</b>
Deferred Tax Assets	
Employee Benefits	<b>25.2</b>
Provision for doubtful debts	<b>10.5</b>
Provision for diminution in value of investments	<b>45.6</b>
Others	<b>32.1</b>
	(b) <b>113.4</b>
Deferred Tax Liabilities (Net) (a) – (b)	<b>229.9</b>

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

- a) Outstanding to suppliers other than Micro and Small enterprises Rs 1371.1 million  
 b) Outstanding to Micro and Small enterprises Rs 5.3 million.

(Rs. in millions)

Particulars	2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-
Principal amount due to micro and small enterprise	5.3
Interest due on above	0.3
	5.6
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of payment made to suppliers beyond the appointed day during each accounting year	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest Specified under the MSMED Act.	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.3
The identification of suppliers as Micro and Small Enterprises covered under the "MSMED Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company.	

### 33. Corporate Social Responsibility Expenses (CSR)

During the year, the company has incurred an expenditure of Rs. 30.1 million towards Corporate Social Responsibilities (CSR) activities which includes contribution to a educational Institute for construction of a Library, which is eligible under section 135 of Companies Act 2013 read with Schedule VII.

### 34. Related Party Transactions (As per AS-18 on Related Party Disclosures Specified under Section 133 of the Companies Act, 2013):

#### a) Key Management Personnel and Relatives

Key Management Personnel

Mr. D. K. Chhabria

Executive Chairman

Mr. Mahesh Viswanathan

Executive Director and Chief Financial Officer

Mr. R G D'Silva

Company Secretary & President (Legal)

Relatives

Mr. K. P. Chhabria

Father of Executive Chairman and Brother of the Director

#### b) Enterprises over which Key Management Personnel and their relatives exercise significant influence:

Orbit Electrical Private Limited

Finolex Infrastructure Limited

Magnum Machines Technologies Limited

Finprop Advisory Services Limited

Finolex Plasson Industries Private Limited

#### Individual Having significant influence over the company

Mr. P.P. Chhabria



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## Cables Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2016

#### c) Transaction with Related Parties – Major parties

(Rs in million)

Name of Transactions	2016
<b>Associate Companies / Joint Venture</b>	
<b>Sales, Services and Other Income</b>	
<b>1 Sale of goods</b>	
Others	0.1
<b>2 Recoveries</b>	
Others	0.7
<b>3 Dividend Received</b>	
Finolex Plasson Industries Private Limited	2.0
<b>Purchase of Material / Assets</b>	
<b>1 Purchase of Raw Material and Components</b>	
Magnum Machines Technologies Limited	2.5
Others	-
<b>2 Purchase of Fixed Assets</b>	
Magnum Machines Technologies Limited	-
Finprop Advisory Services Limited	0.1
<b>3 Purchase of Investments</b>	
Corning Finolex Optical Fibre Private Limited	-
<b>Expenses</b>	
<b>1 Services</b>	
Finprop Advisory Services Limited	-
International Institute of Information Technology (CSR expenses) (Refer note 34)	30.1
Mr. P.P. Chhabria (Advisory Services)	30.0
Others	-
<b>2 Rent</b>	
Orbit Electricals Private Limited	2.7
<b>3 Reimbursement of Expenses Paid</b>	
Finprop Advisory Services Limited	-
Orbit Electricals Private Limited	-
<b>Amount Outstanding</b>	
<b>1 Creditors</b>	
Others	9.6
<b>2 Debtors</b>	
Orbit Electricals Private Limited	2.5
<b>3 Loans and Advances and Deposits</b>	
Orbit Electricals Private Limited	2.5
<b>Key Management Personnel</b>	
Remuneration to Key Management Personnel	
Mr. D. K. Chhabria	84.5
Mr. Mahesh Viswanathan	19.4
Mr. R.G.D'Silva	2.6

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### Notes to the Consolidated financial statements for the year ended March 31, 2016

#### 35. Foreign currency related disclosures

- a) The Company has the following unhedged foreign currency exposures: (including company share of unhedged foreign currency exposure of a associates & joint venture)

	(Rs. in million)
	<u>2016</u>
Trade payables	764.9
Trade receivables	23.9
Secured Loan	361.2

- b) The Company has hedged exposures in respect of creditors by way of forward covers which were mostly USD – INR contracts. Forward covers to the extent of Rs.35.3 million were outstanding as at year-end to hedge the exposures of equivalent value of the creditors.

#### 36. Segment Reporting:

The Business segment has been considered as a primary segment for disclosure. The categories included in each of the reported business segment are as follows:

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

The above business segments have been identified considering

- (i) The Nature of the product/services
- (ii) The Related risks and returns
- (iii) The Internal financial reporting systems

Revenue and expenses have been accounted for based on their relationship to the operating activities of the segment. Revenues and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocable Expenses". Assets and Liabilities which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocable Assets / Liabilities".

#### 37. A) Primary Consolidated Segment Information for the year ended 31 March 2016

	Electrical Cables	Communication Cables	Copper Rod	Others	Elimination	Total
	2016	2016	2016	2016	2016	2016
<b>REVENUE</b>						
External	21,603.0	4,561.3	643.4	145.4	-	26,953.1
Inter - segment (Net of Excise)	-	-	4,455.1	421.0	(4,876.2)	-
Less : Excise Duty	954.2	242.7	313.6	11.6	-	1,522.2
Total Revenue	20,648.8	4,318.6	4,784.9	554.8	(4,876.2)	25,430.9
<b>RESULTS</b>						
Segment Results	3,411.7	400.9	18.1	(78.4)	-	3,752.2
Other Unallocable expenditure (net)	-	-	-	-	-	(574.8)
Interest Expenses	-	-	-	-	-	127.2
Profit before Taxes	-	-	-	-	-	4,199.8
Provision for Taxation	-	-	-	-	-	875.6
Profit after Tax	-	-	-	-	-	3,324.5
<b>OTHER INFORMATION</b>						
Segment Assets	5,434.5	2,007.6	350.0	12,925.2	-	20,717.3
Segment Liabilities	2,429.9	418.0	564.3	65.4	-	3,477.7
Capital Expenditure	4.8	78.8	-	69.0	-	152.6
Depreciation	206.1	37.4	0.2	370.3	-	613.9





# Finolex

## Cables Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2016

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

(Rs. in million)

Particulars	2016
<b>REVENUE (Net of Excise)</b>	
Exports	433.2
Domestic	24,997.7
<b>Total</b>	<b>25,430.9</b>
<b>TRADE RECEIVABLES</b>	
Exports	2.7
Domestic	1,663.1
<b>Total</b>	<b>1,665.8</b>

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.

#### C) Disclosure required under schedule III of the companies Act, 2013

Name of Entity	Net Assets		Share in Profit or loss	
	As % of consolidated net assets	Amount (Rs. in millions)	As % of consolidated profit & loss	Amount (Rs. in millions)
Parent				
Finolex Cables Ltd	76.8%	12,552.7	80.7%	2,682.9
Joint Ventures (as per proportionate consolidation )				
Finolex J-Power Systems Pvt. Ltd.	2.7%	440.4	-4.0%	(132.3)
Corning Finolex Optical Fibre Pvt. Ltd.	0.1%	14.2	0.0%	Nil
Associates (Investment as per the equity method)				
Indian				
Finolex Industries Ltd.	20.4%	3,324.2	23.3%	773.9
<b>Total</b>	<b>100.0%</b>	<b>16,331.5</b>	<b>100.0%</b>	<b>3,324.5</b>

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## Annual Report 2015-16

### Notes to the Consolidated financial statements for the year ended March 31, 2016

#### 38. 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).

Finolex Cabels Limited

(Rs. in million)

<b>Statement showing changes in Present Value of obligations as on 31st March</b>	<b>2016</b>
Present value of obligations at the beginning of the year	121.6
Interest Cost	9.7
Current service cost	9.1
Benefits paid	(9.5)
Actuarial (gain)/loss on obligations	5.2
Present value of obligations as at end of year	136.1
<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	95.6
Expected return on plan assets	7.6
Contributions	31.0
Benefits paid	(9.5)
Actuarial gain/(loss) on obligations	1.8
Fair value of plan asset at end of year	126.5
Funded status	100%
<b>Actuarial Gain/Loss recognized</b>	
Actuarial gain/(Loss) for the year - obligation	(5.2)
Actuarial gain/(Loss) for the year - plan assets	1.8
Total gain/(Loss) for the year	(3.5)
Actuarial gain/(Loss) recognized in the year	(3.5)
<b>Amounts to be recognized in the Balance Sheet</b>	
Present Value of obligations as at the end of the year	136.1
Fair value of plan assets as at the end of the year	126.5
Funded Status	(9.6)
Net Asset/(Liability) recognized in balance sheet	(9.6)
<b>Expenses Recognized in statement of Profit &amp; Loss Account</b>	
Current Service Cost	9.1
Interest Cost	9.7
Expected return on plan assets	(7.6)
Net Actuarial (gain)/Loss recognized in the year	3.5
Expenses recognized in statement of Profit & Loss	14.6
<b>Table showing fair value of plan assets</b>	<b>2016</b>
Fair Value of plan assets at beginning of the year	95.6
Actual return on plan assets	9.4
Contributions	31.0
Benefits Paid	(9.5)
Fair Value of plan assets at the end of the year	126.5
Funded Status	(9.6)
Excess of actual over estimated return on Plan Assets	1.8
<b>Actuarial Assumptions:</b>	
Discounted Rate	8.06%
Rate on return on assets	8.06%
Salary escalation	7%
Attrition rate	15%



# Finolex

## Cables Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2016

	Indian Assued Lives Mortality (2006-08) Ultimate				
	31st March				
	2016	2015	2014	2013	2012
<b>Experience adjustments</b>					
On plan liability gain/(loss)	(5.2)	(17.5)	4.6	(5.9)	4.7
On plan asset gain/(loss)	1.8	(0.4)	(1.0)	0.3	(0.2)

As per actuarial valuation report, Expected employer's contribution in next year is Rs. 9.62 million.

#### Privileged Leave (Compensated absence for employee):

Amount recognized in Statement of Profit and Loss and movements in Net Liability:

(Rs. in million)

	2016
Opening balance of compensated absences (a)	57.0
Present value of compensated absences as at the year end (b)	63.2
(Excess)/Unfunded liability of Compensated Absences recognized in Statement of Profit and Loss for the year (b-a)	(6.2)
Add Company share of Present of compensated absence as at the year end of Finolex J-Power System Private Limited ( c )	1.1
<b>Total Present Value of compensated absence as at the year end (d=b+c)</b>	<b>64.3</b>

The privileged leave liability is not funded

39. 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

**Dr. H. S. Vachha**  
**S. K. Asher**  
**P. R. Rathi**  
**P. G. Pawar**  
**A. J. Engineer**  
**Namita Thapar**

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

**NARESH KUMAR KATARIA**  
 Partner  
 Membership No. 037825

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

Pune: 26th May 2016

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## Annual Report 2015-16

### NOTICE

NOTICE is hereby given that the Forty-Eighth Annual General Meeting of Members of Finolex Cables Limited will be held on Thursday, 8th September, 2016 at 11.30 a.m. at the 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 Standalone and Consolidated financial statement of the Company for the financial year ended 31st March, 2016 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, 2016.
3. To appoint a Director in place of Mrs Namita V Thapar (DIN: 05318899) who retires by rotation, and being eligible, offers herself for reappointment.
4. To appoint Auditors and fix their remuneration and, if thought fit, to pass, 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 (the "Board").

RESOLVED FURTHER THAT the Board be and is hereby authorized to do or to authorise any person to do all such acts deeds, matters and things as may be deemed necessary, relevant, usual, customary, proper and/or expedient, for implementing and giving effect to this resolution."

#### SPECIAL BUSINESS

5. To consider, and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, the provisions of the Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendation of the Audit Committee and subject to the applicable guidelines and approval of the Central Government, if any, in this regard, the Members of the Company hereby ratify a consolidated remuneration of Rs.5.00 Lakhs (Rupees Five Lakhs Only) plus taxes and out of pocket expenses, if any, chargeable extra on actual basis payable to M/s Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No.00240) who have been 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 31st March, 2017.

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 and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto."

6. To consider, and, if thought fit, to pass, 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 provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014 the Companies (Share Capital and Debentures) Rules, 2014 including any modification(s) or reenactment thereof for the time being in force and subject to the provisions of SEBI (Issue and Listing of Debt Securities) Regulations 2008 and of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and the Rules, Regulations, Guidelines, circulars and clarifications, as may be issued from time to time by SEBI and/or other appropriate Authority(ies) and 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 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.150 Crores (Rupees One Hundred Fifty Crores only), on private placement basis, from such persons and 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, the coupon rate(s) applicable, redemption period, 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 and to execute or authorize any person to execute all such documents, instruments and writings as may be considered necessary, relevant, usual, customary, proper and/or expedient to give effect to this resolution."

7. To approve related party transaction(s) with Corning Finolex Optical Fibre Private Limited and to consider, and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of 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 the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 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 Audit Committee and the Board of Directors of the Company (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 authorize the Management of the Company to carry out transaction(s) in its ordinary course of business



# Finolex

## Cables Limited

for the purchase of 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 16th June, 2011 entered into between the Company and Corning Finolex Optical Fibre Private Limited and mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board, Audit Committee and the Management of the Company be and is hereby authorized as may be appropriate or relevant to implement and to give effect to this resolution, to take all steps whatsoever and to do all such acts, deeds, matters and things as each of them may consider necessary, relevant, usual, customary and/or expedient for giving effect to this resolution including finalizing the ancillary and incidental terms in relation to each transaction and to sign deeds, applications, documents and writings in relation thereto."

By Order of the Board of Directors

**R.G. D'SILVA**

Company Secretary  
& President (Legal)

Place : Pune

Dated : 26th May, 2016

Registered Office:

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

CIN: L31300MH1967PLC016531

Email: Investors@finolex.com

### 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 Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 setting out the material facts concerning each item of the special business mentioned under item No. 5 to 7 of the Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 30th August, 2016 to Thursday, 8th September, 2016 (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 26th May, 2016 has recommended the payment of dividend on equity shares at 125% (i.e. @ Rs.2.50 per equity share of Rs.2/- each fully paid up) for the financial year ended 31st March, 2016 which includes special one time dividend @ 25% (i.e. @ Rs.0.50 per equity share of Rs.2/- each fully paid up) to pay homage to late Mr P P Chhabria, Founder Promoter Director and Former Executive Chairman of the Company. The payment of dividend is to be approved by the Members at the AGM. The aforesaid dividend, if declared at the AGM, will be paid on or before 7th October, 2016 to those Members whose names appear in the Register of Members of the Company, 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 Monday, 29th August, 2016).
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 to avoid inconvenience;
  - 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 or make nomination in respect of their shareholding in the Company, 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 clear working days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the extent possible.

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7. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Board Report, etc, by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members, who have registered their email IDs with their respective depository participants or with the share transfer agent of the Company.

**Further, to receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their email address with Karvy Computershare Pvt Ltd on [einward.ris@karvy.com](mailto:einward.ris@karvy.com).**

Further for convenience of stakeholders 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 ending 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. Also, 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 2008, each of which were remaining unpaid or unclaimed for a period of seven years have, from time to time, been transferred by the Company to the Investor Education and Protection Fund of the Central Government (the "Fund") 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 ending 31st March, 2009 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 aforesaid concerned Shareholders, at their last recorded addresses, and those Shareholders who have still not encashed the Dividend Warrants for the financial year ending 31st March, 2009 (which is to be transferred to the Fund within one month from 24th September, 2016) 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 by the Company in respect of any such claims.**

10. In order to provide protection against fraudulent encashment of dividend warrants, Members 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.e. remote e-voting):**

1. In terms of the provisions of section 108 of the Companies Act, 2013 (the Act), read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 1st September 2016 (End of Day), being the Cut-off date for the purpose of Rule 20(4)(vii) of the Rules fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by Karvy Computershare Pvt. Ltd. (Karvy) or to vote at the annual general meeting. Person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

**The instructions for remote E-Voting are as under:**

#### **A. For members who receive notice of annual general meeting through e-mail:**

- Use the following URL for e-voting: <https://evoting.karvy.com>
- Enter the login credentials, i.e., user id and password mentioned in your email. Your Folio No/DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
- After entering the details appropriately, click on LOGIN.
- You will reach the Password change menu, wherein you are required to mandatorily change your password. The new password



# Finolex Cables Limited

shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). **It is strongly recommended in your own interests not to share your password with any other person and take utmost care to keep your password confidential.**

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT, i.e., **Finolex Cables Limited**.
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cutoff date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all shares and click 'FOR' or 'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/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 authorised signatory(ies) who are authorised to vote, to the scrutiniser through e-mail [deulkarcs@gmail.com](mailto:deulkarcs@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'Corporate Name\_EVENT No.'
- xi. Remote e-voting facility where members can cast their vote online shall be open from: **5th September, 2016 (9.00 a.m.) till 7th September, 2016 (5.00 p.m.)** and at the end of Remote e-voting period, the facility shall forthwith be blocked.
- xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).

## **B. For members who receive the notice of annual general meeting in physical form:**

- i. Members holding shares either in demat or physical mode, who are in receipt of notice in physical form, may cast their votes using the e-voting facility, for which the User Id and Initial password is provided on the attendance slip. Please follow steps from Sr. No. (i) to (xii) under heading A above to vote through e-voting platform.

## **C. Voting facility at Annual General Meeting:**

- i. In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the annual general meeting and members attending the meeting, who have not already cast their votes by remote e-voting, shall be able to exercise their right at the meeting.
- ii. Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again.

## **D. General Instructions:**

- i. The Board of Directors has appointed Mr S V Deulkar, Partner of SVD & Associates, Company Secretaries, (CP No. 965) as the Scrutiniser to the e-voting process, and voting at the venue of the annual general meeting in a fair and transparent manner.
  - ii. The Scrutiniser shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Executive Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
  - iii. The Scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.finolex.com](http://www.finolex.com) and on the website of Karvy <https://evoting.karvy.com> and shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the annual general meeting of the Company, scheduled to be held on **Thursday, 8th September, 2016**.
  - iv. The Company shall cause a requisite public notice by way of an advertisement to be published on or before 15th August, 2016 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 8th September, 2016.

## **13. Reappointment of Director:**

At the ensuing Annual General Meeting, Mrs Namita V Thapar [DIN: 05318899] retires by rotation and, being eligible, offers herself for reappointment. The information or details to be provided pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016 is set out hereinafter.

### **(a) Brief Resume of the Director**

**Mrs Namita Vikas Thapar**, aged about 39 years, is a graduate from the Pune University. She is a Certified Chartered Accountant from

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## Annual Report 2015-16

the Institute of Chartered Accountants of India and received her MBA from the Fuqua School of Business, Duke University, USA in 2001.

She is also the Founder and CEO of Incredible Ideas Ltd, a franchisee of Young Entrepreneurs Academy, USA, which brings innovative entrepreneurship education to middle and high school students in India and is an active Member of young Presidents Organisation.

**(b) Nature of her expertise in specific functional areas**

Mrs Thapar is currently the CFO & Executive Board Member of Emcure Pharmaceutical Ltd and is also involved in the HR and CSR activities. Prior to returning home to India, she worked in the US for Glaxa and Guidant (now Abbott) in various finance roles.

**(c) Disclosure of relationships between Directors inter se**

None of the Directors are related to Mrs Namita Thapar.

**(d) Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the Board.**

Mrs Namita Thapar does not hold any directorship in any listed entities except for the Company. She also does not hold any membership of the Committees of the Board in any listed entity.

**(e) Shareholding in the Company**

Mrs Namita Thapar does not hold any shares in the Company.

The Board recommends her reappointment as a Director, in the capacity as woman director, on the Board of Directors of the Company and liable to retire by rotation.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No.3 of the Notice.

**EXPLANATORY STATEMENT IN RESPECT OF ITEM NOS. 5 TO 7 OF THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No.5**

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment of M/s Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No.00240), to conduct audit of the cost records of the Company for the financial year ending 31st March, 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Hence this resolution is put up for the consideration of the Members.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No.5 of the Notice.

**Item No.6**

Section 42 of the Companies Act, 2013 (the "Act") read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 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, a company shall obtain previous approval of its Members 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.

In terms of the aforesaid provisions, the Members of the Company had, at the 47th Annual General Meeting held on 10th August, 2015, authorized the Board of Directors of the Company to offer or invite subscription for non-convertible debentures in one or more tranches aggregating upto an amount of Rs.150 Crores (Rupees One Hundred Fifty Crores only) on private placement basis on such terms and conditions including security as the Board may, from time to time, decide in the said year. It may please be noted that considering the scenario of possible reduction in interest rates as then prevailing during the financial year 2015-16, the Company had not made any private placement of non-convertible debentures pursuant to the authority accorded by the Members by the resolution passed at the 47th Annual General Meeting held on 10th August, 2015.

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

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 to enable the Company to offer or invite subscription for NCDs on a private placement basis, in one or more tranches during the period of one year from the date of passing the resolution at Item No.6 within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board recommends the Special Resolution set out at Item No.6 of the Notice for approval by the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No.6 of the Notice.





# Finolex

## Cables Limited

### Item No.7

The Company and Corning Ventures France SAS (a French subsidiary of Corning Incorporated, USA) entered into a joint venture under the name "Corning Finolex Optical Fibre Private Limited" (CFOFPL). Pursuant to the approval of the Board of Directors of the Company at its meeting held on 8th February, 2011 an Agreement dated 16th June, 2011 ("JV Agreement") was entered into between the Company and CFOFPL in order for the Company to purchase optical fibre from CFOFPL (the "Transaction"). The business of CFOFPL is to purchase optical fibre produced by Corning Technologies India Private Limited and sell the same to merchant cablers in India.

The particulars of the Transaction in terms of Clause 3 of the Explanation to Rule 15 sub-rule (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

1	Name of the related party	Corning Finolex Optical Fibre Private Limited ("CFOFPL")
2	Name of the Directors 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 CFOFPL and Mr D K Chhabria is also the Non Executive Chairman of CFOFPL.
4	Nature of material terms, monetary value and particulars of the contract or arrangement	Annual purchase value at current prices is estimated at Rs.60 Crores or 1.5 Million KM Fibre quantity whichever is higher; normal credit period applicable is 30 days.
5	Any other information relevant or important for the Members to take a decision on the proposed resolution: Advantages for the Company by virtue of being a JV partner in CFOFPL are as under: (a) The Company would have confirmed long term source of supply for its fibre requirements as and when its requirement of fibre exceeds its own manufacturing capacity. (b) From time to time, cable customers specify or mandate that their cable should be made with a specific brand of fibre. Where such specification requires the use of only Corning branded fibre, this JV Agreement allows the Company to procure fibre without entering into protracted negotiations. (c) The JV Agreement further provides that for a similar volume of fibre, the Company would get the lowest price in India from CFOFPL as compared to any of its other customers. (d) Finally, the Company would participate equally in the profits that would accrue to CFOFPL via its operations. Being primarily a trading company, the investment in CFOFPL is not expected to be large and hence the returns would be attractive in the long run. (e) The JV Agreement also provides for safeguards in such a manner that operating losses, if any, would be reimbursed by Corning Ventures France SAS to the JV company i.e. CFOFPL.	

The Transaction is entered into in the ordinary course of business of the Company. 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, 1st April, 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 1st April, 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 8th February, 2011 and the JV Agreement entered into between the Company and Corning Finolex Optical Fibre Private Limited are available for inspection by the Members at the Registered Office of the Company between 9.00 am to 11.00 am on any working day of the Company till 8th September, 2016.

It is in the interest of the Company to pass the special resolution. The Board has recommended the resolution and the Audit committee has approved the proposed resolution which is being placed before the Members for their approval.

Mr D K Chhabria, Executive Chairman and Mr Mahesh Viswanathan, Executive Director and Chief Financial Officer of the Company are the nominees of the Company on the Board of Directors of CFOFPL, and Mr D K Chhabria is also the non Executive Chairman of CFOFPL. Accordingly, they may be deemed to be concerned or interested in this Special Resolution. Mr D K Chhabria and Mr Mahesh Viswanathan do not hold beneficial interest in any shares or have any pecuniary interest in CFOFPL. No other Director or Key Managerial Personnel or their respective relatives are concerned or interested financially or otherwise in the resolution set out at Item No.7 of this Notice.

By Order of the Board of Directors

**R.G. D'SILVA**

Company Secretary  
& President (Legal)

Place : Pune  
Dated : 26th May, 2016

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**  
**Form No. MGT-11**

[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: (1) Mr/Mrs/  
 Ms \_\_\_\_\_ residing at \_\_\_\_\_

E-Mail ID: \_\_\_\_\_ or failing him/her (2) Mr/Mrs/Ms \_\_\_\_\_ residing  
 at \_\_\_\_\_ E-Mail ID: \_\_\_\_\_

or failing him/her (3) Mr/Mrs/Ms \_\_\_\_\_ residing at \_\_\_\_\_  
 E-Mail ID: \_\_\_\_\_

whose signatures are appended below, as my/our proxy to attend and vote (on a poll) for me/our behalf at the 48th Annual General Meeting of the Company, to be held on Thursday the 8th day of September, 2016 at 11.30 a.m. at the 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 3)*	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	Adoption of financial statement of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and Auditors thereon.		
2	Declaration of dividend @ 125% on equity shares for the financial year ended 31st March, 2016 (i.e. @ Rs.2.50 per equity share of Rs.2/- each fully paid up) for the financial year ended 31st March, 2016 which includes special one time dividend @ 25% (i.e. @ Rs.0.50 per equity share of Rs.2/- each fully paid up) to pay homage to late Mr P P Chhabria, Founder Promoter Director and Former Executive Chairman of the Company.		
3	Appointment of Mrs Namita V Thapar (DIN: 05318899) (as Woman Director on the Board), who retires by rotation at this meeting, and being eligible, offers herself for reappointment.		
4	Appointment of Auditors and fixing their remuneration.		
<b>SPECIAL BUSINESS</b>			
5	Approval of remuneration of M/s Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No.00240) as Cost Auditor of the Company for the financial year 2016-17.		
6	To offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating upto Rs.150 Crores (Rupees One Hundred Fifty Crores Only) on private placement basis.		
7	Approval for the Company to continue to purchase optical fibre from Corning Finolex Optical Fibre Private Limited as set out at item No.7 of the Notice.		

TEAR HERE

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix Rs.1/- Revenue Stamp
-------------------------------------

Signature of Shareholder

Signature of 1st proxy holder

Signature of 2nd proxy holder

Signature of 3rd proxy holder

**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 details of the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 48th 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 which may not be what you desire.

**FINOLEX CABLES LIMITED**

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

[CIN: L31300MH1967PLC016531]

**48TH ANNUAL GENERAL MEETING – THURSDAY, 8th SEPTEMBER, 2016**

**ATTENDANCE SLIP**

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

Folio No. : \_\_\_\_\_ No. of Shares \_\_\_\_\_

DP ID : \_\_\_\_\_

Client ID : \_\_\_\_\_

\_\_\_\_\_  
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 48th Annual General Meeting held on Tuesday the 8th September, 2016 at 11.30 a.m. at the Auditorium of Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D'Mart, Chinchwad, Pune – 411019.

\_\_\_\_\_  
Member's/Representative's/Proxy's Signature

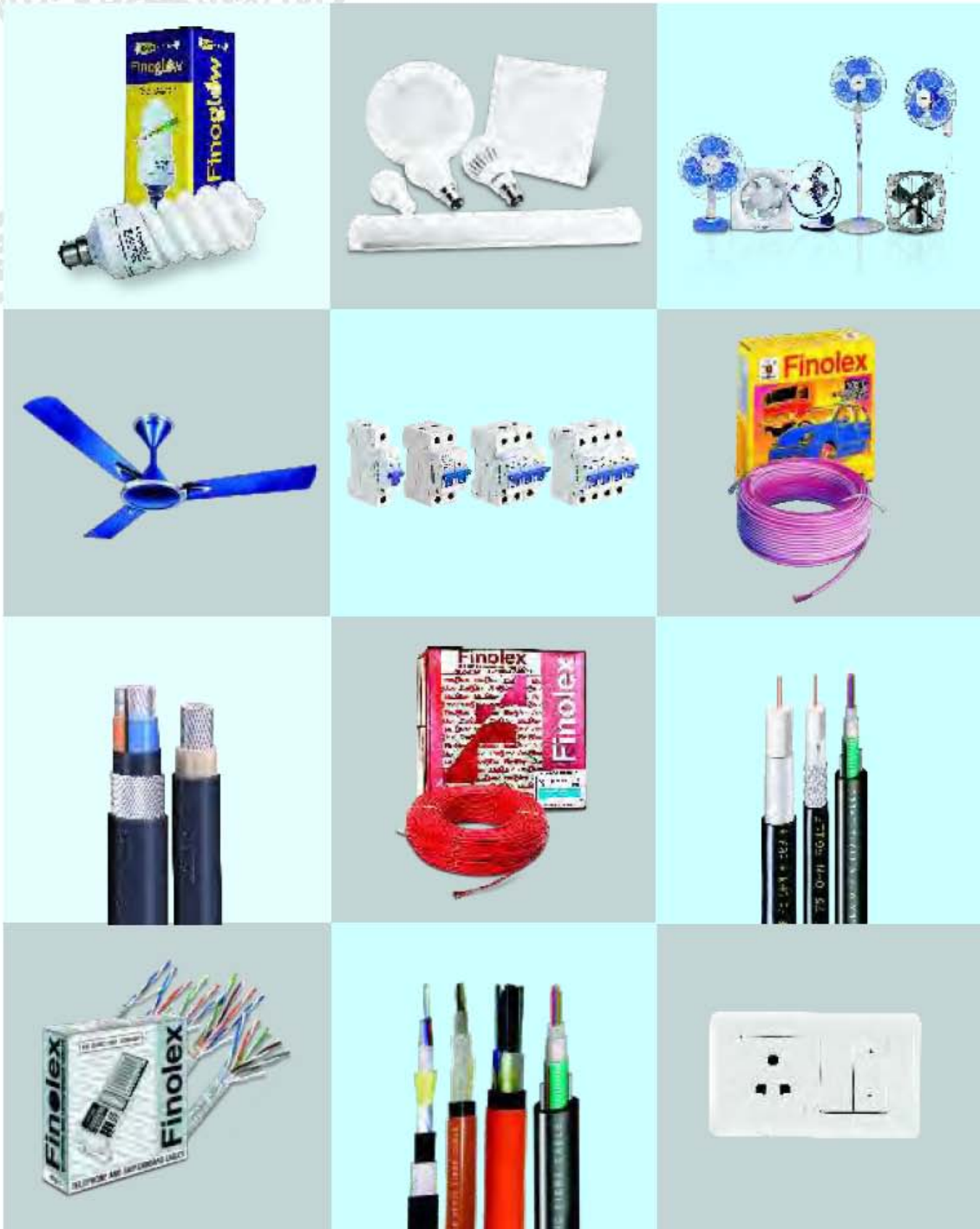
- Notes: 1) Interested joint members may obtain attendance slips from the Registered Office of the Company.  
2) Members/Joint members/proxies are requested to bring the duly filled in attendance slip with them. Duplicate slips will not be issued at the entrance of the Auditorium.











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VARIED CUSTOMERS...  
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