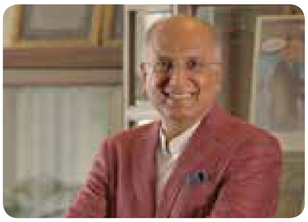
19–20
Annual
Report

Finolex Cables Limited

WIRED
to emerge **stronger**

Inside this Report



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Forward-looking Statements

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

The COVID-19 outbreak has disrupted lives and livelihoods worldwide. While it is still too early to predict the full severity of the pandemic, there is no getting away from the fact that the world is in uncharted waters. And yet, even while uncertainty grips us, one thing is certain: surviving this new normal will require greater adaptation and renewed collaboration.

In this changed socio-economic environment, **we, at Finolex**, are reconfiguring our operations to make our Company more efficient and more focussed on serving the needs of our customers.

We have implemented strict procedures and processes at our plant sites, offices, depots and stores to maintain productivity while help keeping our workforce and our communities safe.

Our successful history of over half a century, wherein we have taken several challenges in our stride, also speaks volumes about our ability to not only withstand tough times but also to come back stronger after every setback. The challenges may keep changing but our Company's DNA remains the same: to persevere and perform. This time, too, we shall overcome.

Finally, while the external environment may alter our short-term plans, our goals remain the same. We will continue to invest in our future growth, well supported by our well-funded and financially secure business, while managing overheads in a prudent manner. By our wider response and recovery strategy, along with our strong business fundamentals,

we are wired to emerge stronger.

About Us

Established in 1958, Finolex Cables is India's largest and leading manufacturer of electrical and telecommunication cables. We have recently diversified into the fast-moving electrical goods (FMEG) segment with the aim of becoming a complete electrical products company. Our over five-decade-long journey is anchored on the pillars of our manufacturing excellence, innovation focus and technology edge. By maintaining the highest standards of quality and service, we have built a strong relationship with institutional and retail customers.

Finolex Cables is a debt-free Company and has a turnover exceeding Rs. 3,000 crores, 5 manufacturing sites and 1,762 employees.

Our positive legacy

In our illustrious timeline, we have surmounted innumerable obstacles and redefined possibilities through our perseverance, innovation and agility. Be it in our initial years when our founders had to brave the tumultuous times of India's partition; in the 1950s when we pioneered the concept of using stranded conductors for the manufacture of electrical wires; in the late 1980s when we became the first private sector company in India to manufacture Jelly Filled Telephone Cables (JFTC), or in the 1990s when we aggressively diversified our portfolio to overcome the massive setback to our JFTC business due to the advent of mobile phones; we have risen to every occasion. Our past is fascinating and inspiring. Our future promises to build on this positive legacy of finding opportunities amid the challenges.

Wired for innovation

1st

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

Key Numbers

Manufacturing sites	Depots	Channel Partners
5	28	5,000+

Retailers	Employees	Market share in the organised wires & cables industry
50,000+	1,762	22%

FY20 Revenue	FY20 EBITDA	FY20 PAT
Rs. 3,049.2 Crores	Rs. 541.8 Crores	Rs. 402.5 Crores

Sound fundamentals, robust future

Diversified product portfolio

with premium positioning in the wires and cables segment

We have a broad suite of products comprising wires, cables, lighting solutions, electrical accessories, switchgear, fans and water heaters to serve diverse applications and end-users

Strong manufacturing prowess

combined with multi-location advantage

We have five modern, well-equipped manufacturing sites spread across strategic locations to serve customers pan-India while growing and de-risking our operations.

Backward integration

capturing the entire value chain

We manufacture compounds, copper rods, glass fibres and many other raw materials in-house, giving us complete control over quality and enabling us to add value to our products.

Strong brand name

enhancing recall and reach

Our brand has earned the trust of our customers through its commitment to quality, safety and reliability, paving the way for continued growth.

Widespread distribution network

with a strong focus on partnership approach

We are penetrating deeper into the market through our growing distribution network, including a separate network for our FMEG products.

Technology collaborations

with the world's leading providers

We have partnered with global leaders to embed the latest technology in our products and processes, empowering us to bring the best solutions to the Indian market.

Strong financials

with zero net debt

Our strong financial position underpins our potential in growing our business and creating long-term value for all our stakeholders.

Revenue segmentation

82%	14%	4%
Electrical wires and cables	Communication cables	Electrical consumer products

Chairman's Message

"Against this tough operating backdrop, we recorded Rs. 3,049 crores as revenue in FY 2019-20 as against Rs. 3,200 crores in the previous year, a degrowth of 4.7%.

Revenue

Rs. **3,049.2** Crores

PBT

Rs. **501.3** Crores

PAT

Rs. **402.5** Crores

Dear Shareholders,

As I write this year's letter, the world is confronting a health crisis unlike any other in recent history, one that not only has upended human lives but is also having an extraordinary impact on the global economy. In these overwhelming and unchartered times, we would like to reassure you that your Company remains confident in its fundamentally strong business model and growth prospects. By demonstrating unyielding resilience, we are determined to navigate the expected headwinds in the coming months and emerge from these challenges as a stronger enterprise.

The Indian economy was confronting several headwinds even before the coronavirus pandemic. To relight the economy, the government took several steps - including the steepest ever cut in corporate tax to boost investment. However, the nationwide lockdown that ensued to contain the spread of the virus brought all economic activity to a grinding halt in Q4 FY 2019-20. To steady the economy and contain the impact of the virus, comprehensive interventions are being rolled out on several fronts by the government.

As a manufacturing entity in the non-essential category, the unexpected turn of events adversely impacted our fourth-quarter results, especially as March is historically a month of high sales due to year-end targets given to distributors. The ramifications of the fourth quarter persisted on the full-year numbers as well. Our business was also affected by sluggish growth in certain end-user sectors, especially telecommunications and real estate. Against this tough operating backdrop, we recorded Rs. 3,049 crores as revenue in FY 2019-20 as against

Rs. 3,200 crores in the previous year, a degrowth of 4.7%. Profit before tax stood at Rs. 501 crores for the year as against Rs. 532 crores for the previous year, while the adoption of the lower tax rates enabled us to record a post-tax profit of Rs. 402 crores for the year as against Rs. 344 crores in the previous year.

Notwithstanding the muted financial results, I am pleased to share that we made substantial progress in growing our B2C segment. Our recent introductions of fans and other product lines clocked between 25% and 60% growth in volume terms. While in terms of value, this business is still at a nascent stage, the impressive results corroborate that our strategy is headed in the right direction to usher a stronger performance as consumer confidence rises and demand returns.

Looking beyond immediate challenges, our capex plan of Rs. 200 crores over the next 18-20 months remains unchanged. We have multiple ongoing projects, one of which is at Goa to manufacture electrical conduits. While plant construction has been completed, the equipment testing by experts has been delayed due to travel restrictions. In Pune, we have commenced the construction of a plant for the manufacture of solar cables. The plant will be deploying electron beam accelerators, the most advanced technology for the manufacture of abrasion-resistant and long-lasting solar cables. Besides serving the renewable energy sector, these electron-beam cured cables are also being used in the construction and automobile segments due to their ability to withstand higher temperature, opening up more growth avenues. As part of our efforts to strengthen backward integration, we are installing a new line to make tinned copper and foray into instrumentation cables. While the lockdown and reverse migration of labourers from cities to villages has impacted our project timelines, we are working towards restoring construction speed following the gradual normalisation of the economy.

In my previous year's message, I had shared with you our ambitious plan of growing our distribution network to 1,50,000 retail touchpoints by connecting with 500 distributors each reaching out to around 300 retailers. While we could achieve taking up our retail touchpoints to 50,000 retailers this year, we are continuing with renewed vigour towards the goal of 1,50,000 this year. Further, we are bringing our dealers on a common software platform to get better visibility of secondary data. By deepening our reach and leveraging technology solutions, we are upbeat about growing the sales of our consumer products. Our continued investments in brand building and channel partner engagement will also help us to strengthen our market visibility and connect.

Controlling the external environment is not possible; however, we are taking decisive actions to help ensure our continued competitiveness, financial resilience and business continuity in the new normal. Every overhead expenditure is being minutely scrutinised to contain costs where possible. To operate more efficiently and effectively, we are looking at greater automation at our sites. The lockdown period was utilised to identify new ways to make our business leaner and more agile, along with conducting various skill-enhancing training programmes for specific group of employees. At the same time, with safety of our employees, business partners and consumers our top priority, utmost precaution and the highest safety standards are being followed across all our locations. While all our facilities are currently operating at lower capacity, operations will be stepped up as and when conditions normalise. Finally, our robust balance sheet with a zero-debt status gives us added strength to weather the uncertain times ahead.

Challenges notwithstanding in the short-term, our growth potential remains high. Our core business of wires and cables has a comprehensive range of products that are used across various aspects of infrastructure – be it in power, communication, roads or building infrastructure. The government has unveiled the National Infrastructure Pipeline (NIP), under which Rs. 100 lakh crores would be invested on infrastructure over the next five years to realise the vision of a $5 trillion economy by 2025. Besides, the continued thrust on government flagship programmes such as Power for All, Housing for All, Smart Cities, and Deendayal Upadhyaya Gram Jyoti Yojana (to boost rural electrification) will boost the demand for electrical wires and cables. The Integrated Power Development Scheme to drive efficiency in power transmission and distribution, and the impending investments by the telecom sector to transmit data more efficiently and at higher speeds also hold promising prospects for our business in the medium to long-term.

In closing, I would like to take this opportunity to thank our talented team of employees, whose unwavering resolve and commitment has enabled us to conquer many a challenge and achieve new benchmarks. I am certain that as we navigate this unprecedented crisis, they will rise to the occasion once again. I would also like to extend my appreciation to our distribution partners, suppliers, customers, consumers, bankers and shareholders for their constant trust. Finolex has a five-decade rich legacy of thriving despite challenges. This time, too, with your continued support, we shall continue to thrive.

Wish you all good health.

D.K. Chhabria

Executive Chairman

Wired to Manage Manufacturing

Through the course of our glorious journey, we have systematically enhanced our manufacturing capabilities and invested in backward integration. Our manufacturing excellence has enabled us to meet the changing demands of a growing India. Just as we have risen in the past, we are confident of managing operations through this period of uncertainty and beyond to deliver an even stronger performance.

Diversified production base

From a single-location manufacturing company, Finolex has expanded into an organisation with multiple production facilities across India. Our five state-of-the-art manufacturing sites give us a locational advantage in ensuring seamless service and effective delivery of quality products to our customers. Our partnership with global technology providers further reinforces our expertise in manufacturing world-class products. Finolex plants are optimally automated and deploy the most modern shop floor practices. This enables us to save costs and increase our efficiency at our facilities.

Our manufacturing footprint

Plant	Product Focus
Roorkee, Uttarakhand	Electric wire for construction; wires for automobile; switches; switchgear and agricultural applications
Urse, Pune, Maharashtra	All electrical wires, optic fiber cables and all communication cables
Pimpri, Pune, Maharashtra	Telephone cables; winding wire for pump-set industry
Verna, Goa	Electrical wires, optic fiber cables, co-axial cables
Ponda, Goa	Copper rods

*Capacity utilisation levels at all manufacturing facilities at 75% except Ponda Goa

Driving the best technology

Technology Partners	Technology Area
AT&T (Lucent Technologies)	Optic Fiber Cables
Corning, USA	Optic Fiber
NSW, Germany	Winding Wires
Sumitomo, Japan	EHV Power Cables
GE, USA	Compounds
Essex Corp. USA (Superior)	JFTC Cables, Copper Rods

Unabated investment in our future

Our 50-year successful history is a function of continual investments – in good and bad times – in building our capabilities. While our immediate priorities may be realigned, the long-term focus remains intact. In keeping with this long-term focus, we remain committed to invest for the future, thereby positioning our Company to grow and prosper for decades.

As a forward-looking company, we see immense potential in the renewable energy sector. Allied to that we have commenced the construction of a plant for the manufacture of solar cables. The plant is located in Urse, Pune, and is being built with a capex of Rs. 75-80 crores. Staying ahead of the curve in technology adoption, we are deploying electron beam accelerators for the manufacture of solar cables. Solar cables are exposed to atmospheric radiation 24x7 and so the outer insulation starts becoming brittle over a period of time, leading to loss of life of the cable. Treating the insulated cables through an electron beam machine makes the insulation withstand higher temperatures with minimal wear/tear and more abrasion resistant, extending the life of the cables. We will be installing two electronic beam accelerators – the first one 1.5 to 3 MV and the second one of 0.8 MV. The different capacities will enable us to manufacture solar cables of varying sizes. The smaller capacity accelerator can also be used for automobiles where temperature withstanding ability of the cable is continuously increasing.

In addition, we envisage a strong demand for our electron beam treated cables in the construction of buildings once the sector starts reviving. Most buildings are growing vertically with shafts that the wires pass through normally very tight and small, making rewiring or modification at a later stage difficult. Building codes globally are thus changing to make sure that the wire has a much longer life than currently available in most countries. With the electron beam treatment, this extension of life for cables is possible, opening up prospects for its use in the construction sector.

The upcoming electrical conduit plant at Goa will be completing construction later this year. Post machine installation and testing, the facility is expected to be commissioned by early next year. This will boost our capabilities in serving the conduit demand in both industrial and residential structures.

Reconfigured for the new normal

We are taking all possible precautions at our plant sites to effectively manage production through the global health crisis while ensuring safety of our workforce. A comprehensive set of policies and guidelines, including enhanced hygiene measures, compulsory face masks, physical distancing, and modifications to existing behaviours are among the measures being taken to protect our employees and operations. The practice of complete disinfection of all vehicles, consignments entering and leaving our premises, including our depots, is also being followed. (For more details on the steps being taken, please refer to page 14)

Our vast industry experience has enabled us to develop agility within our production and distribution networks to better respond to supply chain disruption and quickly reconfigure operations to maintain supply to market demand. Our strong relationships with key suppliers should enable us to avoid any short-term interruption of inputs. At the same time, we are taking the necessary steps to build resilience in our supply chain. We are collaborating with our regular and alternate vendors to ensure that we are not overly reliant on few suppliers or geographies. As part of our inventory strategy, we are also building up stocks of critical materials to provide buffer against supply chain disruption.

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Wired to Enhance Product Portfolio

While reinforcing our leadership in the wires and cables industry, we are also leveraging this strength to forward integrate into electrical products, particularly targeting the home segment. Our portfolio diversification strategy will enable us to establish ourselves as a B2C player, in addition to being a wires and cables manufacturer, making us a stronger entity.

Growing our electrical products portfolio

We have forayed into the electrical segment with a fast-growing product range that includes electric water heaters, fans, miniature circuit breakers (MCBs), switches and lighting products. Our home products have gained strong acceptance for their quality and style and are steadily growing their market share. We remain focussed on growing our consumer-focussed range and leveraging our brand equity with the aim of becoming a complete electrical products company and a strong B2C player.

Allied to that, during the year, we launched a wide range of electrical accessories such as door bell, extension box, spike guard, angle holders and batten holders. Blending contemporary designs with best-in-class quality, these products seek to enhance the aesthetics of homes and offices while delivering on performance. With these accessories, we are upbeat about increasing the reach and visibility of our retail business, addressing growing consumer aspirations and propelling our growth trajectory.

Launch of industrial switchgears

During the year, we forayed into the MCCB product category to further strengthen our switchgear product suite. Manufactured with the latest technology, the switchgears are available in varying breaking capacities ranging from 63 to 800 Amps, along with required frame sizes. Our low voltage switchgears provide centralised control and protection of low voltage power equipment and circuits in industrial, commercial and utility installations involving transformers, generators and motors, among others.

The Industrial and OEM segment has been a stronghold of the company with our product categories like flexible cables, communication cables, auto cables, solar cables and LT/HT cables serving this client base. The introduction of industrial switchgears will enable us to leverage our strong relationships to grow our share of business from these clients. Currently, the market size of industrial switchgears is Rs. 2,000 crores. By offering quality products targeted at the panel builder and retail outlet community, we aim to capture a sizeable pie of the robust industrial switchgear market in the coming years.

Diverse Product Range across Categories to Meet Varied Applications

Wires & Cables

Light Duty Cables

FR PVC Insulated Industrial Cables

Halogen Free Flame Retardant (HFFR)

Solar Cables

Elevator Cables

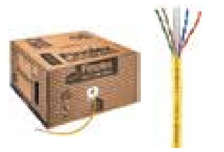
3CF & WW Cables for Agricultural Sector

Auto & Battery Cables for Automobile Sector

Communication Cables

Optic Fiber Cables

Co-axial Cables



LAN Cables

Telephone Cables

CCTV Cables

Speaker Cables Jelly Filled Telephone Cables (JFTC)

Power and Control Cables

LT & HT Cables

Electrical Products

Lighting

LED Bulbs

COB Down Lights

LED Slim Panels

LED Street Lights

LED T5 Batten

Electrical Switches

Feriha Switches

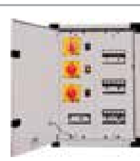
Mounting Boxes

Switchgear

MCCB

MCB

RCCB



DB

Water Heaters

Instant

Storage

Fans

Ceiling fans

Table fans

Wall fans

Exhaust fans

Pedestal fans

Wired to Strengthen Access

We continue to invest in growing our distribution network. Our focus has been on leveraging IT solutions to facilitate better inventory management for our channel partners. Underpinned by the partnership approach that we extend to our distributors and dealers, we aim to strengthen our market reach and visibility.

Robust network for core business

While our communication cables segment is largely a B2B business, electrical cables are sold to channel partners as well as institutional clients. Our established network of 5,000+ distributors across the country adds efficiencies to our supply chain and anchors the growth of our core businesses. We continue to add new dealers and distributors, particularly in the North and East markets, to further strengthen our distribution network.

Separate network for electrical products

Besides leveraging our wires and cables distribution network for our consumer-focussed range, we have also set up a separate distribution network to bring these products within the easy reach of consumers. We have adopted a two-tier distribution platform wherein distributors have clearly defined territories to reach out to retailers. Our aim is to partner with 500 distributors each covering around 300 retailers, to take our total retailer coverage to 1,50,000 touchpoints. Working in collaboration with our distributors, we have mapped and validated the retailer coverage for each of our distributors to ensure that they can generate adequate returns on their investment. To further strengthen our partnership, a clear policy has been outlined for our distributors relating to the working of the network, compensation to be paid, price management and flow of information. We are also providing additional connect to the last point of sales with our salesmen travelling at regular intervals with the distributors to reach out to retailers. As on 31st March 2020, we have been able to bring 50,000 retailers on board, up from 30,000 in the previous year, indicating that we are on the right path towards strengthening access.

IT platform for driving efficiencies

We have covered a lot of ground on bringing our channel partners on a common IT platform so that there is seamless exchange of information between the Company and the distributors. Real-time visibility on product outflow, prices at the distributor and retailer levels, stockist inventory levels, secondary sales (sales from distributor to retailer) feature among the data being tracked on the IT platform. This access to secondary market information enables us to tailor our market schemes in line with the insights received from individual retail markets and ensure availability of products at the right time and place, benefiting both distributors and the Company. The tracking of inventory and secondary sales also helps distributors to optimise their inventory levels to drive better cash flows and operational efficiencies, especially important in the current times when all businesses will be focusing on maintaining adequate liquidity. By leveraging technology for mutual advantage, we are confident of increasing the sales of our consumer products.

Engaging with channel partners

To strengthen our association with our channel partners, we adopt attractive marketing strategies and run customised programmes. We launched 'Finolex Utsav 2020' - a points-based secondary scheme for our dealers and distributors and 'Finolex Subharambh' – a scheme to activate new retailers and increase our reach. The 'Finolex Select Channel Partner Meet' was held at Turkey to have interactive sessions, discuss the Company's key business initiatives and recognise the top performers of the year. In addition, we continue to engage with our channel partners through regular meets held at distributor, dealer and retailer levels across various locations. Our Finolex Konnect app enables our channel partners to track all information on products, promotions and price schemes, among others, at the click of a button. Our various initiatives have received an enthusiastic response from the targeted segments and have resulted in a big jump in our retail partner numbers.

To showcase and highlight our vast product range, we have started encouraging our channel partners to host our exclusive showroom, Finolex House, at electrical hubs of various cities. The process has started with the inauguration of showrooms at various cities across the country.

We have arranged for channel financing with about five banks. While credit is being provided on the bank's discretion and assessment and all the loans are on a non-recourse basis to Finolex, we are supporting our channel partners by getting them a better rate of interest through our bulk negotiations .

Reaching out to influencers

The usage of the products that we manufacture is considerably influenced by key decision makers such as architects, electricians, contractors, builders and technicians. We are regularly rolling out interesting initiatives to reach out and engage with these key influencers. During the year in review, we launched 'Bhagyalakshmi Lucky Draw' – an exciting new scheme to engage with more electricians. Highlighting its success, the scheme witnessed participation from around 40,000 electrician partners. We also continued to pursue our well-received loyalty and reward programmes for strengthening our relationship with this audience.

We participated at 'Elecrama 2020' to showcase our strength as a single-window electrical solution provider and demonstrate our IoT-enabled smart fans and LEDs. We received an enthusiastic response with industry stakeholders actively visiting the Finolex booth. Our latest offerings with their breakthrough features received significant attention.

Wired to 'Meet' and Grow!

8,500+
Electricians engaged through 120 Electrician Meets

7,500+
Electricians engaged through 580 'Nukkad Meets'

45
Channel partners from different states engaged through 'Channel Partner Meet'

150+
Top contractors from A class cities engaged through 3 Contractor Meets

Wired to Deepen Engagement

In line with our focussed goal to emerge as a leading B2C player, along with manufacturing quality electrical products, it is important to deepen our engagement with consumers. Through wide-ranging efforts across various touchpoints, we are moving closer to the hearts and minds of our consumers.

Connecting through Finolex House

We have set up Finolex House – a one-stop shop for electrical solutions – at select cities across the country. The store offers consumers end-to-end solutions for home construction and renovation. This includes our wide range of high-quality cables to electrical fittings and our home appliances comprising fans, water heaters, switches, accessories, switchgear products and LED lighting products. During the year, to step up our direct consumer engagement efforts, we launched 4 such exclusive retail stores, taking the total count of Finolex House to 8.

Ramping up sales team

During the year, we streamlined our sales force to ensure that every product category has a separate team to aggressively drive customer reach and sales. At the same time, there is a common management team within our branches to identify and manage cross-selling opportunities. With our focussed attention on each product line, we are in a better position to reach out to our customers and drive higher sales.

Continued investments in brand building

Operating in a tightly fought market, we recognise that there is strategic advantage in growing our brand visibility and salience. Accordingly, we have consistently increased our advertising and marketing spends, which has gone up from around Rs. 14 crores four years ago to close to Rs. 50 crores today . This continual investment in our brand has helped us to increase our brand visibility and strengthen the connect with our consumers. Our key initiatives in this area include:

Sponsorships at India's biggest sporting events

Riding on the popularity of sports in India, we continue to leverage this platform to increase our brand visibility. We sponsored the teams of Kings XI Punjab and Gujarat Fortune Giants (GFG) at the Indian Premier League (IPL) and Pro Kabaddi League (PKL), respectively, in the year under review. Both these tournaments are among the biggest sporting properties in India and garner huge viewership. Brand visibility was also extended through television and digital campaigns featuring key team players, presentation of awards at the tournaments, and posters showcased across India. Being the key sponsors of Kings XI Punjab, we hosted meet-and-greet session for our channel partners with the team players. Channel partners were also given tickets for the home matches. Our IPL and PKL associations were used to digitally engage with audiences on popular social media platforms throughout the tournament.

'Sakal Saath Chal' initiative

Finolex as a proud Pune-based company was part sponsor of the 'Pandharpur wari' - an annual pilgrimage undertaken by devotees of Lord Vithoba to his temple in Pandharpur, Maharashtra. Through our association with this event we strived to make the 21-day long journey of the pilgrims, who cover 250 km by foot, comfortable.

Sponsorship of conclave events

We were the associate sponsor for 'Agenda AajTak' a two-day conclave event held at Delhi by media channel Aaj Tak; presenting sponsors for 'Chaupal 5.0', a one-day conclave event held at Delhi by media channel News18 India; and associate sponsor for STAR SCREEN AWARDS held by media channel Star Plus.

Print advertising

We are actively promoting our brand through advertisements in newspaper and magazines across India.

Driving digital connect

With increasing number of consumers moving online, we are intensively leveraging the digital platforms on which they are active to reach out to them. Our digital media campaigns have resonated well with our consumers and driven a favourable response. During the year, we launched several successful social media campaigns focussed on topics such as electricity safety, product awareness and for celebratory occasions such as Diwali, Friendship Day and Father's Day. We also promoted six product videos online. Our digital media not only helps us to reach out to our target audience in an effective manner but also helps us to optimise our costs.

Leveraging E-commerce platform

Understanding the pulse of our consumers and the way they shop; we have made our consumer products available on our e-commerce site. Our digital marketing strategy is curated to drive more traffic to our e-commerce platform. We have been able to increase the number of consumers shopping online from our site, endorsing the success of our synchronised digital efforts. By diving deep into the analytics of e-commerce visitor data and correspondingly upgrading our site, we are further enhancing our interactions and delivering a differentiated experience.

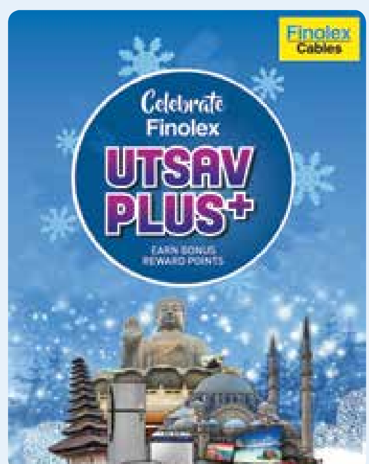
Driving safety at stores

For a safe return to work post the nationwide lockdown and to ensure the safety of consumers, targeted communication was shared with our retailer partners. This included directions of staying at home in case of feeling unwell, providing easy access to sanitisers for both customers and employees, using gloves and masks at all times while working at the stores, sanitising the store regularly with special focus on disinfection of high-touch surfaces, sanitising all new material entering the stores, ensuring adequate ventilation at stores and maintaining adequate social distancing at all times. Retailers were also advised to encourage digital transactions and avoid the use of cash.

Associate Sponsors of the Agenda AajTak 2019 conference

Precautions against COVID-19

Electrician Bhagyalakshmi Scheme



Utsav Plus+

Gujarat Fortune Giants

Kings XI Sponsorship

Wired to Protect our Employees and Operations

In light of the ongoing COVID-19 outbreak, we have taken a number of stringent measures and introduced guidelines in the interest of employee safety as well as to ensure near-normal operations. Through our well-thought-out measures, we are redefining the way we operate and are confident of emerging stronger from this challenge.

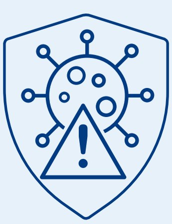
As part of our comprehensive approach, we have implemented a four-pronged COVID-19 preparedness strategy. A cross-functional COVID Response Team, has been formed to monitor the situation daily and initiate appropriate actions.

COVID-19 RESPONSE STRATEGY

- Screening and Monitoring 01
- Prevention and Awareness 02
- Disinfection and Sanitisation 03
- Social Distancing 04

Screening and Monitoring

We have made separate entry and exit points at all our sites and offices. Employees and visitors are required to undergo thermal temperature scanning at the entry and exit points. We are also conducting temperature checks during work hours to identify any variation in body temperature. To augment the efforts of limiting the spread of the virus, we have made the usage of government specified mobile app – Arogya Setu, which enables Bluetooth-based contact tracing, mapping of likely hotspots and dissemination of relevant information, compulsory for all employees. Our employees and contractual staff are also required to submit an undertaking on their health and travel details, if any. The entry of visitors has been restricted and only essential visitors who have received written permission from authorised person are allowed to enter our premises. Further, the entry of the visitor is subject to him/her not having any medical ailments and getting cleared through temperature scanning at the main entry gate.

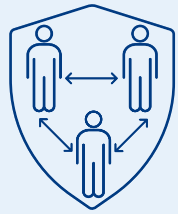


Prevention and Awareness

The wearing of masks has been made compulsory at all our sites, including while travelling on Company vehicles. In addition to masks, employees are also required to wear gloves, as may be necessary. To prevent the spread of the virus, we have replaced contact-based biometric systems with face-recognition method for marking attendance. Awareness on COVID-19 and the importance of hygiene and physical distancing are being reinforced through training and posters at all locations. We have created a quarantine facility at each location and any unwell employee is immediately taken to this provision to get immediate treatment and ensure his isolation.

Disinfection and Sanitisation

We are carrying out deep cleaning and regular sanitisation and fumigation of common / touch prone areas. The frequent washing of hands and usage of sanitisers is being encouraged. All vehicles entering the premises are also disinfected to minimise the possibility of virus infection and new vehicle are being permitted to enter only with prior permission. At all our stores and plant sites, disinfection of materials and products are being carried out at the time of unloading and despatch. Further, parcel and courier delivery are being taken at the gate to minimise the entry of outside people in our premises.



Social Distancing

In line with our strict protection measures to deal with COVID-19, we are practising social distancing by modifying our behaviour. Markings have been made at all high employee density areas to facilitate distancing. Gathering at all common areas has been prohibited. Employees have been requested to avoid the use of elevators, and, where necessary, only two persons are allowed at a time. We have also made modifications in our plant processes to avoid crowding and maintain distancing. At our offices, seating arrangements have been altered to ensure safe distance among employees. At the cafeterias, along with staggered lunch timings, social distancing norms are to be maintained while eating. Employees have been requested to bring their own tiffin and spoons keeping safety in perspective.

We have advised our employees to use personal transportation to reach the workplace and avoid public transport for safety reasons. The Company has arranged for transportation on a chargeable basis for employees staying far from their workplace.

We are making extensive use of IT solutions to ensure seamless business functioning through this crisis. Physical meetings are being discouraged in favour of virtual conferences and telecommunications. Where absolutely unavoidable, meetings are to have a maximum of 5 or 10 people, depending upon the purpose of the discussion. All distancing norms will be adhered to during the full course of the meeting. Further, visitor details will be checked and collected at the entry gate. Soft copy approvals are being encouraged to further limit contact between people.

Wired to Uplift Our Communities

At Finolex Cables, we strive to make a difference in the communities in which we operate by contributing to socio-economic development through our wide-ranging CSR activities. By exhibiting a commitment to social responsibility, we not only ensure the integrity of our business, but take care of the well-being of the communities as well.

Our commitment to creating value for stakeholders is seen in our involvement in multiple community development initiatives. Education, healthcare, women empowerment and environment protection form the most important focus areas of our CSR policy. Through our empowering and purposeful interventions, we aim to uplift the lives of underserved people and foster positive development in communities.


Police Vans provided to the 'Nirbhaya Fleet' of Satara Police

COVID-19 help provided through Deendayal Prabodhini, Yavatmal

During the year under review, our Company undertook the following initiatives:

- Free medical care and services through multi-speciality hospitals
- Organised mobile hospital facilities along with improvement of healthcare facilities in rural areas
- Medical support to underprivileged and economically backward women with regard to their delivery and gynaecological problems
- Medical facilities for knee replacement, cataract and dialysis for people in need as well as children suffering from H1B diabetes
- Contribution to Medical Research Institutes for cancer research
- Betterment of school infrastructure in Maharashtra, Uttarakhand and Jammu
- Contribution towards disaster relief programme for flood-affected areas in Kerala
- Extended assistance for 'Namami Gange' initiative - National Mission for Clean Ganga
- Provided sewage treatment plants in the vicinity of our manufacturing units
- For their invaluable service to the society, Police Vans were provided to the 'Maharashtra Police' as per desired specifications

Provisions and other necessities distributed to needful people during the lockdown

'Sweetlings' project for children suffering from Type 1 Diabetes through Hirabai Cowasji Jehangir Medical Research Institute

Our Financial Metrics

Total Revenue
(Rs. in Crores)

FY 2019-20	3,049.19
FY 2018-19	3,199.62
FY 2017-18	3,011.63
FY 2016-17	2,771.00
FY 2015-16	2,676.50
FY 2014-15	2,633.30

↑ CAGR **2.98%**

PBT
(Rs. in Crores)

FY 2019-20	501.33
FY 2018-19	531.86
FY 2017-18	504.48
FY 2016-17	419.30
FY 2015-16	336.30
FY 2014-15	263.10

↑ CAGR **13.76%**

PAT
(Rs. in Crores)

FY 2019-20	402.48
FY 2018-19	344.09
FY 2017-18	358.20
FY 2016-17	315.90
FY 2015-16	248.75
FY 2014-15	198.60

↑ CAGR **15.17%**

Net Worth
(Rs. in Crores)

FY 2019-20	2,718.63
FY 2018-19	2,439.67
FY 2017-18	2,193.90
FY 2016-17	1,877.44
FY 2015-16	1,467.59
FY 2014-15	1,264.80

↑ CAGR **16.54%**

EPS
(Rs.)

FY 2019-20	26.32
FY 2018-19	22.50
FY 2017-18	23.40
FY 2016-17	20.70
FY 2015-16	16.30
FY 2014-15	13.00

↑ CAGR **15.15%**

ROCE
(%)

FY 2019-20	18.14
FY 2018-19	21.25
FY 2017-18	22.62
FY 2016-17	22.56
FY 2015-16	23.60
FY 2014-15	21.88

↓ CAGR **3.68%**

Market Capitalisation
(Rs. in Crores)

FY 2019-20	3,110
FY 2018-19	7,301
FY 2017-18	10,321
FY 2016-17	7,900
FY 2015-16	4,301
FY 2014-15	4,049

↓ CAGR **(5.14%)**

Share Price BSE
(Rs.)

FY 2019-20	203.35
FY 2018-19	477.35
FY 2017-18	669.30
FY 2016-17	516.60
FY 2015-16	280.35
FY 2014-15	283.70

↓ CAGR **(6.44%)**

Share Price NSE
(Rs.)

FY 2019-20	203.75
FY 2018-19	475.45
FY 2017-18	674.85
FY 2016-17	516.55
FY 2015-16	281.20
FY 2014-15	284.75

↓ CAGR **(6.48%)**

Ten-Year Financial Highlights

(Rs. in Crores)

Particulars	IGAAP						Ind-AS			
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Profit and Loss Account Data										
Gross Revenue *	2,212.3	2,218.8	2,447.7	2,558.3	2,633.3	2,676.5	2,771.0	3,011.6	3,199.6	3,049.2
Materials and Manufacturing Cost (Including Excise Duty)	1,803.2	1,762.9	1,904.1	1,973.1	1,998.3	1,960.8	1,952.8	2,103.3	2,264.9	2,083.4
Employee Cost	64.7	69.5	84.6	84.8	94.0	107.6	119.2	135.5	140.7	149.5
Depreciation	38.8	39.5	46.6	48.4	64.0	57.2	48.0	43.8	40.6	38.9
Interest and Finance charges	19.1	26.1	13.4	14.5	13.6	9.5	4.3	1.4	0.9	1.6
Other Expenses	179.3	211.5	228.2	193.5	200.2	205.1	227.3	223.2	220.6	274.5
Profit Before Tax	**107.2**	**109.3**	**170.8**	**244.0**	**263.1**	**336.3**	**419.3**	**504.5**	**531.9**	**501.3**
Taxation	20.4	11.1	25.5	36.3	64.5	87.6	103.4	146.3	187.8	98.8
Profit After Tax	**86.8**	**98.2**	**145.3**	**207.7**	**198.6**	**248.8**	**315.9**	**358.2**	**344.1**	**402.5**
Other Comprehensive Income	-	-	-	-	-	-	3.8	13.5	(24.6)	(40.6)
Total Comprehensive Income for the year	-	-	-	-	-	-	319.7	371.7	319.5	361.9
Dividend (Including Tax on Dividend Distribution if applicable)	12.4	14.2	21.4	28.6	33.1	46.0	55.2	73.6	83.0	84.1
Balance Sheet Data										
Share Capital	30.6	30.6	30.6	30.6	30.6	30.6	30.6	30.6	30.6	30.6
Reserves	686.9	769.8	893.7	1,072.8	1,234.2	1,437.0	1,846.9	2,163.3	2,409.1	2,688.0
Net Worth	717.5	800.4	924.3	1,103.4	1,264.8	1,467.6	1,877.4	2,193.9	2,439.7	2,718.6
Loan Funds	260.1	171.6	180.6	147.0	126.7	51.2	-	-	-	-
Other Liability	-	-	-	-	-	-	6.6	7.5	9.8	18.2
Deferred Tax (Net)	31.0	32.6	34.5	29.5	30.0	23.0	18.9	34.9	58.3	36.1
Total Liabilities	**1,008.6**	**1,004.6**	**1,139.4**	**1,279.9**	**1,421.5**	**1,541.8**	**1,903.0**	**2,236.4**	**2,507.8**	**2,772.9**
Gross Block	856.3	884.6	977.7	1,072.8	1,096.0	1,107.4	1,148.5	1,181.2	1,213.8	1,238.6
Net Block	434.0	442.4	460.7	507.4	470.4	424.8	414.9	414.2	414.6	404.5
Investments	245.2	237.2	324.1	403.1	494.2	619.5	895.9	1,214.8	1381.8	725.9
Net Current Assets	329.4	325.0	354.6	369.4	456.9	497.5	592.2	607.4	711.4	1,642.5
Total Assets	**1,008.6**	**1,004.6**	**1,139.4**	**1,279.9**	**1,421.5**	**1,541.8**	**1,903.0**	**2,236.4**	**2,507.8**	**2,772.9**
Key Ratios										
Growth in Revenue (%)	26.4	0.3	10.3	4.5	2.9	1.6	3.5	8.7	6.2	(4.7)
PAT to Revenue (%)	3.9	4.4	5.9	8.1	7.5	9.3	11.5	12.3	10.0	11.9
Return on Net Worth (%)	12.1	12.3	15.7	18.8	15.7	16.9	16.8	16.3	14.1	14.8
Earnings per Share (Rs.) (for face value of Rs. 2/- each)	5.7	6.4	9.5	13.6	13.0	16.3	20.7	23.4	22.5	26.3
Asset Turnover Ratio (Revenue to Total Assets)	2.2	2.2	2.1	2.0	1.9	1.7	1.5	1.3	1.3	1.1
Return on Capital Employed (%)	12.7	13.4	17.1	21.3	21.9	23.6	22.6	22.6	21.3	18.1
Debt to Equity Ratio	0.4	0.2	0.2	0.1	0.1	0.03	-	-	-	-
Payout Ratio (incl. Dividend Tax) Distribution to PAT (%)	14.3	14.5	14.7	13.8	16.7	18.5	17.5	20.6	24.1	20.9

Note :*

Comprises Income from Operations (including excise duty) and Other Income

Corporate Information

Board of Directors*

Mr. D.K. Chhabria
Executive Chairman

Mr. Yatin Redkar
Executive Director – Operations

Mr. Shishir Lall
Non-Executive Director

Mr. Devender Kumar Vasal
Independent Director

Mr. Jayaram Rajasekara Reddy
Independent Director

Mrs. Kavita Bhaskar Upadhyay
Independent Woman Director

Chief Financial Officer

Mr. Mahesh Viswanathan

Company Secretary and President (Legal)

Mr. Richard George D'Silva

Bankers

Central Bank of India

Corporation Bank

State Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

Axis Bank Ltd.

Auditors

Deloitte Haskins and Sells LLP
Chartered Accountants

Cost Auditors

Joshi Apte & Associates
Cost Accountants

Secretarial Auditors

Jog Limaye & Associates
Company Secretaries

Solicitors

Juris Corp
Solicitors & Advocates

Registered Office

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

Tel: 020-27506200 / 27475963

CIN: L31300MH1967PLC016531

*Please refer clarification in Paragraph 3 regarding "Directors" of Director's Report on Page no. 26

Board's Report

To the Members,

Your Board of Directors have pleasure in presenting the 52nd Annual Report and Audited Accounts of the Company for the Financial Year ended March 31, 2020

Financial Results

The summarized financial results for the year are as under:

(Rs. in Crores)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2019-20	**2018-19**	**2019-20**	**2018-19**
INCOME				
Revenue From Operations (Net)	**2,877.3**	3,077.8	**2,877.3**	3,077.8
Other Income	**171.9**	121.8	**91.5**	81.6
Total	**3,049.2**	**3,199.6**	**2,968.8**	**3,159.4**
EXPENDITURE				
Material Costs	**2,083.4**	2,264.9	**2,083.4**	2,264.9
Employee Benefit Expenses	**149.5**	140.7	**149.5**	140.7
Finance Costs	**1.6**	0.9	**1.6**	0.9
Depreciation, Amortization and impairment	**38.9**	40.6	**38.9**	40.6
Other Expenses	**274.5**	220.6	**261.0**	202.5
Total	**2,547.9**	**2,667.7**	**2,534.4**	**2,649.6**
Profit Before share of Net Profit of Investments accounted for using equity method and tax	501.3	531.9	**434.4**	509.8
Share of Net Profits of an Associate and Joint Ventures accounted for using equity Method	-	-	**77.6**	100.4
Profit Before Tax	**501.3**	**531.9**	**512.0**	**610.2**
Tax Expenses:				
Current Tax	**123.2**	165.7	**123.2**	165.7
Deferred Tax	**(24.4)**	22.1	**(2.2)**	37.1
Total Tax	**98.8**	187.8	**121.0**	202.8
Profit After Tax	**402.5**	**344.1**	**391.0**	**407.4**
Total Other Comprehensive Income / (Expenses) for the year	**(40.6)**	**(24.6)**	**(41.4)**	**(25.6)**
Total Comprehensive Income for the year	**361.9**	**319.5**	**349.6**	**381.9**

Global Economic Scenario

Global economic growth faced challenges, with de-growth experienced across major economies in 2019. The world economic output grew at 2.9% in 2019, significantly below the 3.6% clocked in 2018. The de-growth was witnessed with Advance Economies grew at 1.7% in 2019 as compared to 2.2% the year ago. Emerging Markets and Developing Economies (EMDEs) grew at 3.7% in 2019 as compared to 4.5% in the previous year. Manufacturing and trade faced increased challenges with escalating pressure between the United States (US) and China and a hung Brexit struggling with a faltering European Union (EU). Asian, African and Latin American economies continued to remain under unprecedented pressure with many economies facing civil unrests over the faltering economic conditions. *(Source: IMF World Economic Outlook, April 2020)*

The beginning of 2020 marked the global widespread of the novel COVID 19 virus, challenging the healthcare and the emergency response systems across the world. By March 2020, even developed nations failed to contain and respond to the virus followed by the World Health Organization (WHO) declaring the COVID 19 outbreak a global pandemic. This was followed by Nation-wide lockdowns across the world, with manufacturing and trade facing unprecedented shutdowns world-over. Even as the lockdowns keep extending and the global economy keeps slipping in a depression, IMF has estimated a global contraction of the world economy by a staggering 3% and the World Trade Organization (WTO) expects the world trade to contract globally in between 13% to 32% during 2020.

Going forward, as the lockdowns slowly open up, economies around the world have taken major steps towards revival, with major monetary and fiscal measures, bail-out and support packages, multi-lateral and cross-border co-operation initiatives etc. Although the short-term scenario remains hazy with the progression of the pandemic, global economies are expected to bounce back in 2021.

Indian Economic Scenario

The Indian Economy grew at a sluggish pace during 2019 mostly due to the global slowdown. Despite the overwhelming majority with which the new Central Government was formed, the Indian Economy grew at 4.2% during 2019 as against 6.1% during 2018. *(Source: IMF)*. This significant contraction was partly attributed to the challenges faced by manufacturing and trade across the world. Within India, challenges were faced due to the widespread distress faced in the Banking and Non-Banking Finance Companies (NBFCs) sector, with MSMEs and the unorganized sector, relying heavily on such NBFCs, struggling with liquidity and working capital issues. Further, India experienced a late, but prolonged monsoon in 2019, with major parts of the country being affected by floods which in-turn affected the agriculture cycle/output and created challenges for almost all industries. This reflected in the September and December quarterly performances of the Agricultural and Industrial sectors across the country. However, to boost the liquidity in the Economy, the Reserve Bank of India exercised repo rate cuts by a total of 135 basis points. The year 2019-20 also experienced a significant growth in Government Final Consumption. The Union Budget 2020-21 made significant allocations to the infrastructure sector in addition to the Rs. 102 lakh crore National Infrastructure Pipeline budget. These measures along-with an amendment of the Insolvency and Bankruptcy Code (IBC) to ease pressure on the real-estate sector, came in as growth boosters for the economy. India jumped to 63rd rank in the World Bank's ease of doing business, thereby making it a further attractive Foreign Direct Investment (FDI) destination. The current tax regime also favors Foreign Direct Investment (FDI), since profit from new investments would attract tax at a lower rate of 15%.

The March quarter witnessed the outbreak and widespread of the COVID 19 pandemic in India. This impacted the performance of the March quarter, historically known to be the highest performing quarter of every fiscal for both Industrial as well as the Agricultural sectors. The Government declared a nation-wide lockdown starting with March 24, 2020, which resulted in complete suspension of operations across the economy. With exceptions of a few essential products, the lockdown witnessed no manufacturing output, as the organized as well as the un-organized manufacturing sectors had to shut their operations. Service industry could adopt a work-from-home culture, albeit with its own struggles could only avert total shutdown. While majority of the Government machinery was diverted and deployed to contain the COVID 19 pandemic and save lives, India witnessed an exodus of migrant labor, moving back to their villages with unforeseen challenges.

Despite the adversities, the IMF expects India to be among the best performing economies in 2021, with only India and China expected to grow in the period. While the Government continues to focus on containing the pandemic, it has also taken steps to contain the loss of livelihoods and the downturn in the economy. The Government declared a stimulus package of Rs. 20 lakh crore to support the industries, MSMEs and the poor sections of the economy. With the global sentiment favoring India to be a viable alternative to China for cost-effective manufacturing/ outsourcing, the Government declared the 'Atmanirbhar Bharat' initiative, to make India a self-sufficient economy and an attractive investment destination. These steps, along-with the previously announced policy reforms such as Pradhan Mantri Awas Yojana (PMAY) – Housing for all by 2022, Bharat Net, Digital India, Make in India, Minimum Selling Price for Agriculture, 100 Smart cities, 50 Economic corridors, 35 multimodal logistics park, allocations for the infrastructure, railways, roadways, shipping and aviation along-with significant increase of the Renewable Energy Production are set to pave way for economic revival and growth in the medium and long term.

Performance of the Company

The year 2019-20 was challenging due to challenging macro-economic factors, the struggling real-estate market, the liquidity issues and halting projects with telecom PSUs. This along-with challenges on the micro factors, such as dim consumer sentiment in the market, socio-political struggle with the Citizenship Amendment Act,2019 (CAA), stretched and heavy monsoons also contributed to the overall challenges. Despite all these adversities, your Company, on the back of its strong brand recognition, continued to show resilience and recorded a modest performance. The COVID 19 pandemic impacted the Company's business for the better half of the March quarter, which other-wise would have resulted in the Company recording an at-par or slightly better performance as compared to the previous year.

In wake of weak macros, right since the beginning of the year, the Company had further worked on its cost rationalization/ reduction methods which successfully bore fruit. In-line with the previous year's theme and Company vision – enhance, engage and expand, the Company expanded its total retail touchpoints from 30,000+ retailers to around 50,000+ retailers during the year as it continuously strives to reach the targeted milestone of 150,000+ retailers. Your Company has always stood as the most sought after brand in the wires and cables market. To enhance this perception further and engage its customers, the Company increased its advertisement expenditure outlay during the year and its presence was felt even more on different media platforms. The Company had begun work on the expansions at Urse but due to the onset of COVID, these projects have been delayed. The new conduit pipe manufacturing line at Goa should become operational soon – commissioning is expected as soon as travel possibilities open up and the overseas technicians can travel to the site for this purpose.

The COVID 19 pandemic is an unprecedented catastrophe during our lifetimes and uncertainties in the short-term future are rife. However, your Company on the back of its strong net-worth and liquidity position, debt-free nature, cost rationalization abilities, decentralized operations, widespread dealer and retailers network, and a loyal core team of professionals and employees is confident of tackling the tough times with flying colors. The Company during the lockdown, with its core team and dealer-retailer network, worked on strategically planning the near future and prepared for life post lockdown. This contributed significantly as the lockdown is being unwound and the operations of the Company are getting back to normal.

Total Income

Revenue achieved during the current year was Rs. 2,877.3 Crores as against Rs. 3,077.8 Crores reduction in the previous year resulting in a 6.5% de-growth. The reduction was witnessed across major product segments, with Electrical Cables registering 5.3% and Communication Cables registering 16.4% reduction. Consumer Products segment achieved a 24.2% year-on-year growth. Total Income for the year stood at Rs. 3,049.2 Crores as against Rs. 3,199.6 Crores in the previous year.

Profit Before Tax was recorded at Rs. 501.3 Crores as against Rs. 531.9 Crores during the previous, resulting in a decrease of 5.8%. Although the Company clocked sales volumes at par with the previous year, fall in commodity (raw material) prices and subsequent adjustment of selling prices led to the overall decrease in the total sales and profit before tax.

Profit After Tax was recorded at Rs. 402.5 Crores as against Rs. 344.1 Crores in the previous year. In September 2019, the Government of India promulgated the Taxation Laws (Amendment) Ordinance 2019, announcing major slashes to the corporate tax rates in the Income Tax Act, 1961. The existing Companies were provided an option to pay tax at a concessional rate of 22% (plus Surcharge/Cess), with consequential surrender of specified deductions/incentives. The Company opted for the new scheme, which resulted in the reduction of total tax outgo and an increased Profit After Tax.

The Management Discussion and Analysis (MDA), forming part of this Report in Annexure A - I, inter-alia, deals adequately with the operations as well as the current and future outlook of the Company.

The SEBI LODR COVID 19 report, forming part of this Report in Annexure A – II, inter-alia, deals with the impact of COVID 19 on the operations of the Company and the short-term future outlook.

Exports:
The sluggish demand in the global economic activity continued to reflect on the Company's exports which stood at a modest Rs. 25.7 Crores as against Rs. 30.4 Crores during the previous year.

Finance

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

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

Dividend

Based on the Company's performance, the Directors are pleased to recommend a Dividend of Rs. 5.5 per equity share i.e. 275 % of the face value of Rs. 2 each, for approval of the members at the ensuing Annual General Meeting. The total dividend outgo would involve a cash outflow of Rs. 84.1 Crores.

As required by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, the Company has formulated and adopted a dividend distribution policy which is available on the Company's website www.finolex.com

Transfer to Reserves

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

Fixed Deposits

During the year under review, the Company has not accepted any deposit covered under Chapter V of the Companies Act, 2013

Change in Nature of Business

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

New Products and Expansion

Finolex House

In the previous year, your Company launched the first of its exclusive retail store chains, 'Finolex House' and opened four Finolex House Stores at Chennai, Vadodara, Bhopal and Ghaziabad. During the current year, the Company opened four more Finolex House Stores at Secunderabad, Jamshedpur, Bengaluru and Raipur. Your Company plans to open 50 such 'Finolex House' stores across the country very soon.

The Company also increased its footprint in the Fast Moving Electrical Goods (FMEG) market during the current year, led by the fans and water heaters along-with the low-duty switch gears and lamps. Owing to the nature of this market, where newness and design elements play a key role, the Company offered newer products along-with its existing portfolio. The current Socio-Political scenario and 'Atmanirbhar Bharat' initiative and sentiment is expected to bear fruit and the Company expects higher volumes of revenues from these products.

Others

- The Capex plans announced earlier of upto Rs. 200 Cr will be completed over the next 12 to 15 months, subject to more activities opening up post lockdown easing.

Joint Ventures, Subsidiaries and Associates

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules 2014, the statement containing salient features of the financial statements of the Company's Joint Ventures / Associates (in form AOC-1) is attached to this Report as Annexure G. The Company does not have any investments in subsidiaries.

Corning Finolex Optical Fiber Private Limited

While, the Government's vision to connect the whole of India with The Bharat Net and Digital India initiative should have seen further progress during the year, multiple events came in the way of realizing that goal – a) substantial financial strain on the PSU telecom companies such as BSNL and MTNL, b) ruling on AGR impacting private sector telecom units such as Idea/Vodafone, Bharti etc all meant that the entire sector witnessed meager investment in asset creation. Additionally, fiber prices were in a free fall globally following reduced demand in China. Overall demand scenario was quite sluggish with very little traction. Revenue achieved by the JV during FY 2019-20 was Rs. 150.0 Crores as against Rs. 327.6 Crores in the previous year. With prices being extremely low, the JV recorded a break-even year as against a net profit after taxes Rs. 14.2 Crores during the previous period.

The COVID 19 pandemic and the resultant nation-wide lockdown, pushed the entire Indian population of approximately 130 Crore people, indoors. This resulted in increased demand and consumption of Internet/Data and the importance of broadband connectivity was realized in an unparalleled fashion. The closure also demonstrated the need and accuracy of the Government's vision for pan-India connectivity and the Company expects a rise in demand of Optical Fiber in the future.

Your Company's total equity participation in the JV at the end of 2019-20 stood unchanged at Rs. 1.75 Crores.

Finolex J-Power Systems Private Limited

As discussed in the Indian Economic Scenario section, the Government's vision for sustained and stable growth of the Indian economy includes a progressive outlook towards infrastructural development. Such smart cities, economic corridors, logistics parks, housing schemes, ports, metros etc. would require immense power supply and transmission of power to such places. The power sector plays a pivotal role in the development of infrastructure and the Government has shown keen interest and consequent demand for High Voltage (HV) and Extra High Voltage (EHV) power transmission lines. This has been evident from the increasing number of tenders floated by many states and state utilities during the year.

The year under review had been somewhat positive for the JV in terms of market penetration, reach and visibility in relationship building with customer base and the same was visible in the JV's ability to participate in tenders across various states. During the year, the JV successfully completed its first 220KV order from Delhi Transco, its earlier order from KSEB and successfully won major orders in the 110KV – 230KV voltage grade as well as orders for the Pune Metro project.

The JV also successfully participated in 400KV tenders during the year, which was certified during the previous year. Although the JV faced challenges in participating for large tenders owing to the supplying, laying and commissioning experience criteria for such tenders, the JV had been successful in convincing utilities to accept parent credentials towards qualifications. This was evident with the successful participation in tenders.

Based on its performance and outreach, it can be safely said that the JV will be able to break even as well as become profitable going forward; however, would need financial support through Equity infusion until then. Considering this, your Company had infused Equity worth Rs. 43.4 Crores in the JV during the year, taking the Company's total participation in the JV to Rs. 196.0 Crores at the end of FY 2019-20. The JV's long term potential and outlook indeed seem strong, but in the short term, it has been facing net-worth erosion and therefore your Company has recognized a diminution in the value of its investment of Rs. 35.1 Crores during the year under review. This scenario is likely to prevail for at least 18 months more.

Particulars of Employees

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

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 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.

Key Managerial Personnel

The following persons are Key Managerial Personnel during the year 2019-20

Name	Title
Mr. D K Chhabria	Executive Chairman
Mr. Yatin Y Redkar	Executive Director - Operations
Mr. Mahesh Viswanathan	Chief Financial Officer
Mr. R G D'Silva	Company Secretary & President (Legal)

Human Resources

Tough times bring people closer. But tougher times also test one's ability to stay close over a long period. Now, with the world facing the COVID 19 pandemic, is such a time and your Company stands and commits to stay close to its employees. While your Company has always regarded its employees a significant factor to the success it achieved, it has always been committed to develop and strengthen its employees with the best employment practices, work environment, ability to learn and grow and also prepare them to swiftly adapt to the ever-changing business environment. With the COVID 19 pandemic, the Company now demonstrates utmost care towards its employees by implementing strict procedures and processes at the work-places – Offices, Plants, Branches or Depots. As part of its comprehensive approach to tackle the pandemic, the Company has implemented a four-pronged COVID 19 strategy viz.,

- Screening and Monitoring
- Prevention and Awareness
- Disinfection and Sanitization
- Social Distancing

A COVID Response Team, actively on a daily basis, monitors the employees and situation and have been provided a manual to initiate appropriate actions.

The Company has also implemented in place, processes with benchmarked business practices and the Company finds immense pride to state that none of its employees were laid-off during the COVID 19 pandemic as at the date of this report.

The Company engaged approximately 1762 and 1824 permanent employees as at March 31, 2020 and 2019, respectively. The number of flexible (contractual, trainee and temporary) employees as at March 31, 2020 was 1256.

Corporate Governance

At the Company, we ensure that we evolve and follow the corporate governance guidelines and best practices sincerely, to boost long-term shareholder value and to respect minority rights. The Company considers it an inherent responsibility to disclose timely and accurate information regarding its operations and performance, as well as the leadership and governance of the Company. Your Company is in full compliance with the Corporate Governance guidelines as set out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and is committed to good corporate governance laying a strong emphasis on transparency, accountability and integrity.

Accordingly, all Directors and Senior Management employees confirm in writing their adherence to the Company's Code of Conduct.

A separate report on Corporate Governance (Annexure B) is provided together with a Certificate from the Secretarial Auditors of the Company regarding compliance with conditions of Corporate Governance as Annexure C, as mandated under SEBI LODR Regulations, 2015. There are no significant/material qualifications, reservations or adverse remarks or disclaimers made by the auditor in his report. A Certificate of the Chief Executive Officer and Chief Financial Officer of the Company in terms of Regulation 17(8), Part B Schedule II of SEBI LODR Regulations, 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

Your Company envisages its vision through its tagline 'Finolex – Behtar ElectriKAL ke liye'. This vision not only encompasses the one-step-ahead quality of its products and customer satisfaction, but also a holistic approach about the well-being of the Company, its employees, its customers and the complete society. Your Company commits itself to utmost care and help for sections of the society in need of such a hand and this is visible through the CSR initiatives undertaken by the Company.

During 2019-20, your Company undertook the following CSR activities:

- Free Medical care through Multi-speciality Hospitals
- Mobile hospital facilities in rural areas along-with improvement of health care facilities in such areas
- Facilities for knee replacement, cataract and dialysis for needy people along-with medical help for needy children suffering from H1B diabetes
- Promotion of education, youth welfare and related activities along-with expenditure on improvement of school infrastructure in Maharashtra, Uttarakhand and Jammu
- Sewage treatment plants where the Company's plants are located
- For their invaluable service to the society, Police Vans were provided to the 'Maharashtra Police' as per desired specifications
- Contribution made to PM CARES Fund for helping the Government deal with the current pandemic
- Food and provisions provided to remote villagers in times of COVID
- Contribution to an orphanage to care for the under-privileged children

Annexure 'I' – Annual Report on CSR, forming part of this Report, inter-alia, provides the details of all CSR activities during the year under review and other related information.

Directors

In accordance with the provisions of the Companies Act 2013 and the relevant Rules framed thereunder and of the Articles of Association of the Company, Mr. Shishir Lall (DIN: 00078316), Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment. The requisite details regarding his re-appointment are set out in the Notice for the ensuing Annual General meeting.

Mr Pradeep R Rathi (DIN: 00018577), Independent Director completed his five (5) years term of appointment on September 8, 2019. The Board places on record its deep appreciation of the valuable contribution made by Mr. P. R. Rathi during his tenure on the Board of the Company.

**Mr. P G Pawar, Mr. Mahesh Viswanathan, Mr. M.L Jain and Mrs. Shruti Udeshi, Directors had offered themselves for reappointment at the last AGM held on September 18, 2019.All the resolutions proposed at that AGM were passed by requisite majority. However, two major corporate shareholders namely: Orbit Electricals Private Limited holding 30.7% and Finolex Industries Limited holding 14.5% aggregating to 45.2% of the paid up share capital of the Company voted against each of the resolutions for their respective re-appointments. Both the aforesaid major corporate shareholders are under the management control of Mr. Prakash Chhabria one of the promoters of the Company who is currently in dispute with Mr. D K Chhabria, another promoter who is in management control of the Company which explains the reasons for such negative votes being cast by those companies. A contention has been raised that these votes were cast contrary to the mandate under their constitutional documents/ contractual commitments, and these are the subject matter of challenge before the Court(s) and the matter is thus sub judice.*

At its meeting held on September 18, 2019, on the recommendation of the Nomination and Remuneration Committee ("NRC") in this regard the Board appointed Mr. D. K. Vasal and Mr. J. R. S. Reddy as Independent Directors and Mr Yatin Y Redkar as an Executive Director- Operations of the Company w.e.f September 19, 2019. These Directors hold office as such till date of the ensuing Annual General Meeting of the Company. The Board recommends their re-appointment. The requisite details regarding their reappointment are set out in the Notice for the ensuing Annual General Meeting.

At its meeting held on September 18, 2019, on the recommendation of the Nomination and Remuneration Committee ("NRC") in this regard the Board had also appointed Mr. J. R. Samuel as an additional Non-Executive Non Independent Director w.e.f September 19, 2019. He has ceased upon resignation w.e.f August 14, 2020. The Board places on record its deep appreciation for the valuable contribution and active participation of Mr. J R Samuel at Board and Committee meetings during his tenure on the Board.

Pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC") in this regard, the Board at its meeting held on February 14, 2020 appointed Mrs. Kavita Upadhyay as an Independent Woman Director on the Board with immediate effect. Her appointment is required to be confirmed by the shareholders at the ensuing Annual General Meeting; details regarding the same are set out in the Notice for the ensuing Annual General Meeting.

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:

- **Web link to the Annual Return:** The Annual Returns of the Company are available at the Company's website at www.finolex.com

- **Number of meetings of the Board:** The Board met on 5 occasions during the year. The details of the meetings are furnished in the Report on Corporate Governance which is attached as Annexure B to this Report.

- **Directors' Responsibility Statement:** Pursuant to Sections 134(3)(c) and134(5) of the Companies Act, 2013, (the "Act"), the Directors, to the best of their knowledge and belief and according to the information and explanations provided to them, confirm that:

    - in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same

    - the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period

    - the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

    - the Directors have prepared the annual accounts on a going concern basis;

    - the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

    - the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

- **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.

- **Board Evaluation:** Due to COVID 19 pandemic the Independent Director meeting, though scheduled for March 30, 2020, could not be held within the financial year 2019-20. Pursuant to general circular no 11/2020 dated March 24, 2020 issued by Ministry of Corporate Affairs the holding of such meeting for financial year 2019-20 is exempted due to the unprecedented situation created by the Covid-19 Pandemic. However, the independent directors at their meeting dated June 27, 2020, without the participation of the non-independent directors and Management, considered and evaluated the performance of the Board, performance of the Chairman and other non-independent directors. The evaluation was performed taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The Board of Directors expressed its satisfaction with the evaluation process.

- **Particulars of loans, guarantees or investments under section 186 of The Companies Act, 2013:** During the year, an equity investment of Rs. 43.4 Crores was made in the Company's JV - M/s Finolex J-Power Systems Private Limited.

- **Contracts or arrangements with related parties:** All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. Each of these transactions was reviewed by the Audit Committee prior to being entered into and where necessary, was approved by the Board of Directors and the Members. In respect of transactions of a repetitive nature, an omnibus approval was obtained from the Audit Committee and Members where necessary. At every quarterly 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 35 to the financial statements. Details of the same are also reproduced in Form AOC 2 which is attached as Annexure H to this Report. The Company's Policy on transactions with related parties as approved by the Board is also available on the website of the Company at www.finolex.com.

- **Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2020 and August 14, 2020:** There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (March 31, 2020) and date of this Report (August 14, 2020)

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

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

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

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

- **Risk Management Policy:** Your Company has set up a Risk Management Committee of the Board of Directors which comprises Mr. Shishir Lall, Mr. D. K. Chhabria, Mr. Mahesh Viswanathan and Mr. J. R. S. Reddy. More details of the risks faced by the Company are available in the Management Discussion and Analysis (MDA), attached as Annexure 'A' to this Report.

- **Vigil Mechanism / Whistle Blower Policy:** As required under Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Boards and its Powers) 2014 and Regulation 22 of the SEBI LODR Regulations, 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 at www.finolex.com.

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

  During the year under review, no complaints were received.

Auditors

M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W / W100018), Auditors of the Company, hold office until conclusion of the Fifty-Fourth Annual General Meeting of the Company to be held in the financial year 2022-23, provided that they continue to remain eligible to continue as Auditors of the Company. As required under the provisions of Section 139 and Section 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014, the said Auditors have confirmed their eligibility to continue to act as Auditor of the Company.

The Audit Committee and the Board of Directors have noted the aforesaid.

Cost Audit

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) rules of 2014 as amended from time to time, your Company has been carrying out an audit of cost records every year. At the previous Annual General Meeting, the members had approved the appointment of M/S Joshi Apte & Associates as Cost Auditors, for the financial year 2019-20, at a remuneration of Rs. 5.5 lacs plus GST, 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 for the financial year 2018-19 was filed within the permissible time for the same.

Secretarial Audit

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

Their Report dated August 14, 2020 is attached as Annexure D to this report.

The Secretarial Auditors in their report have made three obervations which emanate as a result of the situation as clarified under Item no. 2.1 of the report on Corporate Governance (Annexure B) to this report. Following are the observations in brief and the Company's reply for each of them.

Obervations 1 and 3: Non Compliance of Sec 149 of the Companies Act, 2013 regarding Appointment of Woman Director and Non-Compliance of Regulation 17 of SEBI (LODR), 2015 regarding appointment of Woman Director.

Company's Response: "During the year under review Company has complied with regulation 17 of SEBI (LODR), 2015, However, position of Mrs. Shruti Udeshi as an Independent Women Director became sub judice only because two major corporate shareholders holding in aggregate 45.2% of the Paid up Share Capital of the Company voted against the resolution which was proposed in Annual General Meeting held on September 18, 2019. Both of the aforesaid major corporate shareholders are under the management control of one of the promoters of the Company who is currently in dispute with the person who is in management control of the Company which explains the reason for such negative votes being cast by them. A contention has been raised that these votes were cast contrary to the mandate under their constitutional documents/ contractual commitments and these are the subject matter of challenge before the Court(s)/ NCLT and thus, after September 18, 2019 her position as an Independent Women Director is sub judice. In view of the sub judice position continuing due to Orders from the respective authorities/courts/legal forums not being received quickly the Company immediately, as an abundant precaution has appointed Mr. Kavita Upadhyay, as an Independent Women Director on its Board with effect from the meeting of the Board held on February 14, 2020."

Observation 2: Non-filing of certain forms with ROC, Pune.

Company's Response: The forms left to be filed were related to the following sub-judice matter which has been included as a note under the Directors section of this report.

"Mr. P G Pawar, Independent Director, Mr. Mahesh Viswanathan, Deputy Managing Director, Mr. M.L Jain, Non-Executive Director and Mrs. Shruti Udeshi, Independent Director had offered themselves for reappointment at the last AGM held on September 18, 2019. However, two major corporate shareholders holding in aggregate 45.2% of the paid up share capital of the Company voted against each of the resolutions for their respective re-appointments. A contention has been raised that these votes were cast contrary to the mandate under their constitutional documents/ contractual commitments, and these are the subject matter of challenge before the Court(s)/ NCLT and the matter is thus sub judice."

Secretarial Standards

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

Listing of Securities

Your Company's equity shares are listed on the two premier stock exchanges of the country namely BSE Limited and NSE of India Limited. Your Company had issued Global Depository Receipts which are listed on the Luxembourg Stock Exchange. Your Company has not issued any Non-Convertible Debentures ("NCDs") in financial year 2019-20 and no NCDs were outstanding as on March 31, 2020.

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 E.

Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend which are not subject to any legal requirements has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred 3,07,205 shares on which dividends were unclaimed for seven consecutive years as per the requirements of the IEPF Rules. The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

Cautionary Statement

Statements in this Boards' Report and Annexures 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 are thankful to the Members for extending their constant trust and for the confidence shown in the Company.

For and on behalf of the Board of Directors

Place: Pune
Date: August 14, 2020

D. K. Chhabria
Executive Chairman

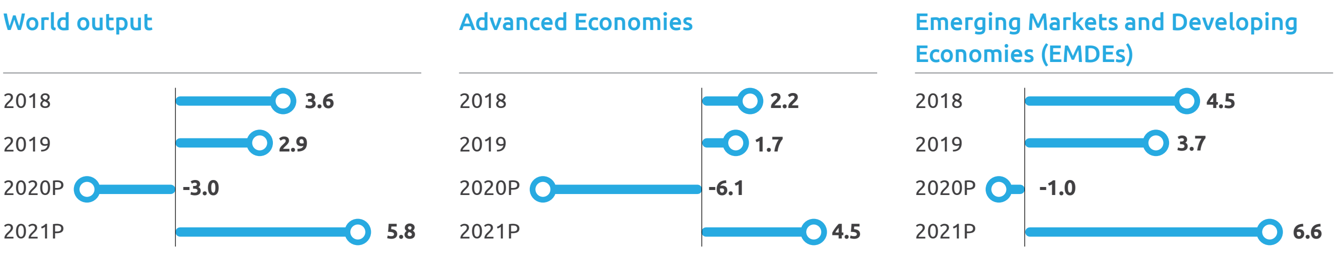
Annexure A - I

Management Discussion and Analysis

Global Economic Scenario

The year 2019-20 was quite a challenging one for the world economy, with sluggish growth in manufacturing and trade in 2019, and the unprecedented novel coronavirus pandemic throttling almost all economic activities in the first half of 2020. Trade policy uncertainty, geopolitical tensions, and stress in key emerging markets were among the primary factors. Global GDP growth stood at 2.9%[1] in 2019 compared with 3.6% in 2018, as per the IMF World Economic Outlook.

Global Economic Growth: Actual and Projections (%)



Source: IMF World Economic Outlook, April 2020,

P = Projections

Despite the headwinds of 2019, there were positive indications at the beginning of 2020, such as monetary policy easing in several economies and receding of trade tensions. However, all projections had to be revised drastically once the scale of the Covid-19 contagion became clear, and trade and commerce were pushed to the background as concerns over public health came to the forefront. IMF has revised the growth outlook in April 2020 and estimated the global economy to contract by 3% in 2020. Advanced economies are projected to register a negative growth of 6.1%, while EMDEs are projected to see a 1% decline in growth. Only India and China are expected to remain in the positive growth zone, at 1.9% and 1.2%, respectively. The global economy is likely to rebound and grow by 5.8% in 2021, with the normalisation of activities and the support of fiscal stimulus.

Covid-19 Impact

Social distancing and largescale lockdowns to prevent the spread of Covid-19, plus the 300,000+ deaths worldwide till May 2020, have caused governments to become overwhelmed by the extreme pressure on healthcare and the task of supporting national economies. According to the World Trade Organization, global trade is likely to drop between 13% and 32%[2] in 2020 during and after the pandemic. Experts have already projected a recession, considering the pandemic's impact on global financial and consumer markets, with purchasing powers severely eroded in many countries. According to the Asian Development Bank, the coronavirus outbreak could cost the global economy US$4.1[3] trillion. Extensive multilateral co-operation and targeted fiscal, monetary, and financial measures will be required to prevent the economy from plunging further in the next two years.

Indian Economic Scenario

Growth sentiments in India were impacted by the global slowdown and the Covid-19 outbreak, alongside a few country-specific factors. The deceleration in growth was mainly attributed to a fall in three key economic parameters: consumption, investment, and export. Distress in the Non-Banking Financial Company (NBFC) sector, lower Goods & Services Tax (GST) collections and strain on fiscal deficit put still more pressure on economic activities. The situation

[1] https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020

[2] https://www.wto.org/english/news_e/pres20_e/pr855_e.htm

[3] https://www.bloomberg.com/news/articles/2020-04-03/global-cost-of-coronavirus-could-reach-4-1-trillion-adb-says

became aggravated by the coronavirus outbreak and India's nationwide lockdown starting from the last week of March 2020, estimated to be the largest and the strictest lockdown in the world. According to IMF, India's GDP grew at 4.2% in FY2019-20, down from 6.1% in FY2018-19, affected by these factors.

A few positives in FY2019-20 indicated a growth pickup for the next fiscal. The Reserve Bank of India's repo rate cuts by a total 135 basis points were intended to give a liquidity boost to the economy and credit support to the NBFC sector. The year also saw recovery of real consumption supported by a significant growth in Government Final Consumption. Further, the amendment of the Insolvency and Bankruptcy Code[4] (IBC) to ease financial stress on the real estate was a significant growth booster. The positive sentiment was also fuelled by India's jump to 63rd rank[5] in the World Bank's Ease of Doing Business in 2020, making it more attractive for Foreign Direct Investments. Above all these, the National Infrastructure Pipeline with a budget of Rs 102 lakh crore and the healthy allocations for infrastructure seen in the Union Budget 2020-21 raised hopes for an upswing.

As with the whole world, the pandemic and the non-availability of a vaccine has upset most of India's economic calculations for 2020. But the country's fundamentals being very strong, it is projected by the IMF to be among the best performing economies in 2021, with a growth rate of 7.4%, second only China's 9.2%. Export and manufacturing in India may even benefit from the contagion, as some companies look at it as a viable alternative to China for cost-effective outsourcing.

Growth Outlook and Covid-19 Impact

As the coronavirus crisis rolls well into FY2020-21, the Government has been focusing on containing the infection and ramping up healthcare infrastructure. The nationwide lockdown saved lives but caused massive income loss and production loss, and an overall weak financial performance. As an umbrella support, a Rs. 20 lakh crore all-inclusive stimulus package called 'Atmanirbhar Bharat' has been announced by the Government. This includes extensive support packages for industries, including MSMEs and cottage industries, labourers, middle class, and urban and rural poor. RBI slashed the reverse repo rate by 25 bps to 3.75% in April 2020 so that commercial banks could lend to companies instead of parking the cash with RBI. A return to normality is expected only by the second half of FY2020-21 if infection containment measures work.

Company Overview

Finolex Cables Limited (hereinafter referred to as "Finolex" or "the Company"), is a leading manufacturer of electrical and telecommunication cables in India. Operating for more than 50 years, Finolex has been able to maintain its leadership position as one of the most diversified wires and cables companies in the country. The Company climbed on the growth trajectory by virtue of its continuous focus on product quality, manufacturing expansion, technological knowhow, and robust customer service. Besides manufacturing a wide variety of wires and cables, Finolex has also forayed into the manufacturing of Fast-Moving Electrical Goods (FMEG) and home appliances in order to move beyond the B2B segment and tap the B2C market for revenue augmentation. Over the years, the Company has established itself as a preferred electrical solutions provider for retail and institutional markets in India and created a strong brand name.

As a backward integration strategy, the Company manufactures Continuous Cast Copper Rods (CCC rods) at its rod plant in Goa. Besides serving the captive requirement of copper rods for producing copper-based electrical and communication cables, the Goa plant also ensures raw material quality control. A small portion of the CCC rods is sold to third-party customers, which is covered under the 'Copper' Segment results.

The Company is focused on enhancing production efficiency and product quality through innovative technology. It caters to the growing and changing market demands through its innovative range of products.

Major Products and Segments

Finolex has a comprehensive product portfolio for diverse electrical requirements across commercial, industrial, and consumer markets. The Company has been recognised as the 'Total Cable Solutions' provider because of its wide range of electrical and communication cables. Its FMEG product range complements the electric cables segment and is well positioned to drive business growth. The four major broad product groups of the Company are: Electrical Cables, Communication Cables, Others (Consumer Electrical and Home Appliance), and Copper rods.

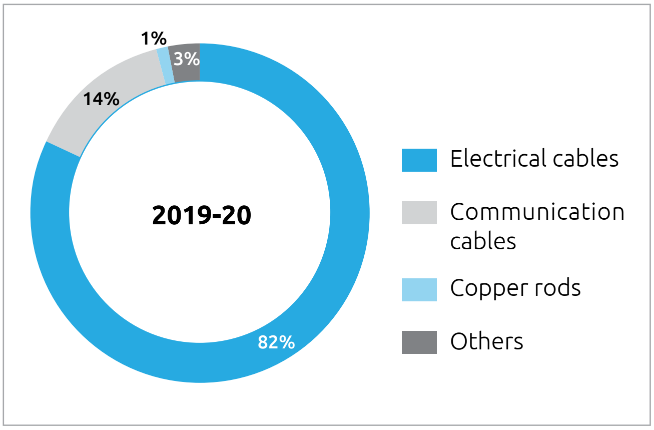
[4] https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf

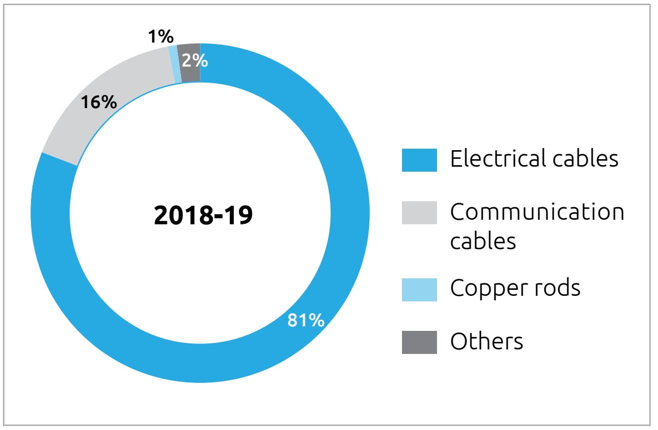
[5] http://documents.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf

Product Portfolio and Applications

Group	Product Covered	Application
Electrical Cables	1100V PVC insulated cables	Electrification of industrial establishments, used by construction industry, electrical panel wiring, and consumer electrical goods
	Motor winding PVC insulated cables	Submersible pumps and electrical motors
	Automotive/battery cables	Wiring harness for 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 the elevator industry
	Solar cables	Specially insulated cables for use in solar parks
Communication Cables	Optic fiber cables	Networks requiring high-speed transfer of large bandwidth for voice image and data transmission
	Optic fiber	Principal raw material for optic fiber cables
	Coaxial cables	Cable TV network solutions, microwave communications, mobile towers
	Local area network (LAN) cables	Indoor and outdoor networking, voice and data transmission, broadband usage
	CCTV cables	CCTV cables for better quality of CCTV images
	Speaker cables	Broadcasting applications in buildings and electronic goods
	Jelly-filled telephone cables (JFTCs)	Telephone line connections to exchanges and users
	PE insulated telephone cables (Switchboard cables)	Telephone instrument connections to EPABX
	V-SAT cables	For connecting V-SAT dish to base station
Copper Rods	CCC rods of 8mm diameter	Raw material for manufacturing copper-based cables
Electrical Switches	Premium and classic switches, sockets, regulators, etc.	For power supply to equipment in domestic, commercial and industrial environment
Lamp	Retrofit/non-retrofit CFL lamps and T5 tube lights and fittings, LED based lighting solutions	Lighting for homes, hotels, shops, offices and factories (both indoor and outdoor applications). Also available for street light applications
Electrical Fans	Ceiling fans, table fans, wall fans, pedestal fans, exhaust fans	For use in domestic, commercial and industrial Environment
Switchgear	Miniature circuit breaker (MCB), residual current circuit breaker (RCCB), moulded case circuit breaker (MCCB), distribution boards (DB)	For use in voltage surge protection and safety applications in domestic and commercial environment
Water Heater	Instant and storage water heaters	For use in domestic and commercial environment

Revenue Break-Up





Operational Review

Production

- **Electrical Cables:** 60,651 MT as compared to 62,483 MT in the previous year.
- **Communication Cables:** Metal-based at 7,773 MT as compared to 8,091 MT in the previous year.
- **Communication Cables:** Optic fiber cables of 1,295,500 fiber kilometre (FKM) as compared to 1,850,493 FKM in the previous year.

Revenue

- **Electrical Cables:** Rs. 2,361.1 Crores as compared to Rs. 2,494.4 Crores in the previous year.
- **Communication Cables:** Rs. 408.9 Crores as compared to Rs. 488.9 Crores in the previous year.
- **Copper Rods:** Rs. 19.1 Crores as compared to Rs. 28.3 Crores in the previous year.
- **Other Products:** Rs. 88.2 Crores as compared to Rs. 71.0 Crores in the previous year.

The Company registered a total revenue of Rs. 2,877.3 Crores in FY2019-20 as against Rs. 3,077.8 Crores in the previous year, registering a 6.5% YoY de-growth with contraction registered across major segments, predominantly due to challenging macro-economic factors. Of this, segment-wise revenue contraction was: Electrical Cables by 5.3%, Communication Cables by 16.4%. Other products segment registered a growth a YoY growth of 24.2%. Total Income (segment revenues and other income) for the year stood at Rs. 3,049.2 Crores as against Rs. 3,199.6 Crores in FY2018-19.

The Electrical Cables segment, which contributed approximately 82% of the Company's total revenues in FY2019-20, mostly caters to the real estate industry. The real estate industry has undergone a virtual catharsis since 2014 with the imposition of the Real Estate (Regulation and Development) Act, 2016 (RERA), Goods and Services Tax Act (GST) and demonetisation, in the midst of a prolonged correction in demand and prices. Measures such as the consecutive rate cuts by the RBI, reduction of GST rates to 1% for affordable housing and 5% for others and the setting up of an Alternative Investment Fund (AIF) to provide relief to developers with unfinished projects have had little impact in supporting the already weak end-user sentiments in a landscape clouded by the ongoing Non-Banking Financial Companies (NBFC) issues and the resulting funding crisis for developers. All these factors eventually reflected in the Company's performance this year.

With poor economic data from all quarters, the government has been announcing various reforms/ stimulus measures for economic revival. In that regard, the specific measure for real estate sector in the form of AIF of Rs. 250 bn is a step in the right direction. Hence, the Government's formation of AIF to fund the last mile credit requirement will help ease the logjam in the sector. This last mile funding avenue for stuck projects will be a big relief for the developers as well as the homebuyers committed to these projects. In the process, revival in the construction activity will also have a multiplier effect on economic growth given its linkages to various industries. The Company expects substantially higher growth in revenues from the electrical cables segment in a few years.

Revenue from the Communication Cables segment declined due to slowdown in the domestic public and private telecom sector. The fall was driven by lower revenue from Optical Fiber Cables, the largest revenue contributor to this segment. This scenario is expected to change with the stabilisation of trade tensions across the globe, improvement in domestic scenario, and the development of Digital India projects and

5G infrastructures. But, the fallout of the Covid-19 pandemic on all economic activities has to be taken into account for growth estimates, and the outlook must be tempered with caution.

Finolex registered a healthy revenue growth in the Others segment (FMEG) on the back of its strong brand recognition and well-spread sales and distribution network.

Exports

The sluggishness in the global economic activity continued to reflect on the Company's exports which stood at a modest Rs. 25.7 Crores as against Rs. 30.4 Crores during the previous year.

For more details on the operations, a reference may please be made to the financial statements

Key Financial Ratios:

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

Key Strengths

- **Wide product portfolio**
  Finolex has more than 50,000 diversified products in wires and cables, FMEG, and home appliances. The Company serves as a one-stop-shop for electrical and communication cable solutions for institutional customers and government-owned entities. Its FMEG segment caters to the retail sector and has been steadily increasing its share in the revenue mix.

- **Brand Recognition**
  Finolex has leveraged its strong brand equity to extend its product offerings, foraying into FMEG and home appliances. This is well supported by its sales and marketing team and pan-India distribution network. The Company's unique tagline 'Finolex – Gets People Together' over the five decades of its operations has been receiving impressive response. Today, the Company has firmly established itself as a consumer validated 'Superbrand'. The Finolex brand's visibility in the visual and digital media has further strengthened its presence.

- **Manufacturing Knowhow and Backward Integration**
  The Company owns and operates 5 manufacturing sites and 28 depots to maintain a smooth supply chain and optimum product inventory. It also manufactures its key raw materials – PVC compound and copper rods, optic fiber, and FRP rods – as part of its backward integration strategy. This has given the Company greater control over its bottom line, secure its raw material supply, maintain high quality, and offer the final products at a competitive cost.

- **Pan-India Distribution Network**
  The strength of Finolex lies in its widespread channel network of 5,000+ Distributors and 50,000+ retailers. In addition, the Company has 8 exclusive retail stores, named 'Finolex House'. The Company has also launched its own e-retail site to cater to the new age e-commerce consumers and penetrate the retail segment further. The huge network enables the Company to supply products in significant volumes across the country and grow its brand presence.

- **Product Quality**
  True to its tagline 'Behtar ElectriKAL Ke Liye', product quality and customer satisfaction remain key focus areas for Finolex. Supported by its state-of-the-art manufacturing facilities, continuous research and development (R&D), and superior technological expertise, the Company ensures delivery of high quality, reliable, and durable products at a competitive price, creating a strong value proposition.

- **Diversification**
  To de-risk the dependence on a single business segment, Finolex diversified into the FMEG business segment, manufacturing LED lamps, low-duty switch gear, fans, water heaters, and other electrical accessories. These products have been well accepted because of Finolex's brand name and quality.

- **Joint ventures and technical collaborations**
  Finolex has a joint venture with J-Power Systems Corp., Japan (a Sumitomo Group company) for EHV (extra high-voltage) cables. The Company also has a marketing JV with Corning for optic fiber technology and technical collaboration with NSW, Germany, for the manufacturing of submersible cables. These JVs offer resource and technology access, along with financial support to grow the business profitably.

Development Drivers

The Company's goal to safeguard and increase the interests of its customers, channel partners, retailers, stake-holders and employees drives the Company towards betterment all the time. As such, continuous efforts for improvement of the following development drivers has been of utmost importance:

- Undying penchant to over-come adversities with its five-decades long experience and preparedness for the future
- Innovation and first mover advantage within offered product ranges
- Betterment of product quality as per developing standards and expectations
- In-house development of new products with its experts
- Best Cost efficiencies
- Competitive pricing structure
- A growing India-wide distribution network and chain of exclusive 'Finolex House' stores
- Customer-centric approach with best quality products

Business Environment for Product Segments with Outlook

The segment-wise business review along with the markets served by the Company is provided below with a brief outlook:

Electrical Cables

Electrical Cables is the core business of Finolex with the largest revenue share. Its electrical cables range adheres to the international standard benchmarks and its sub-segments include light duty electrical cables, and power and control cables.

- The key application of light duty electrical cables is for general lighting purposes. They also have other applications such as electrification of industrial establishments, electrical panel wiring in industrial plants and equipment, as well as consumer durable goods, automobiles, agricultural pump sets and generator sets.
- The Company has the capacity of manufacturing cables within the range 1.1 kV to 66 kV under power cables category. These high-voltage cables are exclusively designed for underground usage. Power and control cables up to 3.3 kV rating are used for connecting user points to the main supply of power. Power cables above 3.3 kV rating have applications in underground intra-city electricity distribution network. Finolex manufactures insulated power cables only.

Performance

Revenue from the Electrical Cables segment in FY2019-20 stood at Rs. 2,361.1 Crores against Rs. 2,494.4 Crores in the previous year. It accounted for 82% of total sales for the year under review. Volumes sold remained at par with the previous year. However, reduction in commodity prices resulted in reduction in the total sales value. Such volatility in the commodity prices was addressed by suitable pricing policies. Electrical Cable EBIT margin increased from 15.3% in FY2018-19 to 16% in FY2019-20 due to a better product mix.

Since the Electrical Cables business is mostly driven by the real estate sector, slow growth in that sector impacted the Company's wires and cables business. Despite this, the Company managed to register earnings growth in the year under review, performing well in the general electric wire sub-segment, which caters to construction space and automobile wire. In the construction sector, the growth was mostly driven by improved distribution network. In the automobile sector, the Company has added new customers, which has resulted in an increase in volume.

Growth Drivers

Progressing on its roadmap to become a USD5 trillion economy over the next five years, the Government of India has lined up a strong development and investment strategy, supported by sustained resource allocation and policy stimulus. Widespread investments in infrastructure, strong emphasis on universal electrification, urbanisation, and housing sector growth, and renewable energy push would propel the growth in electric cables.

- **Growing Power Demand**
  Based on data from the Ministry of Power, power generation capacity is projected to grow to 480.4 GW by the end of FY2021-22 from 370 GW in FY2019-20. According to the Central Electricity Authority (CEA), about 1,10,000 circuit kilometres (CKM) of transmission lines are required to be added by FY2021 to meet the demand. This indicates the kind of demand expected in Transmission and Distribution equipment, including electric cables.

All-India Installed Power Capacity (in GW) (as on March 2020)

Thermal	Nuclear	Hydro	Renewable Energy Sources	Total
230.6	6.7	45.6	87	370.1

Source: http://www.cea.nic.in/reports/monthly/installedcapacity/2020/installed_capacity-03.pdf

- **Universal Electrification**
  The Government of India has been promoting universal electrification with a number of successful schemes such as Ujjwal Discom Assurance Yojana (UDAY), Deendayal Upadhyay Gram Jyoti Yojana (DDUGJY), the Integrated

Power Development Scheme (IPDS), and the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya). These are propelling demand for electrical cables and wires like never before. Improved electricity availability has also pushed up the demand for house wires.

- **Renewable Energy**
  Carrying forward India's commitment to renewable energy, the Union Budget 2020-21 has allocated Rs. 22,000 Crores to the clean power and renewable energy sector; it has provided Rs. 2,516 Crores for the solar power sector and incentives for wind energy projects. This will be a significant demand driver for the solar cables of the Company.

- **Real Estate and Housing Growth**
  The Indian real estate sector is expected to reach a market size of USD1 trillion by 2030. A series of reforms such as the enforcement of Real Estate Regulatory Authority (RERA), introduction of GST and Insolvency and Bankruptcy Code (IBC), and relaxation in FDI norms have benefited the sector, which is seeing encouraging investor interest. Big-ticket government programmes such as Housing for All and Smart Cities will continue to create a demand push for housing wires and cables. This will augur well for leading private players like Finolex with both wire and cables and FMEG capabilities.

- **National Infrastructure Pipeline**
  The Government increased its infrastructure budget to Rs. 102 lakh Crores for the next five years under the National Infrastructure Pipeline. NIP has lined up 6,500 projects across 23 sectors to be funded by government and private sector. Projects in road and highways, urban infrastructure, telecommunication and power are likely to drive demand for Finolex B2B as well as retail segments.

Outlook

Owing to diverse applications across multiple sectors, growth in the Electrical Cables segment is likely to be driven by massive infrastructure spending and urban development schemes. Factors like GST implementation, preference for reputable brands, technology, and quality are to the advantage of established organised players such as Finolex. However, the continuing Covid-19 outbreak is likely to have a short- to medium-term impact on industry growth and revenues.

The real estate and construction markets are expected to stabilise in the second half of the year, with a 'U-shaped' economic recovery. The loss of productivity during and immediately after the pandemic is almost certain to be followed by a brief period of recession before business picks up again. But the core segments of the economy, to which Finolex makes a vital contribution, will remain fundamentally stable and strong.

Within its Covid-19 support package, the Government extended the deadline for the affordable housing Credit Linked Subsidy Scheme (CLSS) to March 2021. The extension is expected to give a Rs. 70,000 Crores boost to the housing sector. Furthermore, NBFCs are substantially supported with liquidity to boost the manufacturing and real estate sector. Demand pick-up, combined with government monetary support, is likely to lift growth for the industry and the Company.

The Company faces competition risks, operational risks and price volatility and monetary risks in this segment, as it caters to big projects involving largescale orders, long durations, and stringent quality checks. The Company takes required measures to mitigate such risks.

Source: Report 'COVID-19: Impact and key measures to mitigate risk' by JLL

Communication Cables

The Communication Cables segment includes state-of-the-art, new generation communication cables and traditional telephone cables.

- The state-of-the-art communication cables segment is categorised into Copper-Based Cables and Optical Fiber (glass-based) Cables (OFC). Copper-based cables are again sub-divided into LAN cables, coaxial cables, PE insulated switchboard cables, and V-SAT cables used for last-mile connectivity. LAN cables are used for data transfer in high-speed networks and coaxial cables are used in microwave connections, mobile towers, and to provide content input to TV receiving sets. PE insulated switchboard cables find applications in telephone instruments and EPABX system. V-SAT cables are used for connecting the V-SAT dish to the base station. The new innovative product variants of special cables are used in image capture, power solutions as well as CCTV cameras.

  Optical fiber cables are capable of carrying the maximum bandwidth and speed. Some variants of OFCs are used as trunk cables for long-distance networks, while others are used by telecom companies, multi-service organisations and other service providers for data distribution. As they are utilised for high-speed and high-bandwidth digital data transmission, communication cables are a key requisite for infrastructure development. With the Digital India Mission at the forefront, OFC remains one of the most in demand wire and cable products. Finolex is expanding the optical fiber capacity at its Urse facility in Maharashtra in order to be ready for the growing demand. This will also strengthen the backward integration for its OFC business.

- Traditional telephone cables include copper-based JFTCs to be laid underground for landline telephone connections. The Company is slowly cutting down the scope of its JFTC business because of the growing penetration of mobile connections in India. The Company continues to manufacture JFTCs with broadband features for limited domestic supply and for export, depending on customer preference.

Performance

The communication cables segment (including optical fiber) recorded sales of Rs. 408.9 Crores in FY2019-20 against Rs. 488.9 Crores in FY2018-19. Communication Cable EBIT margin declined due to the slump in India's telecom sector in FY2018-19. EBIT levels for the year stood at 6% in this segment as compared to 13.5% in the previous year. Finolex's marketing JV with Corning for Optical Fiber technology, Corning Finolex Optical Fiber Private Limited, achieved revenue of Rs. 150.0 Crores during FY2019-20 as against Rs. 327.6 Crores in the previous year.

The telecom sector was negatively impacted by two factors. First, the fall in international fiber prices led to lower selling price across all segments of communication products, impacting the total profit margins. Second, most of the communication cable projects moved slowly in the domestic market due to liquidity crunch. The state-run telecom player BSNL has been severely cash-strapped because of huge outstanding dues, leading to the suspension of many projects. Adding to that, major telecom companies in India reported record losses in the year under review after making provisions for adjusted gross revenue (AGR). They were charged a huge sum towards licence fee and spectrum usage fee based on the AGR. All of these developments and the coronavirus outbreak in the fourth quarter of FY2019-20 put huge pressure on the industry performance.

Growth Drivers

- **Digital India**
  The quick expansion of the telecom sector and the Digital India Mission, which aims to provide digital infrastructure as a core utility to every citizen, is driving demand for OFC cables significantly. Under project BharatNet, the government plans to provide broadband connectivity to a total of 250,000 gram panchayats in the country, connecting nearly 625,000 villages digitally. Under Budget 2020-21, a sum of Rs. 6,000 Crores was allotted to BharatNet and link 100,000 gram panchayats in FY2021. Additionally, the Budget also announced a proposal for private sectors to build data centre parks throughout the country.

- **5G Infrastructure**
  India has been rapidly working towards commercial deployment of 5G telecommunication network in sync with the global timelines. Deployment of necessary network infrastructure will require rolling out optical fiber cables (OFC), leading to more opportunities for cable manufacturers. Demand for high-speed data connectivity and advent of 5G are also expected to push demand for undersea cables, connecting the telecom networks of various nations. Industry estimate projects the undersea fiber optic cable business to generate up to Rs. 3,000 Crores revenue opportunity in the Indian market in the next five years.

Outlook

The Company expects its OFC revenue and profit margin to increase substantially in the coming years. Collaborations such as the one with Corning enable the Company to benefit from the technological capabilities of its partner and increase competitiveness. Resumption of the deferred telecom projects will be determined by a possible improvement in the financial health of the public and private telecom service providers in the next fiscal.

Competition from unorganised players, copper price movement, and volatility in the price of optic fiber are the key risks for the Company in this segment. The Company insures against these risks through backward integration for OFC, quality upgradation, bulk purchase, and passing on some costs to customers.

Source: Delloitte report '5G: The Catalyst to Digital Revolution in India', https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1601437

Copper Rods

The Company manufactures Continuous Cast Copper Rods (CCC rods) at its Goa plant, which are used as high-quality captive input materials for its copper-based electrical and communication cables. The Company procures copper cathodes, the raw material for copper rods, in bulk, from local manufacturers and imports the additional amount. Surplus produce is sold to third-party customers.

Performance

The Copper Rod division registered sales of Rs. 558.8 Crores during FY2019-20 compared with Rs. 940.0 Crores in FY2018-19. Third party sales stood at Rs. 19.1 Crores compared with Rs. 28.3 Crores in the previous year. The remaining volume was transferred intermediately. The business of copper rods for Finolex was impacted by higher premiums on copper cathodes and lower premiums on copper rods, which lowered margins for third-party sales of copper rods. The Company restricted its third-party copper rod sales to already committed parties or contracts with acceptable margin levels.

Growth Drivers and Outlook

Copper rod demand will continue to gain traction because of the steady demand growth in copper-based electrical and communication cables. Demand from power, industrial, and digital communication sectors will support the consumption of copper-based cables, thereby driving demand for copper rods. The Company expands its cable manufacturing capacity at regular intervals in line with market requirements. Additionally, the Company expects to stay profitable from selling of copper rods to third parties under the GST regulations.

Others (FMEG and Home Appliances)

a) **Electrical Switches, Switchgears and Lighting**

Branching out from B2B to B2C, Finolex ventured into the consumer electrical segment, and now produces lighting products, electrical switches, and low duty switchgears. The diversification was a strategic move to capitalise on the Company's strong brand image and its widespread distribution and sales network. This was supported by its manufacturing knowhow and raw material availability.

In November 2019, Finolex launched electrical wire accessories like doorbell, extension box, spike guard, angle holders, batten holders, etc. to take a share of the quality electrical products market. After this, the Company ventured into the MCCB product category in January 2020 to strengthen its presence in the domestic and industrial switchgear market.

The electrical switches, switchgears, and lighting products recorded healthy sales in the year under review, supported by strong branding and marketing strategies. The segment registered sales of Rs. 44 Crores during FY2019-20, as against Rs. 39.9 Crores in the previous year.

The Company is aggressively focusing on expanding its distribution network to reach out to more and more consumers in this segment. Adoption of latest technology and best practices is helping it continually improve quality and deepen engagement with the channel partners.

b) **Fans and Water Heaters**

Moving beyond the consumer electrical segment, the Company made a strategic entry into the home appliances segment with the introduction of fans and water heaters. The move was driven by the strength of its brand recall and distribution reach, and the changing consumption pattern among Indians, especially in view of rural electrification and growing urbanisation.

Finolex offers a wide range of domestic and semi-commercial fans with high quality, aesthetics, and value for money and performance. The Company's range of electric water heaters has already been well accepted. The water heaters and fans segment is backed by a nationwide doorstep aftersales service.

The Company reported a strong performance in this segment, with sales of Rs. 44 Crores in FY2019-20, as compared with Rs. 31.1 Crores in the previous year.

Outlook

Finolex projects a positive growth outlook for its FMEG segment once the problems caused by the Covid-19 pandemic recede. The urban Indian population is expected to be around 42% of the total population by 2030, up from the current 31%. Along with this, improved availability of electricity among rural and urban consumers, growing consumer income and preference for quality and branded products are other enabling factors. More women coming into the workforce would mean more household spending power and a higher demand for appliances for home comfort. Digital connectivity, online influence, and e-commerce are important for the growth of this segment.

The launch of Finolex's exclusive retail store, Finolex House, and its foray into e-commerce will further push the sales of this segment. The Company expects that its focused efforts will make it a well-recognised player in the FMEG segment and strengthen revenues from this vertical.

Summary

As one of the leading wires, cables, and FMEG manufacturers in India, Finolex is at the threshold of a growth spurt powered by strategic government investments and national programmes. The infrastructure sectors that drive the business for Finolex are going to remain key focus areas for investment, consumption, and job creation. The Company sees a steady growth for its electrical and communication cables business, which remains the backbone of its business.

The Company's recent foray into FMEG targets a new-age consumer market characterised by nuclear family culture, higher income, consumer involvement in electrical purchase, buying comfort, and brand and quality preference. Potentially highly profitable, this segment has higher margin and lower capital and inventory cost.

The Company is also well supported by its strong balance sheet, experienced management, business continuity plans, and loyal investors to survive a crisis like the pandemic. Constant efforts to widen its reach and create a diversified business will take the Company further along the growth path.

Financial Performance

(Rs. in Crores)

Particulars	STANDALONE	
	2019-20	**2018-19**
Income		
Revenue From Operations (Net)	**2,877.3**	3,077.8
Other Income	**171.9**	121.8
Total	**3,049.2**	**3,199.6**
Expenditure		
Material Costs	**2,083.4**	2,264.9
Employee Benefit Expenses	**149.5**	140.7
Finance Costs	**1.6**	0.9
Depreciation, Amortization and impairment	**38.9**	40.6
Other Expenses	**274.5**	220.6
Total	**2,547.9**	**2667.7**
Profit Before Tax	**501.3**	**531.9**
Tax Expenses:		
Current Tax	**123.2**	165.7
Deferred Tax	**(24.4)**	22.1
Total Tax	**98.8**	187.8
Profit After Tax	**402.5**	**344.1**
Total Other Comprehensive Income / (Expense) for the year	**(40.6)**	**(24.6)**
Total Comprehensive Income for the year	**361.9**	**319.5**

Revenue

Revenue achieved during the current year was Rs. 2,877.3 Crores as against Rs. 3,077.8 Crores in the previous year resulting in a 6.5% de growth.

Costs

- **Material Cost:** Material costs during the year were lower as compared to the previous year due to better product mix.
- **Staff Cost:** Employee expenses increased in proportion to inflation as well as on account of new hires.
- **Other Expenses:** Other expenses increased due to higher spends on advertisements which the Company undertook, in-line with its new market approach. Other expenses also included expenses like electoral bonds and Impairment of investment.
- Depreciation for the year was marginally lower since some of the assets completed their useful life.
- **Finance Cost:** Your Company is debt free and finance costs during the year pertained to bill discounting and other finance charges.

(Rs. in Crores)

Summary of Statement of Balance Sheet	2019-20	2018-19
Sources Of Fund:		
Shareholder's Fund	**2,718.7**	2,439.7
Non-Current Liabilities	**54.2**	68.1
Current Liabilities	**238.9**	261.2
Total	**3,011.8**	**2,769.0**
Applications Of Fund		
Fixed Assets	**413.8**	414.6
Investments	**725.9**	1,381.8
Loan & Other Non-Current Assets	**49.5**	48.5
Current Assets	**1,822.6**	924.1
Total	**3,011.8**	**2,769.0**

- **Capital Expenditure and Investments in JV:** During the year, Your Company incurred Rs. 32.3 Crores towards capital expenditure, predominantly towards sustenance of existing capacity, product development activities and Land in Gujarat. Your Company has invested Rs. 43.4 Cores in its Joint Venture.
- **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 reduced in financial year due to lower sales volume lead by weak demand in infrastructure sectors and DE affirmed of government procurement orders
- **Credit Rating:** Presently, your Company's debts have been rated by CRISIL. Details are as follows:

Agency	Long Term Loan	Short Term Loan
CRISIL	AA+/stable	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. 259.0 Crores from its operations as compared to Rs. 154.1 Crores generated last year. Profit before tax and exceptional items stood at Rs. 501.3 Crores as against Rs. 531.9 Crores in last year.
- **Taxation:** After reckoning a current and deferred tax liability of Rs. 98.8 Crores, profit after tax for the current year stood Rs. 402.5 Crores which is higher than the previous year's Rs. 344.1 Crores. In September 2019, the Government of India promulgated the Taxation Laws (Amendment) Ordinance 2019, announcing major slashes to the corporate tax rates in the Income Tax Act, 1961. The existing Companies were provided an option to pay tax at a concessional rate of 22% (plus Surcharge/Cess), with consequential surrender of specified deductions/incentives. The Company opted for the new scheme, which resulted in the reduction of total tax outgo.

Cash Flow

(Rs. in Crores)

Particulars	2019-20	2018-19
Profit from operations before tax	**501.3**	531.9
(Inc)/Dec in Net working capital	**(132.6)**	(216.2)
Income tax Paid	**(109.7)**	(161.6)
Net cash inflow from operating activities	**259.0**	154.1
Cash inflow/(outflow) for investing activities	**637.0**	(110.0)
Cash (outflow) for Financing activities	**(86.4)**	(74.5)
Net cash inflow / (Outflow)	**809.6**	(30.5)

Risk Management

Risk management is a key part of business strategy in any established organisation as it identifies, prioritises and addresses the potential risks to minimise consequences arising from unexpected incidents. Finolex has a strong risk management framework that undertakes the identification, assessment, monitoring and mitigation of risks associated with the operations of the Company. The Company has a Risk Management Committee that identifies the crucial risks and manages them. The committee ensures that the entire risk mitigation process is streamlined at the senior management and execution level at various stages for smooth business execution. The Company also appoints external advisors for risk identification and formulation of required mitigation strategy.

While the 'Business Environment for Product Segments with Outlook' section mentions some of the risks specific to those segments, some general risks identified by the Company are as follows:

Competition Risk

The Company operates in a fiercely competitive market, which is being ruled by both organised and unorganised players. Thus, failure to supply quality products in time at a competitive price may result in loss of market share.

Mitigation

The Company's manufacturing knowhow and backward integration have been instrumental in delivering top quality products at reasonable prices, offering a competitive edge in its product segments. Besides, a rationalised GST regime has narrowed the cost gap between the organised and unorganised players, creating a level playing field. The Company continues to invest in product innovation and technology to maintain a product range aligned with the changing market demand and latest technological requirements. Furthermore, the Company's entry into the FMEG segment has created avenues for additional revenue generation.

Policy Risk

The sectors that are key business drivers for Finolex, are predominantly dependent on government policies and grants. The Company's institutional sales are critically exposed to risks arising on account of changes in government legislation, policies and regulations. The Company's business may be impacted by monetary policy changes which might affect borrowing terms.

Mitigation

The Company has diversified into FMEG business to protect the overall business from the negative impacts of government policy changes. The Company has also diversified into various sectors to leverage on the government's allocation focus. Along with that, it has increased its exports to reduce major dependency on the domestic market.

Raw Material Fluctuation Risk

Fluctuations in the prices of key raw materials like copper, aluminium and fiber optics may have an impact on the production costs and prices of cables and wires manufactured by the Company. Inability to effectively manage the fluctuations in the prices of the raw materials may have a negative impact on the Company's margins and profitability.

Mitigation

The Company maintains optimal inventory level and takes necessary price hikes or cuts to balance commodity price fluctuations. Efficient production forecasting based on past and present trends and procuring raw materials in bulk from its long-term suppliers at optimal prices insures the Company against raw material price volatility.

Currency Fluctuation Risk

Being a major exporter of wires and cables to international markets, and having import dependence for raw materials, the Company is exposed to foreign exchange fluctuation risks. This may adversely impact the Company's profit margins.

Mitigation

The Company takes the help of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. The Company undertakes adequate hedging to minimise impact of adverse exchange rate fluctuations. Long-term agreements help the Company protect itself from currency fluctuation risks.

Geopolitical Tensions and Global Pandemic

The Company's export segment can be negatively impacted by geopolitical tension among different geographies. Similarly, a global pandemic like the Covid-19 crisis can seriously impact the business and profitability of the Company.

Mitigation

The Company actively monitors its cashflows and implements various financing channels to insure against the risk of impairments. It also undertakes extensive analysis before taking decisions on investments and expanding to new geographies. The Company's business continuity planning and experienced management ensure smooth functioning of operations during crisis.

Internal Controls

The Company maintains an efficient and adequate system of internal controls proportionate to the size and nature of the business it operates in. The internal control system ensures timely and accurate reporting of all financial, commercial and operational transactions. It also ensures safeguarding of assets and stringent compliance with the applicable laws and regulations, accounting standards, procedures and policies through its robust control mechanism.

The Company has constituted an internal team of auditors to monitor these controls, and an external team to oversee the internal controls, including the design and maintain ability of systems. These teams conduct audits on a regular basis to ensure the adequacy and efficacy of the internal control system. The Company has an efficient Audit Committee that 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 monitors the scope and quality of internal controls and statutory audit. The Audit Committee of the Company meets on a quarterly basis to evaluate the audit reports submitted by the internal audit teams and suggests necessary actions to be taken with the management. During FY 2019-20, the Audit Committee met 5 times.

Annexure A - II

SEBI LODR COVID 19 Reporting – May 2020

Pursuant to the advisory issue by SEBI vide its Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 read in conjunction with the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, following is the disclosure of material impact of COVID-19 pandemic on the Company.

Section A: COVID 19 an introduction

COVID 19 – Globally and in India:

The novel COVID 19 virus was detected at the end of 2019. However, due to the rapid widespread and with growing cases across the world, the World Health Organization (WHO), on March 11, 2020, declared the COVID 19 outbreak a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown on March 24, 2020 which has impacted the business activities of the Company. The COVID 19 started its spread in India during the last week of February, 2020. During March 2020, India saw a rapid rise in people affected with the virus, with majority cases registered in densely populated Urban and Industrial cities. This meant an absolute standstill in the functioning of the economy – Industries, Business, Agriculture and Government machinery, at the macro level and a similar standstill in the personal lives of the population at the micro level.

The lockdown imposed strict closure of:

- Production of non-essential goods including construction activities
- Non-essential services,
- Movement of personnel and goods,
- Private, Public and Goods/Carrier transport
- Public and Private work-places
- International movement of Goods
- Travel bans, quarantines and social distancing norms for people

The list being illustrative.

COVID 19 and Finolex Cables Limited (FCL):

Closure Call:

The COVID 19 outbreak had its epicentre in Pune, the place where FCL operates two of its manufacturing sites and also has its Corporate office. With its legacy for best business practices and employee welfare, FCL, voluntarily initiated alternate days working with all COVID 19 guidelines and precautions from March 18, 2020. Further, FCL decided to close its Pune operations (Urse, Pimpri Plants and Pimpri Corp. office) from March 22. With the declaration of the nationwide lockdown, all the other operations viz, Goa and Roorkee Plants, all depot/Branch offices etc. were also shut down, resulting in an absolute halt in operations.

Buoyancy:

During the shutdown period, although manufacturing, marketing and logistics had come to a standstill, FCL encouraged work-from-home, to its employees, to continue with the back-office, support and compliance operations. These included legal and audit compliances. Furthermore, the Company Management and function-heads, worked on strategically planning the future and preparing for life post lockdown, in order to bring the operations of the Company back to normal. Despite the lock-down, working of the Banking industry contributed significantly on the smooth functioning of the financial resources.

Restart:

After the completion of the nationwide 40 day lockdown, the subsequent lockdowns paved ways for slow and steady opening-up of the society and businesses, albeit with restrictions. FCL opened up its Urse, Goa and Roorkee plants in the second week of May, 2020. The Company put in its best efforts to re-configure its operations to increase efficiency and focus on its well-known quality towards its customers, stakeholders and employees.

This started with strict procedures and practices in place with the 'FCL Safe Practices Manual' as well as the 'COVID 19 Response Strategy' and covered all the plant sites, offices, depots and stores, maintaining both productivity and safety. These practices are being monitored by a Cross-functional team, to monitor the situation daily and initiate appropriate actions as per requirement.

Covid-19 Response Strategy

Screening and Monitoring	Prevention and Awareness	Disinfection and Sanitization	Social Distancing

Section B: COVID 19 Impact and Risk Assessment on FCL's Operations

1. Sales and Profitability

- With the imposition of the lockdown, the operations of the Company were shut on March 24, 2020. March, being the most important month from Sales perspective, the Company had to forego an estimated Sales of Rs. 150 Cr. for this period and for the year ended March 31, 2020 along-with the profit on such sales.

- For FY 2020-21, with the lockdown extended the Company saw almost no sales on its leading products for April except few products in selected location. Further May, 2020 witnessed moderate sales especially in the '3 core flat cables' which cater to the agriculture sector, Communication cables which came under essential service and fans in non-containment areas . Overall the Company had to forego sales of almost Rs. 200 Cr. and profit thereon. There however was no production for 1.5 months, so production costs thereof along-with the cost of operating administrative offices, depots and branches were also not expended during the period except essential service expenses. The Company however, despite the shutdown, paid full wages and salaries to all its employees without any lay-offs as at May 31, 2020.

2. Capital and Financial Resources

- With a sudden shut-down of operations, availability and management of Capital and Financial Resources becomes a predominant risk, with Going Concern at stake. However, with shut-down due to natural calamities/unforeseen forced circumstances, such as the current COVID 19 pandemic, the fundamental strength of a concern's financial position becomes an important parameter for assessing such risks.

- FCL has a strong financial position with a strong Net-worth. The Company also remains debt-free thereby carrying no debt servicing risks. More than half of the Company's net-worth stays invested in liquid assets and therefore, FCL through its operating culture averts financial resources risks.

- FCL has a planned capital-outlay of around Rs. 100 Cr., most of which has already been invested and the projects are at 'Go-Live' stages. The financial resources going into such projects do not face long-term locking, with the projects ready to be commissioned and ready to clock revenues. The only risk attached to these project is the interest cost on such funds until the projects get commissioned.

3. Liquidity

- Liquidity risks refer to risk of a business unable to meet its financial obligations/requirements.

- FCL as stated in Para (2) above, thrives on a strong financial position with a strong net-worth and half of which stays invested into liquid resources. The Company also remains debt-free and averts such liquidity or interest coverage risks.

- FCL through its legacy and trusted CP network clocks majority of its sales through the 'Advance payment' mode and therefore, the locking of funds through Trade Receivables remains very less. FCL also conducts business with Government agencies/ PSUs, which enjoy credit periods as per conventional norms and form a majority of its trade receivables. Trade Receivables from the Government may have a tendency to become overdue, but the risk of defaults is much lower. The number of days sales locked in total Trade Receivables remain at around 24 days, being less than 7% of the Company's total Revenue. FCL has the ability to meet its cash flow needs (under both normal and stressed conditions) without having a negative impact on day-to-day operations or its overall financial position.

4. Human Resources

- Human Resource risk refers to unavailability of adequate and skilled human resources. The COVID 19 pandemic resulted in an exodus of migrant workers moving back into their home states. These workers pre-dominantly were involved in less paid manual labour and heavy labour jobs.

- FCL has always found strength in its employees and this view was displayed with the Company paying full wages and Salaries to its employees during the lockdown period.

- Automation forms the basis of all the production facilities at FCL with manual labour involved predominantly for overseeing such automation. The plant floors at FCL therefore deploy very limited individuals. However, majority of the manual labour force remains involved in the handling the logistics of the Company.

- FCL predominantly employs such lesser paid/heavy jobs through labour contractors who specialize in arranging for labour locally as well with migrant workers. The Company anticipates challenges in getting labour once production activities scale up till movement restriction relaxed.

5. **Supply chain and Demand – Segment-wise impact**

a. Electrical Cables:

- **Raw Material:** Copper prices during the last six months saw reasonable stability despite the sudden spike of the COVID 19 pandemic. Therefore, the Company could avert any drastic pricing fluctuations and risk of revaluing its inventory. The Company monitors the commodity movement at periodic intervals and has a system in place to de-risk itself from commodity movement.

- **Liquidity in the Market:** The short term liquidity in the market is tight with people, business and project accepting a wait and watch approach. The general sentiment is to hold on to the available liquidity than letting go and this would result in a lower short-term demand. However, in the mid-term, with the opening up of the economy, demand is poised to rise. As such, although there may be an impact on volume uptake from customers, the Company has a mitigation plan in place to address the risk.

- **Logistics:** The transport industry received a relief after the end of lockdown 2, with the Government allowing plying of essential and non-essential goods carrier with certain restrictions. Therefore, the Company does not foresee any further risks on the Logistics front.

- **Unorganized Players and Demand:** The MSME business and unorganized players suffered a major blow due to the strict and long lockdown with analysts reporting a majority of such small players going out of business permanently. Cable manufacturing units operating out of small places suffered a major blow and the Company anticipates conversion of business from such unorganized players

- **Credit policies and Demand:** Majority of players in the Wires and Cables industry operate and conduct their Sales with certain credit policies. With the lock-down, majority of such receivables have become overdue. Such players are now focusing on stopping supplies to overdue customers, since recovering overdues remains of utmost importance in the current scenario. FCL has been conducting its business on an 'Advance payment' basis and anticipates to convert the overdue customers from its competitors, since the general tendency of such a customer would be to meet its market demand by buying with an advance payment than clear the past overdues.

- **Inventory and Demand:** The March lockdown resulted in lower sales than estimated due to the sudden cut-off. Owing to this, inventory to meet such estimations both Raw Materials and Finished Goods remained with the Company. This Inventory however, provides a leverage to the Company to meet the demand rising with the opening up of the market, even as Production faces its challenges to attain normalcy. This will facilitate the Company to resume sales before production activities resume

- **Pricing:** For a quick rebound, the Company has displayed flexibility with its traditional way of conducting Sales. In place of the traditional way of set targets and incentives on achieving them, the Company decided to pass the incentives without such set targets, thereby making the products more competitive from pricing perspective as well.

b. Optic Fiber Cables:

- **Essential Goods:** Optic Fiber Cables (OFC) were categorized as 'essential goods' as per the Government's lockdown guidelines. Therefore, supply/shipping of OFC orders was open during the lockdown. However, Optic Fiber projects involve the laying process, which remained closed during the lockdown and under pressure in green laying zones, despite the opening up. This was predominantly due to migration of such laying manual workforce discussed under Human Resources.

- **Raw Material:** Raw material remained to be available since despite the rise in its COVID 19 cases, United States stayed away from locking down economic activities. However, higher demand from China kept pressure on the Raw material availability. The Company has adequate raw material to initiate production activities post lockdown.

- **Lockdown and Demand:** With an unprecedented lockdown and the entire Indian population of approximately 130 cr. people indoors, the pressure on consumption of data saw growth to untapped levels. All major cellular service providers faced pressure with the rising demand which could not be coped-up with. The importance of broadband connectivity was realized in an unparalleled fashion signifying the Government's Digital India and Bharat Net vision. The Company anticipates further growth due to the lockdown.

- **'Atmanirbhar Bharat' and Demand:** The lockdown resulted in the 'Atmanirbhar Bharat' vision of the Government of self-sufficiency. This was also in line with the underlying anti-China sentiment in the market. With the blocking of Chinese Optic Fiber supply in the market, the Company foresee a major rise in the Optific Fiber Cables demand.

- **Inventory and Demand:** The March lockdown resulted in lower sales than estimated due to the sudden cut-off. Owing to this, inventory to meet such estimations both Raw Materials and Finished Goods remained with the Company. This Inventory however, provides a leverage to the Company to meet the demand rising with the opening up of the market, even as Production faces its challenges to attain normalcy.

c. **Power Cables:**

- The Raw material, Market liquidity and Logistics - points discussed under Electrical Cables segment would be applicable to this segment as well.

- The Power Cables projects require extensive laying, which is labour oriented and as discussed elsewhere in this report is under stress. Apart from this, the arrival of the Monsoon creates further hindrances in the laying process and may affect demand accordingly.

d. **Auto Cables:**

- The Raw material, Market liquidity and Logistics - points discussed under Electrical Cables segment would be applicable to this segment as well.

- Auto Cables customers are predominantly Original Equipment Manufacturers (OEMs). Due to the current lock-down, the auto sector is under tremendous stress and OEMs are facing a major liquidity crunch. Recoveries from such OEMs remains a major challenge for the Company.

e. **Lighting and other household:**

- Since these products are produced through sub-contracting, the company foresees some stress on that front.

- **'Atmanirbhar Bharat' and Demand:** The lockdown resulted in the 'Atmanirbhar Bharat' vision of the Government of self-sufficiency. This was also in line with the underlying anti-China sentiment in the market. For lighting and other household products with dependency on indirect-imports, the Company will source the products from domestic suppliers.

6. **Internal Financial Reporting and Control**

- With situations like the lockdown, there may arise circumstances where the Internal Financial Reporting and Control tools/methodology could be deviated. This creates an IFCR risk.

- The Company shut its operations in accordance with the Government Guidelines. However, majority of the Management, Support and back-office operations were actively being carried with the work-from-home methodology. All senior employees in charge of controls in their respect functions were actively working and the protocol of the Company to abide by the defined IFCR principles was strictly adhered to.

7. **Existing Contracts/agreements and the impact of non-fulfilment of such obligations**

- The Company does not anticipate any material impact on the business if there is any non-fulfilment of contract/agreement by any part

Section C: The way forward

The Company has already resumed its operations in an almost full-fledged manner by June 01, 2020. Although the current picture with the widespread pandemic is hazy, the Company hopes that the market would steadily drop its negative sentiment in the short-term and the mid-term would see the market operate with regular normalcy.

The Company continues with its estimations in the long-term, with an increasing CAGR and exponential growth. This has been explained segment-wise elsewhere in the MDAR.

Every adversity gives ways for prosperity. Keeping this in mind, the Company is poised to explore further its cost efficient model and make the most out on the cost efficiency front.

The Company has prepared cash flow projections and also assessed the recoverability of receivables, contract assets. The Company has also factored assumptions used in annual impairment testing of investments, tangible and intangible assets having defined useful life, using the various internal information up to the date of approval of these financial results. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and does not anticipate any impairments to its financial and non-financial assets. The Company will continue to closely monitor any material changes to future economic conditions.

Annexure B

Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

The Company has adopted certain practices to achieve good corporate governance; the salient ones being fairness and transparency in dealings, accountability for performance, effective management control by the Board of Directors of the Company (the "Board"), constitution of Board Committees as a part of internal control system, fair representation of professional, qualified, non-executive and independent directors on Board, adequate and timely disclosure of financial and other information and prompt discharge of statutory obligations and duties. The Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct has been hosted on the website (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. None of the Directors on the Board are related to each other.

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

Category	Name of Directors
Promoter Executive Director	Mr. D. K. Chhabria, Chairman
Non Promoter Executive Director	Mr. Yatin Redkar, Executive Director- Operations
Independent Directors	Mr. Devender Kumar Vasal
	Mr. Jayaram Rajasekara Reddy
	Mr. Kavita Bhaskar Upadhyay
Non Independent Non-Executive Director	Mr. Shishir Lall

*Mr. P G Pawar, Mr. Mahesh Viswanathan, Mr. M.L Jain and Mrs. Shruti Udeshi, Directors had offered themselves for reappointment at the last AGM held on September 18, 2019. All the resolutions proposed at that AGM were passed by requisite majority. However, two major corporate shareholders namely: Orbit Electricals Private Limited holding 30.7% and Finolex Industries Limited holding 14.5% aggregating to 45.2% of the paid up share capital of the Company voted against each of the resolutions for their respective re-appointments. Both the aforesaid major corporate shareholders are under the management control of Mr. Prakash Chhabria one of the promoters of the Company who is currently in dispute with Mr. D K Chhabria, another promoter who is in management control of the Company which explains the reasons for such negative votes being cast by those companies. A contention has been raised that these votes were cast contrary to the mandate under their constitutional documents/ contractual commitments, and these are the subject matter of challenge before the Court(s) and the matter is thus sub judice.

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 any other Director or to the promoters and neither do they hold any shares in the Company.

Every Independent Director, at the first meeting of the Board in which he/ she participates as a Director and thereafter at the first meeting of the Board in every financial year, or whenever there is any change in the circumstances which may affect his/her status as an independent director gives a declaration that he/ she meets or does not meet the criteria of independence as provided under the law.

2.2 Meetings and Attendance records:

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 five Board Meetings were held i.e. on May 29, 2019, August 14, 2019, September 18, 2019, November 13, 2019 and February 14, 2020.

Attendance at meetings of the Board in financial year 2019-20 and at last Annual General Meeting (AGM) held on September 18, 2019, number of other directorship, details of designation/ category and membership/ chairmanship(s) of Board Committees of each director in other companies as on the date of this report, is set out below:

Name of Director	Category	No of Meetings attended	Whether attended last AGM	No of Directorship(s) as on March 31, 2020			No of Membership*** (s) of Board Committees as on March 31, 2020	
				Public		Private		
				Listed	Unlisted		As Member	As Chairman
Mr. D K Chhabria	Chairman Executive Director	5	Yes	-	-	4	0	0
Mr. Shishir Lall[1]	Non-Executive Non-Independent Director	5	Yes	0	0	0	0	0
Mr. Devender Kumar Vasal[2]	Non-Executive Independent Director	1	N/A	1	1	1	3	0
Mr.Jayaram Rajasekara Reddy[3]	Non-Executive Independent Director	2	N/A	0	0	0	0	0
Mr.Joel Raphael Samuel[5]	Non-Executive Non Independent Director	2	N/A	0	0	0	0	0
Mr. Yatin Redkar[6]	Executive Director	2	N/A	0	0	1	0	0
Mrs. Kavita Bhaskar Upadhyay[4]	Non-Executive, Women Independent Director	0	N/A	1	0	0	1	0
Mr. P R Rathi[7]	Non-Executive Independent Director	1	N/A	4	3	7	0	3
Mr. P G Pawar**	Non-Executive Independent Director	3	Yes	2	1	5	2	0
Mr. Mahesh Viswanathan**	Executive Director/ CFO	5	Yes	0	0	2	0	0
Mr. M.L Jain**	Non- Executive Non Independent Director	3	Yes	0	0	1	0	0
Mrs. Shruti Udeshi**	Non-Executive Independent Director	3	Yes	0	0	0	0	0

Notes:

1 Mr. Shishir Lall is not on the Board of any other company. The status of Mr. Shishir Lall has changed from Independent Director to Non-Executive Non-Independent Director w.e.f August 14, 2020.

2 Mr. Devendra Kumar Vasal was appointed by the Board as Non-Executive, Independent Director w.e.f September 19, 2019. He is also an Independent Director on the Board of Balaji Telefilms Limited.

3 Mr. Jayaram Rajasekara Reddy was appointed by the Board as Non-Executive Independent Director w.e.f September 19, 2019 and he is not on the Board of any other company.

4 Mrs.Kavita Bhaskar Upadhyay was appointed by the Board as Non-Executive Independent Director w.e.f February 14, 2020. She is also an Independent Director on the Board of Man Infraconstruction Limited

5 Mr. Joel Raphael Samuel was appointed by the Board as Non-Executive Additional Director w.e.f September 19, 2019 and subsequently he resigned w.e.f August 14, 2020. He was not on the Board of any other company.

6 Mr. Yatin Redkar was appointed by the Board as an Executive Director-Operations w.e.f September 19, 2019 and he is also a Nominee Director of the Company on the Board of Finolex J- Power Systems Private Limited.

7 P R Rathi ceased w.e.f September 8, 2019 upon end of his 5 years term as an Independent Director.

** Regarding status of Mr. P G Pawar, Mr. Mahesh Viswanathan, Mr. M.L Jain and Mrs. Shruti Udeshi, Directors please see clarification given under Item 2.1 above.

*** 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 excluding for Section 8 Companies, if any.

2.3 Remuneration to Executive Directors/CFO:

Particulars	**Mr. D K Chhabria** Executive Chairman (₹ PA)	**Mr. Mahesh Viswanathan** CFO (₹ PA)	**Mr. Yatin Redkar** Executive Director w.e.f September 19, 2019
Salary and Allowances	1,02,00,000	1,47,46,403	21,22,704
Contribution to Provident and Superannuation Funds	27,54,000	2265570	3,53,160
Other Perquisites	1,02,00,000	5,19,600	1,75,800
*Commission/**Incentive – payable	6,32,50,000	1,50,00,000	-
Total	**8,64,04,000**	**3,25,31,573**	**26,51,664**

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/ reappointment.

   Notice period/severance fees applicable are 180 days for Mr. D.K. Chhabria, 90 days in case of Mr. Mahesh Viswanathan and as per the terms of appointment for Mr. Yatin Redkar.
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 concerned interested Directors.

2.4 Remuneration to Non-Executive Directors:

Non-Executive Directors are entitled to sitting fees for attending each meeting of the Board or any Committee(s) of the Board and profit related commission. The details of payment of sitting fees and commission to Non-Executive Directors for the financial year 2019-20 are set out below:

Name of Non-Executive Director	**Sitting Fees (₹)**	**Commission Payable (₹)**	**Total (₹)**	**Shareholding (inNos. of shares) of Non- Executive Directors in the Company**	**Remarks**
Mr. P G Pawar#	2,55,000	8,85,000	11,40,000	-	
Mr. P R Rathi*	95,000	2,95,000	3,90,000	-	
Mr. Shishir Lall	3,25,000	14,75,000	18,00,000	-	
Mr. M L Jain#	1,20,000	8,85,000	10,05,000	-	
Mrs. Shruti Udeshi#	1,10,000	8,85,000	9,95,000	-	
Mr.Devender Kumar Vasal@	80,000	2,95,000	3,75,000	-	
Mr.Jayaram Rajasekara Reddy@	1,00,000	5,90,000	6,90,000	-	
Mr. Joel Raphael Samuel$	1,05,000	5,90,000	6,95,000	-	
Ms. Kavita Bhaskar Upadhyay@	NA	NA	NA	-	
Total	**11,90,000**	**59,00,000**	**70,90,000**	**-**	

Notes:

Regarding status of Mr. P G Pawar, Mr. Mahesh Viswanathan, Mr. M.L Jain and Mrs. Shruti Udeshi, Directors please see clarification given under Item 2.1 above.

* Mr. P R Rathi ceased w.e.f September 8, 2019 upon end of his 5 years term as an Independent Director.

@ Mr. Devendra Kumar Vasal and Mr.Jayaram Rajasekara Reddy, were appointed by the Board as Non-Executive, Independent Directors w.e.f September 19, 2019

$ Mr. Joel Raphael Samuel was appointed by the Board as Non-Executive Additional Director w.e.f September 19, 2019 and subsequently he resigned w.e.f August 14, 2020.

@ Mrs. Kavita Bhaskar Upadhyay was appointed by the Board as Non-Executive Independent Director w.e.f February 14, 2020.

a) Sitting fees paid to each non-executive Director was uniform for attending each Board Meeting @₹30,000/-, Audit Committee Meetings @₹20,000/- and for all other Committee meetings @₹15,000/-.

b) Commission as may be decided by the Board but not exceeding one percent of the net profits of the Company as per the provisions of Section 197 of the Companies Act, 2013 or Rupees Two Crores, whichever is less, which is the ceiling limit approved in this regard by the Members at the Annual General Meeting held on September 25, 2018 is payable to non-executive Directors for a period of five years from the accounting year commencing from April 1, 2018. 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.

2.5 Information placed before the Board:

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

The Company Secretary records minutes of proceedings of each Board and Committee meeting including therein the material comments and suggestions and dissent votes, if any, made by the Directors. Draft minutes are circulated to Board / Committee members for their comments followed thereafter by the final minutes within the time as prescribed under Secretarial Standard-1. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

2.6 Familiarisation Programmes:

Pursuant to regulation 25 (7) of the SEBI (LODR) Regulations, 2015 the Company holds familiarization programs and plant visit especially for the new directors whether independent or otherwise on an ongoing basis.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, business environment, business strategy and risks involved. Updates on relevant statutory, regulatory changes and landmark judicial pronouncements encompassing important laws are included in the agenda of the Board meetings and even circulated to the Directors. The details of such familiarisation programmes for Independent Directors are put up on the Company's website and can be accessed at www.finolex.com.

2.7 Independent Director :

On the basis of the written declarations received from the Independent Directors of the Company up to the date of this report and pursuant to the recommendations of the Nomination and Remuneration Committee in this regard the Board confirms that nothing has come to the attention of the Board that, any of the Independent Directors do not fulfill the conditions specified in the Companies Act, 2013 (the "Act") and in SEBI (LODR) Regulations, 2015 as amended ("Listing Regulations") and therefore in the opinion of the Board the Independent Directors do fulfill the requisite criteria of independence given in the Act and in the Listing Regulations. All such Directors are independent of the management and of the Promoters of the Company.

During the year 2019-20, following independent Directors ceased to be independent director of the Company:

- Mr. Sanjay Asher resigned vide his letter April 12, 2019 which was received by the Company on April 20, 2019.
- P R Rathi ceased w.e.f September 8, 2019 upon end of his 5 years term as an Independent Director.

Pursuant to his written request the status of Mr. Shishir Lall has changed from Independent Director to Non-Executive Non-Independent Director w.e.f August 14, 2020.

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

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

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

skills/expertise/ competencies	Description	Name of Directors
Strategic Management	Ability to think strategically; identify and critically assesses strategic opportunities and threats. Develop effective strategies in the context of the business situation and strategic objectives of the Company relevant policies and priorities	Mr. D K Chhabria Mr. Mahesh Viswanathan Mr. Shishir Lall Mr. D K Vasal
Strategic marketing	Knowledge of and experience in marketing services, Experience in, or a thorough understanding of, the prevailing business situations communication with industry groups and/ or end users through a range of relevant communication channels and media.	Mr. D K Chhabria Mr. Shishir Lall Mr. Mahesh Viswanathan
Finance & Accounting	Qualifications and experience in accounting, finance including treasury management and investment scenario the ability to: • Analyse key financial statements; • Critically assess financial viability and performance; • Contribute to strategic financial planning; • Oversee budgets and the efficient use of resources;	Mr. Mahesh Viswanathan Mr. JRS Reddy Mrs. Kavita B Upadhyay
Industry experience	A broad range of commercial/business experience, preferably in the medium to large enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement. Experience in managing government relations and industry advocacy strategies.	Mr. D K Chhabria Mr. Mahesh Viswanathan Mr. Shishir Lall Mr. Yatin Redkar
Corporate Governance	Expertise to ensure compliance with legislative and regulatory requirements, including transparency requirements under SEBI regulations and the listing rules of the stock exchange.	Mr. D K Vasal Mr. D K Chhabria Mr. Mahesh Viswanathan
Information Technology	Qualification and experience in IT and/or Digital industries with ability to apply new technology to the business interests of the Company strengthening controls and operational efficiencies by the IT	Mr. D K Chhabria Mr. Mahesh Viswanathan Mr. J R S Reddy (with advice of specialized agencies as and when required)
Human Resource Management	Qualification and experience in human resource management with an understanding of: • Manufacturing cycle of business • Expertise in labour laws and industrial relations • ability to effectively engage and retain skilled manpower	Mr. D K Chhabria Mr. Mahesh Viswanathan Mr. D K Vasal
Risk Management	Ability to identify key risks to the Company in a wide range of areas including business/ product segments, political scenario and legal and regulatory compliance.	Mr. D K Chhabria Mr. Mahesh Viswanathan Mr. D K Vasal Mr. J R S Reddy

3. AUDIT COMMITTEE

Constitution and Composition:

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

Name of Director	Category
Mr. JRS Reddy	Non- Executive Independent Director (Chairperson)
Mr. Shishir Lall	Non- Executive Non-Independent Director
Mr. Devendra Kumar Vasal	Non- Executive Independent Director
Mrs. Kavita Upadhyay*	Non- Executive Independent Director

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

*The Audit Committee was reconstituted in the Board Meeting held on August 14, 2020 whereby Mrs. Kavita Upadhyay Independent Director was appointed as a member of 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 overseas 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:
   - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause(c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   - Changes, if any, in accounting policies and practices and reasons for the same;
   - Major accounting entries involving estimates based on the exercise of judgment by management;
   - Significant adjustments made in the financial statements arising out of audit findings; if any
   - Compliance with listing and other legal requirements relating to financial statements;
   - Disclosure of any related party transactions;
   - Modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public 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; if any

10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up thereon;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the whistle blower mechanism;

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; tory Re

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;

5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

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).

Meetings and Attendance:

The Audit Committee has met Five times during the financial year ending March 31, 2020, as against the minimum requirement of four meetings i.e., May 29, 2019, August 14, 2019, September 18, 2019, November 13, 2019 and February 14, 2020. 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/ officer	Status	Category	No. of meetings attended
1	Mr. JRS Reddy@ (wef 19-09-2019)	Chairman	Independent	2 out of 2
2	Mr. P G Pawar#	Member	Independent	3 out of 3
3	Mr. P R Rathi*	Member	Independent	1 out of 2

Sr. No.	Name of the Director/ officer	Status	Category	No. of meetings attended
4	Mr. Shishir Lall	Member	Non-Executive	5 out of 5
5	Mr.Mahesh Viswanathan$	Member	CFO	2 out of 2
6	Mr. Devendra Kumar Vasal@ (wef 19-09-2019)	Member	Independent	1 out of 2
7	Ms. Shruti Udeshi#	Member	Independent	1 out of 1

* Mr. P R Rathi ceased to be member of the Committee w.e.f September 8, 2019.

$ Mr.Mahesh Viswanathan ceased to be member of the Committee w.e.f August 14, 2019.

Regarding status of Mr. P G Pawar, Mr. Mahesh Viswanathan, Mr. M.L Jain and Mrs. Shruti Udeshi, Directors please see clarification given under Item 2.1 above.

@ The Audit Committee was reconstituted from time to time and lastly in the Board meeting held on August 14, 2020.

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 including for checks and balances built into the SAP system of the Company based on their years of experience in Industry.

The concerned partners/representatives of the Statutory Auditors, Cost Auditors, Internal Auditors and the Executive Directors / functional heads / executives of Finance, Accounts, Costing, Secretarial and Systems Department of the Company attend Audit Committee Meetings. The Statutory Auditors attended all five meetings of the Audit Committee held in financial year ending March 31, 2020. 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 March 31, 2020.

The date of the meeting of the Committee held for considering finalization of accounts for the year ending March 31, 2020 was June 27, 2020.

The Company had filed Cost Audit Report for the FY 2018-19 in XBRL format within the permissible time, on October 15, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE:

In view of the importance given by the Company to good corporate governance a Nomination and Remuneration Committee was constituted by the Board at its meeting held on October 21, 2000 and reconstituted by the Board from time to time and lastly at its meeting held on August 14,2020.

Composition of the Nomination and Remuneration Committee as on the date of this report is as under:

Name of Director	Category
Mrs. Kavita Upadhyay	Non-Executive Independent Director (Chairperson)
Mr. Shishir Lall	Non-Executive Non-Independent Director
Mr. Devendra Kumar Vasal	Non-Executive Independent Director

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

The Nomination and Remuneration Policy of the Company is placed on Company's website a thttps://finolex.com/wp-content/uploads/2017/04/Nomination-and-RemunerationPolicy.pdf

Meetings and Attendance:

The Nomination and Remuneration Committee has met three times during the financial year ending March 31, 2020 i.e. on May 29, 2019, September 17, 2019 and February 14, 2020. The following table sets out the attendance of Committee members:

Sr. No.	Name of the Director/ officer	Status	Category	No. of meetings attended
1	Mr. P G Pawar#	Member	Independent	2 out of 2
2	Mr. Shishir Lall	Member	Non-Executive	3 out of 3
3	Mr. M L Jain#	Member	Non-Executive	2 out of 2
4	Mr. Devendra Kumar Vasal$	Member	Independent	1 out of 1
5	Mr. Joel Raphael Samuel$	Member	Non-Executive	1 out of 1

Regarding status of Mr. P G Pawar, Mr. Mahesh Viswanathan, Mr. M.L Jain and Mrs. Shruti Udeshi, Directors please see clarification given under Item 2.1 above.

$ The Nomination And Remuneration Committee was reconstituted in the Board Meetings held on dated September 18, 2019 and on August 14, 2020 whereby Mr. Devendra Kumar Vasal and Mr. Joel Raphael Samuel were appointed as members of the Committee w.e.f September 19, 2019 and Mrs. Kavita Upadhyay w.e.f August 14, 2020. Subsequently Mr. Joel Raphael Samuel ceased to be Director of the Company w.e.f August 14, 2020.

Terms of reference

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

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

a) To identify any persons who are qualified to become Directors and who may be appointed in senior management in accordance with criteria laid down.

b) To recommend to the Board their appointment and removal.

c) To carry out evaluation of every Director's performance.

d) To formulate the criteria for determining qualifications, positive attributes and independence of a Director.

e) To recommend to the Board a Remuneration Policy relating to the remuneration in whatever form for Directors, key managerial personnel and senior management and also device a policy on Board diversity.

f) While formulating the Remuneration Policy the Committee shall ensure that: -

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
- Remuneration to Directors, key managerial personnel, senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

g) Recommend to the Board to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Director

h) Approve/decide any matters/issues incidental/necessary or connected with the aforesaid premises

The criterion for evaluation of Independent Directors includes the following;

a) Whether he upholds ethical standards of integrity and probity;

b) Whether he exercises his duties with due reasonable care, skill, diligence and acts objectively and constructively while exercising his duties;

c) Whether he acts in a bona fide manner in the interests of the Company;

d) Whether he allows or does not allow any extraneous considerations to influence or vitiate his exercise of objective independent judgment in the paramount interest of the Company;

e) Whether he refrains from any action that would lead to loss of his independence;

f) Whether he assists the Company in implementing best corporate governance practices;

g) The degree of commitment to his responsibilities as an independent director;

h) Degree of participation in Board or Committee discussions and contribution to the decision making process;

i) Familiarity with the business model of the Company;

j) Taking initiative on matters of common interest of the Company; and

k) Keeping abreast of the latest developments in corporate governance and regulations applicable to the Company.

5. SHARE TRANSFER-CUM-STAKEHOLDERS RELATIONSHIP COMMITTEE:

Constitution and Composition*:

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

Name of Director	Category
Mr. Devender Kumar Vasal	Non- Executive Independent Director (Chairperson)
Mr. D K Chhabria	Executive Director
Mr. Mahesh Viswanathan	Chief Financial Officer
Mrs. Kavita Upadhyay	Non- Executive Independent Director

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

*The Share Transfer – Cum- Stakeholders Relationship Committee was reconstituted in the Board Meeting held on August 14, 2020 whereby Mrs. Kavita Upadhyay Independent Director was appointed as a member of the Committee.

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, non-receipt of balance sheet, non-receipt of declared dividends, etc.

b) Review of measures taken for effective exercise of voting rights by shareholders

c) Review adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

e) To attend to transfer of securities formalities at least once in a fortnight, as may be required.

f) To redress security holders complaints/grievances and recommend measures to improve the level of investors/stakeholders' services.

g) 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 seven meetings held during the year. The following table sets out the attendance of Share Transfer-cum-Stakeholders Relationship Committee members:

Sr. No.	Name of the Director/ officer	Status	Category	No. of meetings attended
1	Mr. P G Pawar#	Member	Independent	5 out of 5
2	Mr. P R Rathi*	Member	Independent	3 out of 5
3	Mr. D K Chhabria	Member	Executive Chairman	7 out of 7
4	Mr. Mahesh Viswanathan#	Member	Chief Financial Officer	7 out of 7
5	Mr. Devender Kumar Vasal	Chairperson	Independent	1 out of 2
6	Mr. Joel Raphael Samuel@	Member	Non-Executive Director	2 out of 2

Regarding status of Mr. P G Pawar, Mr. Mahesh Viswanathan, Mr. M.L Jain and Mrs. Shruti Udeshi, Directors please see clarification given under Item 2.1 above.

* Mr. P R Rathi ceased w.e.f September 8, 2019 upon end of his 5 years term as an Independent Director.

@ Mr. Devendra Kumar Vasal and Mr. Joel Raphael Samuel were appointed by the Board as members of the Committee w.e.f September 19, 2019 also Mrs. Kavita Upadhyay was appointed as a member w.e.f August 14, 2020.Subsequently, Mr. Joel Raphael Samuel ceased to be Director as well as Member of the Committee w.e.f August 14, 2020.

Investor's complaints attended and resolved during 2019-2020:
One complaint was received from investors during the year which were duly replied by the Company. No complaint was outstanding as on March 31, 2020.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Composition* of the CSR Committee as on the date of this report:

Name of Director	Category	Status
Mrs. Kavita Upadhyay	Non- Executive Independent Director	Chairperson
Mr. Shishir Lall	Non- Executive Non-Independent Director	Member
Mr. D K Chhabria	Executive Director	Member
Mr. Yatin Redkar	Executive Director	Member

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

*The Corporate Social Responcibility Committee was reconstituted in the Board Meeting held on August 14, 2020 whereby Mrs. Kavita Upadhyay Independent Director was appointed as member of the Committee.

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

a) Formulate and recommend to the Board, CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act read with applicable Rules and guidelines framed under the Act.

b) Recommend the amount of expenditure to be incurred on CSR activities.

c) Monitor the CSR Policy of the Company from time to time by instituting a transparent monitoring mechanism for implementing CSR Projects.

d) Ensure that the Company's CSR policy and activities are in due compliance with the provisions of the Companies Act, 2013 and Rules framed thereunder, Memorandum of Association and Articles of Association of the Company and all other laws, regulations and guidelines as may be or become applicable in this regard;

e) Approve/decide any other matters/issues incidental/necessary or connected with the aforesaid premises and to settle all questions, difficulties or doubts that may arise in relation to the implementation of the CSR Policy and/or activities of the Company;

f) Meet from time to time for purpose of considering the aforesaid matters, forward the Committee's recommendations on CSR activities for due consideration of the Board and cause the tabling of the minutes thereof at the next meeting of the Board, and

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

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

Meetings and Attendance
The CSR Committee has met two times in the financial year i.e. November 13, 2019 and February 13, 2020. All the then Committee Members attended each of the said meetings.

7. RISK MANAGEMENT COMMITTEE

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

Name of Director	Category
Mr. Shishir Lall	Non-Executive Non- Independent Director, Chairperson
Mr. JRS Reddy	Non-Executive Independent Director
Mr. D K Chhabria	Executive Director
Mr. Mahesh Viswanathan	Chief Financial Officer

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

*The Risk management Committee was reconstituted in the Board Meeting held on August 14, 2020 whereby Mr. Shishir Lall, Non-executive Director and of the Company was appointed as members of the Committee.

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.

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.

k) Review of policies, processes, and control measures, designed to protect information and systems from security events that could compromise the achievement of the entity's cyber security objectives and to detect, respond to, mitigate, and recover from, on a timely basis, security events that were not prevented.

Meetings and Attendance

Due to COVID 19 pandemic the Risk Management Committee meeting though scheduled to be held on March 30, 2020 could not be held within the financial year 2019-20. Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 the time period for holding the said meeting was extended up to June 30, 2020 and the Company had duly conducted the said meeting on June 25, 2020. All the Committee Members attended the said meeting.

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

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

8. GENERAL BODY MEETINGS

Information on general body meetings and details of special resolution passed

During the preceding three years, the Annual General Meeting (AGM) of the Company were held at Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D' Mart, Chinchwad, Pune - 411 019 on the following dates and time when special resolutions were passed thereat, as under:

Details of AGM	Date and time of AGM	Details of special resolution(s) proposed/passed at the AGM, if any
49th AGM	September 28, 2017 at 11.30 am	a) Approval for payment of remuneration to directors in addition to sitting fees by way of commission b) Offer or invitation for subscription of Redeemable Non – Convertible Debentures on private placement (enabling resolution – not implemented due to prevailing scenario of interest rates) c) Approval for related party transaction with Corning Finolex Fibre Private Limited

Details of AGM	Date and time of AGM	Details of special resolution(s) proposed/passed at the AGM, if any
50th AGM	September 25, 2018 at 11.30 am	a) Offer or invitation for subscription of Redeemable Non – Convertible Debentures on private placement (enabling resolution – not implemented due to prevailing scenario of interest rates) b) Approval for related party transaction with Corning Finolex Fibre Private Limited
51st AGM	September 18, 2019 at 11.30 am	a) Re-appointment of Mr. P G Pawar as Independent Director of the Company for a second term of five consecutive years with effect from September 9, 2019.** b) Offer or invitation for subscription of Redeemable Non – Convertible Debentures on private placement (enabling resolution – not implemented due to prevailing scenario interest rates) c) Approval for related party transaction with Corning Finolex Fibre Private Limited

** Regarding status of Mr. P G Pawar, Director please see clarification given under Item 2.1 above.

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.

Due to COVID 19 pandemic the Meeting of the Independent Directors though scheduled to be held on March 30, 2020 could not be held within the financial year 2019-20. Pursuant to general circular no 11/2020 dated March 24, 2020 issued by Ministry of Corporate Affairs the holding of such meeting for financial year 2019-20 is exempted due to the unprecedented situation created by the Covid-19 Pandemic. However, the Independent Directors at their meeting held on June 25, 2020, 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.

10. DISCLOSURES

a) Disclosures regarding materially significant related party transactions: For details please refer Note No. 35 of Notes forming part of the Accounts.

b) There were no instances of non-compliance or penalty, strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets, during the last three financial years.

c) The Company has complied with the requirements of corporate governance including establishment of vigil mechanism, whistle blower policy, etc. under SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

d) The Company does not have any subsidiary at present and accordingly there is no policy for determining material subsidiaries.

e) The policy on dealing with related party transactions is available on Company's website: www.finolex.com

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

g) Disclosure with respect to demat suspense account/unclaimed suspense account:

At present, there are no such shares in the demat suspense account or unclaimed suspense account and accordingly there are no disclosures to be made in this regard for the financial year ended March 31, 2020.

h) The certificate from practicing Company Secretary affirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate

Affairs or any such statutory authority is duly obtained by the Company. Copy of the same is attached with this Report as Annexure A.

i) Details of total fees paid for all services on consolidated basis, to the statutory auditor and all entities in the network firm/ network entities of which the statutory auditor is part: For details please refer Note No. 31 of Notes forming part of the Accounts.

j) The Company had duly informed the Stock Exchanges that the Company does not fall under the criteria of "Large Corporate Entity" as per the applicability criteria given under the SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

11. MEANS OF COMMUNICATIONS:

a) The quarterly results of the Company are published in leading newspapers viz, normally Financial Express (all editions) and Loksatta (Pune edition) and also displayed on the corporate website (http://www.finolex.com). The same are also available on the websites of National Stock Exchange of India Limited (NSE) and BSE Limited (formerly Bombay Stock Exchange) 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.

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

c) Securities and Exchange Board of India (SEBI) Complaints Redressal System (SCORES): Investor complaints are processed in centralized web based complaints redressal system, which provides for centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its status.

d) Investor Services Email ID: The Company has designated a dedicated Email ID namely investors@finolex.com exclusively for investor servicing.

12. GENERAL SHAREHOLDER INFORMATION:

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

13. CODE OF CONDUCT:

The Board had laid down a code of conduct for all Board members and senior management of the Company. The Code of Conduct anchors ethical and legal behavior within the Company. In accordance with Regulation 26(3) of SEBI (Listing 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.

The Company also has in place a "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information", in accordance with amended SEBI (Prohibition of Insider Trading) Regulations, 2015 which is effective from April 1, 2019. The said code has been hosted on the website (http://www.finolex.com) of the Company.

Declaration:

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

For and on behalf of the Board of Directors

Place: Pune
Dated: August 14, 2020

D.K. Chhabria
Executive Chairman

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

Dear Sir,

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below at the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment as Additional Director/Director in the Company
1	Deepak Chhabria Kisandas	01403799	13/02/1992
2	Shishir Lall	00078316	30/05/2017
3	Joel Raphael Samuel	00298057	19/09/2019
4	Devender Kumar Vasal	06858991	19/09/2019
5	Yatin Redkar Yashwant	07799478	19/09/2019
6	Jayaraman Rajasekara Reddy	07838591	19/09/2019
7	Kavita Bhaskar Upadhyay	08333952	14/02/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
Membership No.: F9552
CP No.: 9798
UDIN: F009552B000574721
PR No. 738/2020

Place: Pune
Date: 12.08.2020

FCL:SEC:SE: 2020:91
May 29, 2020

Bombay Stock Exchange Limited
National Stock Exchange of India Limited
Luxembourg Stock Exchange

Subject: Non-applicability to the Company of SEBI Circular dated November 26, 2018 with regard to fund raising by issuance of debt securities by large entities identified as Large Corporate (“LC”) under the said SEBI Circular.

Dear Sirs,

We refer to SEBI Circular - SEBI/ HO/ DDHS/CIR/ P/ 2018/ 144 dated November 26, 2018 in respect of fund raised by issuance of debt securities by Large Entities and disclosures and compliances thereunder by such Large Corporate (LC), we would inform that our company i.e. Finolex Cables Limited is not a ‘Large Corporate’ (LC) as at March 31, 2020 as per the framework provided in the aforesaid Circular. Hence, the requirement of filing the Annual Disclosure for incremental borrowings in Annexure B1 to the aforesaid Circular for the financial year ended 2019-20, is not applicable to the Company.
Please take the above on record.

Thanking You

For **Finolex Cables Limited**

(Signature)
Mahesh Viswanathan
Chief Financial Officer

(Signature)
R G D’Silva
Company Secretary & Legal President

Annexure C

CERTIFICATE OF COMPLIANCE

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

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

We have examined the compliance of conditions of corporate governance by Finolex Cables Limited having CIN L31300MH1967PLC01653 (hereinafter referred to as "the Company"), for the year ended on March 31, 2020 as stipulated in Regulation 17 and 34 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015, as amended ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Regulations, as applicable, except in respect of matters specified below: -

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 17 of SEBI (LODR), 2015 relates to Board of Directors	Appointment of Women Director	Remark- As per regulation 17 of SEBI (LODR), 2015 the listed entity has failed to appoint Women Director on the Board of Directors of listed entity for the period starting from 18/09/2019 to 13/02/2020.

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

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
Membership No.: F9552
CP No.: 9798
UDIN: F009552B000574666
PR No 738/2020

Place: Pune
Date: 12.08.2020

Annexure D

SECRETARIAL COMPLIANCE REPORT

of Finolex Cables Limited for the year ended March 31, 2020

I, Mandar Shrikrishna Jog, Partner in Jog Limaye & Associates have examined:

(a) all the documents and records made available to us and explanation provided by Finolex Cables Limited ("the listed entity"),

(b) the filings/submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2020 ("2019-20") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI"); The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

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

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable for the period under review)

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable for the period under review)

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable for the period under review)

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable for the period under review)

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable for the period under review)

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; (Not Applicable for the period under review)

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and based on the above examination, I/we hereby report that, during the Review Period:

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

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines includingspecific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 17 of SEBI (LODR), 2015 relates to Board of Directors	Appointment of Women Director	Remark- As per regulation 17 of SEBI (LODR), 2015 the listed entity has failed to appoint Women Director on the Board of Directors of listed entity for the period starting from 18/09/2019 to 13/02/2020.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records

(c) There were no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of these records.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports: NIL

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
Membership No.: F9552
CP No.: 9798
UDIN: F009552B000526596
PR No 738/2020

Place: Pune
Date: 30.07.2020

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, 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 March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) amended from time to time and the rules, notifications and circulars issued thereunder (in so far as they become applicable);

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent applicable;

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable to the Company during the audit period**

(d) 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; **Not Applicable to the Company during the audit period**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable to the Company during the audit period**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **Not Applicable to the Company during the audit period**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable to the Company during the audit period**

(vi) The other laws, as informed and certified by the Management of the Company which may become specifically applicable to the Company based on sector/ industry are:

a. The Employee State Insurance Act, 1948;
b. Employees Provident Fund and Miscellaneous Provisions Act, 1952;
c. Employers Liability Act, 1938;
d. Environment Protection Act, 1986 and other environmental Laws;
e. Air (Prevention and Control of Pollution) Act, 1981;
f. Factories Act, 1948;

g. Industrial Dispute Act, 1947;

h. Payment of Wages Act, 1936 and other applicable labour laws.

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

(i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

1. During the period under review as per provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 the Company has failed to appoint the a Women Director on the Board of Directors of the Company for the period starting from 18/09/2019 to 13/02/2020.

2. During the period as per Regulation 17 of SEBI (LODR), 2015 the Company has failed to appoint Women Director on the Board of Directors of the Company for the period starting from 18/09/2019 to 13/02/2020.

3. During the period under review following forms were not filed by the Company with Registrar of Companies, Pune within stipulated time-

Sr. No.	E Form No.	Purpose of the Form
1	DIR-12	Cessation of Directors
2	MGT-14	Filing of Resolutions
3	MGT-15	Outcome of Annual General Meeting
4	MGT-7	Annual Return for FY 2018-19

4. During the period under review the Company has maintained Statutory Registers except date of cessation of directors whose resolutions were defeated in 51st Annual General Meeting of the Company (held on 18/09/2019) is not entered in the Register of Directors which is maintained as per rule 17 of Companies (Appointment and Qualification of Directors) Rules, 2014 of Companies Act, 2013.

As informed, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 and shorter notice consents are also obtained from the directors of the Company in case of meeting at shorter notice.

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

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

We further report that during the audit period-

At the Annual general meeting of the Company held on September 18, 2019, the Company passed ordinary resolutions for adoption of accounts, declaration of dividend, ratify remuneration payable to cost accountants and special resolutions for offer & invite subscription of debt securities and approval of related party transaction. The said resolutions were passed with requisite majority.

On the same day, the following resolutions were defeated-

1. To appoint a Director in place of Mr. Mahesh Viswanathan [DIN: 02780987], who retires by rotation, and being eligible, offers himself for reappointment.

2. Appointment of Mr. Mohan Lal Jain [DIN: 00148677] as Director of the Company, liable to retire by rotation.

3. Appointment of Mrs. Shruti Deepen Udeshi [DIN: 06900182] as Independent Woman Director of the Company for a period of five consecutive years with effect from February 14, 2019.

4. Reappointment of Mr. Pratap G Pawar [DIN: 00018995] as Independent Director of the Company for a second term of five consecutive years with effect from September 9, 2019.

However, the proceedings are pending in the Courts in relation to the votes casted by Orbit Electricals Private Limited (holding 30.7%) and Finolex Industries Limited (holding 14.5%) of the Company's total paid up share capital.

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
Membership No.: F9552
CP No.: 9798
UDIN: F009552B000579220
PR No 738/2020

Place: Pune
Date: 14.08.2020

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

'ANNEXURE A'

To,
The Members of
Finolex Cables Limited
26/27, Bombay Poona Road,
Pimpri, Pune – 411 018
Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

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

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

2. 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.

3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

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

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
Membership No.: F9552
CP No.: 9798
UDIN: F009552B000579220
PR No 738/2020

Place: Pune
Date: 14.08.2020

SHAREHOLDER / DEBENTUREHOLDER INFORMATION

Registered Office

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

Annual General Meeting

The 52nd Annual General Meeting ("AGM") of the Company will be held on Tuesday, September 29, 2020 at 11.30 a.m. through Video Conferencing (VC) or Other Audio Visual Means ("OAVM") for which purpose the Registered Office of the Company situated at 26-27, Mumbai – Pune Road, Pimpri, Pune – 411 018 shall be deemed to be the venue for the Meeting and the proceedings of the AGM.

Financial Calendar (Tentative):

a)	Annual General Meeting	:	September 29, 2020
b)	Results for quarter ending June 30, 2020	:	August 14, 2020
c)	Results for quarter ending September 30, 2020	:	Second week of November, 2020
d)	Results for quarter ending December 31, 2020	:	Second week of February, 2021
e)	Results for quarter ending March 31, 2021	:	Last week of May, 2021

Dates of Book Closure

The Company's Transfer Books will be closed from Saturday, September 19, 2020 to Tuesday, September 29, 2020 (both days inclusive) for purpose of AGM and for payment of Dividend for the year ending March 31, 2020.

Dividend Payment

The Board of Directors of the Company at its meeting held on June 27, 2020 recommended payment of Dividend @275% (i.e. ₹ 5.50 per equity share of ₹2/- each fully paid up) for the year ending March 31, 2020. The payment of dividend is to be approved by the members at the AGM and as on date is taxable in the hands of members.

The aforesaid Dividend, if declared at the AGM, will be paid on or before October 28, 2020 or within the time permitted under the law to those members whose names appear in the Register of Members as on the date of AGM. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per the details to be received from the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose, the same being as of close of their respective hours of business on the date immediately preceding the aforesaid Book Closure period (i.e., as of Friday, September 18, 2020).

Stock Exchange Listing

The Company's equity shares are tradable and/or quoted on National Stock Exchange of India Limited ("NSE") and BSE Limited (formerly 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

Payment of Listing Fees

Annual Listing Fee for the year 2020-21 as applicable has been paid to the Stock Exchanges (i.e., NSE and BSE) and Annual Maintenance Fees for the Calendar year 2020 has been paid by the Company to the Luxembourg Stock Exchange in respect of the GDRs listed thereon.

Stock Market Data

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

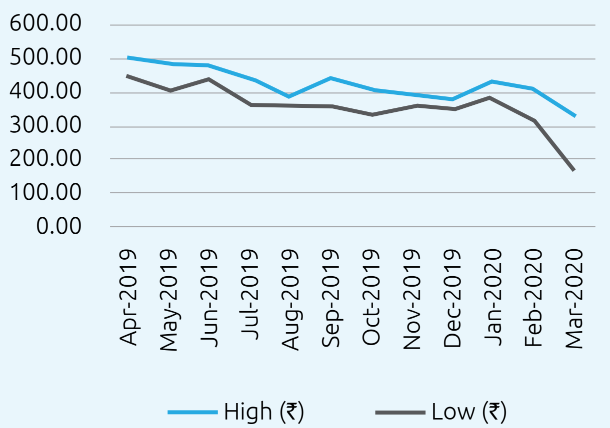
(Source: BSE and NSE Websites)

Period	NSE			BSE		
	High (₹)	Low (₹)	Volume Shares traded (Nos.)	High (₹)	Low (₹)	Volume Shares traded (Nos.)
April, 2019	498.00	440.00	2,245,014	497.45	440.00	114,398
May, 2019	479.95	404.20	1,819,776	480.60	405.00	120,926
June, 2019	474.70	435.00	950,837	480.10	435.20	67,198
July, 2019	442.00	360.15	1,507,828	442.40	361.25	282,900
August, 2019	384.00	350.35	1,242,849	383.70	350.60	31,083
September, 2019	433.70	360.00	1,151,138	433.00	356.30	51,458
October, 2019	397.90	347.35	1,210,116	404.00	334.95	297,268
November, 2019	393.90	352.00	1,336,725	389.00	353.00	258,564
December, 2019	379.75	345.55	2,233,897	378.35	345.00	718,686
January, 2020	429.95	370.40	1,386,050	429.90	372.90	59,626
February, 2020	403.30	320.05	2,528,137	401.10	320.00	55,095
March, 2020	336.05	162.40*	2,974,851	335.85	165.00*	99,018

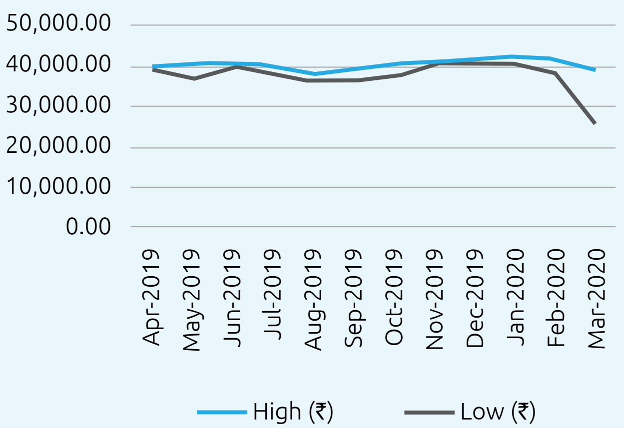
* Due to the effects of Covid-19 Pandemic

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

Monthly high/low price of Company's equity shares on BSE Limited



Monthly high/low price of S&P BSE Limited Sensex



Shareholding Pattern as on March 31, 2020

Category			No. of shares held	Percentage Shareholding
A	**Promoters Shareholding:**			
1		Promoters*		
	-	Indian Promoters	54,841,170	35.86%
	-	Foreign Promoters	NIL	NIL
2		Persons acting in Concert	NIL	NIL
		Sub Total	**54,841,170**	**35.86%**

Category			No. of shares held	Percentage Shareholding
B	**Non-Promoters holding:**			
3	Institutional Investors			
	a	Mutual Funds	29,263,720	19.13
	b	Banks and Financial Institutions including UTI	40,228	0.03
	c	Foreign Portfolio Investors	11,416,335	7.46
	d	Insurance Companies	3,769,158	2.46
		Sub Total		**9.09**
		OTHERS:		
	a	Private Corporate Bodies** including NBFCs	23,786,968	15.55
	b	Indian Public including HUFs	25,045,504	16.38
	c	NRIs/ OCBs	4,130,716	2.70
	d	Clearing Members***	86,841	0.06
	e	Any others (Custodian for GDRs)	251,500	0.16
	f	IEPF	307,205	0.20
		Sub Total	**53,608,734**	**35.05**
		Grand Total	**152,939,345**	**100.00%**

* The promoters have confirmed to the Board of Directors that they have not pledged any of their shares held in the Company as at March 31, 2020 with any party / bank.

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

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

Distribution by size of Shareholding as on March 31, 2020:

No. of Equity Shares held	No. of Members	% of Members	No. of Shares	% of Shareholding
1-5000	47,261	99.01	13,332,084	8.72
5001-10000	232	0.49	16,57,668	1.08
10001 & above	239	0.50	137,949,593	90.20
Grand Total	47,732	100.00	152,939,345	100.00

Registrar and Transfer Agents

The Company had earlier taken requisite steps and centralized at a single point its share registry works for equity shares held in physical as well as electronic form with M/s. KFin Technologies Pvt Limited (previously known as M/s. Karvy Fintech Private Limited), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 who are an ISO 9002 Certified Registrar and Transfer Agents and are holding Registrars to an issue and Share Transfer Agent Category I Registration No. INR000000221 dated October 18, 2012 issued by Securities and Exchange Board of India ("SEBI").

Share Transfer System

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.

However, the Securities and Exchange Board of India ("SEBI") has vide its Press Release No. 49/2018 dated December 3, 2018 directed that with effect from December 5, 2018 except in case of transmission or transposition of securities, request for effecting transfer of securities shall not be processed unless the securities are held in demateriliased form with a depository. Subsequently, SEBI vide its Press Release No. 12/2019 dated March 27, 2019 extended the date made the same effective from April 1, 2019.

Statistics of Members – 2018 – 2020

March 31	No. of members
2018	42,968
2019	47,255
2020	47,732

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

Dividend declared during previous 10 years:

Financial Year	Date of Declaration	Face Value of Equity Share	Dividend Rate	
			Percentage (%)	Amount (₹ per share)
2018-19	September 18, 2019	2	225	4.50
2017-18	September 25, 2018	2	200	4.00
2016-17	September 28, 2017	2	150	3.00
2015-16	September 8, 2016	2	125	2.50
2014-15	August 10, 2015	2	90	1.80
2013-14	September 9, 2014	2	80	1.60
2012-13	June 28, 2013	2	60	1.20
2011-12	August 14, 2012	2	40	0.80
2010-11	August 8, 2011	2	35	0.70
2009-10	August 9, 2010	2	30	0.60

Note: In the year 2006-07, the Company sub-divided each Equity Share of ₹10/- face value into 5 (Five) Equity Shares of ₹2/- each with effect from January 16, 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 March 31, 2020, 99.06% (i.e., NSDL: 96.15% and CDSL: 2.91%) of the equity share capital of the Company has been dematerialized.

Annual custody fees for the financial year 2020-21 had been paid by the Company to NSDL and CDSL.

Outstanding GDRs/ DRs/ Warrants, etc.

There are no outstanding GDRs/ DRs/ Warrants or any convertible instruments for conversion as on March 31, 2020.

Plant Locations:

Pimpri (Electrical Cables) 26/27, Mumbai-Pune Road Pimpri, Pune - 411 018 Telephone No.: 27475963/27506200 Facsimile No.: (020) 27472239 Email: Dasare@finolex.com	**Urse (Electrical & Communication Cables)** Taluka Maval Dist – Pune - 410 506 Telephone No.: (02114) 230700 Email: lgs@finolex.com
Urse (Optic Fibre and Optic Fibre Cable) Urse, Taluka Maval Dist – Pune - 410 506 Telephone No.: (02114) 230700 Email: sunil@finolex.com	**Urse (Lighting)** Plot No. 399, Village Urse Taluka Maval Dist – Pune - 410 506 Telephone No.: (02114) 230700 Email: dippak_sharrma@finolex.com

Urse (Switches) Gat No. 344 Village Urse, Taluka Maval Dist- Pune - 410 506 Telephone No.: (02114) 230700 Email: MV_Rangwani@finolex.com	Urse (Power Cable) Gat No. 343, Village Urse, Taluka Maval, Dist-Pune-410 506 Telephone No.: (02114) 230700 Email: PB_Jaisingh@finolex.com
Goa (Electrical & Communication Cables) Plot No. 117/L118, Verna Industrial Estate, Verna Salcette, South Goa, Goa – 403 722 Telephone No.: (0832) 2782002/3/4 Facsimile No.: (0832) 2783909 Email: ratnakar_barve@finolex.com	**Goa (Optic Fibre Cables)** Plot No. L123/9A, Verna Industrial Estate, Verna Salcette, South Goa, Goa – 403 722 Telephone No.: (0832) 2782002/3/4 Facsimile No.: (0832) 2783909 Email: omprakash_yadav@finolex.com
Goa (CCC Rod) Plot No. S263/2, Panjim-Belgaum Road, Usgaon – Tisk, Ponda, Goa – 403 406 Telephone No.:(0832) 2344376/8/9 Email: knarayanan@finolex.com	**Roorkee (Electrical Cables)** Plot Nos.K-1 & K-2 AIS Industrial Estate Latherdeva Hoon, Mangalaur Zebreda Road, Roorkee, Taluka Haridwar, Uttarakhand – 247 667 Telephone No.: (01332) 224069/224044/45 Email: pravin_ahire@finolex.com
Roorkee (Switchgears) Plot Nos.K-1 & K-2 AIS Industrial Estate Latherdeva Hoon, Mangalaur Zebreda Road, Roorkee, Taluka Haridwar, Uttarakhand – 247 667 Telephone No.: (01332) 224069/224044/45 Telefax No.: (01332) 224068 Email: pravin_ahire@finolex.com	**Roorkee (Switches)** Plot Nos.K-1 & K-2 AIS Industrial Estate Latherdeva Hoon, Mangalaur Zebreda Road, Roorkee, Taluka Haridwar, Uttarakhand – 247 667 Telephone No.: (01332) 224069/224044/45 Telefax No.: (01332) 224068 Email: pravin_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. 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:

Company: Secretarial Department Finolex Cables Limited 26/27 Mumbai – Pune Road, Pimpri, Pune - 411 018 Telephone Nos.: (020) 27506202/27506230/27506308 Board Nos.: (020) 27506200 / 27475963 Facsimile No.: (020) 27472239 Email: investors@finolex.com **Contact Persons:** Mr. R G D'Silva - Company Secretary & President (Legal) Mrs. Gayatri Kulkarni – Compliance Officer Mr. Mahadev H Yeske – Senior Manager – Secretarial Mr. Gitesh Karandikar – Senior Manager – Secretarial	Share Transfer Agent: M/s. KFin Technologies Pvt Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 Telephone No.: (040) 67161630 Board No.: (040) 67162222 Facsimile No.: (040) 23420814 Email: einward.ris@karvy.com **Contact Persons:** Mr. Thakur Birender – Dy. General Manager Mr. Sunil Ponugoti - Deputy Manager Mr. Rajesh K Patro - Deputy Manager

Shareholder information On-line:

The Balance Sheet information is a part of the Company's World Wide home page ttp://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. As per the provisions of Section 72 of the Companies Act, 2013 the nominee shall be the 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, Karta's of Hindu Undivided Families (HUFs) and holders of Power of Attorney. Blank nomination form can be downloaded from the Company's website: http://www.finolex.com. In case of any assistance, please contact the Secretarial Department at the above Registered Office of the Company.

Members Contact Email Address:

The Government in its concern for the environment has, as part of its green initiative, vide Circular No. 17/2011 dated April 21, 2011 issued by the Ministry of Corporate Affairs, permitted companies to serve requisite documents through electronic mode on their members. The relevant provisions of Section 20, 101 and 136 of the Companies Act, 2013 (the "Act") read with the relevant Rules framed under the Act support this noble cause. Further in view of the unprecedented situation created as a result of Covid-19 Pandemic there is an urgent need for the means of communication to be by electronic mode which is quick and efficacious. Members are therefore requested to support this worthy cause and inform the Company their personal email addresses and changes, if any, therein from time to time in the format provided under Investors' Section (Blank Forms) of the Company's website http://www.finolex.com. This will also facilitate expeditious communication and social distancing norms by the Government Authorities.

ECS Facility / Bank Mandate / Details:

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

Debt Securities:

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

The Company has not issued any Non-Convertible Debentures ("NCD") in Financial Year 2019-20 and no NCD is outstanding as on March 31, 2020.

Annexure E

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) Relevant Street and Shed lights of 70W/250W/400W sodium vapour lighting fixtures are replaced by 50W/120W 150W/200W LED fixtures.

(ii) For MWD Cooling Tower process water circulating pumps, VFD installed to regulate flow and integrated with line to save power.

(iii) Imported process control instruments of HONEYWELL are replaced by Indian brands and same is now standardized.

(iv) 3CF insulating line payoff torque motors replaced with energy efficient AC geared motor and dancer control to save power and improve cable quality.

(v) Solenoid valves installed for air wipers at OFC Tandem insulating lines and buffering lines to save power consumption of air compressors.

(vi) Energy efficient VFD motor and drives installed in place of DC Motors to reduce power consumption, in locations like Nextrom insulating line main extruder and DS insulating line co-extruders.

(vii) Phase wise replacement of MS pneumatic pipe lines with Aluminium extruded AirNet pipe to reduce compressed air consumption.

(viii) Provided interlock in steam generator of MWD machine by installing pressure switch whereby steam generators now get switched off after reaching required pressure.

(ix) Optimized KW capacity of existing cooling tower pumps without affecting cooling water requirements of machines.

(x) Improved preventive maintenance of machines to reduce energy loss.

(xi) Regular monitoring and rectification of air leakage is done to reduce air consumption.

B. Technology Absorption:

Efforts made in technology absorption as per Form B are as follows:

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

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

(a) Following new cables have been designed, developed and type approvals obtained/successfully launched in the market:

(i) New CCTV Cables in economic class are developed as per market requirements in new segment.

(ii) Developing the capacity of tin platted copper conductor by installing new Niehoff Electro Tin Plating line in order to cater to requirements in Solar, Special Cables and Auto Cables.

(iii) CCA light weight battery cable for Automotive industry.

(iv) Developed new type of Auto Cable i.e. CIVUS Type

(v) Continuous efforts are going on for developing new types of cables to meet niche market demand.

(b) Configured and installed one single line capable of producing multiple number of OFC products like Tight buffer, FTTH, Simple/Duplex, Drop cable, etc.

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 FR XLPE for auto wires conforming TXL/GXL requirement
- To develop cables for EV Vehicles, charging cables and TPE Type D compound for Electrical Commercial Vehicles
- To develop cables with thermo plastic rubber insulation for welding application
- To develop Rubber based cables for windmill application
- To develop CAT6 FTP and CAT7 LAN cables with higher bandwidth
- To develop Insulation and Sheathing compound suitable for solar cable application – Both ambient and E-Beam curing
- To develop compound for HFFR application
- To develop welding cable compound having cross linking properties

4. Expenditure on R & D:

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

Technology Absorption, Adaptation and Innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

   (a) CCA light weight battery cable for Automotive Industry.

   (b) Developed FR-XLPE compound for automotive wires AEX as per JASO specification.

   (c) Several grades of PVC compounds were reformulated to suit higher line speeds and also made environmentally friendly complying with ROHS requirements.

   (d) Continuous efforts are going on for further developing, improving and upgrading all types of cables.

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

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

3. Imported technology (imported during the last 5 years reckoned from the beginning of the financial year):

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

C. Foreign Exchange Earnings and Outgo:

The sluggish demand in the global economic activity continued to reflect on the Company's exports which stood at a modest ₹25.70 Crores as against ₹30.44 Crores during the previous year. Your Company is continuing its sustained efforts to retain old customers and add new customers in various export markets and to address the needs of niche markets.

i) Earnings by way of Exports : ₹25.7 Crores

ii) Outgo by way of Imports : ₹239.8 Crores

For and on behalf of the Board of Directors

Pune,
Dated : June 27, 2020

D K Chhabria
Executive Chairman

Annexure F

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

Sr. No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	**Name of the Director**	**Ratio**
		Mr. D. K. Chhabria	223.3X
		Mr. Mahesh Viswanathan	83.4X
		Mr. Y. Y. Redkar	6.3x
		Mr. Pratap G Pawar	3.3X
		Mr. P.R. Rathi	1.1X
		Mr. Shishir Lall	5.2X
		Mr. Mohan Lal Jain	2.9X
		Ms. Shruti Deepen Udeshi	2.9X
		Mr. Devender Kumar Vasal	1.1X
		Mr. Jayaram Rajasekara Reddy	2.0X
		Mr. Joel Raphael Samuel	2.0X
		Ms. Kavita B Upadhyay (Appointed as Independent Director with effect from February 14, 2020.)	-
		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	9.20%
		Mr. Mahesh Viswanathan	8.75%
		Mr. Y. Y. Redkar	7.82%
		Mr. R. G. D`silva	10.17%
3	The percentage increase in the median remuneration of employees in the financial year:	During FY 2019-20, the percentage increase in the median remuneration of employees as compared to previous year was approximately 19%	
4	The number of permanent employees on the rolls of company	1762 (including whole time directors)	
5	Average percentage increase already made in the salaries of the employees other than ihe managerial personnel in the last last financial year and its comparison with the percentage increase in the managerial remuneration.	Average increase in the remuneration is 11% for the employees other than Managerial Personnel and12% for Managerial Personel.	
6	The key parameters for any variable component of remuneration availed by the directors	- Mr. D.K. Chhabria, Executive Chairman - Mr. Mahesh Viswanathan, Chief Financial Officer are paid variable pay as per their agreement provisions. Non-Executive Directors of the Company are paid commission as approved by Shareholders in the General Meeting.	
7	Affirmation, that the remuneration is as per the remuneration policy of the Company	Yes	

General Notice:

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

For and on behalf of the Board of Directors

Pune
Dated: August 14, 2020

D.K. Chhabria
Executive Chairman

Annexure G

Form AOC 1

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

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

Part A – Subsidiaries: The Company has no subsidiaries

Part B – Associates and Joint Ventures

(Rs. in Crores)

Name of Associates or Joint Ventures	Finolex Industries Ltd (FIL)	Finolex J-Power Systems Pvt.	Corning Finolex Optical Fibre Pvt.
	Associate	**Joint Venture**	**Joint Venture**
1. Latest audited Balance Sheet Date	March 31, 2020	March 31, 2020	March 31, 2020
2. Date on which the Associate or Joint Venture was associated or acquired	March 31,1989	May 15, 2008	September 17, 2014
3. Shares of Associates or Joint Ventures held by the company on the year end			
No. of shares	40,192,597	196,000,000	1,750,000
Amounted on Investment in Associates or Joint Ventures	151.85	196.00	1.75
Extend of Holding %	32.39%	49%	50%
4. Description of how there is significant influence	There is significant influence due to shareholding	There is significant influence due to joint control over the economic activities	
5. Reason why the Associate or Joint Venture is not consolidated	N.A.	N.A.	N.A.
6. Net-worth attributable to shareholding as per audited Balance Sheet	643.26	81.85	14.05
7. Profit /(Loss) for the Year			
Total Profit	332.65	(27.44)	(0.30)
i. Considered in Consolidation	107.75	(13.45)	(0.15)
ii. Not Considered in Consolidation	224.90	(13.99)	(0.15)

For and on behalf of the Board of Directors

Place: Pune
Date: August 14, 2020

D. K. Chhabria
Executive Chairman

Annexure H

Form No. AOC 2

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NA – All transactions of the Company including the transactions with related parties which are also included in the Financial Statements of the Company are at Arm's length pricing.

    a) Name(s) of the related party and nature of relationship: NA

    b) Nature of contracts/arrangements/transactions: NA

    c) Duration of the contracts / arrangements/transactions: NA

    d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA

    e) Justification for entering into such contracts or arrangements or transactions: NA

    f) Date(s) of approval by the Board: NA

    g) Amount paid as advances, if any: NA

    h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: NA

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

    a) Name of the related party and nature of relationship: Refer to Note 35 Related Party Disclosures to the Standalone Financial Statements

    b) Nature of transaction: Refer to Note 35 Related Party Disclosures to the Standalone Financial Statements

    c) Duration of transaction: The Transaction is entered into in the ordinary course of business.

    d) Salient terms of the transaction including the value, if any: Refer to Note 35 Related Party Disclosures to the Standalone Financial Statements

    e) Date of approval by Members, if any: Approved on various dates.

    f) Amount paid as advances, if any: Refer to Note 35 Related Party Disclosures to the Standalone Financial Statements

For and on behalf of the Board of Directors

Place: Pune
Date: August 14, 2020

D. K. Chhabria
Executive Chairman

Annexure I

Annual Report on Corporate Social Responsibilities (CSR) Activities for the Financial Year 2019-20

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

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

2. **The Composition of CSR Committee**

Name	Designation	DIN
Mr. Shishir Lall	Non-Executive Independent Director*	00078316
Mrs. Kavita Bhaskar Upadhyay	Non-Executive Independent Director	08333952
Mr. D.K.Chhabria	Executive Chairman	01403799
Mr. Yatin Redkar	Executive Director	07799478

* The status of Mr. Shishir Lall has changed from Non-Executive Independent Director to Non-Executive Non Independent Director on conclusion of Board meeting held on August 14, 2020.

3. **Average net profit of the Company for last three financial years (2016-17 to 2018-19):** Rs. 414.7 Crores

4. **Prescribed CSR Expenditure for FY 2019-20 (2% - two percent of the amount as in item 3 above):** Rs. 8.3 Crores

5. **Total carried forward unspent from the previous years:** Rs. 4.1 Crores

6. **Total amount spent during the year:** Rs. 12.3 Crores. The manner in which this amount was spent is detailed below:

7. **Balance unspent amount:** The current ongoing projects, of which certain sums have been Earmarked over and above the required spent, would be spent during the next year. The Manner in which the amount spent during the financial year is detailed below:

Sr No	CSR Projects/ Activities identified	Sector in which the Project is covered	1.Projects or programs Local area or others 2. Specify the state and district where projects was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct Expenditure on projects orprograms. 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency	Remarks
1	Mobile- Pawana Hospital	Health care	Urse , Pune-Maharashtra	0.6	0.10	0.40	Direct	Amounts have been pledged and will be spent next year.

Sr No	CSR Projects/ Activities identified	Sector in which the Project is covered	1.Projects or programs Local area or others 2. Specify the state and district where projects was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct Expenditure on projects orprograms. 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency	Remarks
2	Haribhai Cowasji Jehangir Medical Research Institute	Health care	Pune-Mahrashtra	0.25	0.25	0.25	Direct	--
3	Shree Mahalasa Narayani Charitable Trust	Educational	South Goa, Goa	0.10	0.00	0.09	Direct	--
4	Kursali Village School	Educational	Kursali, Rorkee, Haridwar-Uttarkhand	0.75	0.09	0.40	Direct	Work in Progress, project expected to be completed in 19-20
5	STP Grampanchayat	Village Development	Urse , Pune-Maharashtra	0.85	0.00	0.73	Direct	Under Progress
6	Maharaj Jagat Singh Medical Relif	Health care	Amritsar, Panjab	2.10	2.10	2.10	Direct	--
7	ONP Hospital (Harmony Medical Trust)	Health care	Pune, Maharashtra	0.75	0.00	0.11	Direct	Work in Progress, project expected to be completed in 20-21
8	Sanjeevani Sharda Kendra	Educational / Social	Bodi, Jammu	1.05	0.00	0.52	Direct	Amounts have been pledged for construction of buildings and will be spent as per work completed. The construction is currently under progress.
9	Deendayal Bahuuddeshiya Prasarak Mandal,	Educational	Yavatmal, Maharashtra	2.95	0.68	2.15	Direct	Amounts have been pledged for construction of buildings and will be spent as per work completed. The construction is currently under progress.
10	Sakal India Foundation	Social	Pune, Maharashtra	0.75	0.75	0.75	Direct	--
11	Sakal Relief Fund	Social	Pune, Maharashtra	0.50	0.50	0.50	Direct	--
12	Superintendent of police, Pune	Social	Pune and satara, Maharashtra	0.25	0.30	0.30	Direct	--
13	Agriculture Development Trust	Social	Baramati, Pune, Maharashtra	2.50	2.50	2.50	Direct	--
14	PMs Care Fund	Health	New Delhi, India	5.00	5.00	5.00	Direct	--

Sr No	CSR Projects/ Activities identified	Sector in which the Project is covered	1.Projects or programs Local area or others 2. Specify the state and district where projects was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct Expenditure on projects orprograms. 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency	Remarks
15	Nachiket Balgram Orphanage		Pune, Maharashtra	0.25	0.00	0.00	Direct	--
16	Haribai Cowasji Jehangir Medical Research Institute	Health care	Pune-Mahrashtra	0.25	0.00	0.00	Direct	--
17	Pawana Hospital	Health care	Urse, Maharashtra	0.50	0.00	0.00	Direct	--
18	College & Schools	Educational	Roorkee	0.30	0.00	0.00	Direct	--
19	Mahalsa Narayani High School	Educational	Verna, Goa	0.17	0.00	0.00	Direct	--
20	Edukiran		New Delhi	0.20	0.00	0.00	Direct	--
21	Grampanchayat, Urse	Social	Urse, Maharashtra	0.85	0.00	0.00	Direct	--
	Total			**20.92**	**12.27**	**15.80**		

The Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

Place: Pune
Date: August 14, 2020

D. K. Chhabria
Executive Chairman

Shishir Lall
Chairman, CSR Committee

Annexure J

Business Responsibility Report

Section A - General Information About Company

Sr No	Particulars	Information/Details
1	Corporate identification number	L31300MH1967PLC016531
2	Name of the Company	Finolex Cables Ltd.
3	Registered address	26-27Mumbai-Pune Road, Pimpri, Pune 411 018 (India)
4	Website	www.finolex.com
5	Email address	sales@finolex.com
6	Financial year reported	April 1, 2019 – March 31, 2020
7	Sector(s) that the Company is engaged in	Cables
8	Three key products/services manufactured/provided by Company	Electrical / Communication Cables & Other Electrical products
9	Total number of locations where business activities are undertaken by the Company	• **Registered Office - Plant:** Pimpri :26/27, Mumbai-Pune Road26/27, Mumbai-Pune Road Pimpri,Pune-411018 • **Plant Location :** Urse : Talukal Maval Dist: Pune-410506 • **Goa:** Plot No.117/L118, Verna Industrial Estate, Verna Salcette-South Goa, Goa-403722 • **Panjim:** Belgaum Road, Usgoan- Tisk, Ponda, Goa-403406 • **Roorkee:** Plot Nos.K-1 & K-2, AIS Industrial Estate Latherdeva Hoon, Mangalaur Zebreda road, Roorkee, Taluka Haridwar, Uttarakand- 247667
10	Markets served by the Company	India

Section B - Financial Details of Company

Sr No	Particulars	Information/Details
1	Paid up capital	Rs. 30.6 Crores
2	Total Turnover	Rs. 3,049.2 Crores (Including other non-operating income)
3	Total profit after tax	Rs. 402.5 Crores
4	Total spending on CSR as percentage of PAT	Please refer to the CSR Report
5	List of the activities in which expenditure in 4 above has been incurred	Please refer Annexure I forming part of this annual report

Section C - Other Details

Sr No	Particulars	Information/Details
1	Does the Company have any subsidiary company/ companies?	No
2	Do the subsidiary company/companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	NA
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities [Less than 30%, 30-60%, More than 60%]	NA

Section D - Business Responsibility (BR) Information

1) Details of Director / Directors Responsible for BR

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

Name	Designation	DIN
Mr. Shishir Lall	Non-Executive Non-Independent Director	00078316
Mr. D.K.Chhabria	Executive Chairman	01403799
Mr. Yatin Redkar	Executive Director	07799478

b) Details of BR Head

Name	Designation	DIN	Telephone number	E-mail ID
Mr. Shishir Lall	Non- Executive Non-Independent Director	00078316	+91 020 27475963	sales@finolex.com
Mr. D.K.Chhabria	Executive Chairman	01403799	+91 020 27475963	sales@finolex.com
Mr. Yatin Redkar	Executive Director	07799478	+91 020 27475963	sales@finolex.com

2) Principle- wise (as per NVGs) BR policy

The Company's policies are in line with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) which provides for the following (09) nine areas of Business Responsibility to be adopted:

- **P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**
- **P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**
- **P3 – Businesses should promote the well-being of all employees.**
- **P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**
- **P5 – Businesses should respect and promote human rights.**
- **P6 – Businesses should respect, protect, and make efforts to restore the environment.**
- **P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**
- **P8 – Businesses should support inclusive growth and equitable development.**
- **P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

a) Details of Compliance

Sr No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?									
3	Does the policy conform to any National / International standards? If yes, specify? (50 words)	Yes , the polices are in line with international standards such as IS/ISO 9001 and meet national regulatory requirement such as the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also, guidelines as per NVGs on social, environment and economic responsibility of business have been considered for formulation of policies								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	These policies are administered and supervised by the management of the company through a robust internal governance structure								
6	Indicate the link for the policy to be viewed online?	Policies on HR ISO, CSR, Insider Trading, related party etc. are available on Company's website www.finolex.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies on Quality, Safety and Health and Environment are subject to internal and external audits, as part of certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through Internal audit mechanism.								

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

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

3) Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
b) Does the company Publish a BR or a Sustainability Report? What is the hyperlink for viewing this report?	The company has been publishing the BR report as part of its Annual report which can viewed at www.finolex.com

Section E – Principle Wise Performance

Preface

As per the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and circulars issued by SEBI, annual report of top 500 listed entities based on market capitalization calculated as on March 31 of every year shall contain, Business Responsibility Report (BRR) describing the initiatives taken by them from an environmental, social and governance perspective.

The business responsibility reporting requirement is in line with “National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business” notified by Ministry of Corporate Affairs, Government of India, in July 2011

Principle 1: Businesses Should Conduct and Govern Themselves With Ethics, Transparency and Accountability

Finolex Cables Ltd (“The Company”) is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has in place the Code of Conduct (“Code”) for its Directors and Senior Management Personnel and their confirmations to the Code is obtained by the Company on periodical basis. No Complaints linked to the Code of Conduct adherence were received in the reporting year.

This Policy is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. The objective is to encourage the highest standards of ethical conduct, transparency and accountability while dealing with the stakeholders.

The Company has put in place a Whistle Blower Policy, which lays down the process to report any unethical behavior or violation of the Code of Conduct. Employees can report to the Management any instances of unethical behavior, or suspected fraud or violation of the Code of Conduct or ethics policy. Adequate measures are in place to ensure safeguards against victimization for employees who report any unethical behavior.

Principle 2: Business Should Provide Goods and Servcies that are Safe and Contibute to Sustainability throughout their Life Cycle

The Company is a firm believer in the philosophy that aligning business actions with sustainability goals ensures long-term growth for the Company. It recognizes that its business operations are dependent on the natural environment while simultaneously impacting it. Thus, it invests time and resources to ensure safety and resource efficiency at all stages of the product life, including product development, plant operations and supply chain management

The Company always recognizes and respects the rights of people who may be owners of traditional knowledge, and other forms of intellectual property within best business practice.

The Company was Awarded “Consumer validated Superbrand India 2009-10” and “Experts Choice Award- 2018 “in category of Electrical Cables and wires.

Product Sustainability

The Company has the broadest range of electrical wires and cables, accessories, lighting products, switch gear products, fans and water heater. Whatever the needs one has in this area, one can count on FCL to deliver superior solutions.

Sustainable Sourcing

All major vendors are assessed to ensure that they adopt sustainable practice.

Waste Reduction

The Company makes continuous efforts to reduce the quantum of waste being generated, directly or indirectly, due to its operations. For this, it works closely with its vendors, as well as improving process within its plants

Principle 3: Businesses Should Promote the Well-Being of all

The Company believes in continuous improvement to meet the challenges of tomorrow. One of the important and greatest asset is our employees who more ensures that day to day challenges are effectively met towards conquering the day to day challenges. We have created a safe, positive work environment that nurtures a high performance culture in our journey to be one of the best Electrical Products Company.

In the year 2019-20, FCL hired approximately 292 employees, including 190 regular employees, 102 trainees. The stable workforce is an indicator of satisfied employees thus keeping FCL embarked on a continuous process of expansion and modernization. This has enabled the Company to become one of the most diversified and largest manufacturer of electrical products in the country.

Other Details

a)	The total number of permanent employees	1762
b)	Total number of employees hired on temporary/ Contractual/casual basis	1256
c)	Total number of permanent Women employees	52
d)	Total number of permanent employees with disabilities	Nil
e)	Does the Company have an employee association that is recognized by the Management?	YES
f)	The number of complaints relating	Child Labour – Nil Forced Labour – Nil Involuntary Labour – Nil Sexual Harassment – Nil

We believe in freedom of expression. We have a registered workers' union at our Urse plant. Strong grievance handling mechanism is in place. Line managers are actively involved in solving day to day problems of our workers. All the challenges are resolved amicably. This has ensured that there is no stoppage of work in our Company.

The company has a policy on 'Prevention of Sexual Harassment at Workplace'(POSH) and maternity leave policy in place to ensure the safety and security of women employees. We also celebrate International Women's Day as part of one of our women workforce engagement. We have arranged awareness programs, and other training programs to ensure a congenial work atmosphere.

FCL believes in continuous enhancement of skills and upkeep of its workforce to secure the overall productivity of the organization. Our approach is always focused to achieve skill upgradation. In the year 2019-20 more than 1042 employees were part of learning process through 95 training programs. We also have successfully implemented On-Job Training for 115 trainees upgrading their skills to in-line with organization's overall productivity requirements.

The whole learning and development program was focused to develop skills of the employees in accordance with the customer requirements. All the training programs have covered functional, soft skills, technical, work safety, health and applicable systems areas. The entire contract labors underwent rigorous training related to safety and work requirements.

The Company conducts audits of its suppliers for material and manpower to ensure statutory and process compliance.

The Company always ensures regular salary payout, timely payment of fair living wages to meet basic needs and economic security of the employee.

Principle 4: Business Should Respect the Interests of and be Responsive towards all Stakeholders, Especially those who are Disadvantaged, Vulnerable and Marignalized.

The Company remains deeply concerned about the healthy engagement with its various stakeholders like employees, suppliers, stockists, dealers, customers, shareholders/ investors, communities surrounding the operations and Government / regulatory authorities. The Company continues its engagement with them through various mechanisms such as supplier/vendor meets, customer/employee satisfaction surveys, investor forums, consultations with local communities etc. The Company strives to encourage that there is no discrimination against socially disadvantaged sections in the work place. The Company makes its best efforts to balance between needs of multiple stakeholders in the best possible manner.

Principle 5: Businesses Should Respect and Promote and Promote Human Rights

The Company is dedicated to uphold the human rights of all its internal and external stakeholders. It ensures compliance with all applicable laws pertaining to human rights. A legal compliance report is submitted to the Company's Board of Directors on a quarterly basis. There were no complaints on violation of human rights in the year 2019-20.

Grievance Redressal Mechanism is a part and parcel of the machinery of any administration. No administration can claim to be accountable, responsive and user-friendly unless it has established an efficient and effective grievance redress mechanism. The Company has in place, an effective grievance redressal mechanism, to ensure the safety and security of its customers and employees.

Principle 6: Business Should Respect, Protect and Make Efforts to Restore the Environment

The Company continually strives to minimize the environmental impact of its operations through sustainable practices and responsible use of natural resources. Further, it is committed to creating and preserving a clean environment and society.

The Company is dedicated to the continual improvement of its safety, occupational health and environmental performance. It continues to remain in full compliance with all applicable regulations and believes in providing a safe and healthy working environment by promoting good physical working conditions, standards of hygiene, housekeeping and preservation of the environment.

All plants of the Company operate as per the 'Consent-to-Operate' provided by the respective State Pollution Control Board (SPCB) and are within permissible limits with regards to the emissions and waste generated.

During the financial Year 2019-20 there was no show-cause notice from SPCB or CPCB

Principle 7: Business, when Engaged in Influencing Public and Regulatory Policy, should do so in a Responsible Manner

As a responsible member of various national as well as international associations, FCL actively engages in policy advocacy. The Company presents its views on the setting of new industry standards and regulatory developments pertaining to the cable manufacturing industry. It covers areas such as governance and administration, economic reforms, inclusive development policies, among others.

Some of the key associations of which the Company is member, are:

- Confederation of India Industry (CII)
- Mahratta Chambers of Commerce, Industries and Agriculture (MCCIA)
- Export Engineering Promotion Council (EEPC)

Principle 8: Business Should Support Inclusive Growth and Equitable Development

The Company believes that true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, the Company addresses the needs of communities residing in the vicinity of its facilities by taking sustainable initiatives in the areas of health, education, and infrastructure and community development.

Guiding Principles

The Company believes that social investments should:

- Benefit generations: The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- Educate for self-reliance and growth: To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- Promote health: The Company believes good health is a pre-requisite for both education and productivity.
- Encourage for self-help: To guide and do hand holding for self-help, individually and collectively
- To create excellence for self and for the team.
- Be focused: The Company believes that activities should be focused around locations where it has a presence and hence can effectively guide, monitor and implement specific projects.
- Target those who need it most: Care for the sections of the society, which are socially at the lowest rung irrespective of their religion or caste or language or color.
- Sustain natural resources: The Company encourages balanced development and ensure least adverse impact on environment – Growth with Mother Nature's– blessings

Our Activities

(Please refer to the Annexure I forming part this Annual Report on CSR activities for a detailed list of partners and grant amounts)

Principle 9: Business Should Engage With and Provide Value to their Customers and Consumers in a Responsible Manner.

Customers are one of the most important stakeholders. The foundation of the company is based on the trust, satisfaction and loyalty of our consumers across the India, The Company Continuously strives to make available its product that are safe and secured for the benefits of its Customers/ end users. The Company actively interact with its Customers through a Variety of platforms such as dealers meet.

The Company actively interacts with its customers through a variety of platforms such as call centers, web-based interfaces, dealer showrooms and service centers. The Company also organizes service camps at various locations to interact with customers at a personal level and solve their issues.

Standalone Financials

Independent Auditor's Report

To The Members of Finolex Cables Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Finolex Cables Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matters	Auditor's Response
Impairment of Investment in joint venture: (Refer Notes 2.3 (ii), 2.23 and 5 to the standalone financial statements) As at 31 March, 2020, the Company held investment with a carrying amount of Rs. 60.27 crores (net of impairment Rs. 135.73 crores including Rs. 35.10 crores impaired during the year) in a joint venture - Finolex J-Power Systems Private Limited. This investment is carried at cost less impairment in the Company's standalone financial statements. Due to continuous losses being incurred by the joint venture, the Company's management has tested this investment for impairment in accordance with Ind AS 36 by comparing its recoverable amount with its carrying amount as at 31 March, 2020. The recoverable amount of the investment in joint venture is assessed based on future discounted cash flows of the joint venture (Enterprise Value).	**Principal Audit Procedures Performed** We obtained an understanding of the Company's policies and procedures to identify impairment indicators for investment in joint venture and performed the following procedures in relation to the Company's management impairment assessment: • We tested the design and operating effectiveness of the Company's management controls over review of the impairment assessment including those over the forecasts of future cash flows and the selection of the discount rate. • We evaluated the reasonableness of forecasts of future cash flows of the joint venture provided to us by the Company's management by comparing the forecasts to historical trend analysis. • With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology and discount rate by developing a range of independent estimates and comparing those to the discount rate selected by the management.

Key Audit Matters	Auditor's Response
We considered this as a key audit matter due to significant judgement involved in estimating future cash flows of the joint venture and in determining the discount rate to be used. Changes in these inputs and assumptions could impact the results of the impairment assessment.	• We evaluated management's sensitivity analysis around the key assumptions such as discount rate and terminal growth rate, to ascertain the extent of change in those assumptions that would be required for the investment in joint venture to be impaired further. • We assessed the adequacy of disclosures made in the financial statements for the year ended 31 March, 2020.
Existence and condition of inventory of raw materials, work in progress, finished goods (manufactured and traded) [Refer to Note 11 to the standalone financial statements] The Company has its inventory located at factory and clearing & forwarding agent (CFA) locations. The Company's management conducts physical verification of inventories during the year at reasonable intervals, in factory, CFA locations and third party locations however, on account of the COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories and verification was carried out subsequently for Factory and CFA locations. Management has carried out other procedures to validate the existence and conditions of its inventory as at the year end, such as roll back procedures for inventories which were physically verified subsequent to year end and carrying out consumption analysis to determine the quantities of the inventory at the balance sheet date. Further due to COVID-19 related lockdown we could participate in the physical verification of inventory that was carried out by the management subsequent to the year end only through virtual medium. In view of the foregoing, obtaining sufficient appropriate audit evidence regarding existence and condition of inventories as at the balance sheet date is identified as a key audit matter.	**We performed the following alternate audit procedures to audit the existence and condition of inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the physical stock verification:** Understood and evaluated the management's internal controls process to establish the existence and condition of inventories, such as, the process of periodic physical verification carried out by the Management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any. Observed the physical verification of inventories carried out by the Management at the select locations subsequent to year-end through virtual mediums, to verify the compliance with the standard operating procedures issued by the Management for physical verification of inventory to determine existence and condition of inventory. On a sample basis, performed roll back procedures (by inspecting documentation relating to subsequent sales supported by acknowledged lorry receipts, purchases, stock transfers, production records, as applicable) from the inventory quantities physically verified by the Management subsequent to the year end to arrive at the quantities at the balance sheet date. Compared such quantities at the balance sheet date based on such roll back with the quantities as per the inventory records and obtained explanations for differences, if any. We have performed alternate procedures to audit the existence and condition of inventory, which includes inspection of supporting documentation relating to purchases, sales and production.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

   As more fully stated in Note 28.1 the reappointment and remuneration of the two executive directors is pending before the Hon'ble High Court. Subject to the aforesaid in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of Section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except in respect of transfer of equity shares, as the Company is in process of ascertaining the quantum of shares to be transferred, in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
Membership No. 046930
UDIN. 20046930AAAADH2650

Place: Mumbai
Date: 27 June, 2020

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2020 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. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on criteria for the internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
Membership No. 046930
UDIN: 20046930AAAADH2650

Place: Mumbai
Date: 27 June, 2020

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets (Property, Plant and equipment):

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The company has a program of verification to cover all the items of Property, plant and equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed/ Possession Certificate/ Lease agreement/ Encumbrance Certificate provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

(Rs. In crore)

Particulars of the land and building	Gross Block as at the Balance Sheet date	Net Block as at the Balance Sheet date	Remarks
Freehold land located at Urse Taluka Maval Dist - Pune. PIN code - 410506	1.93	1.93	As per the information given to us, the title deed of the land is in the name of erstwhile AT & T Finolex Fibre Optic Cables Limited. The Company is in the process of updating the title deeds in the name of the Company.

In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreements.

(ii) As explained to us, the inventories lying with the Company were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. For inventory lying with third parties at the year-end, written confirmations have been obtained.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of Clause (iii) of paragraph 3 of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Therefore, the provisions of the clause (v) of paragraph 3 of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Excise duty, Service Tax, Customs Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March, 2020, for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Wealth Tax, Sales Tax, Entry Tax, Value added tax, Customs Duty and Excise duty which have not been deposited as on 31 March, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Unpaid (Rs. In crore)
The Central Sales Tax Act and Local Sales Tax Act	Sales Tax	Sales Tax - Tribunal	1992-1993, 2003-2004 and 2012-2013 to 2014-2015	1.40
		Commissioner (Appeal)	2013-2014 to 2014-2015	0.33
		Joint Commissioner Sales Tax (Appeal)	2006-2007, 2012-2013 2013-2014 and 2015-16	1.45
		Joint Commissioner Commercial of Tax (Appeal)	2009-2012, 2010-2011 and 2012-2013 to 2014-2015	5.44
		Deputy Commissioner of Commercial Tax	2007-2008 to 2010-2011	28.27
		Deputy Commissioner of Sales Tax	2007-2008, 2011-2012 to 2014-2015 and 2016-2017	1.97
		Assistant Commissioner Commercial of Tax (Appeal)	2002-2003, 2004-2005, 2006-2007 to 2009-2010 and 2011-2012 to 2016-2017	79.67
Goa Entry Tax Act, 2000	Entry Tax	Assistant Commissioner Commercial of Tax (Appeal)	2005-2006 to 2006-2007, 2008-2009 to 2009-2010 and 2011-2012 to 2012-2013	12.39
Income-Tax Act, 1961	Income Tax	Hon'ble Supreme Court	2002-2003	2.81
		Hon'ble High Court	1993-1994 to1996-1997, 2000-2001 to 2004-2005, 2010-2011 and 2011-2012	18.90
		Commissioner of Income Tax (Appeal)	2008-2009, 2010-2011, 2011-2012 and 2013-2014	6.87
Wealth Tax Act,1957	Wealth Tax	High Court	2002-2003 to 2004-2005	0.25
Customs Act, 1962	Customs Duty	Commissioner	1999-2000	1.34
Central Excise Act,1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2005-2006 to 2016-2017	31.73
		Commissioner (Appeal)	2012-2013 to 2017-2018	5.37
		Additional Commissioner	2004-2005 to 2007-2008, 2009-2010 and 2012-2013 to 2015-2016	7.17

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Accordingly, the provisions of Clause (viii) of paragraph 3 of the Order are not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) As more fully stated in note no. 28.1 the reappointment and remuneration of the two executive directors is pending before the Hon'ble High Court. Subject to the aforesaid in our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
Membership No. 046930
UDIN: 20046930AAAADH2650

Place: Mumbai
Date: 27 June, 2020

Standalone Balance Sheet
as at 31st March, 2020

(Rs. In Crore)

		Note No.	As at 31st March, 2020	As at 31st March, 2019
I	**ASSETS**			
	NON CURRENT ASSETS			
	(a) Property, Plant and Equipment	3	376.76	403.50
	(b) Capital Work-in-Progress		27.29	10.36
	(c) Intangible Assets	4	0.45	0.71
	(d) Right of use asset	4A	9.32	-
	(e) Financial Assets			
	i) Investment in Associate and Joint Ventures	5	213.87	205.61
	ii) Other Investments	6	265.47	408.34
	iii) Loans	8	3.87	3.82
	iv) Other Financial Assets	9	-	0.23
	(f) Non-Current Tax Assets (net)		19.51	21.44
	(g) Other Non-Current Assets	10	26.08	22.97
			942.62	**1,076.98**
	CURRENT ASSETS			
	(a) Inventories	11	593.06	587.20
	(b) Financial Assets			
	i) Investments	7	246.55	767.92
	ii) Trade Receivables	12	187.02	210.88
	iii) Cash and Cash Equivalents	13	856.02	46.38
	iv) Other Bank balances	14	77.86	2.42
	v) Other Financial Assets	9	55.90	0.48
	(c) Other Current Assets	15	52.76	76.74
			2,069.17	**1,692.02**
	TOTAL ASSETS		**3,011.79**	**2,769.00**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	16	30.59	30.59
	(b) Other Equity	17	2,688.04	2,409.08
			2,718.63	**2,439.67**
	LIABILITIES			
	NON CURRENT LIABILITIES			
	(a) Financial Liabilities			
	i) Borrowings	18	0.34	0.38
	ii) Lease Liabilities		5.23	-
	(b) Provisions	19	12.61	9.42
	(c) Deferred Tax Liabilities (Net)	20	36.06	58.34
			54.24	**68.14**
	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	21	5.52	8.22
	(b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	21	153.16	200.05
	(ii) Lease Liabilities		2.33	-
	(iii) Other Financial Liabilities	22	3.69	3.32
	(b) Other Current Liabilities	23	34.70	22.46
	(c) Provisions	19	6.61	5.82
	(d) Current tax Liabilities (net)		32.91	21.32
			238.92	**261.19**
			293.16	**329.33**
	TOTAL EQUITY AND LIABILITIES		**3,011.79**	**2,769.00**

See accompanying notes to the Standalone Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai : 27th June, 2020

For and behalf of Board of Directors of Finolex Cables Limited.

D.K. Chhabria
Executive Chairman

Shishir Lall
Director

M. Viswanathan
Chief Financial Officer

R.G.D'Silva
Company Secretary
& President (Legal)
Pune : 27th June, 2020

Standalone Statement of Profit and Loss

for the year ended 31st March, 2020

(Rs. In Crore)

		Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
I	Revenue from operations	24	2,877.30	3,077.79
II	Other income	25	171.89	121.83
III	**Total income**		**3,049.19**	**3,199.62**
IV	**EXPENSES**			
	(a) Cost of material consumed	26	2,026.15	2,292.09
	(b) Purchase of stock-in-trade		57.17	45.88
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	0.03	(73.03)
	(d) Employee benefits expense	28	149.53	140.70
	(e) Finance Costs	29	1.55	0.92
	(f) Depreciation and amortization expenses	30	38.91	40.55
	(g) Other Expenses	31	274.52	220.65
	Total Expenses		**2,547.86**	**2,667.76**
V	Profit before Tax		**501.33**	**531.86**
VI	Tax Expense			
	(a) Current tax	20	123.24	165.68
	(b) Deferred tax	20	(24.39)	22.09
	Total Tax		**98.85**	**187.77**
VII	**Profit for the year**		**402.48**	**344.09**
VIII	**Other Comprehensive Income / (Expense)**			
	A. Items that will not be reclassified to profit or loss			
	(i) Re-measurement gain/ (loss) on defined benefit plans		(3.60)	(3.42)
	(ii) Fair value change on equity instruments		(34.84)	(19.83)
	(iii) Income tax relating to these items		(2.11)	(1.32)
	B. Items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive Income/(Expense) for the year		**(40.55)**	**(24.57)**
IX	**Total comprehensive income for the year**		**361.93**	**319.52**
X	Earnings per equity share of face value of Rs. 2 each			
	(i) Basic	37	26.32	22.50
	(ii) Diluted	37	26.32	22.50
	See accompanying notes to the Standalone Financial Statements			

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai : 27th June, 2020

For and behalf of Board of Directors of Finolex Cables Limited.

D.K. Chhabria
Executive Chairman

Shishir Lall
Director

M. Viswanathan
Chief Financial Officer

R.G.D'Silva
Company Secretary
& President (Legal)
Pune : 27th June, 2020

Statement of Standalone Cash Flows

for the year ended 31st March, 2020

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020		Year Ended 31st March, 2019	
A. Cash Flows from Operating Activities				
Profit before tax for the year		**501.33**		**531.86**
Adjustments for :				
Finance Costs	1.55		0.92	
Interest income on financial assets carried at amortised cost	(9.04)		(4.20)	
Dividend income	(80.96)		(40.79)	
Net gain/(Loss) on fair value changes of investments classified at FVTPL	(73.68)		(67.61)	
Allowance for Doubtful Debts and Advances (Net)	5.82		4.68	
Warranty Costs	-		(0.72)	
Depreciation and Amortisation Expenses	38.91		40.55	
Provision other-Duties / Taxes	-		(22.16)	
Impairment of Financial assets -Investment in Joint Venture	35.10		18.17	
Loss/(gain) on sale of property,plant and equipment	0.08		3.85	
		(82.22)		**(67.31)**
		419.11		**464.55**
Working Capital Adjustments				
Adjustments for (increase) / decrease in operating assets:				
Trade Receivables	18.04		(40.64)	
Inventories	(5.86)		(88.14)	
Other Current Assets	23.98		(47.77)	
Other Financial Assets (Current and Non-Current)	(49.65)		(0.07)	
Other Non Current Assets	0.09		(2.00)	
Loan-Noncurrent	(0.05)		(0.07)	
		(13.45)		**(178.69)**
		405.66		**285.86**
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payables	(49.60)		30.82	
Long term / Short Term Provisions	0.38		(2.74)	
Other Current Liabilities	12.24		1.71	
Other Financial Liabilities (Current and Non - Current)	0.06		(0.03)	
		(36.92)		**29.76**
Cash generated from operations		368.74		315.62
Income Tax paid		(109.72)		(161.56)
Net cash generated from operating activities		**259.02**		**154.06**

Statement of Standalone Cash Flows

for the year ended 31st March, 2020

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
B. Cash Flows from Investing Activities		
Dividend received	80.96	40.79
Other bank balances	(75.44)	24.32
Interest received - Others	3.50	6.56
Purchase of Investments (Mutual Funds)	(2,823.99)	(2,800.41)
Proceed from sale of investments (Mutual Funds)	3,527.08	2,681.84
Purchase of investment in joint ventures	(43.36)	(18.87)
Purchase of PPE	(32.33)	(44.32)
Proceed from sale of Fixed Assets	0.62	0.06
Net cash generated/(used in) investing activities	**637.04**	**(110.03)**
C. Cash flows from Financing Activities		
Other long term borrowings repaid	(0.17)	(0.29)
Dividends paid	(68.38)	(60.74)
Dividend tax paid	(14.15)	(12.57)
Interest and Other Borrowing Costs	(0.67)	(0.92)
Repayment of lease liabilities :		
Principal	(2.17)	-
Interest	(0.88)	-
Net cash (used in) financing activities	**(86.42)**	**(74.52)**
Net Increase /(Decrease) in cash and cash equivalents	**809.64**	**(30.49)**
Cash and Cash Equivalents as at 1st April (Opening Balance)	**46.38**	**76.87**
Cash and Cash Equivalents as at 31st March (Closing Balance)	**856.02**	**46.38**

Notes:

1 Cash and Cash Equivalents include:

(Rs. In Crore)

	As at 31st March, 2020	As at 31st March, 2019
(a) Cash on hand	**0.02**	0.01
(b) Balances with banks		
In current accounts	**31.00**	46.37
Deposits with original maturity of less than three months	**825.00**	-
Cash and Cash Equivalents	**856.02**	**46.38**

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai : 27th June, 2020

For and behalf of Board of Directors of Finolex Cables Limited.

D.K. Chhabria
Executive Chairman

Shishir Lall
Director

M. Viswanathan
Chief Financial Officer

R.G.D'Silva
Company Secretary
& President (Legal)
Pune : 27th June, 2020

Standalone Statement of Changes in Equity

for the year ended 31st March, 2020

A) Equity Share Capital

(Rs. In Crore)

	No. of shares	Amount
Balance as at 31st March, 2018	152,939,345	30.59
Issued during the year	-	-
Balance as at 31st March, 2019	152,939,345	30.59
Issued during the year	-	-
Balance as at 31st March, 2020	**152,939,345**	**30.59**

B) Other Equity

(Rs. In Crore)

	Reserve and surplus					Item of Other Comprehensive Income	
Description	**Securities Premium**	**Capital Reserve**	**General Reserve**	**Share buyback Reserve**	**Retained Earnings**	**Equity Instrument through Other Comprehensive Income**	**Total**
Balance as at 1st April, 2018	**109.10**	**8.41**	**552.36**	**5.52**	**1,382.17**	**105.75**	**2,163.31**
Profit for the year	-	-	-	-	344.09	-	344.09
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	(2.24)	(22.33)	(24.57)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**341.85**	**(22.33)**	**319.52**
Dividend Paid	-	-	-	-	(61.18)	-	(61.18)
Dividend Distribution Tax	-	-	-	-	(12.57)	-	(12.57)
Balance as at 31st March, 2019	**109.10**	**8.41**	**552.36**	**5.52**	**1,650.27**	**83.42**	**2,409.08**
Balance as at 1st April, 2019	109.10	8.41	552.36	5.52	1,650.27	83.42	2,409.08
Profit for the year	-	-	-	-	402.48	-	402.48
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	(2.69)	(37.86)	(40.55)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**399.79**	**(37.86)**	**361.93**
Dividend Paid	-	-	-	-	(68.82)	-	(68.82)
Dividend Distribution Tax	-	-	-	-	(14.15)	-	(14.15)
Balance as at 31st March, 2020	**109.10**	**8.41**	**552.36**	**5.52**	**1,967.09**	**45.56**	**2,688.04**

See accompanying notes to the Standalone Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai : 27th June, 2020

For and behalf of Board of Directors of Finolex Cables Limited.

D.K. Chhabria
Executive Chairman

Shishir Lall
Director

M. Viswanathan
Chief Financial Officer

R.G.D'Silva
Company Secretary
& President (Legal)
Pune : 27th June, 2020

Notes to the Standalone Financial Statements

1. Corporate information

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges (i.e. BSE & NSE) in India. The registered office of the Company is located at 26/27, Mumbai-Pune Road, Pimpri, Pune - 411018 (India). The Company is principally engaged in the manufacturing of Electricals Cables, Communication Cables & other electrical appliances.

These standalone financial statements for the year ended 31st March, 2020 were approved for issue by the Board of Directors in accordance with their resolution dated 27th June, 2020.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation & presentation and Statement of Compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements are presented in INR and all values are rounded to the nearest Crores in two digits, except where otherwise indicated.

2.2 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management of the Company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, provisions and contingent liabilities and fair value measurement of financial instruments. Key source of estimation of uncertainty in respect of employee benefits and measurement of deferred tax assets have been discussed in their respective policies.

2.3 Critical accounting estimates

i) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.11.

ii) Impairment of Investments

The Company reviews its carrying value of investments in associate and joint ventures carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

iii) Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.16.

Notes to the Standalone Financial Statements

iv) **Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2.18.

2.4 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.5 Revenue recognition

Effective April 1, 2018, the Company adopted Ind-AS 115 "Revenue from Contracts with Customers" using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted.

The effect on adoption of Ind-AS 115 was insignificant.

Sale of goods

Revenue from the sale of goods is recognized at point in time when control of the goods is transferred to the customer, usually on delivery of the goods, customer acceptance and other indicators of transfer of control of goods to the customer. Revenue from sale of goods is measured at an amount that reflects the consideration ("transaction price") expected to be received in exchange for those goods.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Revenue is recognized when the Company's right to receive the dividend is established, which is generally when shareholders approve the dividend.

2.6 Foreign Currencies

The Functional Currency of the company is in the Indian rupee. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realised gains and losses as well as exchange differences arising on translation (at year end exchange rates) of monetary assets and monetary liabilities

Notes to the Standalone Financial Statements

outstanding at the end of the year are recognised in the statement of Profit and Loss.

Non–monetary assets and liabilities that all are measured in terms of historical cost in foreign currencies are not retranslated.

2.7 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received. Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets. The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

2.8 Employee Benefits

2.8.1 Defined contribution plans

(a) Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

(b) Superannuation

Superannuation fund, which are defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

(c) Employees state insurance scheme (ESIC)

The company pays ESIC contribution to Employee State Insurance Corporation of India as per ESIC Act 1948. The Company has no further obligations other than its monthly contributions.

2.8.2 Defined benefits plans (Gratuity)

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

2.8.3 Compensated absences

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment The liability is provided based on the number of days of un- availed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Notes to the Standalone Financial Statements

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

2.9 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.23) Impairment of assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets

Notes to the Standalone Financial Statements

are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.10 Income Taxes

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India where it generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.11 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation commences when the assets are ready for their intended use. Freehold land and Assets held for sale are not depreciated.

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Notes to the Standalone Financial Statements

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

The estimated useful lives in respect of Property, plant and equipment are mentioned below:

Asset Class	Useful Life Adopted (Years)	Useful Life as per Schedule –II (Years)
Plant & Machinery	10 to 25*	15
Solar Plant	25	NA
Buildings-Factory	30	30
Buildings-Others	60	60
Furniture &Fittings	10	10
Office Equipment	5	5
Computers & Peripherals	3 to 6	3 to 6
Vehicles	8	8
Dies &Moulds	6*	8

*As evaluated by internal technical personnel

2.12 Intangible Assets

Intangible assets acquired separately are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The amortization policy applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

Particular	Amortisation
Computer Software	Over a period of 5 years

2.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.14 Assets Held For Sale

Non-current assets held for sale are measured at the lower of their carrying value and fair value of the assets less costs to sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment once classified as held for sale are not depreciated/ amortised.

2.15 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on weighted average. Cost for this purpose includes cost of direct materials, direct labour, appropriate share of overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for and valued at net realisable value.

2.16 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Notes to the Standalone Financial Statements

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.16.1 Warranty Provisions

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the Company's best estimate of the expenditure required to settle the Company's obligation.

2.17 Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.18 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.18.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.18.2 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

2.18.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Notes to the Standalone Financial Statements

2.18.4 Investment in Joint Ventures and Associate

Investment in Joint ventures and Associate are measured and stated at cost less impairment as per Ind AS 27 - Separate Financial Statements.

2.18.5 Impairment of financial assets (other than financial assets at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes life time expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2.19 Financial liabilities and equity instruments

2.19.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.19.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognized in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.19.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.20 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

2.21 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.22 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.23 Impairment of assets

Assets are tested for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the

Notes to the Standalone Financial Statements

higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lower levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversals of the impairment at the end of each reporting period.

2.24 Changes in accounting policies and disclosures

Ind AS 116 Leases

Ind AS 116 was notified by Ministry of Corporate Affairs on 30th March, 2019 and it is applicable for annual reporting periods beginning on or after 1st April, 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to Ind AS 116, the Company adopted Ind AS 116 using the modified retrospective approach. Under this approach, there were no material adjustments required to the retained earnings at 1st April, 2019. The comparative financial statements for the year ended 31st March, 2019 are not restated.

2.25 New Accounting Standards not yet adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

Notes to the Standalone Financial Statements

Note 3 : Property, Plant and Equipment

(Rs. In Crore)

	Land	Lease hold Land	Buildings @	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
Cost									
Balance as at 1st April, 2019	35.06	15.30	169.46	348.17	2.39	3.33	2.91	3.99	580.61
Additions	1.23	-	0.16	9.79	0.27	0.06	0.45	0.21	12.17
(Disposals)	-	-	-	(0.72)	-	-	(0.19)	(0.30)	(1.21)
Balance as at 31st March, 2020	**36.29**	**15.30**	**169.62**	**357.24**	**2.66**	**3.39**	**3.17**	**3.90**	**591.57**
Accumulated Depreciation & Impairment									
Balance as at 1st April, 2019	-	0.66	27.10	143.92	1.03	1.90	1.20	1.30	177.11
Depreciation expense for the year	-	0.19	6.62	29.58	0.21	0.33	0.61	0.67	38.21
(Disposals)	-	(0.00)	-	(0.05)	(0.00)	-	(0.18)	(0.28)	(0.51)
Balance as at 31st March, 2020	**-**	**0.85**	**33.72**	**173.45**	**1.24**	**2.23**	**1.63**	**1.69**	**214.81**
Net Carrying Amount as at 31st March, 2020	**36.29**	**14.45**	**135.90**	**183.79**	**1.42**	**1.16**	**1.54**	**2.21**	**376.76**

(Rs. In Crore)

	Land	Lease hold Land	Buildings @	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
Cost									
Balance as at 1st April, 2018	29.96	15.30	167.97	322.00	2.30	2.94	2.51	5.04	548.02
Additions	5.10	-	1.49	32.10	0.09	0.39	0.42	0.09	39.68
(Disposals)	-	-	-	(5.93)	-	-	(0.02)	(1.14)	(7.09)
Balance as at 31st March, 2019	**35.06**	**15.30**	**169.46**	**348.17**	**2.39**	**3.33**	**2.91**	**3.99**	**580.61**
Accumulated Depreciation & Impairment									
Balance as at 1st April, 2018	-	0.50	20.48	114.55	0.79	1.51	0.59	1.60	140.02
Depreciation expense for the year	-	0.16	6.62	31.50	0.24	0.39	0.62	0.74	40.27
(Disposals)	-	-	-	(2.13)	-	-	(0.01)	(1.04)	(3.18)
Balance as at 31st March, 2019	**-**	**0.66**	**27.10**	**143.92**	**1.03**	**1.90**	**1.20**	**1.30**	**177.11**
Net Carrying Amount as at 31st March, 2019	**35.06**	**14.64**	**142.36**	**204.25**	**1.36**	**1.43**	**1.71**	**2.69**	**403.50**

Note: @ Building include Rs. * crore being cost of ordinary shares in co-operative housing societies.

* Denotes amount less than Rs. 50,000

Note 4 : Intangible Assets

(Rs. In Crore)

	Computer Software $
Cost	
Balance as at 1st April, 2019	**1.51**
Additions	0.03
(Disposals)	-
Balance as at 31st March, 2020	**1.54**
Accumulated Amortisation & Impairment	
Balance as at 1st April, 2019	**0.80**
Amortisation expenses for the year	0.29
(Disposals)	-
Balance as at 31st March, 2020	**1.09**
Net Carrying Amount as at 31st March, 2020	**0.45**

Notes to the Standalone Financial Statements

(Rs. In Crore)

	Computer Software $
Cost	
Balance as at 1st April, 2018	**1.51**
Additions	-
(Disposals)	-
Balance as at 31st March, 2019	**1.51**
Accumulated Amortisation & Impairment	
Balance as at 1st April, 2018	**0.52**
Amortisation expenses for the year	0.28
(Disposals)	-
Balance as at 31st March, 2019	**0.80**
Net Carrying Amount as at 31st March, 2019	**0.71**

Note : $ Other than internally generated intangible assets

Note 4 A : Right of use asset

(Rs. In Crore)

Cost	
Balance as at 1st April, 2019	**-**
Addition- on account of adoption of Ind AS 116	9.73
(Disposals)	-
Balance as at 31st March, 2020	**9.73**
Accumulated Amortisation & Impairment	
Balance as at 1st April, 2019	**-**
Amortisation expenses for the year	0.41
(Disposals)	-
Balance as at 31st March, 2020	**0.41**
Net Carrying Amount as at 31st March, 2020	**9.32**
Set out below are the carrying amounts of lease liabilities movements during the year	
As at 1st April, 2019	-
Additions- on account of adoption of Ind AS 116	9.73
Accretion of interest	0.88
Payments	(3.05)
As at 31st March, 2020	**7.56**
Current	2.33
Non-current	5.23
The effective interest rate for lease liabilities is 9.05%	
The following are the amounts recognised in profit or loss:	
Depreciation expense of right-of-use assets	0.41
Interest expense on lease liabilities	0.88
Expense relating to short-term leases	-
Expense relating to leases of low-value assets	-
Total amount recognised in profit or loss	1.29

Notes to the Standalone Financial Statements

Note 5 : Investment in Associates & Joint Ventures- Non-Current

Measured at cost

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
	(i) Equity shares Quoted		
40,192,597	Equity Shares of Rs. 10 each fully paid in Finolex Industries Limited (Previous Year 40,192,597)	151.85	151.85
	(ii) Equity shares Unquoted		
196,000,000	Equity Shares of Rs.10 each fully paid in Finolex J-Power Systems Private Limited (Previous Year 152,635,000)	196.00	152.64
	Less: Provision for Impairment in value of Investments	(135.73)	(100.63)
1,750,000	Equity Shares of Rs.10 each fully paid in Corning Finolex Optical Fibre Private Limited (Previous Year 1,750,000)	1.75	1.75
	Total	**213.87**	**205.61**
	Aggregate carrying value of Quoted Investment	151.85	151.85
	Aggregate market Value of Quoted Investment	1,570.32	2,015.26
	Aggregate carrying value of Unquoted Investment	197.75	154.39
	Aggregate value of impairment in value of assets	(135.73)	(100.63)
	Aggregate carrying value of Unquoted Investment net of impairment	62.02	53.76

Note 5.1 : Disclosure as per Ind-AS 27

Name of investees.		The principal place of business and country of incorporation	Proportion of the ownership interest and proportion of the voting rights
(I)	**Associate**		
	Finolex Industries Limited	India	**32.39%**
(II)	**Joint Ventures**		
	Finolex J-Power Systems Private Limited	India	**49.00%**
	Corning Finolex Optical Fibre Private Limited	India	**50.00%**

Note 5.2 :Disclosure as per Ind-AS 36, on Impairment of Investments in Joint Ventures

The Company's investment in Finolex J Power Systems Private Ltd, (FJPS) is long term and strategic in nature. FJPS is engaged in manufacturing and sale of extra high voltage power cables. The operations of FJPS continued to be adversely impacted by economic slowdown and has continued to incur losses, resulting in its net worth being partially eroded. The management expects improvement in operations of FJPS upon revival of the economic environment and along with the Joint Venture partner, continues to support FJPS operations by infusion of equity as required.

Considering above, the Company had in accordance with Ind AS - 36 "Impairment of Assets" carried out impairment assessment of its investment in FJPS by comparing its recoverable amount (enterprise value) with its carrying amount as at 31st March, 2020.

The recoverable amount of the investment in FJPS is assessed based on future discounted cash flows of FJPS (enterprise value).

During the year the company had recorded further impairment of Rs. 35.1 crores (Rs. 18.17 crores previous year) total impairment Rs. 135.73 crores upto 31st March, 2020.

Key assumptions used for value in use to determine the recoverable value are:

1- Discount rate - Weighted Average Cost of Capital (WACC) - 16 % (Previous year 14%)

2- Terminal growth rate 4 % (Previous year 5%)

Notes to the Standalone Financial Statements

Note 6 : Other Investments - Non-Current

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
a)	**Investments at fair value through Other Comprehensive Income (FVTOCI) (fully paid)**		
	i) Equity shares- Quoted		
61,000	Equity Shares of Rs. 2 each fully paid in Bharat Forge Limited (Previous Year 61,000)	1.43	3.12
358,500	Equity Shares of Rs. 10 each fully paid in IndusInd Bank Limited (Previous Year 358,500)	12.59	63.89
168,750	Equity Shares of Rs.5 each fully paid in BF Utilities Limited (Previous Year 168,750)	2.43	3.30
168,750	Equity Shares of Rs.5 each fully paid in BF Investment Limited (Previous Year 168,750)	3.86	4.48
300	Equity Shares of Rs. 10 each fully paid in Delton Cables Limited (Previous Year 300)	*	*
25,096	Equity Shares of Rs. 2 each fully paid in ICICI Bank Limited (Previous Year 25,096)	0.81	1.00
200,000	Equity Shares of Rs. 5 each fully paid in Kirloskar Ferrous Limited (Previous Year 200,000)	0.86	1.95
100	Equity Shares of Rs. 2 each fully paid in Nicco Corporation Limited (Previous Year 100)	*	*
100	Equity Shares of Re. 1 each fully paid in Usha Martin Education & Solutions Limited (Previous Year 100)	*	*
100	Equity Shares of Re. 10 each fully paid in Sterlite Power Transmission Limited (Previous Year 100)	*	*
	Total Equity shares - Quoted (i)	**21.98**	**77.74**
	ii) Equity shares Unquoted		
1,000,000	Equity Shares of Rs. 10 each fully paid in Finolex Plasson Industries Pvt Limited (Previous Year 1,000,000)	29.38	16.10
1,000	Equity shares of Rs.10 each fully paid up in the Saraswat Co-op Bank Ltd.(Previous year 1,000)	*	*
967,700	Equity Shares of Rs. 10 each fully paid in SICOM India Limited (Previous Year 967,700)	8.48	0.84
5,373,938	Equity Shares of Rs.10 each fully paid in Finolex Infrastructure Limited (Previous Year 5,373,938)	8.58	8.58
	Total Equity shares -Unquoted (ii)	**46.44**	**25.52**
	Total FVTOCI Investments (i+ii)	**68.42**	**103.26**
b)	**Investments at fair value through Profit & Loss (FVTPL)**		
	Investment in Fixed Maturity Plan - Unquoted		
5,000,000	Units of Rs 10 each of Axis Fixed Term Plan Series 102 (1,133 Days) - Growth (Previous Year 5,000,000)	5.55	5.06
-	Units of Rs 10 each of Franklin India Fixed Maturity Plan-Series 1 - Plan A (1,108 Days) Growth (Previous Year 7,500,000)	-	8.58
10,000,000	Units of Rs 10 each of Franklin India Fixed Maturity Plan-Series 2 - Plan A (1,224 Days) Growth (Previous Year 10,000,000)	11.82	10.85
5,000,000	Units of Rs 10 each of Franklin India Fixed Maturity Plan-Series 6 Plan C (1,169 Days) - Growth (Previous Year 5,000,000)	5.52	5.03

Notes to the Standalone Financial Statements

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
5,000,000	Units of Rs.10 each of HDFC FMP - (1,133 Days) - Feb 2019 (1) - Regular -Growth-Series 44 (Previous Year 5,000,000)	5.53	5.07
5,000,000	Units of Rs.10 each of HDFC FMP - (1,126 Days) - March 2019 (1) - Regular -Growth-Series 44 (Previous Year 5,000,000)	5.51	5.05
-	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series OF (1,151 Days)-Growth-Regular Plan (Previous Year 10,000,000)	-	11.27
10,000,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series OX (1,234 Days)-Growth-Regular Plan (Previous Year 10,000,000)	11.87	10.92
2,500,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series PB (1,190 Days)-Growth-Regular Plan (Previous Year 2,500,000)	2.96	2.72
2,500,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series PD (1,177 Days)-Growth-Regular Plan (Previous Year 2,500,000)	2.96	2.72
2,500,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series PE (1,159 Days)-Growth-Regular Plan (Previous Year 2,500,000)	2.95	2.71
2,500,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series PH (1,143 Days)-Growth-Regular Plan (Previous Year 2,500,000)	2.95	2.70
10,000,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series SI (1,141 Days)-Regular -Growth (Previous Year 10,000,000)	11.11	10.12
5,000,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series SJ (1,135 Days)-Regular -Growth (Previous Year 5,000,000)	5.54	5.04
-	Units of Rs 10 each of ICICI Prudential Fixed Maturity Plan-Series 80 - (1,245 Days) Plan L Cumulative (Previous Year 10,000,000)	-	11.59
2,500,000	Units of Rs 10 each of ICICI Prudential Fixed Maturity Plan-Series 82 - (1,185 Days) Plan M Cumulative (Previous Year 2,500,000)	2.96	2.72
5,000,000	Units of Rs. 10 each of ICICI Fixed maturity plan Series 82 (1,236 days) plan A Cumulative (Previous Year 5,000,000)	5.96	5.47
10,000,000	Units of Rs 10 each of ICICI Fixed Maturity Plan Series 85 - (1,156 Days) -Plan G Cumulative (Previous Year 10,000,000)	11.12	10.10
-	Units of Rs 10 each of IDFC Fixed Term Plan Series 131 Regular Plan - Growth (1,139 Days) (Previous Year 12,500,000)	-	14.34
-	Units of Rs 10 each of Kotak FMP Series 200 Growth (Regular Plan) (Previous Year 10,000,000)	-	11.46
-	Units of Rs 1,000 each of Invesco India Money Market Fund - Growth Option (Previous Year 46,830)	-	10.00
10,000,000	Units of Rs 10 each of Kotak FMP Series 263 -Growth (Regular Plan) (Previous Year 10,000,000)	11.11	10.11
10,000,000	Units of Rs 10 each of Kotak FMP Series 265 -Growth (Regular Plan) (Previous Year 10,000,000)	11.06	10.07
5,000,000	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund-XLI-Series 1 - Growth Plan- GWGPG (Previous Year 5,000,000)	5.53	5.04
-	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXIII- Series 3- Growth Plan- VRGP (Previous Year 10,000,000)	-	11.57

Notes to the Standalone Financial Statements

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
-	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXIII- Series 4- Growth Plan- VSGPG (Previous Year 10,000,000)	-	11.57
10,000,000	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXV- Series 7- Growth Plan- P7GPG (Previous Year 10,000,000)	11.90	10.90
2,500,000	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXV- Series 14 (1,214 Days)- Growth Plan- S6GPG (Previous Year 2,500,000)	2.97	2.72
2,500,000	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXV- Series 15 (1,207 Days)- Growth Plan- S7GPG (Previous Year 2,500,000)	2.97	2.72
-	Units of Rs 10 each of SBI Debt Fund Series - B -49 (1,170 Days) - Regular Growth (Previous Year 10,000,000)	-	11.47
5,000,000	Units of Rs 10 each of SBI Debt Fund Series - C -7 (1,190 Days) - Regular Growth (Previous Year 5,000,000)	5.88	5.42
2,500,000	Units of Rs 10 each of SBI Debt Fund Series - C - 9 (1,150 Days) - Regular Growth (Previous Year 2,500,000)	2.94	2.71
10,000,000	Units of Rs 10 each of SBI Debt Fund Series - C - 48 (1,177 Days) - Regular Growth (Previous Year 10,000,000)	11.02	10.06
5,000,000	Units of Rs 10 each of L&T FMP Series 16 - Plan A (1,223 Days) - Growth (Previous Year 5,000,000)	5.93	5.46
5,000,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVIII - IV (1,204 Days) - Growth Plan (Previous Year 5,000,000)	5.95	5.45
-	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVI - V (1,160 Days) - Growth Plan (Previous Year 10,000,000)	-	11.55
2,500,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVIII - XI (1,161 Days) - Growth Plan (Previous Year 2,500,000)	2.96	2.71
2,500,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVIII-VI (1,190 Days) - Growth Plan (Previous Year 2,500,000)	2.98	2.72
2,500,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVIII-VIII (1,171 Days) - Growth Plan (Previous Year 2,500,000)	2.98	2.72
5,000,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series XXXI - X (1,168 days) Regular Growth Plan (Previous Year 5,000,000)	5.52	5.03
-	Units of Rs 10 each of DSP FMP-Series 204 (37M)-Regular Plan-Growth (Previous Year 10,000,000)	-	11.51
10,000,000	Units of Rs 10 each of Sundaram Fixed Term Plan IS - Regular Plan-Growth Option (Previous Year 10,000,000)	11.04	10.05
	Total Investment at FVTPL	**197.05**	**305.08**
	Total Other Investment 6=(a+b)	**265.47**	**408.34**
	Aggregate carrying value and Market Value of Quoted Investment	**21.98**	**77.74**
	Aggregate carrying value of Unquoted Investment	**243.49**	**330.60**

* Denotes amount less than Rs. 50,000

Notes to the Standalone Financial Statements

Note 7 : Current Investments

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
Investments at fair value through profit or loss (FVTPL)			
	Investments in Mutual Funds / Fixed Maturity Plan (FMP) - Unquoted		
58,335	Units of Rs 1000 each of Axis Liquid Fund Regular - Growth (Previous Year 252,116)	12.80	52.06
270,373	Units of Rs 100 each of Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus) (Previous Year 1,595,768)	8.59	47.71
-	Units of Rs 100 each of Aditya Birla Sun Life Money Manager Fund - Growth-Regular Plan (Previous Year 599,338)	-	15.00
-	Units of Rs.10 each of Sundaram Money Fund- Regular-Growth (Previous Year 11,123,872)	-	43.64
57,183	Units of Rs 1,000 each of L&T Liquid Fund - Regular - Growth (Previous Year 143,919)	15.50	36.75
39,716	Units of Rs 1,000 each of DSP Liquidity Fund-Regular Plan-Growth (formerly known as DSP Liquidity Fund-Institutional Plan) (Previous Year 142,354)	11.21	37.85
-	Units of Rs 10 each of DSP Savings Fund - Regular Plan - Growth (Previous Year 2,729,042)	-	10.00
18,138	Units of Rs.1,000 each of Franklin India Liquid Fund-Super Institutional Plan-Growth Plan (formerly known as Franklin India Treasury Management Account) (Previous Year 150,327)	5.39	41.91
-	Units of Rs 10 each of Franklin India Savings Fund - Retail Option - Growth (Previous Year 4,368,097)	-	15.00
18,769	Units of Rs.1,000 each of HDFC Liquid Fund - Growth (Previous Year 94,980)	7.29	34.77
-	Units of Rs 10 each of HDFC Money Market Fund - Regular Plan - Growth (Previous Year 38,614)	-	15.00
29,490	Units of Rs.1,000 each of HSBC Cash Fund - Growth (Previous Year 26,964)	5.81	5.00
237,023	Units of Rs. 100 each of ICICI Prudential Liquid Fund - Growth (Previous Year 1,440,872)	6.93	39.68
-	Units of Rs 10 each of ICICI Pru Money Market Fund - Growth (Previous Year 579,745)	-	15.01
36,148	Units of Rs. 1,000 each of IDFC Cash Fund - Growth-Regular Plan (Previous Year 176,228)	8.64	39.78
-	Units of Rs 10 each of IDFC Money Manager Fund - Growth - Regular Plan (Previous Year 1,736,593)	-	5.00
-	Units of Rs.10 each of JM High Liquidity Fund-Growth (Previous Year 7,028,228)	-	35.80
-	Units of Rs 10 each of L&T Money Market Fund - Growth (Previous Year 3,127,737)	-	5.78
44,876	Units of Rs.1,000 each of Kotak Liquid Fund Regular Plan - Growth (Previous Year 64,194)	17.95	24.22
-	Units of Rs 1,000 each of Kotak Money Market Scheme - Growth (Regular Plan) (Previous Year 48,770)	-	15.01

Notes to the Standalone Financial Statements

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
-	Units of Rs.1,000 each of LIC Nomura Liquid Fund-Regular Plan-Growth (Previous Year 122,129)	-	41.12
-	Units of Rs.1,000 each of Nippon India (Previously Reliance) Liquid Fund-Treasury Plan-Growth Plan - Growth Option (Previous Year 79,175)	-	35.94
-	Units of Rs 1,000 each of Nippon India (Previously Reliance) Money Market Fund - Growth Plan - Growth Option (Previous Year 53,151)	-	15.01
-	Units of Rs.1,000 each of SBI Premier Liquid Fund-Regular Plan-Growth (Previous Year 129,207)	-	37.68
-	Units of Rs 10 each of SBI Savings Fund - Regular Plan - Growth (Previous Year 5,183,854)	-	15.00
17,977	Units of Rs.1,000 each of Tata Liquid Fund-Regular Plan - Growth (Previous Year 53,662)	5.60	15.73
25,683	Units of Rs.1,000 each of UTI Liquid Cash - Regular Plan - Growth (formerly known as UTI Liquid Cash Plan - Institutional) (Previous Year 112,505)	8.31	34.31
-	Units of Rs 1000 each of Tata Money Market Fund - Regular Plan Growth (Previous Year 72,225)	-	23.16
-	Units of Rs 1,000 each of UTI Money Market Fund- Regular Plan - Growth Option (Previous Year 71,468)	-	15.00
31,817	Units of Rs 1,000 each of Invesco India Liquid Fund - Growth Option (Previous Year Rs Nil)	8.64	-
7,500,000	Units of Rs 10 each of Franklin India Fixed Maturity Plan-Series 1 Plan A (1,108 days) - Growth (Previous Year Nil)	9.23	-
10,000,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series OF (1,151 Days)-Growth-Regular Plan (Previous Year Nil)	12.33	-
10,000,000	Units of Rs 10 each of ICICI Prudential Fixed Maturity Plan-Series 80 - (1,245 Days) Plan L Cumulative (Previous Year Nil)	12.47	-
12,500,000	Units of Rs 10 each of IDFC Fixed Term Plan Series 131 Regular Plan - Growth (1,139 days) (Previous Year Nil)	15.42	-
10,000,000	Units of Rs 10 each of Kotak FMP Series 200 Growth (Regular Plan) (Previous Year NIl)	12.27	-
10,000,000	Units of Rs 10 each of SBI Debt Fund Series - B -49 (1,170 Days) - Regular Growth (Previous Year Nil)	12.29	-
10,000,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVI - V (1,160 Days) - Growth Plan (Previous Year Nil)	12.54	-
10,000,000	Units of Rs 10 each of DSP FMP-Series 204 (37M)-Regular Plan-Growth (Previous Year Nil)	12.35	-
10,000,000	Units of Rs. 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXIII- Series 3- Growth Plan- VRGP (Previous Year Nil)	12.50	-
10,000,000	Units of Rs. 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXIII- Series 4- Growth Plan- VSGPG (Previous Year Nil)	12.49	-
	Total Current Investments	**246.55**	**767.92**

Notes to the Standalone Financial Statements

Note 8 : Loans -Non Current

(Unsecured , considered good)

(Rs. In Crore)

	As at 31st March, 2020	As at 31st March, 2019
(a) Security Deposits	3.87	3.82
	3.87	**3.82**

Note 9: Other Financial Assets

(Unsecured , considered good)

(Rs. In Crore)

		Non-Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Carried at amortised cost					
(a)	Fixed Deposit with Banks	-	0.22	-	-
(b)	Fixed Deposit - Margin Money	-	-	0.27	0.40
(c)	Deposits with others	-	-	50.00	-
(d)	Interest accrued on Fixed Deposit	-	0.01	5.63	0.08
		-	**0.23**	**55.90**	**0.48**

Note 10 : Other Non-Current Assets

(Unsecured , considered good)

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	Capital Advance (Net of Provision)	6.67	3.47
(b)	Balances with Government Authorities		
	(i) Sales Tax Receivables	15.38	15.35
	(ii) Excise Duty Receivables	3.51	3.63
	(iii) Other Receivables	0.52	0.52
		26.08	**22.97**

Note 11- Inventories

(Lower of cost and net realisable value unless stated)

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	Raw materials	116.58	115.19
(b)	Work in progress	131.02	159.84
(c)	Finished goods	297.34	274.31
(d)	Stock in Trade (in respect of goods acquired for trading)	19.42	13.66
(e)	Stores & Spares	23.23	22.32
(f)	Scrap	5.47	1.88
	Total inventories	**593.06**	**587.20**
	Included above, goods-in-transit:		
	Raw materials	16.26	19.87
	Total goods-in-transit	**16.26**	**19.87**

Notes to the Standalone Financial Statements

Note 12 : Trade Receivables - (Unsecured)

(Rs. In Crore)

	As at 31st March, 2020	As at 31st March, 2019
Considered good	187.02	210.88
Considered doubtful	15.75	9.93
Total	**202.77**	**220.81**
Less: Allowances for credit Losses	15.75	9.93
	187.02	**210.88**

Note 12.1

Trade Receivables :

The average credit period for the Company's receivables is in the range of 30 to 60 days in respect of institutional sales and upto 190 days in case of sales to government owned entities. No interest is charged on trade receivables. The trade receivables balance as at 31st March, 2020 is Rs. 78.38 crores (31st March, 2019, Rs. 142.87 crores) is due from Bharat Sanchar Nigam Ltd., Bharat Broadband Nigam Ltd and Telecommunication Consultants India Ltd which represents Company's large customers. Apart from the above there are no customers which individually represents more than 5% of the total balance of trade receivables.

Expected credit loss

The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The concentration of credit risk is limited due to the fact that the large customers are mainly government entities.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the expected credit loss allowance:

(Rs. In Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	9.93	5.25
Movement in the expected credit loss allowance on trade receivables Calculated at lifetime expected credit losses (net)	5.82	4.68
Balance at the end of the year	**15.75**	**9.93**

Note 13: Cash and Cash Equivalents

(Rs. In Crore)

	As at 31st March, 2020	As at 31st March, 2019
(a) Balances with banks:		
In Current Accounts	31.00	46.37
Deposits with original maturity of less than three months	825.00	-
(b) Cash on hand	0.02	0.01
Total Cash and Cash Equivalents	**856.02**	**46.38**

Notes to the Standalone Financial Statements

Note 14: Other Bank Balances

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	In Earmarked Accounts		
	Unclaimed dividend	2.86	2.42
(b)	Fixed Deposits with maturity greater than 3 months but less than 12 months	75.00	-
Total Bank balances		**77.86**	**2.42**

Note 15 : Other Current Assets

(Unsecured , considered good)

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	Goods & Services Tax Receivable	22.93	2.48
(b)	Government Grant Receivable	0.55	8.69
(c)	Balances with Government authorities	0.28	0.28
(d)	Other Advances	28.18	64.35
(e)	Prepaid Expenses	0.82	0.94
		52.76	**76.74**

Note 16 : Equity Share Capital

		As at 31st March, 2020		As at 31st March, 2019	
		Nos.	(Rs. In Crore)	Nos.	(Rs. In Crore)
I	**Authorised Share Capital**				
	235,000,000 (Previous year 235,000,000) Equity shares of Rs. 2/-each	235,000,000	47.00	235,000,000	47.00
	15,000,000 (Previous year 15,000,000) Unclassified shares of Rs. 2/- each	15,000,000	3.00	15,000,000	3.00
		250,000,000	**50.00**	**250,000,000**	**50.00**
II	**Issued, Subscribed and Paid up Share Capital**				
	Equity shares of Rs. 2 each issued, subscribed and fully paid	152,939,345	30.59	152,939,345	30.59

		As at 31st March, 2020		As at 31st March, 2019	
		No of Shares	(Rs. In Crore)	No of Shares	(Rs. In Crore)
(a)	**Reconciliation of Equity Shares at the beginning and at the end of the reporting period.**				
	Balance at the beginning of the year	152,939,345	30.59	152,939,345	30.59
	Issued during the year	-	-	-	-
	Outstanding at the end of the year	**152,939,345**	**30.59**	**152,939,345**	**30.59**

Notes to the Standalone Financial Statements

(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.

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

On 27th June, 2020, the Board of Directors of the company have proposed a final dividend of Rs. 5.50 per share in respect of the year ended 31st March, 2020 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of Rs. 84.12 crores.

	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares	(Rs. In Crore)	No of Shares	(Rs. In Crore)
(c) Details of shareholders holding more than 5% Shares in the company				
Finolex Industries Limited	22,187,075	14.51	22,187,075	14.51
Orbit Electricals Pvt. Limited	46,956,120	30.70	46,956,120	30.70
Franklin Templeton Mutual Fund	10,307,565	6.74	8,255,517	5.40

Note 17 : Other Equity

(Rs. In Crore)

			As at 31st March, 2020	As at 31st March, 2019
(i)	**Securities Premium**		109.10	109.10
(ii)	**Capital Reserve**		8.41	8.41
(iii)	**General Reserve**		552.36	552.36
(iv)	**Share buy back reserve**		5.52	5.52
(v)	**Retained Earnings**			
		Opening Balance	1,650.27	1,382.17
	Add:	Other Comprehensive Income/(Expenses) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	(2.69)	(2.24)
		Profit for the year	402.48	344.09
	Less:	Payment of dividend	(68.82)	(61.18)
		Dividend distribution tax	(14.15)	(12.57)
		Closing Balance	**1,967.09**	**1,650.27**
(vi)	**Equity Instruments through Other Comprehensive Income**			
	Opening Balance		83.42	105.75
	Add/(Less):	Change in Fair Value of Equity Instrument through other Comprehensive Income	(34.84)	(19.83)
	Add/(Less):	Deferred Tax	(3.02)	(2.50)
		Closing Balance	**45.56**	**83.42**
	Total		**2,688.04**	**2,409.08**

Nature and purpose:

Securities Premium

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

Notes to the Standalone Financial Statements

Capital Reserve

The Company recognises the difference on purchase, sale, issue or cancellation of Company's own equity instruments to Capital Reserve. Capital Reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Share buy back reserve

During the earlier years, the Company had bought back its own equity out of free reserves. Share buy back reserve (Capital Redemption Reserve) represents amount set-aside in respect of nominal value of the shares bought back as per the Companies Act, 2013.

Retained Earnings

Retained Earnings are the profits of the Company earned till date net of appropriations.

Equity Instruments through Other Comprehensive Income

This Reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings when those assets are disposed off.

Note 18 :Non-Current Borrowings

(Rs. In Crore)

	As at 31st March, 2020	As at 31st March, 2019
Non-current Borrowings		
(a) Deferred Sales Tax Loan	-	0.01
(b) Finance lease obligation	0.34	0.37
	0.34	**0.38**

Note 18.1: Repayment Details of Loans

(a) Deferred Sales Tax Loan: Repayable in installments, last installment being 26th April, 2020.

(b) Finance lease obligation: Repayable over 78 Years, last installment in financial year 2096-97.

Note 19 : Provisions

(Rs. In Crore)

	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits				
Gratuity	3.11	1.38	3.80	3.38
Leave Encashment	9.50	8.04	2.81	2.44
	12.61	**9.42**	**6.61**	**5.82**

Notes to the Standalone Financial Statements

Note 20 : Tax Expense and Deferred Tax Liability (net)

Note 20.1 : Tax Expense

1. Income Tax recognised in Statement of profit and loss

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Current Tax:		
In respect of current year	124.83	162.30
In respect of previous year	(1.59)	3.38
	123.24	**165.68**
Deferred tax:		
In respect of current year	(24.39)	22.09
	(24.39)	22.09
Total Income Tax expense recognised during the year	**98.85**	**187.77**

2. Income Tax recognised in Other Comprehensive Income

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Deferred tax on fair value changes on equity instruments at FVTOCI	(2.11)	(1.32)
Total Income Tax expense recognised in other comprehensive income during the year	**(2.11)**	**(1.32)**

3. The Income Tax expenses for the year can be reconciled to the accounting profit as follows.

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Profit before tax considered for tax working	501.33	531.86
Income tax expenses calculated at 25.17% (Previous year 34.94 %)	126.17	185.83
Effect of income that is exempt from tax	(20.38)	(14.25)
Effect of decrease in applicable tax rate in India	(14.59)	-
Effect of tax incentives	-	(4.82)
Effect of expenses that are not deductible in determining taxable profit	17.11	13.19
Effect of tax on other items	(6.79)	4.44
Adjustments recognised in the current year in relation to the current tax of prior years	(1.59)	3.38
Effect of tax at differential tax rates	(1.08)	-
Income tax expenses recognised in statement of profit and loss	**98.85**	**187.77**

Notes :

1. The tax rate used for the 31st March, 2020 and 31st March, 2019 reconciliations above is the corporate tax rate of 25.17% and 34.94% respectively, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.
2. The Company elected to exercise the option under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its opening deferred tax liability as on 1st April, 2019 and recognised the reversal during the year ended 31st March, 2020.

Notes to the Standalone Financial Statements

Note 20.2 : Deferred Tax Liability (net)

1. The following is the analysis of Deferred Tax Liability (net) presented in the Balance Sheet:

(Rs. In Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax assets	8.91	8.99
Deferred tax liabilities	(44.97)	(67.33)
Total - Deferred tax Liabilities (net)	**(36.06)**	**(58.34)**

2. The tax effect of significant timing differences that has resulted in deferred tax liabilities are given below:

(Rs In Crore)

Particulars	For the year ended 31st March, 2020				
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Impact on account of IND AS 116	Closing balance
Deferred Tax Assets in relation to					
Employee Benefits	5.36	(1.43)	0.91	-	4.84
Allowance for Doubtful Debt	3.47	0.49	-	-	3.96
Others	0.16	(0.05)	-	-	0.11
Total	**8.99**	**(0.99)**	**0.91**	**-**	**8.91**
Deferred Tax Liabilities in relation to					
Property, Plant and Equipment	37.61	(6.76)	-	-	30.85
Financial assets at fair value through OCI	3.13	-	3.02	-	6.15
Financial assets at fair value through Profit and loss	26.59	(19.06)	-	-	7.53
Lease liabilities	-	-	-	0.44	0.44
Total	**67.33**	**(25.82)**	**3.02**	**0.44**	**44.97**
Deferred tax Liabilities (net)	**(58.34)**	**24.83**	**(2.11)**	**(0.44)**	**(36.06)**

(Rs In Crore)

Particulars	For the year ended 31st March, 2019				
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Impact on account of IND AS 116	Closing balance
Deferred Tax Assets in relation to					
Employee Benefits	2.61	1.57	1.18	-	5.36
Allowance for Doubtful Debt	1.73	1.74	-	-	3.47
Others	8.82	(8.66)	-	-	0.16
Total	**13.16**	**(5.35)**	**1.18**	**-**	**8.99**
Deferred Tax Liabilities in relation to					
Property, Plant and Equipment	32.53	5.08	-	-	37.61
Financial assets at fair value through OCI	0.63	-	2.50	-	3.13
Financial assets at fair value through Profit and loss	14.93	11.66	-	-	26.59
Total	**48.09**	**16.74**	**2.50**	**-**	**67.33**
Deferred tax Liabilities (net)	**(34.93)**	**(22.09)**	**(1.32)**	**-**	**(58.34)**

Notes to the Standalone Financial Statements

Note 21 : Trade Payables

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	Total Outstanding Dues of micro enterprises and small enterprises	5.52	8.22
(b)	Total Outstanding Dues of Creditors other than micro enterprises and small enterprises		
	(i) Trade payables	132.58	181.19
	(ii) Accrued Salaries and Benefits	20.58	18.86
		153.16	**200.05**
		158.68	**208.27**

Note 21.1 : Dues to Micro enterprises and Small enterprises

(a) Outstanding to suppliers other than micro enterprises and small enterprises Rs. 153.16 crores (previous year Rs.200.05 crores)

(b) Outstanding to micro enterprises and small enterprises Rs. 5.52 crores (previous year Rs.8.22 crores) including interest.

(Rs. In Crore)

Particulars		As at 31st March, 2020	As at 31st March, 2019
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
(a)	Principal amount due to micro and small enterprise	5.47	8.17
(b)	Interest due on above	0.05	0.05
		5.52	**8.22**
	Amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts paid to suppliers beyond the appointed day during each accounting year.		
	(a) Amount of interest due and payable for the period of delay in making payment (beyond the appointed day) but without adding the interest specified under the MSMED Act.	-	-
	(b) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.05	0.05

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

Notes to the Standalone Financial Statements

Note 22 : Other Current Financial Liabilities

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
	Carried at amortised cost		
(a)	Current Maturities of Long term Debts		
	Deferred Sales Tax Loan	0.01	0.13
	Finance lease obligation	0.03	0.04
(b)	Unpaid Dividend (refer note below)	2.86	2.42
(c)	Other Payables		
	Deposits from Distributors	0.75	0.69
	Other Liabilities	0.04	0.04
		3.69	**3.32**

Note:

The Company is in process of ascertaining the quantum of shares to be transferred to Investor Education and Protection Fund (IEPF), in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended.

Note 23 : Other Current Liabilities

(Rs. In Crore)

			As at 31st March, 2020	As at 31st March, 2019
(a)	Statutory Dues payable			
	(i)	Sales Tax Payables	-	0.01
	(ii)	Goods & Services Tax Payables	10.48	12.06
	(iii)	TDS Payables	0.51	0.89
	(iv)	Employee related dues payable	1.28	1.14
(b)	Advance from customers		22.39	8.32
(c)	Other payables		0.04	0.04
			34.70	**22.46**

Note 24 : Revenue From Operations

(Rs. In Crore)

		Year Ended 31st March, 2020	Year Ended 31st March, 2019
(a)	Sale of Products	2,840.68	3,030.07
(b)	Other operating revenue-Sale of scrap	36.62	47.72
		2,877.30	**3,077.79**

Notes to the Standalone Financial Statements

(Rs. In Crore)

		Year Ended 31st March, 2020	Year Ended 31st March, 2019
(i)	**Sale of Products includes:**		
	Sale of Manufactured products	2,769.00	2,966.97
	Sale of Traded Goods	71.68	63.10
	Total	**2,840.68**	**3,030.07**

(ii) Disaggregation of the revenue information

The table below presents disaggregated revenue by geography and offerings for each of the products.

Revenue from sale of products

(Rs. In Crore)

Particulars		Year Ended 31st March, 2020	Year Ended 31st March, 2019
A.	Electrical cables	2,324.49	2,444.73
B.	Communication cables	408.94	487.29
C.	Copper rods	19.10	27.04
D.	Others	88.15	71.01
		2,840.68	**3,030.07**
	Sale of Scrap	36.62	47.72
		2,877.30	**3,077.79**

Revenue by Geography

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
India	2,851.57	3,047.33
Outside India	25.73	30.46
	2,877.30	**3,077.79**

Timing of revenue recognition

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Goods transferred at a point of time	2,877.30	3,077.79
Goods transferred over a period of time	-	-
	2,877.30	**3,077.79**

(iii) Information about major customers

There are no major customers having revenue transactions exceeding 10% of the total revenue.

Notes to the Standalone Financial Statements

Note 25 : Other Income

(Rs. In Crore)

		Year Ended 31st March, 2020	Year Ended 31st March, 2019
(a)	Interest income on financial assets carried at amortised cost	9.04	4.20
(b)	Dividend Income		
	(i) Dividend from Associate	80.39	40.19
	(ii) Dividend from Others- Equity Investments Designated at FVTOCI	0.57	0.60
(c)	Others		
	(i) Net gain/(loss) on investments classified at FVTPL	73.68	67.61
	(ii) Exchange gain/(losses) on translation of Assets and Liabilities	0.52	0.41
	(iii) Other Income (Refer note 25.1)	7.69	8.82
		171.89	**121.83**

Note 25.1: Other income includes government grant of Rs. Nil (previous year Rs.4.79 crores)

Note 26 : Cost of material consumed

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Inventory at the beginning of the year	115.19	106.37
Add: Purchases	2,027.54	2,300.91
Less: Inventory at the end of the year	116.58	115.19
	2,026.15	**2,292.09**

Note : 27 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Inventories at the end of the year (A)		
Work-in-progress	131.02	159.84
Finished goods	297.34	274.31
Stock-in-Trade	19.42	13.66
	447.78	**447.81**
Inventories at the beginning of the year (B)		
Work-in-progress	159.84	106.81
Finished goods	274.31	256.19
Stock-in-Trade	13.66	11.78
	447.81	**374.78**
(Increase)/Decrease in Inventories (B)-(A)	**0.03**	**(73.03)**

Notes to the Standalone Financial Statements

Note 28 : Employee benefits expense

(Rs. In Crore)

		Year Ended 31st March, 2020	Year Ended 31st March, 2019
(a)	Salaries, wages and bonus (refer note 28.1 below)	131.77	123.60
(b)	Contribution to provident and other funds (refer note 28.2 below)	5.91	6.62
(c)	Gratuity expense	1.98	1.41
(d)	Leave Encashment	4.23	2.99
(e)	Staff welfare and other expenses	5.64	6.08
		149.53	**140.70**

Note 28.1

Salaries, wages and bonus includes Rs. 10.23 crores (previous year Rs. 10.88 crores) paid/ payable to the two Executive Directors during the year subject to reappointment refer below.

The resolutions for the reappointment and remuneration of the two Executive Directors were placed before the Annual General Meeting of the Company held on 25th September, 2018. The Hon'ble High Court of Bombay had in respect of an appeal filed in respect of aforesaid matter stated that the results of the voting shall be subject to the Order to be passed by the Hon'ble High Court of Bombay in this Appeal. The matter remains pending. Remuneration paid/payable Rs. 18.56 crores from the date of reappointment of the two Executive Directors upto 31st March, 2020.

Note 28.2

During the previous year, the Hon'ble Supreme Court in another case ruled that certain allowances are to be included in computing the contributions to provident fund.

The Company based on legal opinion has implemented the basis of computation in accordance with the Hon'ble Supreme Court order from 1st April, 2019. The effect of the Court Order in respect of prior years is not significant.

Note 29 : Finance Costs

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Interest on debts and borrowings	0.02	0.02
Interest others	1.53	0.90
	1.55	**0.92**

Note 30 : Depreciation and Amortization expense

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Depreciation on Tangible assets (note 3)	38.21	40.27
Amortization of Intangible assets (note 4)	0.29	0.28
Amortization of Right of use asset (note 4A)	0.41	-
	38.91	**40.55**

Notes to the Standalone Financial Statements

Note 31 : Other Expenses

(Rs. In Crore)

		Year Ended 31st March, 2020	Year Ended 31st March, 2019
(a)	Consumption of stores and spares	29.06	31.02
(b)	Power and fuel	46.40	47.98
(c)	Freight and forwarding charges	44.87	44.80
(d)	Rent	2.89	5.63
(e)	Rates and taxes	0.67	3.02
(f)	Provision Other-Duties/Taxes	-	(22.16)
(g)	Insurance	1.88	1.61
(h)	Repairs and maintenance -		
	(i) Plant and machinery	1.73	3.77
	(ii) Buildings	1.37	1.07
	(iii) Others	3.95	3.82
(i)	CSR expenditure (refer note 2 below)	12.27	9.44
(j)	Advertising and sales promotion	26.61	28.21
(k)	Travelling and conveyance	10.08	9.15
(l)	Communication costs	0.82	0.87
(m)	Legal and professional fees	9.90	6.41
(n)	Non Executive Directors' sitting fees & Commission	0.87	0.84
(o)	Payment to auditor (Refer note 1 below)	0.86	0.75
(p)	Warranty Costs (net)	-	(0.72)
(q)	Allowances for doubtful debts and advances	5.82	4.68
(r)	Miscellaneous expenses	19.29	18.44
(s)	Impairment of Financial Assets	35.10	18.17
(t)	Net Loss on disposal of property, plant and equipment	0.08	3.85
(u)	Electoral Bonds	20.00	-
		274.52	**220.65**

Notes :

1. Payment to Auditors (Exclusive of service tax & GST)

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Audit Fees	0.28	0.28
For other service (certifications, etc)	0.06	0.05
Fees for limited review	0.41	0.30
For reimbursement of expenses	0.06	0.04
For taxation matters	0.05	0.08
Total	**0.86**	**0.75**

Notes to the Standalone Financial Statements

2. Details of CSR expenditure

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Amount required to be spent as per section 135 of the Act	8.17	7.43
Amount spent during the year	8.17	8.19
Amount spent during the year in respect of earlier years	4.10	1.25
Total Spent	**12.27**	**9.44**
Amount spent during the year on:		
(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	12.27	9.44

Note 32 : Contingent Liabilities and Commitments

(a) Contingent Liabilities

Claims against the company not acknowledged as debts

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
I	**Disputed Tax Matters**		
	(a) Excise (dispute mainly on account of issues of applicablility, classification, etc. to certain goods)	43.68	45.55
	(b) GST	0.20	-
	(c) Customs	1.34	1.34
	(d) Sales Tax (dispute mainly on account of non submission of C, F and other forms and rates of tax)	133.60	132.67
	(e) Entry Tax (dispute on account of applicability, etc.)	12.39	12.39
	(f) Income Tax (Including Wealth Tax)		
	wherein the Company is in Appeal	20.98	20.98
	wherein the Department is in Appeal (disputes relating to allowability of certain expenses, deductability, etc.)	10.56	14.64
II	Other claims against the Company not acknowledged as debts	0.28	0.28
		223.03	**227.85**

Note :-

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

(b) Commitments

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
I	**Capital Commitments (Tangible Assets)**		
	Estimated amount of contracts remaining to be executed on capital account net of advance and not provided for.	28.46	23.88
II	**Other Commitment** In respect of Finolex J-Power Systems Private Limited (Joint Venture) whose net worth has been substantially eroded, the Company along with its joint venture partner has committed to Proivde financial support to the joint venture as and when required.		

Notes to the Standalone Financial Statements

Note 33 :Employee Benefit Plan

1. **Defined Contribution plan**

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law/scheme are paid to the Government administered Provident Fund and in case of Superannuation to the Scheme set up as Trust by the Company-Insurer. The Company is liable only for annual contributions.

The Company has recognised Rs. 5.91 crores (31st March, 2019 - Rs 4.83 crores) for Provident Fund contributions.

Contribution for superannuation funds Rs. Nil (31st March, 2019 - Rs 1.79 crores) in the Statement of Profit and Loss because the earlier surplus contribution are available for utilisation.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

2. **Defined Benefit plan**

Gratuity-Funded

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. The gratuity plan is funded plan. The fund has form a Trust and is governed by Trustees appointed by the Company. The Trustees are responsible for administration of the plan assets and investment strategy in accordance with the regulations. The funds are deployed in recognised insurer managed funds in India.

The following table sets out the status of Gratuity Plans as required under Ind AS 19.

(Rs. In Crore)

Statement showing changes in Present Value of obligations	**As at 31st March, 2020**	**As at 31st March, 2019**
Present value of obligations at the beginning of the year	21.80	17.66
Interest Cost	1.63	1.33
Current service cost	1.62	1.29
Benefits paid from the Fund	(2.49)	(1.94)
Actuarial (gain)/loss on obligations	3.51	3.46
Present Value of obligations as at end of the year	**26.07**	**21.80**
Table showing changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	17.04	16.03
Expected return on plan assets	1.27	1.21
Contributions	3.43	1.70
Benefits paid	(2.49)	(1.94)
Return on Plan Assets, Excluding Interest Income	(0.09)	0.04
Fair value of plan asset at end of the year	**19.16**	**17.04**
Funded status	74%	78%
Actuarial (gain)/loss on obligations :-		
Due to change in Demographic Assumptions	-	-
Due to change in Financial Assumptions	1.33	1.72
Due to change in Experience	2.18	1.74
Actuarial (gain)/Loss recognised in the year	**3.51**	**3.46**

Notes to the Standalone Financial Statements

(Rs. In Crore)

Statement showing changes in Present Value of obligations	As at 31st March, 2020	As at 31st March, 2019
Amounts to be recognised in the Balance Sheet		
Present Value of obligations as at the end of the year	(26.07)	(21.80)
Fair value of plan assets as at the end of the year	19.16	17.04
Funded Status	(6.91)	(4.76)
Net Asset/(Liability) recognised in balance sheet	**(6.91)**	**(4.76)**
Expenses Recognised in statement of Profit & Loss Account		
Current Service Cost	1.62	1.29
Interest Cost	0.36	0.12
Expected return on plan assets	-	-
Net Actuarial(gain)/Loss recognised in the year	-	-
Expenses recognised in statement of Profit & Loss	**1.98**	**1.41**
Expenses Recognised in Other Comprehensive Income		
Acturial (Gains)/Losses on obligation for the year	3.51	3.46
Return on Plan Assets, Excluding Interest Income	0.09	(0.04)
Expenses recognised in Other Comprehensive Income	**3.60**	**3.42**
Table showing administration of Plan Assets		
Administered by Life Insurance Corporation of India	19.16	17.04
Total	**19.16**	**17.04**

(Rs. In Crore)

Actuarial Assumptions:	As at 31st March, 2020	As at 31st March, 2019
Discount Rate	6.82%	7.47%
Rate of return on assets	6.82%	7.47%
Salary escalation	8.00%	8.00%
Attrition rate (p.a)		
- For service 2 years & below	25.00%	25.00%
- For service 3 to 4 years	12.50%	12.50%
- For service 5 years & above	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2006-08)Ultimate	

Particulars	As on 31st March				
	2020	2019	2018	2017	2016
Experience adjustments					
On plan liability (gain)/loss	3.51	3.46	0.33	1.85	(0.52)
On plan asset (gain)/loss	0.09	(0.04)	(0.12)	(0.02)	0.18

As per actuarial valuation report, Expected employer's contribution in next year is Rs. 3.79 crores (previous year Rs. 3.38 crores)

Notes to the Standalone Financial Statements

Effect on DBO on account of change in the assumed rates:

DBO Rates Types	Discount Rate		Salary Escalation Rate		Withdrawal Rate	
Year	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
31st March, 20	(1.99)	2.31	2.26	(1.99)	(0.20)	0.23
31st March, 19	(1.58)	1.82	1.79	(1.59)	(0.09)	0.09

The sensitivity results above determine their individual impact on Plan's end of year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

The expected maturity analysis of undiscounted defined benefit obligation is as follows:

(Rs. In Crore)

	31st March, 2020	31st March, 2019
Within 1 Year	2.74	2.75
Between 1-2 years	1.56	1.28
Between 2-3 years	1.65	1.39
Between 3-4 years	2.23	1.56
Between 4-5 years	1.95	1.99
Beyond 5 Years	42.84	37.26
Total	**52.97**	**46.23**

Risk exposure:

Through the defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility:

The plan liabilties are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straightforward and depends upon the combination of salary increase, discount rate and vesting criterion.

Notes to the Standalone Financial Statements

Note 34 Financial Instruments

1. Fair value measurements

1.1 The carrying value and fair value of financial instruments by categories as of 31st March, 2020 is as follows:

(Rs In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	-	-	856.02	856.02	856.02
Other balances with banks	-	-	77.86	77.86	77.86
Trade receivables	-	-	187.02	187.02	187.02
Investments #					
Equity and Others	-	68.42	-	68.42	68.42
Mutual Funds (includes FMP)	443.60	-	-	443.60	443.60
Loans	-	-	3.87	3.87	3.87
Other financial assets	-	-	55.90	55.90	55.90
Total	**443.60**	**68.42**	**1,180.67**	**1,692.69**	**1,692.69**
Liabilities:					
Trade payables	-	-	158.68	158.68	158.68
Borrowings	-	-	0.34	0.34	0.34
Lease liabilities	-	-	7.56	7.56	7.56
Other financial liabilities	*	-	3.69	3.69	3.69
Total	**-**	**-**	**170.27**	**170.27**	**170.27**

* Denotes amount less than Rs 50,000

Other than investments in Associate and Joint Ventures accounted at cost in accordance with Ind-AS 27.

The carrying value and fair value of financial instruments by categories as of 31st March, 2019 is as follows:

(Rs In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	-	-	46.38	46.38	46.38
Other balances with banks	-	-	2.42	2.42	2.42
Trade receivables	-	-	210.88	210.88	210.88
Investments #					
Equity and Others	-	103.26	-	103.26	103.26
Mutual Funds (includes FMP)	1,073.00	-	-	1,073.00	1,073.00
Loans	-	-	3.82	3.82	3.82
Other financial assets	-	-	0.71	0.71	0.71
Total	**1,073.00**	**103.26**	**264.21**	**1,440.47**	**1,440.47**
Liabilities:					
Trade payables	-	-	208.27	208.27	208.27
Borrowings	-	-	0.38	0.38	0.38
Other financial liabilities	*	-	3.32	3.32	3.32
Total	**-**	**-**	**211.97**	**211.97**	**211.97**

* Denotes amount less than Rs 50,000

Other than investments in Associate and Joint Ventures accounted at cost in accordance with Ind-AS 27.

Notes to the Standalone Financial Statements

1.2. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities and mutual funds (includes FMP) that have quoted price.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) such as derivative financial instruments. The Company does not have any Level 2 instruments as at 31st March, 2020 and 31st March, 2019.

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

(Rs In Crore)

	Fair value hierarchy as at 31st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual Funds (includes FMP)	443.60	-	-	443.60
Equity Shares				
Quoted	21.98	-	-	21.98
Unquoted	-	-	46.44	46.44
Total	**465.58**	**-**	**46.44**	**512.02**

(Rs In Crore)

	Fair value hierarchy as at 31st March, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual Funds (includes FMP)	1,073.00	-	-	1,073.00
Equity Shares				
Quoted	77.74	-	-	77.74
Unquoted	-	-	25.52	25.52
Total	**1,150.74**	**-**	**25.52**	**1,176.26**

Valuation technique(s) and key input(s):

Level 1 The fair value of mutual funds (includes FMP) and quoted equity shares is based on net assets value (NAV) and quoted price.

Level 2 The Company does not have any Level 2 instrument as at 31st March, 2020 and 31st March, 2019.

Level 3 The fair value of unquoted equity shares is determined using market approach. This approach involves the application of multiples, derived from market prices of comparable listed companies, to the parameters of the subject company in order to derive a value for the subject company.

Notes to the Standalone Financial Statements

1.3. Reconciliation of level 3 fair value measurements

(Rs In Crore)

For the year ended 31st March, 2020	Unlisted shares irrevocably designated as at FVTOCI
Opening balance	103.26
Total loss in other comprehensive income	(34.84)
Held for sale/Disposals/Settlements	-
Closing balance	**68.42**

(Rs In Crore)

For the year ended 31st March, 2019	Unlisted shares irrevocably designated as at FVTOCI
Opening balance	123.09
Total Loss in other comprehensive income	(19.83)
Held for sale/Disposals/Settlements	-
Closing balance	**103.26**

All gains and losses included in other comprehensive income relate to unlisted shares held at the end of the reporting period and are reported under "Equity Instruments through Other Comprehensive Income".

2. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

(Rs. In Crore)

	31st March, 2020	31st March, 2019
Total Equity	2,718.63	2,439.67
Total Borrowings	0.38	0.55
Total capital (borrowings and equity)	**2,719.01**	**2,440.22**
Equity as a percentage of total capital	99.99%	99.98%
Borrowing as a percentage of total capital	0.01%	0.02%

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding contingent considerations, if any).

(ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of debt.

Notes to the Standalone Financial Statements

3. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

3.1.1 Foreign currency risk management

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Euro against the respective functional currency of the company. The Company enters into derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposures.

i The carrying amounts of the Company's foreign currency denominated monetary liabilities/ assets at the end of the reporting period are as follows:

	31st March, 2020		31st March, 2019	
	Foreign Currency (in Crore)	(Rs. in Crore)	Foreign Currency (in Crore)	(Rs. in Crore)
(a) Foreign Currency Liabilities				
In USD	0.05	3.52	0.41	28.25
In EURO	*	-	*	0.21
(b) Foreign Currency Asset				
In USD	0.01#	4.60	0.17#	11.69

* Denotes amount less than Rs 50,000

Balance with Banks in foreign currency

ii Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar assets and liabilities in active markets or inputs that is directly or indirectly observable in the market place.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Forward contracts		31st March, 2020			31st March, 2019		
		Foreign Currency (in Crore)	Nominal Value (Rs. in Crore)	Fair Value (Rs. in Crore)	Foreign Currency (in Crore)	Nominal Value (Rs. in Crore)	Fair Value (Rs. in Crore)
In USD	Buy	0.04	3.20	*	0.32	22.37	*

* Denotes amount less than Rs 50,000

Notes to the Standalone Financial Statements

iii Foreign currency sensitivity analysis

For the year ended 31st March, 2020 and 31st March, 2019, the impact of every rupee 1 depreciation / appreciation in the exchange rate between the Indian Rupee and U.S. Dollar on Profit before tax of the Company, given in below table.

	As of 31st March, 2020		As of 31st March, 2019	
	Rupee depreciate by INR 1 against USD	Rupee appreciate by INR 1 against USD	Rupee depreciate by INR 1 against USD	Rupee appreciate by INR 1 against USD
On Foreign Currency Liabilities (net) (Refer Note 2 below)	*	*	(0.24)	0.24

* Denotes amount less than Rs 50,000

Notes:

1) +/- Gain/(Loss)

2) The impact of depreciation/ appreciation on foreign currency other than U.S.Dollar on profit before tax of the Company is not material.

3.1.2 Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Considering borrowing amount outstanding as at 31st March, 2020 and as at 31st March, 2019, Company is not exposed to significant interest rate risk.

3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units (including FMP), quoted bonds issued by government and quasi government organizations for specified time period.

The Company takes on exposure to credit risk,which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial assets that potentially expose the Company to credit risks are listed below:

(Rs. In Crore)

	31st March, 2020	31st March, 2019
Trade Receivables	187.02	210.88
Loan	3.87	3.82
Total	**190.89**	**214.70**

Notes to the Standalone Financial Statements

3.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The maturity profile of the financial liabilities are listed below:

Expected contractual maturity for Financial Liabilities

(Rs In Crore)

31st March, 2020	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
Borrowings	0.04	0.10	0.05	0.23	0.42	0.42
Trade Payables	158.68	-	-	-	158.68	158.68
Other Financial Liabilities	3.65	-	-	-	3.65	3.65
Total	**162.37**	**0.10**	**0.05**	**0.23**	**162.75**	**162.75**

(Rs In Crore)

31st March, 2019	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
Borrowings	0.17	0.10	0.05	0.23	0.55	0.55
Trade Payables	208.27	-	-	-	208.27	208.27
Other Financial Liabilities	3.15	-	-	-	3.15	3.15
Total	**211.59**	**0.10**	**0.05**	**0.23**	**211.97**	**211.97**

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments.

3.4 Financing Facilities

The Company has undrawn committed borrowing facilities of Rs. 200.00 crores (previous year Rs. 200.00 crores).

Note 35 : Related Party Disclosures

Names of Related Parties :

Where transactions have taken place during the year and previous year/ balance outstanding.

(a) Associate Company

Finolex Industries Limited

(b) Joint Venture Entities

Finolex J- Power Systems Private Limited
Corning Finolex Optical Fibre Private Limited

(c) Promoter Group Entities

Orbit Electrical Private Limited
Finolex Infrastructure Limited
Finolex Plassson Industries Private Limited
Note : Excludes Finolex Industries Limited considered as an Associate company as above.

Notes to the Standalone Financial Statements

(d) Enterprises controlled by Key Managerial Personnel (Mr. P. G. Pawar upto 18th September, 2019)

Sakal Media Private Limited
Sakal India Foundation
Sakal Relief Fund
Sakal Social Foundation

(e) Employee Benefit Funds

Finolex Cables Limited Employee's Group Gratuity Scheme
Finolex Cables Limited Group Superannuation Scheme

(f) Key Managerial Personnel

Mr. D. K. Chhabria	Executive Chairman and Promotor
Mr. Mahesh Viswanathan	Chief Financial Officer
Mr. Devender Kumar Vasal	Additional Independent Director (w.e.f 19th September, 2019)
Mr. Jayaram Rajasekara Reddy	Additional Independent Director (w.e.f 19th September, 2019)
Mr. Joel Raphael Samuel	Additional Independent Director (w.e.f 19th September, 2019)
Mr. Yatin Redkar	Additional Executive Director (w.e.f 19th September, 2019)
Mr. Sanjay K.Asher	Non-Executive Director (upto 20th April, 2019)
Mr. Pradeep R.Rathi	Independent Director (upto 8th September, 2019)
Mr. Shishir Lall	Independent Director
Miss. Poornima K Prabhu	Additional Independent Director (from 5th December, 2018 to 31st March, 2019)
Mrs. Kavita Upadhyay	Additional Independent Director (w.e.f 14th February, 2020)

Mr. P G Pawar (Independent Non-Executive Director), Mr. Mahesh Viswanathan (Deputy Managing Director), Mr. M. L. Jain (Non- executive Director) and Mrs. Shruti Udeshi (Independent Director), Directors had offered themselves for reappointment at the last AGM held on 18th September 2019. However, two major corporate shareholders holding in aggregate 45.2% of the paid up share capital of the Company voted against each of the resolutions for their respective re-appointments. A contention has been raised that these votes were cast contrary to the mandate under their constitutional documents/ contractual commitments, and these votes are the subject matter of challenge before the Court(s)/ legal forum and accordingly the matter is sub judice.

(g) Relatives of Key Managerial Personnel: (Mr. D. K. Chhabria)

Mr. Kishandas P. Chhabria	Father
Mr. Vijay K. Chhabria	Brother
Mrs. Sunita K. Chhabria	Mother
Mrs. Vini D. Chhabria	Wife
Ms. Radhika D. Chhabria	Daughter

Notes to the Standalone Financial Statements

Note 35A: Transaction with the related Parties :

(Rs. In Crore)

Particular	Financial Year	Associate	Joint venture Entities	Promoter Group Entities	Enterprises controlled by Key Management Personnel	Employee Benefit Fund	Key Managerial Personnel (Refer Note 1)	Relatives of Key Managerial Personnel
Investment	2019-20	-	43.37	-	-	-	-	-
	2018-19	-	18.87	-	-	-	-	-
Dividend Paid	2019-20	9.98	-	21.13	-	-	0.42	1.22
	2018-19	8.87	-	18.78	-	-	0.37	1.09
Dividend Received	2019-20	80.39	-	0.25	-	-	-	-
	2018-19	40.19	-	0.25	-	-	-	-
Rent Paid	2019-20	-	-	0.25	-	-	-	-
	2018-19	-	-	0.25	-	-	-	-
Rent Received	2019-20	-	0.22	0.06	-	-	-	-
	2018-19	-	0.22	0.06	-	-	-	-
Advertisement and Sales Promotion	2019-20	-	-	-	0.50	-	-	-
	2018-19	-	-	-	1.36	-	-	-
Other Services Provided	2019-20	-	-	*	-	-	-	-
	2018-19	-	0.06	-	-	-	-	-
Purchase of Raw Material	2019-20	-	-	-	-	-	-	-
	2018-19	-	12.15	-	-	-	-	-
Contribution to Fund	2019-20	-	-	-	-	3.38	-	-
	2018-19	-	-	-	-	3.49	-	-
Benefit paid to employees from Trust	2019-20	-	-	-	-	4.69	-	-
	2018-19	-	-	-	-	1.94	-	-
Financial Support	2019-20	-	Refer Note 32(b)(ii)	-	-	-	-	-
	2018-19	-	Refer Note 32(b)(ii)	-	-	-	-	-
Corporate Social Responsibility	2019-20	-	-	-	1.28	-	-	-
	2018-19	-	-	-	1.50	-	-	-
Managerial Remuneration	2019-20	-	-	-	-	-	13.73	-
	2018-19	-	-	-	-	-	12.31	-
Amounts owed by related parties (Receivable)	2019-20	-	0.08	0.25	-	-	-	-
	2018-19	-	0.05	0.25	-	-	-	-
Amounts owed to related parties (Payable)	2019-20	-	0.00	0.00	-	6.91	8.57	-
	2018-19	-	-	-	-	4.76	7.82	-

* Denotes amount less than Rs. 50,000

Note:

1. Key managerial Personnel are entitled to post- employement benefits recognised as per IND-AS 19-'Employee Benefits' in the financial statements.

   As these employee benefits are lump sum amounts provided on the basis of acturial valuation, the same is not included above.

2. All transactions with related parties have been done at arms length

Notes to the Standalone Financial Statements

Note 36 : Segment Reporting

Operating segments are reported consistently with the internal reporting provided to the Executive Chairman, the highest decision-making executive who is responsible for allocating resources to and assessing the performance of the operating segments.

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

1. Electrical Cables
2. Communication Cables
3. Copper Rods
4. Others - Trading of Electrical and other goods

The above business segments have been identified considering

1. The nature of the product/services
2. The Related risks and returns
3. The Internal financial reporting systems

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

(Rs. In Crore)

Particulars	31st March, 2020	31st March, 2019
Segment Revenue		
A. Electrical cables	2,361.11	2,494.42
B. Communication cables	408.94	488.84
C. Copper rods	558.83	939.98
D. Others	88.15	71.01
Total segment revenue	**3,417.03**	**3,994.25**
Less : Inter segment revenue	(539.73)	(911.67)
Net segment revenue	**2,877.30**	**3,082.58**
Segment Results		
A. Electrical cables	377.57	381.43
B. Communication cables	25.93	66.01
C. Copper rods	3.43	9.68
D. Others	(6.84)	(12.01)
Total segment results	**400.09**	**445.11**
(Less) : Finance costs	(1.55)	(0.92)
Add /(Less) : unallocable income/(Loss) net of unallocable expenditure	102.79	87.67
Profit before tax	**501.33**	**531.86**
Income Taxes	**98.85**	**187.77**
Profit for the year	**402.48**	**344.09**

Notes to the Standalone Financial Statements

OTHER INFORMATION

(Rs. In Crore)

Particulars	31st March, 2020	31st March, 2019
Segment Assets		
A. Electrical cables	879.31	872.59
B. Communication cables	319.20	336.72
C. Copper rods	20.03	75.54
D. Others	58.06	31.33
Unallocable Assets	1,735.19	1,452.82
Total Assets	**3,011.79**	**2,769.00**
Segment Liabilities		
A. Electrical cables	169.92	155.90
B. Communication cables	17.61	75.99
C. Copper rods	13.95	6.81
D. Others	11.90	8.00
Unallocable Liabilities	79.78	82.63
Total Liabilities	**293.16**	**329.33**

For the year ended 31st March, 2020

(Rs In Crore)

Particulars	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extend allocable to the segment *
A. Electrical cables	21.83	29.29	4.90
B. Communication cables	1.96	7.64	1.00
C. Copper rods	0.00	0.78	-
D. Others	8.54	1.20	-
Total	**32.33**	**38.91**	**5.90**

For the year ended 31st March, 2019

(Rs In Crore)

Particulars	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extend allocable to the segment *
A. Electrical cables	22.71	30.14	3.85
B. Communication cables	16.41	6.49	4.68
C. Copper rods	0.10	1.16	-
D. Others	5.10	2.76	-
Total	**44.32**	**40.55**	**8.53**

* Exclude reversal of Provision other-Duties/Taxes of Rs. Nil (Previous year Rs. 22.16 crores)

Notes to the Standalone Financial Statements

Reconciliation of Revenue

(Rs. In Crore)

Particulars	31st March, 2020	31st March, 2019
Revenue from operation	2,877.30	3,077.79
Add: Miscellaneous Income (Included in Other Income)	-	4.79
Total Segment revenue as reported above	**2,877.30**	**3,082.58**

B. Secondary Segment information

The company's operations are mainly confined within India and as such there are no reportable geographical segments.

Note 37 : Earnings Per Share (EPS)

(Rs. In Crore)

Basic earning per share	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Net Profit for the period attributable to the equity holders	**402.48**	**344.09**
Weighted average number of Equity shares for basic EPS	152,939,345	152,939,345
Par value per share (in Rs.)	2.00	2.00
Basic Earnings per share (in Rs.)	**26.32**	**22.50**
Diluted Earnings per share (in Rs.)	**26.32**	**22.50**

Note: The Company does not have any dilutive potential equity shares in any of the period's, therefore weighted average number of equity shares outstanding at the year end for basic EPS and diluted EPS is same.

Note 38 : COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The Company will continue to closely monitor any material changes to future economic conditions.

Note 39: Significant Events after the reporting period :

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed.

D.K. Chhabria
Executive Chairman

Shishir Lall
Director

M. Viswanathan
Chief Financial Officer

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

Pune : 27th June, 2020

Consolidated Financials

Independent Auditor's Report

To The Members of Finolex Cables Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Finolex Cables Limited ("the Company") and its share of profit (net) of its associate and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the associate and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company, its associate and joint ventures as at 31 March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated financial statements section of our report. We are independent of the Company, its associate and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matters	Auditor's Response
Impairment assessment for investment in joint venture accounted using equity method (Refer notes 2.2.4, 2.24 and 5 to the consolidated financial statements) The Company has investment in equity shares of a joint venture, Finolex J-Power Systems Private Limited, which has been accounted for using the equity method in the consolidated financial statements. Under the equity method, an investment in a joint venture is recognised initially in the consolidated balance sheet at cost and adjusted thereafter to recognize the company's share of the profit or loss and other comprehensive income of the joint venture. The carrying amount of equity accounted investments are tested for impairment in accordance with Ind AS 36.	**Principal Audit Procedures Performed** We obtained an understanding of the Company's policies and procedures to identify impairment indicators for investment in equity shares of a joint ventures, accounted for using the equity method and performed the following procedures in relation to the Company's management impairment assessment: • We tested the design and operating effectiveness of the company's management controls over review of the impairment testing including those over the forecasts of future cash flows of the joint venture and the selection of the discount rate. • We assessed the commitment provided by the Company and the other joint venture partner for the infusion of funds. We also assessed the history of fund infusion by the Company and the other joint venture partner in the joint venture in the past.

Key Audit Matters	Auditor's Response
The joint venture is making continuous losses and is dependent on continuing support from its two joint venture partners. Due to the presence of impairment indicators, the company's management has tested this investment (carrying value of Rs. 60.29 crores) (net of impairment Rs. 21.58 crores impaired during the year) for impairment in accordance with Ind AS 36 by comparing its recoverable amount with its carrying amount as at 31 March, 2020. The company's management has determined the recoverable amount based on the discounted cash flows of the joint venture and has concluded that no impairment is required. We considered this as a key audit matter due to significant judgement involved in estimating future cash flows of the joint venture and in determining the discount rate to be used. Changes in these inputs and assumptions could impact the results of the impairment assessment.	• We evaluated the reasonableness of forecasts of future cash flows of the joint venture provided to us by the company's management by comparing the forecasts to historical trend analysis. • With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology and discount rate by developing a range of independent estimates and comparing those to the discount rate selected by the management. • We evaluated the company management's sensitivity analysis around the key assumptions, such as discount rate and terminal growth rate, to ascertain the extent of change in those assumptions that would be required for the investment in the joint venture to be impaired. • We assessed the adequacy of disclosures made in the financial statements for the year ended 31 March, 2020.
Existence and condition of inventory of raw materials, work in progress, finished goods (manufactured and traded) **[Refer to Note 11 to the consoildated financial statements]** The Company has its inventory located at factory and clearing & forwarding agent (CFA) locations. The Company's management conducts physical verification of inventories during the year at reasonable intervals, in factory, CFA locations and third party locations however, on account of the COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories and verification was carried out subsequently for Factory and CFA locations. Management has carried out other procedures to validate the existence and conditions of its inventory as at the year end, such as roll back procedures for inventories which were physically verified subsequent to year end and carrying out consumption analysis to determine the quantities of the inventory at the balance sheet date. Further due to COVID-19 related lockdown we could participate in the physical verification of inventory that was carried out by the management subsequent to the year end only through virtual medium. In view of the foregoing, obtaining sufficient appropriate audit evidence regarding existence and condition of inventories as at the balance sheet date is identified as a key audit matter.	**We performed the following alternate audit procedures to audit the existence and condition of inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the physical stock verification:** Understood and evaluated the management's internal controls process to establish the existence and condition of inventories, such as, the process of periodic physical verification carried out by the Management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any. Observed the physical verification of inventories carried out by the Management at the select locations subsequent to year-end through virtual mediums, to verify the compliance with the standard operating procedures issued by the Management for physical verification of inventory to determine existence and condition of inventory. On a sample basis, performed roll back procedures (by inspecting documentation relating to subsequent sales supported by acknowledged lorry receipts, purchases, stock transfers, production records, as applicable) from the inventory quantities physically verified by the Management subsequent to the year end to arrive at the quantities at the balance sheet date. Compared such quantities at the balance sheet date based on such roll back with the quantities as per the inventory records and obtained explanations for differences, if any. We have performed alternate procedures to audit the existence and condition of inventory, which includes inspection of supporting documentation relating to purchases, sales and production.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the, joint ventures and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint ventures and associate, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company and its associate and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Company and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associate and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its associate and joint ventures are responsible for assessing the ability of the Company, its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Company and of its associate and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Company included in the consolidated financial statements of which we are the independent auditors. For the other entities such as associate and joint venture which are included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements also include the Company's share of net profit of Rs. 91.07 crores and total comprehensive income of Rs. 90.25 crores for the year ended 31 March, 2020, as considered in the consolidated financial statements, in respect of 1 associate and 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint venture and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture and associate is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the associate and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31 March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its, associate and joint venture companies incorporated in India, none of the directors of the Company, its associate and joint venture companies incorporated in India is disqualified as on 31 March, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company, associate and joint ventures companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

      As more fully stated in Note 28.1 the reappointment and remuneration of the two executive directors is pending before the Hon'ble High Court. Subject to the aforesaid in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of Section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company, its associate and joint ventures.

      ii) The Company, its associate and joint ventures did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its, associate and joint ventures companies incorporated in India except in respect of transfer of equity shares, as the Company is in process of ascertaining the quantum of shares to be transferred, in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
Membership No. 046930
UDIN: 20046930AAAADI1419

Place: Mumbai
Date: 27 June, 2020

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Company as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting of Finolex Cables Limited (hereinafter referred to as "the Company") and its associate and joint ventures which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its associate and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the other auditors of its associate and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its associate and joint ventures, which are companies incorporated in India.

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 inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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 and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Company and its associate and joint ventures which are companies incorporated in India have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1 associate company and 1 joint venture companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
Membership No. 046930
UDIN: 20046930AAAADI1419

Place: Mumbai
Date: 27 June, 2020

Consolidated Balance Sheet

as at 31st March, 2020

(Rs. In Crore)

	Note No.	As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	376.76	403.50
(b) Capital Work-in-Progress		27.29	10.36
(c) Intangible Assets	4	0.45	0.71
(d) Right of use asset	4A	9.32	-
(e) Investment Accounted for using the equity method	5	608.88	590.75
(f) Financial Assets			
i) Other Investments	6	265.47	408.34
ii) Loans	8	3.87	3.82
iii) Other Financial Assets	9	-	0.23
(g) Non-Current Tax Assets (net)		19.51	21.44
(h) Other Non-Current Assets	10	26.08	22.97
		1,337.63	**1,462.12**
CURRENT ASSETS			
(a) Inventories	11	593.06	587.20
(b) Financial Assets			
i) Investments	7	246.55	767.92
ii) Trade Receivables	12	187.02	210.88
iii) Cash and Cash Equivalents	13	856.02	46.38
iv) Other Bank balances	14	77.86	2.42
v) Other Financial Assets	9	55.90	0.48
(c) Other Current Assets	15	52.76	76.74
		2,069.17	**1,692.02**
TOTAL ASSETS		**3,406.80**	**3,154.14**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	30.59	30.59
(b) Other Equity	17	2,973.12	2,706.49
		3,003.71	**2,737.08**
LIABILITIES			
NON CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	18	0.34	0.38
ii) Lease Liabilities		5.23	-
(b) Provisions	19	12.61	9.42
(c) Deferred Tax Liabilities (Net)	20	145.99	146.07
		164.17	**155.87**
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables			
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	21	5.52	8.22
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	21	153.16	200.05
(ii) Lease Liabilities		2.33	-
(iii) Other Financial Liabilities	22	3.69	3.32
(b) Other Current Liabilities	23	34.70	22.46
(c) Provisions	19	6.61	5.82
(d) Current tax Liabilities (net)		32.91	21.32
		238.92	**261.19**
		403.09	**417.06**
TOTAL EQUITY AND LIABILITIES		**3,406.80**	**3,154.14**

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai : 27th June, 2020

For and behalf of Board of Directors of Finolex Cables Limited.

D.K. Chhabria
Executive Chairman

Shishir Lall
Director

M. Viswanathan
Chief Financial Officer

R.G.D'Silva
Company Secretary
& President (Legal)
Pune : 27th June, 2020

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2020

(Rs. In Crore)

		Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
I	Revenue from operations	24	2,877.30	3,077.79
II	Other income	25	91.50	81.64
III	**Total income**		**2,968.80**	**3,159.43**
IV	**EXPENSES**			
	(a) Cost of material consumed	26	2,026.15	2,292.09
	(b) Purchase of stock-in-trade		57.17	45.88
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	0.03	(73.03)
	(d) Employee benefits expense	28	149.53	140.70
	(e) Finance Costs	29	1.55	0.92
	(f) Depreciation and amortization expenses	30	38.91	40.55
	(g) Other Expenses	31	261.00	202.48
	Total Expenses		**2,534.34**	**2,649.59**
V	**Profit before share of net profit of investments accounted for using equity method and tax**		**434.46**	**509.84**
	Share of net profit of an Associate and Joint Ventures accounted for using the Equity Method		77.59	100.38
VI	**Profit before Tax**		**512.05**	**610.22**
VII	**Tax Expense**			
	(a) Current tax	20	123.24	165.68
	(b) Deferred tax	20	(2.19)	37.07
	Total Tax		**121.05**	**202.75**
VIII	**Profit for the year**		**391.00**	**407.47**
IX	**Other Comprehensive Income / (Expense)**			
	A. Items that will not be reclassified to profit or loss			
	(i) Re-measurement gain/ (loss) on defined benefit plans		(3.60)	(3.42)
	(ii) Fair value change on equity instruments		(34.84)	(19.83)
	(iii) Income tax relating to these items		(2.11)	(1.32)
	(iv) Share of other comprehensive income/(expenses) of an Associate and joint ventures accounted for using equity method		(0.85)	(1.03)
	B. Items that will be reclassified to profit or loss		-	-
X	**Total Other Comprehensive Income / (Expense) for the year**		**(41.40)**	**(25.60)**
XI	**Total comprehensive income for the year**		**349.60**	**381.87**
	Profit for the year attributable to:			
	- Owners of the Company		391.00	407.47
	- Non-controlling interest		-	-
			391.00	**407.47**
	Total Other Comprehensive Income / (Expense) for the year attributable to:			
	- Owners of the Company		(41.40)	(25.60)
	- Non-controlling interest		-	-
			(41.40)	**(25.60)**
	Total Comprehensive Income for the year attributable to:			
	- Owners of the Company		349.60	381.87
	- Non-controlling interest		-	-
			349.60	**381.87**
XII	**Earnings per equity share of face value of Rs. 2 each**			
	(i) Basic	37	25.57	26.64
	(ii) Diluted	37	25.57	26.64

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai : 27th June, 2020

For and behalf of Board of Directors of Finolex Cables Limited.

D.K. Chhabria
Executive Chairman

Shishir Lall
Director

M. Viswanathan
Chief Financial Officer

R.G.D'Silva
Company Secretary
& President (Legal)
Pune : 27th June, 2020

Statement of Consolidated Cash Flows
for the year ended 31st March, 2020

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020		Year Ended 31st March, 2019	
A. Cash flows from Operating Activities				
Profit before tax for the year		**512.05**		**610.22**
Adjustments for :				
Finance Costs	1.55		0.92	
Interest income on financial assets carried at amortised cost	(9.04)		(4.20)	
Dividend income	(0.57)		(0.60)	
Share of profit of an Associate and Joint Ventures accounted for using the Equity Method	(77.59)		(100.38)	
Net gain/(Loss) on fair value changes of investments classified at FVTPL	(73.68)		(67.61)	
Allowance for Doubtful Debts and Advances (Net)	5.82		4.68	
Warranty Costs	-		(0.72)	
Depreciation and Amortisation Expenses	38.91		40.55	
Provision other-Duties / Taxes	-		(22.16)	
Impairment of Financial assets -Investment in Joint Venture	21.58		-	
Loss/(gain) on sale of property,plant and equipment	0.08		3.85	
		(92.94)		**(145.67)**
		419.11		**464.55**
Working Capital Adjustments				
Adjustments for (increase) / decrease in operating assets:				
Trade Receivables	18.04		(40.64)	
Inventories	(5.86)		(88.14)	
Other Current Assets	23.98		(47.77)	
Other Financial Assets (Current and Non-Current)	(49.65)		(0.07)	
Other Non Current Assets	0.09		(2.00)	
Loan-Noncurrent	(0.05)		(0.07)	
		(13.45)		**(178.69)**
		405.66		**285.86**
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payables	(49.60)		30.82	
Long term / Short Term Provisions	0.38		(2.74)	
Other Current Liabilities	12.24		1.71	
Other Financial Liabilities (Current and Non - Current)	0.06		(0.03)	
		(36.92)		**29.76**
Cash generated from operations		368.74		315.62
Income Tax paid		(109.72)		(161.56)
Net cash generated from operating activities		**259.02**		**154.06**

Statement of Consolidated Cash Flows

for the year ended 31st March, 2020

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020		Year Ended 31st March, 2019	
B. Cash flows from Investing Activities				
Dividend received	80.96		40.79	
Other bank balances	(75.44)		24.32	
Interest received - Others	3.50		6.56	
Purchase of Investments (Mutual Funds)	(2,823.99)		(2,800.41)	
Proceed from sale of investments (Mutual Funds)	3,527.08		2,681.84	
Purchase of investment in joint ventures	(43.36)		(18.87)	
Purchase of PPE	(32.33)		(44.32)	
Proceed from sale of Fixed Assets	0.62		0.06	
Net cash generated/(used in) investing activities		**637.04**		**(110.03)**
C. Cash flows from Financing Activities				
Other long term borrowings repaid	(0.17)		(0.29)	
Dividends paid	(68.38)		(60.74)	
Dividend tax paid	(14.15)		(12.57)	
Interest and Other Borrowing Costs	(0.67)		(0.92)	
Repayment of lease liabilities :				
Principal	(2.17)		-	
Interest	(0.88)		-	
Net cash (used in) financing activities		**(86.42)**		**(74.52)**
Net Increase /(Decrease) in cash and cash equivalents		**809.64**		**(30.49)**
Cash and Cash Equivalents as at 1st April (Opening Balance)		**46.38**		**76.87**
Cash and Cash Equivalents as at 31st March (Closing Balance)		**856.02**		**46.38**

Notes:

1 Cash and Cash Equivalents include:

(Rs. In Crore)

	As at 31st March, 2020	As at 31st March, 2019
(a) Cash on hand	0.02	0.01
(b) Balances with banks		
In current accounts	31.00	46.37
Deposits with original maturity of less than three months	825.00	-
Cash and Cash Equivalents	**856.02**	**46.38**

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai : 27th June, 2020

For and behalf of Board of Directors of Finolex Cables Limited

D.K. Chhabria
Executive Chairman

Shishir Lall
Director

M. Viswanathan
Chief Financial Officer

R.G.D'Silva
Company Secretary
& President (Legal)
Pune : 27th June, 2020

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2020

A) Equity Share Capital

(Rs. In Crore)

	No. of shares	Amount
Balance as at 31st March, 2018	**152,939,345**	**30.59**
Issued during the year	**-**	**-**
Balance as at 31st March, 2019	**152,939,345**	**30.59**
Issued during the year	-	-
Balance as at 31st March, 2020	**152,939,345**	**30.59**

B) Other Equity

(Rs. In Crore)

Description	Reserve and surplus					Item of Other Comprehensive Income	
	Securities Premium	Capital Reserve	General Reserve	Share buyback Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Total
Balance as at 1st April, 2018	**109.10**	**8.41**	**552.36**	**5.52**	**1,615.82**	**107.16**	**2,398.37**
Profit for the year	-	-	-	-	407.47	-	407.47
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	(3.27)	(22.33)	(25.60)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**404.20**	**(22.33)**	**381.87**
Dividend Paid	-	-	-	-	(61.18)	-	(61.18)
Dividend Distribution Tax	-	-	-	-	(12.57)	-	(12.57)
Balance as at 31st March, 2019	**109.10**	**8.41**	**552.36**	**5.52**	**1,946.27**	**84.83**	**2,706.49**
Balance as at 1st April, 2019	109.10	8.41	552.36	5.52	1,946.27	84.83	2,706.49
Profit for the year	-	-	-	-	391.00	-	391.00
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	(3.54)	(37.86)	(41.40)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**387.46**	**(37.86)**	**349.60**
Dividend Paid	-	-	-	-	(68.82)	-	(68.82)
Dividend Distribution Tax	-	-	-	-	(14.15)	-	(14.15)
Balance as at 31st March, 2020	**109.10**	**8.41**	**552.36**	**5.52**	**2,250.76**	**46.97**	**2,973.12**

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai : 27th June, 2020

For and behalf of Board of Directors of Finolex Cables Limited.

D.K. Chhabria
Executive Chairman

Shishir Lall
Director

M. Viswanathan
Chief Financial Officer

R.G.D'Silva
Company Secretary
& President (Legal)
Pune : 27th June, 2020

Notes to the Consolidated Financial Statements

1. Corporate Information

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges (i.e. BSE & NSE) in India. The registered office of the Company is located at 26/27, Mumbai-Pune Road, Pimpri, Pune 411018 (India). The Company is principally engaged in the manufacturing of Electricals Cables, Communication Cables & other electrical appliances

These Consolidated Financial Statements for the year end 31st March, 2020 were approved for issue by the Board of Directors in accordance with their resolution dated 27th June, 2020.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation of consolidated financial statements

These consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are presented in INR and all values are rounded to the nearest crores in two digit, except where otherwise indicated.

2.2 Basis of Consolidation

2.2.1 The consolidated financial statements comprise the financial statements of the Company and its Joint Ventures & Associate as at disclosed in note 2.2.9

2.2.2 An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

2.2.3 A Joint Venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

2.2.4 The Company's investments in its associate and joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint ventures or an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate or joint ventures since the acquisition date. Goodwill relating to the associate or joint ventures is included in the carrying amount of the investment and is not tested for impairment individually.

2.2.5 The statement of profit and loss reflects the Company's share of the results of operations of the associate or joint ventures. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint ventures, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate or joint ventures are eliminated to the extent of the interest in the associate or joint ventures.

2.2.6 If an entity's share of losses of an associate or joint ventures equals or exceeds its interest in the associate or joint ventures (which includes any long term interest that, in substance, form part of the Company's net investment in the associate or joint ventures), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint ventures. If the associate or joint ventures subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

2.2.7 The aggregate of the Company's share of profit or loss of an associate and joint ventures is disclosed on the face of the statement of profit and loss. The financial statements of the associate or joint ventures

Notes to the Consolidated Financial Statements

are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

2.2.8 After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint ventures .At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint ventures is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint ventures or and its carrying value, and then recognises the loss as 'Share of profit of a joint ventures and an associate' in the statement of profit or loss.

Upon loss of significant over the associate or joint ventures, the Company measures and recognises any retained investment at its fair value upon loss of significant influence over the associate or joint control over the joint ventures. Any difference between the carrying amount of the associate or joint ventures upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.2.9 Details of Associate and Joint Ventures at the end of the reporting period which are considered in the preparation of the consolidated financial statements

Name of Entity	Principal Activity	Nature	Place of Incorporation	Proportion of ownership interest as at 31st March 2020
Finolex J-Power Systems Pvt. Ltd.	High Voltage Cables	Joint Venture	India	49%
Corning Finolex Optical Fiber Pvt. Ltd.	Optical Fibers	Joint Venture	India	50%
Finolex Industries Ltd.	Pipes and Fittings	Associate	India	32.39%

Other Significant Accounting Policies

2.3 Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, provisions and contingent liabilities and fair value measurement of financial instruments. Key source of estimation of uncertainty in respect of employee benefits and measurement of deferred tax assets have been discussed in their respective policies.

2.4 Critical accounting estimates

i) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.12.

ii) Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.17.

iii) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot

Notes to the Consolidated Financial Statements

be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2.18.

2.5 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.6 Revenue recognition

Effective April 1, 2018, the Company adopted Ind-AS 115 “Revenue from Contracts with Customers” using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted.

The effect on adoption of Ind-AS 115 was insignificant.

Sale of goods

Revenue from the sale of goods is recognized at point in time when control of the goods is transferred to the customer, usually on delivery of the goods, customer acceptance and other indicators of transfer of control of goods to the customer. Revenue from sale of goods is measured at an amount that reflects the consideration (“transaction price”) expected to receive in exchange for those goods.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Dividends

Revenue is recognized when the Company’s right to receive the dividend is established, which is generally when shareholders approve the dividend.

2.7 Foreign Currencies

The Functional Currency of the company is in the Indian rupee. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realised gains and losses as well as exchange differences arising on translation (at year end exchange rates) of monetary assets and monetary liabilities outstanding at the end of the year are recognised in the statement of Profit and Loss.

Notes to the Consolidated Financial Statements

Non–monetary assets and liabilities that all are measured in terms of historical cost in foreign currencies are not retranslated.

2.8 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received. Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets. The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

2.9 Employee Benefits

2.9.1 Defined contribution plans

(a) Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

(b) Superannuation and ESIC

Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

2.9.2 Defined benefits plans (Gratuity)

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

2.9.3 Compensated absences

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of un-availed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

Notes to the Consolidated Financial Statements

2.10 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.24) Impairment of assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred

Notes to the Consolidated Financial Statements

in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.11 Income Taxes

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India where it generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.12 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation commences when the assets are ready for their intended use. Freehold land and Assets held for sale are not depreciated.

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Notes to the Consolidated Financial Statements

The estimated useful lives in respect of Property, plant and equipment are mentioned below:

Asset Class	Useful Life Adopted (Years)	Useful Life as per Schedule –II (Years)
Plant & Machinery	10 to 25*	15
Solar Plant	25	NA
Buildings-Factory	30	30
Buildings-Others	60	60
Furniture & Fittings	10	10
Office Equipment	5	5
Computers & Peripherals	3 to 6	3 to 6
Vehicles	8	8
Dies &Moulds	6*	8

*As evaluated by internal technical personnel

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, as appropriate.

2.13 Intangible Assets

Intangible assets acquired separately are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The amortization policy applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

Particular	Amortisation
Computer Software	Over a period of 5 years

2.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.15 Assets Held For Sale

Non-current assets held for sale are measured at the lower of their carrying value and fair value of the assets less costs to sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment once classified as held for sale are not depreciated/ amortised.

2.16 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on weighted average. Cost for this purpose includes cost of direct materials, direct labour, appropriate share of overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for and valued at net realisable value.

2.17 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present

Notes to the Consolidated Financial Statements

obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Warranty Provisions

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the Company's best estimate of the expenditure required to settle the Company's obligation.

2.18 Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.19 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.19.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.19.2 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

2.19.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Notes to the Consolidated Financial Statements

2.19.4 Investment in Joint Ventures and Associate

Investment in Joint ventures and associate are measured and stated at cost less impairment as per Ind AS 27 - Separate Financial Statements.

2.19.5 Impairment of financial assets (other than financial assets at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 Months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2.20 Financial liabilities and equity instruments

2.20.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.20.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognized in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.20.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.21 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

2.22 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.23 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.24 Impairment of assets

Assets are tested for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and

Notes to the Consolidated Financial Statements

value in used. For the purposes of assessing impairment, assets are grouped at the lower levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversals of the impairment at the end of each reporting period.

2.25 Changes in accounting policies and disclosures

Ind AS 116 Leases:

Ind AS 116 was notified by Ministry of Corporate Affairs on 30th March, 2019 and it is applicable for annual reporting periods beginning on or after 1st April, 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to Ind AS 116, the Company adopted Ind AS 116 using the modified retrospective approach. Under this approach, there were no material adjustments required to the retained earnings at 1st April, 2019. The comparative financial statements for the year ended 31st March, 2019 are not restated.

2.26 New Accounting Standards not yet adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

Notes to the Consolidated Financial Statements

Note 3 : Property, Plant and Equipment

(Rs. In Crore)

	Land	Lease hold Land	Buildings @	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
Cost									
Balance as at 1st April, 2019	35.06	15.30	169.46	348.17	2.39	3.33	2.91	3.99	580.61
Additions	1.23	-	0.16	9.79	0.27	0.06	0.45	0.21	12.17
(Disposals)	-	-	-	(0.72)	-	-	(0.19)	(0.30)	(1.21)
Balance as at 31st March, 2020	**36.29**	**15.30**	**169.62**	**357.24**	**2.66**	**3.39**	**3.17**	**3.90**	**591.57**
Accumulated Depreciation & Impairment									
Balance as at 1st April, 2019	-	0.66	27.10	143.92	1.03	1.90	1.20	1.30	177.11
Depreciation expense for the year	-	0.19	6.62	29.58	0.21	0.33	0.61	0.67	38.21
(Disposals)	-	(0.00)	-	(0.05)	(0.00)	-	(0.18)	(0.28)	(0.51)
Balance as at 31st March, 2020	**-**	**0.85**	**33.72**	**173.45**	**1.24**	**2.23**	**1.63**	**1.69**	**214.81**
Net Carrying Amount as at 31st March, 2020	**36.29**	**14.45**	**135.90**	**183.79**	**1.42**	**1.16**	**1.54**	**2.21**	**376.76**

(Rs. In Crore)

	Land	Lease hold Land	Buildings @	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
Cost									
Balance as at 1st April, 2018	29.96	15.30	167.97	322.00	2.30	2.94	2.51	5.04	548.02
Additions	5.10	-	1.49	32.10	0.09	0.39	0.42	0.09	39.68
(Disposals)	-	-	-	(5.93)	-	-	(0.02)	(1.14)	(7.09)
Balance as at 31st March, 2019	**35.06**	**15.30**	**169.46**	**348.17**	**2.39**	**3.33**	**2.91**	**3.99**	**580.61**
Accumulated Depreciation & Impairment									
Balance as at 1st April, 2018	-	0.50	20.48	114.55	0.79	1.51	0.59	1.60	140.02
Depreciation expense for the year	-	0.16	6.62	31.50	0.24	0.39	0.62	0.74	40.27
(Disposals)	-	-	-	(2.13)	-	-	(0.01)	(1.04)	(3.18)
Balance as at 31st March, 2019	**-**	**0.66**	**27.10**	**143.92**	**1.03**	**1.90**	**1.20**	**1.30**	**177.11**
Net Carrying Amount as at 31st March, 2019	**35.06**	**14.64**	**142.36**	**204.25**	**1.36**	**1.43**	**1.71**	**2.69**	**403.50**

Note: @ Buildings include Rs. * Crore being cost of ordinary shares in co-operative housing societies

* Denotes amount less than Rs. 50,000.

Note 4 : Intangible Assets

(Rs. In Crore)

	Computer Software $
Cost	
Balance as at 1st April, 2019	**1.51**
Additions	0.03
(Disposals)	-
Balance as at 31st March, 2020	**1.54**
Accumulated Amortisation & Impairment	
Balance as at 1st April, 2019	**0.80**
Amortisation expenses for the year	0.29
(Disposals)	-
Balance as at 31st March, 2020	**1.09**
Net Carrying Amount as at 31st March, 2020	**0.45**

Notes to the Consolidated Financial Statements

	(Rs. In Crore) Computer Software $
Cost	
Balance as at 1st April, 2018	**1.51**
Additions	-
(Disposals)	-
Balance as at 31st March, 2019	**1.51**
Accumulated Amortisation & Impairment	
Balance as at 1st April, 2018	**0.52**
Amortisation expenses for the year	0.28
(Disposals)	-
Balance as at 31st March, 2019	**0.80**
Net Carrying Amount as at 31st March, 2019	**0.71**

Note : $ Other than internally generated intangible assets

Note 4 A : Right of use asset

	(Rs. In Crore)
Cost	
Balance as at 1st April, 2019	**-**
Addition- on account of adoption of Ind AS 116	9.73
(Disposals)	-
Balance as at 31st March, 2020	**9.73**
Accumulated Amortisation & Impairment	
Balance as at 1st April, 2019	**-**
Amortisation expenses for the year	0.41
(Disposals)	-
Balance as at 31st March, 2020	**0.41**
Net Carrying Amount as at 31st March, 2020	**9.32**
Set out below are the carrying amounts of lease liabilities movements during the year	
As at 1st April, 2019	-
Additions- on account of adoption of Ind AS 116	9.73
Accretion of interest	0.88
Payments	(3.05)
As at 31st March, 2020	**7.56**
Current	2.33
Non-current	5.23
The effective interest rate for lease liabilities is 9.05%	
The following are the amounts recognised in profit or loss:	
Depreciation expense of right-of-use assets	0.41
Interest expense on lease liabilities	0.88
Expense relating to short-term leases	-
Expense relating to leases of low-value assets	-
Total amount recognised in profit or loss	1.29

Notes to the Consolidated Financial Statements

Note 5 : Investment in Associates & Joint Ventures- Non-Current

Measured at cost

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
	(i) Equity shares Quoted		
40,192,597	Equity Shares of Rs. 10 each fully paid in Finolex Industries Limited (Previous Year 40,192,597)	534.55	524.54
196,000,000	Equity Shares of Rs.10 each fully paid in Finolex J-Power Systems Private Limited (Previous Year 152,635,000)	81.87	52.01
	Less: Provision for Impairment in value of Investments	(21.58)	-
1,750,000	Equity Shares of Rs.10 each fully paid in Corning Finolex Optical Fibre Private Limited (Previous Year 1,750,000)	14.04	14.20
	Total	**608.88**	**590.75**

Note 5.1 Summarised Financial Information

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
I	**Finolex Industries Limited**		
	Non -Current Assets	1,667.04	2,280.26
	Current Assets	1,224.30	1,051.39
	Non-Current Liabilities	(213.98)	(241.06)
	Current Liabilities	(691.38)	(514.39)
	Net Assets	**1,985.98**	**2,576.20**
	Revenue	3,015.89	3,131.73
	Profit for the year	332.65	367.25
	Other Comprehensive Income/(Expense) for the year	(623.38)	(436.33)
	Total Comprehensive Income/(Expense) for the year	(290.73)	(69.08)
	Dividends received from the Associate	80.39	40.19
	Reconciliation of the above mentioned summarised financial information to the carrying amount of interest in the Associate recognised in consolidated financial statements:		
	Net assets of the Associate	1,985.98	2,576.20
	Less : Unrealised gain in respect of investments held in the Company by the Associate	(335.63)	(956.75)
	Total	**1,650.35**	**1,619.45**
	Proportion of ownership interest in the Associate	32.39%	32.39%
	Carrying amount of the Group's interest in the Associate	**534.55**	**524.54**
II	**Finolex J-Power Systems Private Limited**		
	Non -Current Assets	157.22	160.68
	Current Assets	123.75	60.54
	Non-Current Liabilites	(21.38)	(16.60)
	Current Liabilities	(92.55)	(98.47)
	Net Assets	**167.04**	**106.15**

Notes to the Consolidated Financial Statements

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
	Revenue	68.75	48.14
	Loss for the year	(27.44)	(35.74)
	Other Comprehensive Income/(Expense) for the year	(0.06)	(0.06)
	Total Comprehensive Income for the year	(27.50)	(35.80)
	Dividends received from the Joint Venture	Nil	Nil
	Reconciliation of the above mentioned summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:		
	Net assets of the Joint Venture	167.04	106.15
	Proportion of ownership interest in the Joint Venture	49%	49%
	Group's interest in the Joint Venture	81.87	52.01
	Less : Impairment (Refer Note 5.3)	(21.58)	--
	Carrying amount of the Group's interest in the Joint Venture	**60.29**	**52.01**
III	**Corning Finolex Optical Fibre Private Limited**		
	Non -Current Assets	Nil	Nil
	Current Assets	108.12	118.67
	Non-Current Liabilites	Nil	Nil
	Current Liabilities	(80.04)	(90.29)
	Net Assets	**28.08**	**28.38**
	Revenue	150.01	327.63
	Profit for the year	(0.30)	14.23
	Other Comprehensive Income/(Expense) for the year	Nil	Nil
	Total Comprehensive Income for the year	(0.30)	14.23
	Dividends received from the Joint Venture	Nil	Nil
	Reconciliation of the above mentioned summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:		
	Net assets of the Joint Venture	28.08	28.38
	Proportion of ownership interest in the Joint Venture	50%	50%
	Carrying amount of the Group's interest in the Joint Venture	**14.04**	**14.20**
	Aggregate carrying value of Quoted Investment	**534.55**	**524.54**
	Aggregate market Value of Quoted Investment	**1,570.32**	**2,015.26**
	Aggregate carrying value of Unquoted Investment	**95.91**	**66.21**
	Aggregate value of impairment in value of assets	**(21.58)**	**-**
	Aggregate carrying value of Unquoted Investment net of impairment	**74.33**	**66.21**

Note 5.2 : Disclosure as per Ind-AS 27

	Name of investees.	The principal place of business and country of incorporation	Proportion of the ownership interest and proportion of the voting rights
(I)	**Associate**		
	Finolex Industries Limited	India	**32.39%**
(II)	**Joint Ventures**		
	Finolex J-Power Systems Private Limited	India	**49.00%**
	Corning Finolex Optical Fibre Private Limited	India	**50.00%**

Notes to the Consolidated Financial Statements

Note 5.3 :Disclosure as per Ind-AS 36, on Impairment of Investments in Joint Ventures

The Company's investment in Finolex J Power Systems Private Ltd, (FJPS) is long term and strategic in nature and recognised and disclosed as investment in joint venture accounted for using equity method. FJPS is engaged in manufacturing and sale of extra high voltage power cables. The operations of FJPS continued to be adversely impacted by economic slowdown and has continued to incur losses, resulting in its net worth being partially eroded. The management expects improvement in operations of FJPS upon revival of the economic environment and along with the Joint Venture partner, continues to support FJPS operations by infusion of equity as required.

Considering above, the Company had in accordance with Ind AS - 36 "Impairment of Assets" carried out impairment assessment of its investment in FJPS accounted for using equity method by comparing its recoverable amount (enterprise value) with its carrying amount as at 31st March, 2020.

The recoverable amount of the investment in FJPS is assessed based on future discounted cash flows of FJPS (enterprise value).

During the year the company had recorded further impairment of Rs. 21.58 crores for the year ended and as at 31st March, 2020.

Key assumptions used for value in use to determine the recoverable value are:

1- Discount rate - Weighted Average Cost of Capital (WACC) - 16 % (Previous year 14%)

2- Terminal growth rate 4 % (Previous year 5%)

Note 6 : Other Investments - Non-Current

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
a)	**Investments at fair value through Other Comprehensive Income (FVTOCI) (fully paid)**		
	i) Equity shares- Quoted		
61,000	Equity Shares of Rs. 2 each fully paid in Bharat Forge Limited (Previous Year 61,000)	1.43	3.12
358,500	Equity Shares of Rs. 10 each fully paid in IndusInd Bank Limited (Previous Year 358,500)	12.59	63.89
168,750	Equity Shares of Rs. 5 each fully paid in BF Utilities Limited (Previous Year 168,750)	2.43	3.30
168,750	Equity Shares of Rs. 5 each fully paid in BF Investment Limited (Previous Year 168,750)	3.86	4.48
300	Equity Shares of Rs. 10 each fully paid in Delton Cables Limited (Previous Year 300)	*	*
25,096	Equity Shares of Rs. 2 each fully paid in ICICI Bank Limited (Previous Year 25,096)	0.81	1.00
200,000	Equity Shares of Rs. 5 each fully paid in Kirloskar Ferrous Limited (Previous Year 200,000)	0.86	1.95
100	Equity Shares of Rs. 2 each fully paid in Nicco Corporation Limited (Previous Year 100)	*	*
100	Equity Shares of Re. 1 each fully paid in Usha Martin Education & Solutions Limited (Previous Year 100)	*	*
100	Equity Shares of Rs. 10 each fully paid in Sterlite Power Transmission Limited (Previous Year 100)	*	*
	Total Equity shares - Quoted (i)	**21.98**	**77.74**

Notes to the Consolidated Financial Statements

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
	ii) Equity shares Unquoted		
1,000,000	Equity Shares of Rs. 10 each fully paid in Finolex Plasson Industries Pvt Limited (Previous Year 1,000,000)	29.38	16.10
1,000	Equity shares of Rs.10 each fully paid up in the Saraswat Co-op Bank Ltd. (Previous year 1,000)	*	*
967,700	Equity Shares of Rs. 10 each fully paid in SICOM India Limited (Previous Year 967,700)	8.48	0.84
5,373,938	Equity Shares of Rs.10 each fully paid in Finolex Infrastructure Limited (Previous Year 5,373,938)	8.58	8.58
	Total Equity shares -Unquoted (ii)	**46.44**	**25.52**
	Total FVTOCI Investments (i+ii)	**68.42**	**103.26**
b)	**Investments at fair value through Profit & Loss (FVTPL)**		
	Investment in Fixed Maturity Plan - Unquoted		
5,000,000	Units of Rs 10 each of Axis Fixed Term Plan Series 102 (1,133 Days) - Growth (Previous Year 5,000,000)	5.55	5.06
--	Units of Rs 10 each of Franklin India Fixed Maturity Plan-Series 1 Plan A (1,108 Days) - Growth (Previous Year 7,500,000)	-	8.58
10,000,000	Units of Rs 10 each of Franklin India Fixed Maturity Plan-Series 2 Plan A (1,224 Days) - Growth (Previous Year 10,000,000)	11.82	10.85
5,000,000	Units of Rs 10 each of Franklin India Fixed Maturity Plan-Series 6 Plan C (1,169 Days) - Growth (Previous Year 5,000,000)	5.52	5.03
5,000,000	Units of Rs.10 each of HDFC FMP - 1,133 Days - Feb 2019 (1) - Regular -Growth-Series 44 (Previous Year 5,000,000)	5.53	5.07
5,000,000	Units of Rs.10 each of HDFC FMP - 1,126 Days - Mar 2019 (1) - Regular -Growth-Series 44 (Previous Year 5,000,000)	5.51	5.05
--	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series OF (1,151 Days)-Growth-Regular Plan (Previous Year 10,000,000)	-	11.27
10,000,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series OX (1,234 Days)-Growth-Regular Plan (Previous Year 10,000,000)	11.87	10.92
2,500,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series PB (1,190 Days)-Growth-Regular Plan (Previous Year 2,500,000)	2.96	2.72
2,500,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series PD (1,177 Days)-Growth-Regular Plan (Previous Year 2,500,000)	2.96	2.72
2,500,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series PE (1,159 Days)-Growth-Regular Plan (Previous Year 2,500,000)	2.95	2.71
2,500,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series PH (1,143 Days)-Growth-Regular Plan (Previous Year 2,500,000)	2.95	2.70
10,000,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series SI (1,141 Days)-Regular -Growth (Previous Year 10,000,000)	11.11	10.12
5,000,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series SJ (1,135 Days)-Regular -Growth (Previous Year 5,000,000)	5.54	5.04
--	Units of Rs 10 each of ICICI Prudential Fixed Maturity Plan-Series 80 - 1,245 Days Plan L Cumulative (Previous Year 10,000,000)	-	11.59

Notes to the Consolidated Financial Statements

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
2,500,000	Units of Rs 10 each of ICICI Prudential Fixed Maturity Plan-Series 82 - 1,185 Days Plan M Cumulative (Previous Year 2,500,000)	2.96	2.72
5,000,000	Units of Rs. 10 each of ICICI Fixed maturity plan Series 82- (1,236 Days)- plan A Cumulative (Previous Year 5,000,000)	5.96	5.47
10,000,000	Units of Rs 10 each of ICICI Fixed Maturity Plan Series 85 - (1,156 Days) - Plan G Cumulative (Previous Year 10,000,000)	11.12	10.10
--	Units of Rs 10 each of IDFC Fixed Term Plan Series 131 Regular Plan - Growth (1,139 Days) (Previous Year 12,500,000)	-	14.34
--	Units of Rs 10 each of Kotak FMP Series 200 Growth (Regular Plan) (Previous Year 10,000,000)	-	11.46
--	Units of Rs 1,000 each of Invesco India Money Market Fund - Growth Option (Previous Year 46,830)	-	10.00
10,000,000	Units of Rs 10 each of Kotak FMP Series 263 -Growth (Regular Plan) (Previous Year 10,000,000)	11.11	10.11
10,000,000	Units of Rs 10 each of Kotak FMP Series 265 -Growth (Regular Plan) (Previous Year 10,000,000)	11.06	10.07
5,000,000	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund-XLI-Series 1 - Growth Plan- GWGPG (Previous Year 5,000,000)	5.53	5.04
--	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXIII- Series 3- Growth Plan- VRGP (Previous Year 10,000,000)	-	11.57
--	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXIII- Series 4- Growth Plan- VSGPG (Previous Year 10,000,000)	-	11.57
10,000,000	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXV- Series 7- Growth Plan- P7GPG (Previous Year 10,000,000)	11.90	10.90
2,500,000	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXV- Series 14 (1,214 Days)- Growth Plan- S6GPG (Previous Year 2,500,000)	2.97	2.72
2,500,000	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXV- Series 15 (1,207 Days)- Growth Plan-S7GPG (Previous Year 2,500,000)	2.97	2.72
--	Units of Rs 10 each of SBI Debt Fund Series - B -49 (1,170 Days) - Regular Growth (Previous Year 10,000,000)	-	11.47
5,000,000	Units of Rs 10 each of SBI Debt Fund Series - C -7 (1,190 Days) - Regular Growth (Previous Year 5,000,000)	5.88	5.42
2,500,000	Units of Rs 10 each of SBI Debt Fund Series - C - 9 (1,150 Days) - Regular Growth (Previous Year 2,500,000)	2.94	2.71
10,000,000	Units of Rs 10 each of SBI Debt Fund Series - C - 48 (1,177 Days) - Regular Growth (Previous Year 10,000,000)	11.02	10.06
5,000,000	Units of Rs 10 each of L&T FMP Series 16 - Plan A (1,223 Days) - Growth (Previous Year 5,000,000)	5.93	5.46
5,000,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVIII-IV (1,204 Days) - Growth Plan (Previous Year 5,000,000)	5.95	5.45
--	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVI-V (1,160 Days) - Growth Plan (Previous Year 10,000,000)	-	11.55
2,500,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVIII-XI (1,161 Days) - Growth Plan (Previous Year 2,500,000)	2.96	2.71

Notes to the Consolidated Financial Statements

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
2,500,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVIII-VI (1190 Days) - Growth Plan (Previous Year 2,500,000)	2.98	2.72
2,500,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVIII-VIII (1,171 Days) - Growth Plan (Previous Year 2,500,000)	2.98	2.72
5,000,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series XXXI - X (1,168 days) Regular Growth Plan (Previous Year 5,000,000)	5.52	5.03
-	Units of Rs 10 each of DSP FMP-Series 204 (37M)-Regular Plan-Growth (Previous Year 10,000,000)	-	11.51
10,000,000	Units of Rs 10 each of Sundaram Fixed Term Plan IS - Regular Plan-Growth Option (Previous Year 10,000,000)	11.04	10.05
	Total Investment at FVTPL	**197.05**	**305.08**
	Total Other Investment 6=(a+b)	**265.47**	**408.34**
	Aggregate carrying value and Market Value of Quoted Investment	**21.98**	**77.74**
	Aggregate carrying value of Unquoted Investment	**243.49**	**330.60**

* Denotes amount less than Rs. 50,000

Note 7 : Current Investments

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
Investments at fair value through profit or loss (FVTPL)			
	Investments in Mutual Funds / Fixed Maturity Plan (FMP) - Unquoted		
58,335	Units of Rs 1000 each of Axis Liquid Fund Regular Growth (Previous Year 252,116)	12.80	52.06
270,373	Units of Rs 100 each of Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus) (Previous Year 1,595,768)	8.59	47.71
-	Units of Rs 100 each of Aditya Birla Sun Life Money Manager Fund - Growth-Regular Plan (Previous Year 599,338)	-	15.00
-	Units of Rs.10 each of Sundaram Money Fund- Regular-Growth (Previous Year 11,123,872)	-	43.64
57,183	Units of Rs 1,000 each of L&T Liquid Fund - Regular - Growth (Previous Year 143,919)	15.50	36.75
39,716	Units of Rs 1,000 each of DSP Liquidity Fund-Regular Plan-Growth (formerly known as DSP Liquidity Fund-Institutional Plan) (Previous Year 142,354)	11.21	37.85
-	Units of Rs 10 each of DSP Savings Fund - Regular Plan - Growth (Previous Year 2,729,042)	-	10.00
18,138	Units of Rs.1,000 each of Franklin India Liquid Fund-Super Institutional Plan-Growth Plan (formerly known as Franklin India Treasury Management Account) (Previous Year 150,327)	5.39	41.91
-	Units of Rs 10 each of Franklin India Savings Fund - Retail Option - Growth (Previous Year 4,368,097)	-	15.00

Notes to the Consolidated Financial Statements

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
18,769	Units of Rs.1,000 each of HDFC Liquid Fund - Growth (Previous Year 94,980)	7.29	34.77
-	Units of Rs 10 each of HDFC Money Market Fund - Regular Plan - Growth (Previous Year 38,614)	-	15.00
29,490	Units of Rs.1,000 each of HSBC Cash Fund - Growth (Previous Year 26,964)	5.81	5.00
237,023	Units of Rs. 100 each of ICICI Prudential Liquid Fund- Growth (Previous Year 1,440,872)	6.93	39.68
-	Units of Rs 10 each of ICICI Pru Money Market Fund - Growth (Previous Year 579,745)	-	15.01
36,148	Units of Rs. 1,000 each of IDFC Cash Fund -Growth-Regular Plan (Previous Year 176,228)	8.64	39.78
-	Units of Rs 10 each of IDFC Money Manager Fund - Growth - Regular Plan (Previous Year 1,736,593)	-	5.00
-	Units of Rs.10 each of JM High Liquidity Fund-Growth (Previous Year 7,028,228)	-	35.80
-	Units of Rs 10 each of L&T Money Market Fund - Growth (Previous Year 3,127,737)	-	5.78
44,876	Units of Rs.1,000 each of Kotak Liquid Fund Regular Plan -Growth (Previous Year 64,194)	17.95	24.22
-	Units of Rs 1,000 each of Kotak Money Market Scheme - Growth (Regular Plan) (Previous Year 48,770)	-	15.01
-	Units of Rs.1,000 each of LIC Nomura Liquid Fund-Regular Plan-Growth (Previous Year 122,129)	-	41.12
-	Units of Rs.1,000 each of Nippon India (Previously Reliance) Liquid Fund-Treasury Plan Growth Plan - Growth Option (Previous Year 79,175)	-	35.94
-	Units of Rs 1,000 each of Nippon India (Previously Reliance) Money Market Fund - Growth Plan - Growth Option (Previous Year 53,151)	-	15.01
-	Units of Rs.1,000 each of SBI Liquid Fund-Regular Plan-Growth (Previous Year 129,207)	-	37.68
-	Units of Rs 10 each of SBI Savings Fund - Regular Plan - Growth (Previous Year 5,183,854)	-	15.00
17,977	Units of Rs.1,000 each of Tata Liquid Fund-Regular Plan-Growth (Previous Year 53,662)	5.60	15.73
25,683	Units of Rs.1,000 each of UTI Liquid Cash - Regular Plan - Growth (formerly known as UTI Liquid Cash Plan - Institutional) (Previous Year 112,505)	8.31	34.31
-	Units of Rs 1000 each of Tata Money Market Fund -Regular Plan Growth (Previous Year 72,225)	-	23.16
-	Units of Rs 1,000 each of UTI Money Market Fund- Regular Plan - Growth Option (Previous Year 71,468)	-	15.00
31,817	Units of Rs 1,000 each of Invesco India Liquid Fund - Growth Option (Previous Year Rs Nil)	8.64	-
7,500,000	Units of Rs 10 each of Franklin India Fixed Maturity Plan-Series 1 Plan A - (1,108 Days) Growth (Previous Year NIL)	9.23	-

Notes to the Consolidated Financial Statements

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
10,000,000	Units of Rs 10 each of Aditya Birla Sun Life Fixed Term Plan-Series OF (1,151 Days)-Growth-Regular Plan (Previous Year NIL)	12.33	-
10,000,000	Units of Rs 10 each of ICICI Prudential Fixed Maturity Plan-Series 80 - (1,245 Days) Plan L Cumulative (Previous Year NIL)	12.47	-
12,500,000	Units of Rs 10 each of IDFC Fixed Term Plan Series 131 Regular Plan - Growth (1,139 Days) (Previous Year NIL)	15.42	-
10,000,000	Units of Rs 10 each of Kotak FMP Series 200 Growth (Regular Plan) (Previous Year NIL)	12.27	-
10,000,000	Units of Rs 10 each of SBI Debt Fund Series - B -49 (1,170 Days) - Regular Growth (Previous Year NIL)	12.29	-
10,000,000	Units of Rs 10 each of UTI Fixed Term Income Fund Series - XXVI - V (1,160 Days) - Growth Plan (Previous Year NIL)	12.54	-
10,000,000	Units of Rs 10 each of DSP FMP-Series 204 (37M)-Regular Plan-Growth (Previous Year NIL)	12.35	-
10,000,000	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXIII- Series 3- Growth Plan- VRGP (Previous Year NIL)	12.50	-
10,000,000	Units of Rs 10 each of Nippon India (Previously Reliance) Fixed Horizon Fund - XXXIII- Series 4- Growth Plan- VSGPG (Previous Year NIL)	12.49	-
	Total Current Investments	**246.55**	**767.92**

Note 8 : Loans -Non Current

(Unsecured , considered good)

(Rs. In Crore)

	As at 31st March, 2020	As at 31st March, 2019
(a) Security Deposits	3.87	3.82
	3.87	**3.82**

Note 9: Other Financial Assets

(Unsecured , considered good)

(Rs. In Crore)

		Non-Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Carried at amortised cost					
(a)	Fixed Deposit with Banks	-	0.22	-	-
(b)	Fixed Deposit - Margin Money	-	-	0.27	0.40
(c)	Deposits with others	-	-	50.00	-
(d)	Interest accrued on Fixed Deposit	-	0.01	5.63	0.08
		-	**0.23**	**55.90**	**0.48**

Notes to the Consolidated Financial Statements

Note 10 : Other Non-Current Assets

(Unsecured , considered good)

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	Capital Advance (Net of Provision)	6.67	3.47
(b)	Balances with Government Authorities		
	(i) Sales Tax Receivables	15.38	15.35
	(ii) Excise Duty Receivables	3.51	3.63
	(iii) Other Receivables	0.52	0.52
		26.08	**22.97**

Note 11- Inventories

(Lower of cost and net realisable value unless stated)

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	Raw materials	116.58	115.19
(b)	Work in progress	131.02	159.84
(c)	Finished goods	297.34	274.31
(d)	Stock in Trade (in respect of goods acquired for trading)	19.42	13.66
(e)	Stores & Spares	23.23	22.32
(f)	Scrap	5.47	1.88
	Total inventories	**593.06**	**587.20**
	Included above, goods-in-transit:		
	Raw materials	16.26	19.87
	Total goods-in-transit	**16.26**	**19.87**

Note 12 : Trade Receivables - (Unsecured)

(Rs. In Crore)

	As at 31st March, 2020	As at 31st March, 2019
Considered good	187.02	210.88
Considered doubtful	15.75	9.93
Total	**202.77**	**220.81**
Less: Allowances for credit Losses	15.75	9.93
	187.02	**210.88**

Note 12.1

Trade Receivables :

The average credit period for the Company's receivables is in the range of 30 to 60 days in respect of institutional sales and upto 190 days in case of sales to government owned entities. No interest is charged on trade receivables. Of the trade receivables balance as at 31st March, 2020 is Rs. 78.38 crores (31st March, 2019, Rs. 142.87 crores) is due from Bharat Sanchar Nigam Ltd, Bharat Broadband Nigam Ltd and Telecommunication Consultants India Ltd which represents Company's large customers. Apart from the above there are no customers which individually represents more than 5% of the total balance of trade receivables.

Notes to the Consolidated Financial Statements

Expected credit loss

The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The concentration of credit risk is limited due to the fact that the large customers are mainly government entities.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the expected credit loss allowance:

(Rs. In Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	9.93	5.25
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	5.82	4.68
Balance at the end of the year	**15.75**	**9.93**

Note 13: Cash and Cash Equivalents

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	**Balances with banks:**		
	In Current Accounts	31.00	46.37
	Deposits with original maturity of less than three months	825.00	-
(b)	**Cash on hand**	0.02	0.01
Total Cash and Cash Equivalents		**856.02**	**46.38**

Note 14: Other Bank Balances

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	In Earmarked Accounts		
	Unclaimed dividend	2.86	2.42
(b)	Fixed Deposits with maturity greater than 3 months but less than 12 months	75.00	-
Total Bank balances		**77.86**	**2.42**

Notes to the Consolidated Financial Statements

Note 15 : Other Current Assets

(Unsecured , considered good)

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	Goods & Services Tax Receivable	22.93	2.48
(b)	Government Grant Receivable	0.55	8.69
(c)	Balances with Government authorities	0.28	0.28
(d)	Other Advances	28.18	64.35
(e)	Prepaid Expenses	0.82	0.94
		52.76	**76.74**

Note 16 : Equity Share Capital

(Rs. In Crore)

		As at 31st March, 2020		As at 31st March, 2019	
		Nos.	(Rs. In Crore)	Nos.	(Rs. In Crore)
I	**Authorised Share Capital**				
	235,000,000 (Previous year 235,000,000) Equity shares of Rs. 2/-each	235,000,000	47.00	235,000,000	47.00
	15,000,000 (Previous year 15,000,000) Unclassified shares of Rs. 2/- each	15,000,000	3.00	15,000,000	3.00
		250,000,000	**50.00**	**250,000,000**	**50.00**
II	**Issued, Subscribed and Paid up Share Capital**				
	Equity shares of Rs. 2 each issued, subscribed and fully paid	152,939,345	30.59	152,939,345	30.59

(Rs. In Crore)

		As at 31st March, 2020		As at 31st March, 2019	
		No of Shares	(Rs. In Crore)	No of Shares	(Rs. In Crore)
(a)	**Reconciliation of Equity Shares at the beginning and at the end of the reporting period.**				
	Balance at the beginning of the year	152,939,345	30.59	152,939,345	30.59
	Issued during the year	-	-	-	-
	Outstanding at the end of the year	**152,939,345**	**30.59**	**152,939,345**	**30.59**

(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.

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.

Notes to the Consolidated Financial Statements

On 27th June, 2020, the Board of Directors of the company have proposed a final dividend of Rs. 5.50 per share in respect of the year ended 31st March, 2020 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of Rs. 84.12 crores.

(Rs. In Crore)

	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares	(Rs. In Crore)	No of Shares	(Rs. In Crore)
(c) Details of shareholders holding more than 5% Shares in the company				
Finolex Industries Limited	22,187,075	14.51	22,187,075	14.51
Orbit Electricals Pvt. Limited	46,956,120	30.70	46,956,120	30.70
Franklin Templeton Mutual Fund	10,307,565	6.74	8,255,517	5.40

Note 17 : Other Equity

(Rs. In Crore)

			As at 31st March, 2020	As at 31st March, 2019
(i)	**Securities Premium**		109.10	109.10
(ii)	**Capital Reserve**		8.41	8.41
(iii)	**General Reserve**		552.36	552.36
(iv)	**Share buy back reserve**		5.52	5.52
(v)	**Retained Earnings**			
		Opening Balance	1,946.27	1,615.82
	Add:	Other Comprehensive Income/(Expenses) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	(3.54)	(3.27)
		Profit for the year	391.00	407.47
	Less:	Payment of dividend	(68.82)	(61.18)
		Dividend distribution tax	(14.15)	(12.57)
		Closing Balance	**2,250.76**	**1,946.27**
(vi)	**Equity Instrument through Other Comprehensive Income**			
	Opening Balance		84.83	107.16
	Add/(Less):	Change in Fair Value of Equity Instrument through other Comprehensive Income	(34.84)	(19.83)
	Add/(Less):	Deferred Tax	(3.02)	(2.50)
		Closing Balance	**46.97**	**84.83**
	Total		**2,973.12**	**2,706.49**

Nature and purpose:

Securities Premium

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

The Company recognises the difference on purchase, sale, issue or cancellation of Company's own equity instruments to Capital Reserve. Capital Reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Notes to the Consolidated Financial Statements

General Reserve

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Share buy back reserve

During the earlier years, the Company had bought back its own equity out of free reserves. Share buy back reserve (Capital Redemption Reserve) represents amount set aside in respect of nominal value of the shares bought back as per the Companies Act, 2013.

Retained Earnings

Retained Earnings are the profits of the Company earned till date net of appropriations.

Equity Instruments through Other Comprehensive Income

This Reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings when those assets are disposed off.

Note 18 :Non-Current Borrowings

(Rs. In Crore)

	As at 31st March, 2020	As at 31st March, 2019
Non-current Borrowings		
(a) Deferred Sales Tax	-	0.01
(b) Finance lease obligation	0.34	0.37
	0.34	**0.38**

Note 18.1: Repayment Details of Loans

(a) Deferred Sales Tax Loan: Repayable in installments , last installment being 26th April,2020.

(b) Finance lease obligation: Repayable over 78 Years, last installment in financial year 2096-97.

Note 19 : Provisions

(Rs. In Crore)

	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits				
Gratuity	3.11	1.38	3.80	3.38
Leave Encashment	9.50	8.04	2.81	2.44
	12.61	**9.42**	**6.61**	**5.82**

Notes to the Consolidated Financial Statements

Note 20 : Tax Expense and Deferred Tax Liability (net)

Note 20.1 : Tax Expense

1. Income Tax recognised in Statement of profit and loss

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Current Tax:		
In respect of current year	124.83	162.30
In respect of previous year	(1.59)	3.38
	123.24	**165.68**
Deferred tax:		
In respect of current year	(2.19)	37.07
	(2.19)	37.07
Total Income Tax expense recognised during the year	**121.05**	**202.75**

2. Income Tax recognised in Other Comprehensive Income

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Deferred tax on fair value changes on equity instruments at FVTOCI	(2.11)	(1.32)
Total Income Tax expense recognised in other comprehensive income during the year	**(2.11)**	**(1.32)**

3. The Income Tax expenses for the year can be reconciled to the accounting profit as follows.

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Profit before tax and share of net profit of an associate and Joint ventures considered for tax working	434.46	509.84
Income tax expenses calculated at 25.17% (Previous year 34.94 %)	109.35	178.14
Effect of income that is exempt from tax	5.43	(0.21)
Effect of decrease in applicable tax rate in India	(14.59)	-
Effect of tax incentives	-	(4.82)
Effect of items that are not deductible in determining taxable profit	8.11	6.84
Effect of tax on other items	(6.78)	5.76
Effect of Tax on undistributed profit	22.20	14.98
Adjustments recognised in the current year in relation to the current tax of prior years	(1.59)	2.06
Effect of tax at differential tax rates	(1.08)	-
Income tax expenses recogninsed in statement of profit and loss	**121.05**	**202.75**

Notes :

1. The tax rate used for the 31st March, 2020 and 31st March, 2019 reconciliations above is the corporate tax rate of 25.17% and 34.94% respectively, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

2. The Company elected to exercise the option under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its opening deferred tax liability as on 1st April, 2019 and recognised the reversal of Rs. 14.59 crores during the year ended 31st March, 2020.

Notes to the Consolidated Financial Statements

3. During the year, the Company has assessed the recognition of a deferred tax liability on the undistributed profits of an associate due to abolition of dividend distribution tax and taxability of dividend in the hands of recipient. Based on such assessment, the Company has recognised additional deferred tax liability of Rs. 19.69 crores on undistributed profits of the associate as at 31st March, 2020.

Note 20.2 : Deferred Tax Liability (net)

1. The following is the analysis of Deferred Tax Liability (net) presented in the Balance Sheet:

(Rs. In Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax assets	8.91	8.99
Deferred tax liabilities	(154.90)	(155.06)
Total - Deferred tax Liabilities (net)	**(145.99)**	**(146.07)**

2. The tax effect of significant timing differences that has resulted in deferred tax liabilities are given below:

(Rs In Crore)

Particulars	For the year ended 31st March, 2020				
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Impact on account of IND AS 116	Closing balance
Deferred Tax Assets in relation to					
Employee Benefits	5.36	(1.43)	0.91	-	4.84
Allowance for Doubtful Debt	3.47	0.49	-	-	3.96
Others	0.16	(0.05)	-	-	0.11
Total	**8.99**	**(0.99)**	**0.91**	**-**	**8.91**
Deferred Tax Liabilities in relation to					
Property, Plant and Equipment	37.61	(6.76)	-	-	30.85
Undistributed profit of associate	87.73	22.20	-	-	109.93
Financial assets at fair value through OCI	3.13	-	3.02	-	6.15
Financial assets at fair value through Profit and loss	26.59	(19.06)	-	-	7.53
Lease liabilities	-	-	-	0.44	0.44
Total	**155.06**	**(3.62)**	**3.02**	**0.44**	**154.90**
Deferred tax Liabilities (net)	**(146.07)**	**2.63**	**(2.11)**	**(0.44)**	**(145.99)**

(Rs In Crore)

Particulars	For the year ended 31st March, 2019				
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Impact on account of IND AS 116	Closing balance
Deferred Tax Assets in relation to					
Employee Benefits	2.61	1.57	1.18	-	5.36
Allowance for Doubtful Debt	1.73	1.74	-	-	3.47
Others	8.82	(8.66)	-	-	0.16
Total	**13.16**	**(5.35)**	**1.18**	**-**	**8.99**
Deferred Tax Liabilities in relation to					
Property, Plant and Equipment	32.53	5.08	-	-	37.61
Undistributed profit of associate	72.75	14.98	-	-	87.73
Financial assets at fair value through OCI	0.63	-	2.50	-	3.13
Financial assets at fair value through Profit and loss	14.93	11.66	-	-	26.59
Total	**120.84**	**31.72**	**2.50**	**-**	**155.06**
Deferred tax Liabilities (net)	**(107.68)**	**(37.07)**	**(1.32)**	**-**	**(146.07)**

Notes to the Consolidated Financial Statements

Note 21 : Trade Payables

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	Total Outstanding Dues of micro enterprises and small enterprises	5.52	8.22
(b)	Total Outstanding Dues of Creditors other than micro enterprises and small enterprises		
	(i) Trade payables	132.58	181.19
	(ii) Accrued Salaries and Benefits	20.58	18.86
		153.16	**200.05**
	Total	**158.68**	**208.27**

Note 21.1 : Dues to Micro enterprises and small Enterprises

(a) Outstanding to suppliers other than micro enterprises and small enterprises Rs. 153.16 crores (previous year Rs.200.05 crores)

(b) Outstanding to micro enterprises and small enterprises Rs. 5.52 crores (previous year Rs.8.22 crores) including interest.

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
(a)	Principal amount due to micro and small enterprise	5.47	8.17
(b)	Interest due on above	0.05	0.05
		5.52	**8.22**
	Amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts paid to suppliers beyond the appointed day during each accounting year.		
	(a) Amount of interest due and payable for the period of delay in making payment (beyond the appointed day) but without adding the interest specified under the MSMED Act.	-	-
	(b) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.05	0.05

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

Notes to the Consolidated Financial Statements

Note 22 : Other Current Financial Liabilities

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
	Carried at amortised cost		
(a)	Current Maturities of Long term Debts		
	Deferred Sales Tax Loan	0.01	0.13
	Finance lease obligation	0.03	0.04
(b)	Unpaid Dividend (refer note below)	2.86	2.42
(c)	Other Payables		
	Deposits from Distributors	0.75	0.69
	Other Liabilities	0.04	0.04
		3.69	**3.32**

Note:

The Company is in process of ascertaining the quantum of shares to be transferred to Investor Education and Protection Fund (IEPF), in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended.

Note 23 : Other Current Liabilities

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(a)	Statutory Dues payable		
	(i) Sales Tax Payables	-	0.01
	(ii) Goods & Services Tax Payables	10.48	12.06
	(iii) TDS Payables	0.51	0.89
	(iv) Employee related dues payable	1.28	1.14
(b)	Advance from customers	22.39	8.32
(c)	Other payables	0.04	0.04
		34.70	**22.46**

Note 24 : Revenue From Operations

(Rs. In Crore)

		Year Ended 31st March, 2020	Year Ended 31st March, 2019
(a)	Sale of Products	2,840.68	3,030.07
(b)	Other operating revenue-Sale of scrap	36.62	47.72
		2,877.30	**3,077.79**

Notes to the Consolidated Financial Statements

(Rs. In Crore)

		Year Ended 31st March, 2020	Year Ended 31st March, 2019
(i)	**Sale of Products includes:**		
	Sale of Manufactured products	2,769.00	2,966.97
	Sale of Traded Goods	71.68	63.10
	Total	**2,840.68**	**3,030.07**

(ii) Disaggregation of the revenue information

The table below presents disaggregated revenue by geography and offerings for each of products.

Revenue from sale of products

(Rs. In Crore)

Particulars		Year Ended 31st March, 2020	Year Ended 31st March, 2019
A.	Electrical cables	2,324.49	2,444.73
B.	Communication cables	408.94	487.29
C.	Copper rods	19.10	27.04
D.	Others	88.15	71.01
		2,840.68	**3,030.07**
	Sale of Scrap	36.62	47.72
		2,877.30	**3,077.79**

Revenue by Geography

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
India	2,851.57	3,047.33
Outside India	25.73	30.46
	2,877.30	**3,077.79**

Timing of revenue recognition

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Goods transferred at a point of time	2,877.30	3,077.79
Goods transferred over a period of time	-	-
	2,877.30	**3,077.79**

(iii) Information about major customers

There are no major customers having revenue transactions exceeding 10% of the total revenue.

Notes to the Consolidated Financial Statements

Note 25 : Other Income

(Rs. In Crore)

		Year Ended 31st March, 2020	Year Ended 31st March, 2019
(a)	Interest income on financial assets carried at amortised cost	9.04	4.20
(b)	Dividend Income		
	(i) Dividend from Others- Equity Investments Designated at FVTOCI	0.57	0.60
(c)	Others		
	(i) Net gain/(loss) on investments classified at FVTPL	73.68	67.61
	(ii) Exchange gain/(losses) on translation of Assets and Liabilities	0.52	0.41
	(iii) Other Income (Refer Note 25.1)	7.69	8.82
		91.50	**81.64**

Note 25.1: Other income includes government grant of Rs. Nil (previous year Rs.4.79 crores)

Note 26 : Cost of material consumed

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Inventory at the beginning of the year	115.19	106.37
Add: Purchases	2,027.54	2,300.91
Less: Inventory at the end of the year	116.58	115.19
	2,026.15	**2,292.09**

Note : 27 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Inventories at the end of the year (A)		
Work-in-progress	131.02	159.84
Finished goods	297.34	274.31
Stock-in-Trade	19.42	13.66
	447.78	**447.81**
Inventories at the beginning of the year (B)		
Work-in-progress	159.84	106.81
Finished goods	274.31	256.19
Stock-in-Trade	13.66	11.78
	447.81	**374.78**
(Increase)/Decrease in Inventories (B)-(A)	**0.03**	**(73.03)**

Notes to the Consolidated Financial Statements

Note 28 : Employee benefits expense

(Rs. In Crore)

		Year Ended 31st March, 2020	Year Ended 31st March, 2019
(a)	Salaries, wages and bonus (refer note 28.1 below)	131.77	123.60
(b)	Contribution to provident and other funds (refer note 28.2 below)	5.91	6.62
(c)	Gratuity expense	1.98	1.41
(d)	Leave Encashment	4.23	2.99
(e)	Staff welfare and other expenses	5.64	6.08
		149.53	**140.70**

Note 28.1

Salaries, wages and bonus includes Rs. 10.23 crores (previous year Rs. 10.88 crores) paid/ payable to the two Executive Directors during the year subject to reappointment refer below.

The resolutions for the reappointment and remuneration of the two executive directors were placed before the Annual General Meeting of the Company held on 25th September, 2018. The Hon'ble High Court of Bombay had in respect of an appeal filed in respect of aforesaid matter stated that the results of the voting shall be subject to the Order to be passed by the Hon'ble High Court of Bombay in this Appeal. The matter remains pending. Remuneration paid/payable Rs. 18.56 crores from the date of reappointment of the two Executive directors upto 31st March, 2020.

Note 28.2

During the previous year, the Hon'ble Supreme Court in another case ruled that certain allowances are to be included in computing contributions to provident fund.

The Company based on legal opinion has implemented the basis of computation in accordance with the Hon'ble Supreme Court order from 1st April, 2019. The effect of the Court Order in respect of prior years is not significant.

Note 29 : Finance Costs

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Interest on debts and borrowings	0.02	0.02
Interest others	1.53	0.90
	1.55	**0.92**

Note 30 : Depreciation and Amortization expense

(Rs. In Crore)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Depreciation on Tangible assets (note 3)	38.21	40.27
Amortization of Intangible assets (note 4)	0.29	0.28
Amortization of Right of use asset (note 4A)	0.41	-
	38.91	**40.55**

Notes to the Consolidated Financial Statements

Note 31 : Other Expenses

(Rs. In Crore)

		Year Ended 31st March, 2020	Year Ended 31st March, 2019
(a)	Consumption of stores and spares	29.06	31.02
(b)	Power and fuel	46.40	47.98
(c)	Freight and forwarding charges	44.87	44.80
(d)	Rent	2.89	5.63
(e)	Rates and taxes	0.67	3.02
(f)	Provision Other-Duties/Taxes	-	(22.16)
(g)	Insurance	1.88	1.61
(h)	Repairs and maintenance -		
	(i) Plant and machinery	1.73	3.77
	(ii) Buildings	1.37	1.07
	(iii) Others	3.95	3.82
(i)	CSR expenditure (refer note 2 below)	12.27	9.44
(j)	Advertising and sales promotion	26.61	28.21
(k)	Travelling and conveyance	10.08	9.15
(l)	Communication costs	0.82	0.87
(m)	Legal and professional fees	9.90	6.41
(n)	Non Executive Directors' sitting fees & Commission	0.87	0.84
(o)	Payment to auditor (Refer note 1 below)	0.86	0.75
(p)	Warranty Costs (net)	-	(0.72)
(q)	Allowances for doubtful debts and advances	5.82	4.68
(r)	Miscellaneous expenses	19.29	18.44
(s)	Impairment of Financial Assets	21.58	-
(t)	Net Loss on disposal of property, plant and equipment	0.08	3.85
(u)	Electoral Bonds	20.00	-
		261.00	**202.48**

Notes :

1. Payment to Auditors (Exclusive of service tax & GST)

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Audit Fees	0.28	0.28
For other service (certifications, etc)	0.06	0.05
Fees for limited review	0.41	0.30
For reimbursement of expenses	0.06	0.04
For taxation matters	0.05	0.08
Total	**0.86**	**0.75**

Notes to the Consolidated Financial Statements

2. Details of CSR expenditure

(Rs. In Crore)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Amount required to be spent as per section 135 of the Act	8.17	7.43
Amount spent during the year	8.17	8.19
Amount spent during the year in respect of earlier years	4.10	1.25
Total Spent	**12.27**	**9.44**
Amount spent during the year on:		
(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	12.27	9.44

Note 32 : Contingent Liabilities and Commitments

(a) Contingent Liabilities

Claims against the company not acknowledged as debts

(Rs. In Crore)

			As at 31st March, 2020	As at 31st March, 2019
I		**Disputed Matters**		
(i)		**The Company**		
	(a)	Excise (dispute mainly on account of issues of applicablility, classification, etc. to certain goods)	43.68	45.55
	(b)	GST	0.20	--
	(c)	Customs	1.34	1.34
	(d)	Sales Tax (dispute mainly on account of non submission of C, F and other forms and rates of tax)	133.60	132.67
	(e)	Entry Tax (dispute on account of applicability, etc.)	12.39	12.39
	(f)	Income Tax (Including Wealth Tax)		
		wherein the Company is in Appeal	20.98	20.98
		wherein the Department is in Appeal	10.56	14.64
		(disputes relating to allowability of certain expenses, deductability, etc.)		
(ii)		**Share of Associate**		
	(a)	Excise / Customs / Service Tax	25.27	26.86
	(b)	Sales Tax	1.06	1.06
	(c)	Income Tax (Including Wealth Tax)		
		wherein the Company is in Appeal	1.29	1.95
		wherein the Department is in Appeal	0.03	0.03
	(d)	Others	0.09	0.45

Notes to the Consolidated Financial Statements

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
(iii)	**Share of Joint Ventures**		
	(a) Liquidated Damages	1.62	1.62
	(b) Others	0.35	3.09
II	**Other claims against the Company not acknowledged as debts**	0.28	0.28
III	**Export Promotion Capital Goods (EPCG)**		
	Share of Joint Ventures	1.94	1.94
	Total	**254.68**	**264.85**

Notes:

Future cash flows in respect of above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities.

(b) Capital Commitments

(Rs. In Crore)

		As at 31st March, 2020	As at 31st March, 2019
I	**Capital Commitments (Tangible Assets)**		
	(a) Estimated amount of contracts remaining to be executed on capital account net of advance and not provided for.	28.46	23.88
	(b) Share of Joint Ventures	--	0.15
	(c) Share of Associate	9.20	2.98

II Other Commitment

In respect of Finolex J-Power Systems Private Limited (Joint Venture) whose net worth has been substantially eroded, the Company along with its joint venture partner has committed to provide financial support to the joint venture as and when required.

Notes to the Consolidated Financial Statements

Note 33 :Employee Benefit Plan

1. Defined Contribution plan

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law/scheme are paid to the Government administered Provident fund and in case of Superannuation to the Scheme set up as Trust by the Company-Insurer. The Company is liable only for annual contributions.

The Company has recognised Rs. 5.91 crores (31st March, 2019 - Rs 4.83 crores) for provident fund contributions.

Contribution for superannuation funds Rs. Nil (31st March, 2019 - Rs 1.79 crores) in the Statement of Profit and Loss because the earlier surplus contribution are available for utilisation.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

2. Defined Benefit plan

Gratuity-Funded

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. The gratuity plan is funded plan. The fund has form a Trust and is governed by Trustees appointed by the Company. The Trustees are responsible for administration of the plan assets and investment strategy in accordance with the regulations. The funds are deployed in recognised insurer managed funds in India.

The following table sets out the status of Gratuity Plans as required under Ind AS 19.

(Rs. In Crore)

Statement showing changes in Present Value of obligations	As at 31st March, 2020	As at 31st March, 2019
Present value of obligations at the beginning of the year	21.80	17.66
Interest Cost	1.63	1.33
Current service cost	1.62	1.29
Benefits paid from the Fund	(2.49)	(1.94)
Actuarial (gain)/loss on obligations	3.51	3.46
Present Value of obligations as at end of the year	**26.07**	**21.80**
Table showing changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	17.04	16.03
Expected return on plan assets	1.27	1.21
Contributions	3.43	1.70
Benefits paid	(2.49)	(1.94)
Return on Plan Assets, Excluding Interest Income	(0.09)	0.04
Fair value of plan asset at end of the year	**19.16**	**17.04**
Funded status	74%	78%
Actuarial (gain)/loss on obligations :-		
Due to change in Demographic Assumptions	-	-
Due to change in Financial Assumptions	1.33	1.72
Due to change in Experience	2.18	1.74
Actuarial (gain)/Loss recognised in the year	**3.51**	**3.46**

Notes to the Consolidated Financial Statements

(Rs. In Crore)

Statement showing changes in Present Value of obligations	As at 31st March, 2020	As at 31st March, 2019
Amounts to be recognised in the Balance Sheet		
Present Value of obligations as at the end of the year	(26.07)	(21.80)
Fair value of plan assets as at the end of the year	19.16	17.04
Funded Status	(6.91)	(4.76)
Net Asset/(Liability) recognised in balance sheet	**(6.91)**	**(4.76)**
Expenses Recognised in statement of Profit & Loss Account		
Current Service Cost	1.62	1.29
Interest Cost	0.36	0.12
Expected return on plan assets	-	-
Net Actuarial(gain)/Loss recognised in the year	-	-
Expenses recognised in statement of Profit & Loss	**1.98**	**1.41**
Expenses Recognised in Other Comprehensive Income		
Acturial (Gains)/Losses on obligation for the year [includes share of associate and joint ventures Rs. Nil (previous year Rs. 1.03 Crores)]	3.51	4.49
Return on Plan Assets, Excluding Interest Income	0.09	(0.04)
Expenses recognised in Other Comprehensive Income	**3.60**	**4.45**
Table showing administration of Plan Assets		
Administered by Life Insurance Corporation of India	19.16	17.04
Total	**19.16**	**17.04**

Actuarial Assumptions:	31st March, 2020	31st March, 2019
Discount Rate	6.82%	7.47%
Rate of return on assets	6.82%	7.47%
Salary escalation	8.00%	8.00%
Attrition rate (p.a)		
- For service 2 years & below	25.00%	25.00%
- For service 3 to 4 years	12.50%	12.50%
- For service 5 years & above	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2006-08)Ultimate	

Particulars	As on 31st March				
	2020	2019	2018	2017	2016
Experience adjustments					
On plan liability (gain)/loss	3.51	3.46	0.33	1.85	(0.52)
On plan asset (gain)/loss	0.09	(0.04)	(0.12)	(0.02)	0.18

As per actuarial valuation report, Expected employer's contribution in next year is Rs. 3.79 crores (previous year Rs. 3.38 crores)

Notes to the Consolidated Financial Statements

Effect on DBO on account of change in the assumed rates:

DBO Rates Types	Discount Rate		Salary Escalation Rate		Withdrawal Rate	
Year	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
31-Mar-20	(1.99)	2.31	2.26	(1.99)	(0.20)	0.23
31-Mar-19	(1.58)	1.82	1.79	(1.59)	(0.09)	0.09

The sensitivity results above determine their individual impact on Plan's end of year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

The expected maturity analysis of undiscounted defined benefit obligation is as follows:

(Rs. In Crore)

Actuarial Assumptions:	31st March, 2020	31st March, 2019
Within 1 Year	2.74	2.75
Between 1-2 years	1.56	1.28
Between 2-3 years	1.65	1.39
Between 3-4 years	2.23	1.56
Between 4-5 years	1.95	1.99
Beyond 5 Years	42.84	37.26
Total	**52.97**	**46.23**

Risk exposure:
Through the defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility:

The plan liabilties are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straightforward and depends upon the combination of salary increase, discount rate and vesting criterion.

Notes to the Consolidated Financial Statements

Note 34 Financial Instruments

1. Fair value measurements

1.1 The carrying value and fair value of financial instruments by categories as of 31st March, 2020 is as follows:

(Rs In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	-	-	856.02	856.02	856.02
Other balances with banks	-	-	77.86	77.86	77.86
Trade receivables	-	-	187.02	187.02	187.02
Investments #					
Equity and Others	-	68.42	-	68.42	68.42
Mutual Funds (includes FMP)	443.60	-	-	443.60	443.60
Loans	-	-	3.87	3.87	3.87
Other financial assets	-	-	55.90	55.90	55.90
Total	**443.60**	**68.42**	**1,180.67**	**1,692.69**	**1,692.69**
Liabilities:					
Trade payables	-	-	158.68	158.68	158.68
Borrowings	-	-	0.34	0.34	0.34
Lease liabilities	-	-	7.56	7.56	7.56
Other financial liabilities	*	-	3.69	3.69	3.69
Total	**-**	**-**	**170.27**	**170.27**	**170.27**

* Denotes amount less than Rs 50,000

Other than investments in associate and Joint Ventures accounted at cost in accordance with Ind-AS 27

The carrying value and fair value of financial instruments by categories as of 31st March, 2019 is as follows:

(Rs In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	-	-	46.38	46.38	46.38
Other balances with banks	-	-	2.42	2.42	2.42
Trade receivables	-	-	210.88	210.88	210.88
Investments #					
Equity and Others	-	103.26	-	103.26	103.26
Mutual Funds (includes FMP)	1,073.00	-	-	1,073.00	1,073.00
Loans	-	-	3.82	3.82	3.82
Other financial assets	-	-	0.71	0.71	0.71
Total	**1,073.00**	**103.26**	**264.21**	**1,440.47**	**1,440.47**
Liabilities:					
Trade payables	-	-	208.27	208.27	208.27
Borrowings	-	-	0.38	0.38	0.38
Other financial liabilities	*	-	3.32	3.32	3.32
Total	**-**	**-**	**211.97**	**211.97**	**211.97**

* Denotes amount less than Rs 50,000

Other than investments in associate and Joint Ventures accounted at cost in accordance with Ind-AS 27

Notes to the Consolidated Financial Statements

1.2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities and mutual funds (includes FMP) that have quoted price.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) such as derivative financial instruments. The Company does not have any Level 2 instruments as at 31st March, 2020 and 31st March, 2019.

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

(Rs In Crore)

	Fair value hierarchy as at 31st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual Funds (includes FMP)	443.60	-	-	443.60
Equity Shares				
Quoted	21.98	-	-	21.98
Unquoted	-	-	46.44	46.44
Total	**465.58**	**-**	**46.44**	**512.02**

(Rs In Crore)

	Fair value hierarchy as at 31st March, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual Funds (includes FMP)	1,073.00	-	-	1,073.00
Equity Shares				
Quoted	77.74	-	-	77.74
Unquoted	-	-	25.52	25.52
Total	**1,150.74**	**-**	**25.52**	**1,176.26**

Valuation technique(s) and key input(s):

Level 1 The fair value of mutual funds (includes FMP) and quoted equity shares is based on quoted price.

Level 2 The Company does not have any Level 2 instrument as at 31st March, 2020 and 31st March, 2019.

Level 3 The fair value of unquoted equity shares is determined using market approach. This approach involves the application of multiples, derived from market prices of comparable listed companies, to the parameters of the subject company in order to derive a value for the subject company.

Notes to the Consolidated Financial Statements

1.3. Reconciliation of level 3 fair value measurements

(Rs In Crore)

For the year ended 31st March, 2020	Unlisted shares irrevocably designated as at FVTOCI
Opening balance	103.26
Total loss in other comprehensive income	(34.84)
Held for sale/Disposals/Settlements	-
Closing balance	**68.42**

(Rs In Crore)

For the year ended 31st March, 2019	Unlisted shares irrevocably designated as at FVTOCI
Opening balance	123.09
Total loss in other comprehensive income	(19.83)
Held for sale/Disposals/Settlements	-
Closing balance	**103.26**

All gains and losses included in other comprehensive income relate to unlisted shares held at the end of the reporting period and are reported under "Equity Instruments through Other Comprehensive Income".

2. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

(Rs. In Crore)

	31st March, 2020	31st March, 2019
Total Equity	3,003.71	2,737.08
Total Borrowings	0.38	0.55
Total capital (borrowings and equity)	**3,004.09**	**2,737.63**
Equity as a percentage of total capital	99.99%	99.98%
Borrowing as a percentage of total capital	0.01%	0.02%

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding contingent considerations, if any).

(ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of debt.

Notes to the Consolidated Financial Statements

3. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

3.1.1 Foreign currency risk management

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Euro against the respective functional currency of the company. The Company enters into derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposures.

i The carrying amounts of the Company's foreign currency denominated monetary liabilities/ assets at the end of the reporting period are as follows:

	31st March, 2020		31st March, 2019	
	Foreign Currency (In Crore)	(Rs. In Crore)	Foreign Currency (In Crore)	(Rs. In Crore)
(a) Foreign Currency Liabilities				
In USD	0.05	3.52	0.41	28.25
In EURO	*	-	*	0.21
(b) Foreign Currency Asset				
In USD	0.01 #	4.60	0.17#	11.69

* Denotes amount less than Rs 50,000

Balance with Banks in foreign currency

ii Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instruments are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the market place.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Forward contracts		31st March, 2020			31st March, 2019		
		Foreign Currency (In Crore)	Nominal Value (Rs. In Crore)	Fair Value (Rs. In Crore)	Foreign Currency (In Crore)	Nominal Value (Rs. In Crore)	Fair Value (Rs. In Crore)
In USD	Buy	0.04	3.20	*	0.32	22.37	*

* Denotes amount less than Rs 50,000

Notes to the Consolidated Financial Statements

iii Foreign currency sensitivity analysis

For the year ended 31st March, 2020 and 31st March, 2019, the impact of every rupee 1 depreciation / appreciation in the exchange rate between the Indian Rupee and U.S. Dollar on Profit before tax of the Company, given in below table.

(Rs. In Crore)

	As of 31st March, 2020		As of 31st March, 2019	
	Rupee depreciate by INR 1 against USD	Rupee appreciate by INR 1 against USD	Rupee depreciate by INR 1 against USD	Rupee appreciate by INR 1 against USD
On Foreign Currency Liabilities (net) (Refer Note 2 below)	*	*	(0.24)	0.24

* Denotes amount less than Rs. 50,000

Notes:

1) +/- Gain/(Loss)

2) The impact of depreciation/ appreciation on foreign currency other than U.S.Dollar on profit before tax of the Company is not material.

3.1.2 Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Considering borrowing amount outstanding as at 31st March 2020 and as at 31st March 2019, Company is not exposed to significant interest rate risk.

3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units (including FMP), quoted bonds issued by government and quasi government organizations for specified time period.

The Company takes on exposure to credit risk,which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial asset that potentially expose the Company to credit risks are listed below :

(Rs. In Crore)

	31st March, 2020	31st March, 2019
Trade Receivables	187.02	210.88
Loan	3.87	3.82
Total	**190.89**	**214.70**

Notes to the Consolidated Financial Statements

3.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The maturity profile of the financial liabilities are listed below:

Expected contractual maturity for Financial Liabilities

(Rs In Crore)

	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
31st March, 2020						
Borrowings	0.04	0.10	0.05	0.23	0.42	0.42
Trade Payables	158.68	-	-	-	158.68	158.68
Other Financial Liabilities	3.65	-	-	-	3.65	3.65
Total	**162.37**	**0.10**	**0.05**	**0.23**	**162.75**	**162.75**

(Rs In Crore)

	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
31st March, 2019						
Borrowings	0.17	0.10	0.05	0.23	0.55	0.55
Trade Payables	208.27	-	-	-	208.27	208.27
Other Financial Liabilities	3.15	-	-	-	3.15	3.15
Total	**211.59**	**0.10**	**0.05**	**0.23**	**211.97**	**211.97**

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments.

3.4 Financing Facilities

The Company has undrawn committed borrowing facilities of Rs. 200.00 crores (previous year Rs. 200.00 crores).

Note 35 : Related Party Disclosures

Names of Related Parties :

Where transactions have taken place during the year and previous year/ balance outstanding.

(a) Associate Company

Finolex Industries Limited

(b) Joint Venture Entities

Finolex J- Power Systems Private Limited
Corning Finolex Optical Fibre Private Limited

(c) Promoter Group Entities

Orbit Electrical Private Limited
Finolex Infrastructure Limited
Finolex Plasson Industries Private Limited
Note : Excludes Finolex Industries Limited considered as an Associate company as above.

Notes to the Consolidated Financial Statements

(d) Enterprises controlled by Key Managerial Personnel (Mr. P. G. Pawar upto 18th September, 2019)

Sakal Media Private Limited
Sakal India Foundation
Sakal Relief Fund
Sakal Social Foundation

(e) Employee Benefit Funds

Finolex Cables Limited Employee's Group Gratuity Scheme
Finolex Cables Limited Group Superannuation Scheme

(f) Key Managerial Personnel

Mr. D. K. Chhabria	Executive Chairman and Promotor
Mr. Mahesh Viswanathan	Chief Financial Officer
Mr.Devender Kumar Vasal	Additional Independent Director (w.e.f 19th September, 2019)
Mr.Jayaram Rajasekara Reddy	Additional Independent Director (w.e.f 19th September, 2019)
Mr.Joel Raphael Samuel	Additional Independent Director (w.e.f 19th September, 2019)
Mr.Yatin Redkar	Additional Executive Director (w.e.f 19th September, 2019)
Mr.Sanjay K.Asher	Non-Executive Director (upto 20th April, 2019)
Mr.Pradeep R.Rathi	Independent Director (upto 8th September, 2019)
Mr.Shishir Lall	Independent Director
Miss. Poornima K Prabhu	Additional Independent Director (from 5th December, 2018 to 31st March, 2019)
Mrs. Kavita Upadhyay	Additional Independent Director (w.e.f 14th February, 2020)

Mr. P G Pawar (Independent Non-Executive Director), Mr. Mahesh Viswanathan (Deputy Managing Director), Mr. M.L Jain (Non- executive Director) and Mrs. Shruti Udeshi (Independent Director), Directors had offered themselves for reappointment at the last AGM held on 18th September 2019. However, two major corporate shareholders holding in aggregate 45.2% of the paid up share capital of the Company voted against each of the resolutions for their respective re-appointments. A contention has been raised that these votes were cast contrary to the mandate under their constitutional documents/ contractual commitments, and these votes are the subject matter of challenge before the Court(s)/ legal forum and accordingly the matter is sub judice.

(g) Relatives of Key Managerial Personnel: (Mr. D. K. Chhabria)

Mr. Kishandas P. Chhabria	Father
Mr. Vijay K. Chhabria	Brother
Mrs.Sunita K. Chhabria	Mother
Mrs.Vini D. Chhabria	Wife
Ms.Radhika D. Chhabria	Daughter

Notes to the Consolidated Financial Statements

35 A: Transaction with the related Parties :

(Rs. In Crore)

Particular	Financial Year	Associate	Joint venture Entities	Promoter Group Entities	Enterprises controlled by KMP	Employee Benefit Fund	Key Managerial Personnel (Refer note 1)	Relatives of Key Managerial Personnel
Investment	2019-20	-	43.37	-	-	-	-	-
	2018-19	-	18.87	-	-	-	-	-
Dividend Paid	2019-20	9.98	-	21.13	-	-	0.42	1.22
	2018-19	8.87	-	18.78	-	-	0.37	1.09
Dividend Received (Refer note 2)	2019-20	-	-	0.25	-	-	-	-
	2018-19	-	-	0.25	-	-	-	-
Rent Paid	2019-20	-	-	0.25	-	-	-	-
	2018-19	-	-	0.25	-	-	-	-
Rent Received	2019-20	-	0.22	0.06	-	-	-	-
	2018-19	-	0.22	0.06	-	-	-	-
Advertisement and Sales Promotion	2019-20	-	-	-	0.50	-	-	-
	2018-19	-	-	-	1.36	-	-	-
Other Services Provided	2019-20	-	-	*	-	-	-	-
	2018-19	-	0.06	-	-	-	-	-
Purchase of Raw Material	2019-20	-	-	-	-	-	-	-
	2018-19	-	12.15	-	-	-	-	-
Contribution to Fund	2019-20	-	-	-	-	3.38	-	-
	2018-19	-	-	-	-	3.49	-	-
Benefit paid to employees from Trust	2019-20	-	-	-	-	4.69	-	-
	2018-19	-	-	-	-	1.94	-	-
Financial Support	2019-20	-	Refer Note 32(b)(ii)	-	-	-	-	-
	2018-19	-	Refer Note 32(b)(ii)	-	-	-	-	-
Corporate Social Responsibility	2019-20	-	-	-	1.28	-	-	-
	2018-19	-	-	-	1.50	-	-	-
Managerial Remuneration	2019-20	-	-	-	-	-	13.73	-
	2018-19	-	-	-	-	-	12.31	-
Amounts owed by related parties (Receivable)	2019-20	-	0.08	0.25	-	-	-	-
	2018-19	-	0.05	0.25	-	-	-	-
Amounts owed to related parties (Payable)	2019-20	-	0.00	0.00	-	6.91	8.57	-
	2018-19	-	-	-	-	4.76	7.82	-

* Denotes amount less than Rs. 50,000

Note:

1. Key managerial Personnel are entitled to post- employement benefits recognised as per IND-AS 19-'Employee Benefits' in the financial statements.

   As these employee benefits are lump sum amounts provided on the basis of acturial valuation, the same is not included above.

2. Dividend received from Associate Rs. 80.39 crores (previous year Rs. 40.19 crores) has been eliminated in consolidated financial statements.

3. All transactions with related parties have been done at arms length

Notes to the Consolidated Financial Statements

Note 36 : Segment Reporting

Operating segments are reported consistently with the internal reporting provided to the Executive Chairman, the highest decision-making executive who is responsible for allocating resources to and assessing the performance of the operating segments.

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

1. Electrical Cables
2. Communication Cables
3. Copper Rods
4. Others - Trading of Electrical and other goods

The above business segments have been identified considering

1. The nature of the product/services
2. The Related risks and returns
3. The Internal financial reporting systems

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

(Rs. In Crore)

Particulars	31st March, 2020	31st March, 2019
Segment Revenue		
A. Electrical cables	2,361.11	2,494.42
B. Communication cables	408.94	488.84
C. Copper rods	558.83	939.98
D. Others	88.15	71.01
Total segment revenue	**3,417.03**	**3,994.25**
Less : Inter segment revenue	(539.73)	(911.67)
Net segment revenue	**2,877.30**	**3,082.58**
Segment Results		
A. Electrical cables	377.57	381.43
B. Communication cables	25.93	66.01
C. Copper rods	3.43	9.68
D. Others	(6.84)	(12.01)
Total segment results	**400.09**	**445.11**
(Less) : Finance costs	(1.55)	(0.92)
Add /(Less) : unallocable income/(Loss) net of unallocable expenditure	35.92	65.65
Add /(Less) : Share of Profit of Associate &JV Accounted for using the equity method	77.59	100.38
Profit before tax	**512.05**	**610.22**
Income Tax	**121.05**	**202.75**
Profit for the year	**391.00**	**407.47**

Notes to the Consolidated Financial Statements

OTHER INFORMATION

(Rs. In Crore)

Particulars	31st March, 2020	31st March, 2019
Segment Assets		
A. Electrical cables	879.31	872.59
B. Communication cables	319.20	336.72
C. Copper rods	20.03	75.54
D. Others	58.06	31.33
Unallocable Assets	2,130.20	1,837.96
Total Assets	**3,406.80**	**3,154.14**
Segment Liabilities		
A. Electrical cables	169.92	155.90
B. Communication cables	17.61	75.99
C. Copper rods	13.95	6.81
D. Others	11.90	8.00
Unallocable Liabilities	189.71	170.36
Total Liabilities	**403.09**	**417.06**

For the year ended 31st March, 2020

(Rs In Crore)

Particulars	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extend allocable to the segment *
A. Electrical cables	21.83	29.29	4.90
B. Communication cables	1.96	7.64	1.00
C. Copper rods	0.00	0.78	-
D. Others	8.54	1.20	-
Total	**32.33**	**38.91**	**5.90**

For the year ended 31st March, 2019

(Rs In Crore)

Particulars	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extend allocable to the segment *
A. Electrical cables	22.71	30.14	3.85
B. Communication cables	16.41	6.49	4.68
C. Copper rods	0.10	1.16	-
D. Others	5.10	2.76	-
Total	**44.32**	**40.55**	**8.53**

* Exclude reversal of Provision other-Duties/Taxes of Rs. Nil (Previous year Rs. 22.16 crores)

Notes to the Consolidated Financial Statements

Reconciliation of Revenue

(Rs. In Crore)

Particulars	31st March, 2020	31st March, 2019
Revenue from operation	2,877.30	3,077.79
Add: Miscellaneous Income (Included in Other Income)	-	4.79
Total Segment revenue as reported above	**2,877.30**	**3,082.58**

B. Secondary Segment information

The company's operations are mainly confined within India and as such there are no reportable geographical segments.

Note 37 : Earnings Per Share (EPS)

(Rs. In Crore)

Basic earning per share	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Net Profit for the year attributable to the equity holders	**391.00**	**407.47**
Weighted average number of Equity shares for basic EPS	152,939,345	152,939,345
Par value per share (in Rs.)	2.00	2.00
Basic Earnings per share (in Rs.)	**25.57**	**26.64**
Diluted Earnings per share (in Rs.)	**25.57**	**26.64**

Note: The Company does not have any dilutive potential equity shares in any of the period's , therefore weighted average number of equity shares outstanding at the year end for basic EPS and diluted EPS is same.

Note 38 : COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The Company will continue to closely monitor any material changes to future economic conditions.

Notes to the Consolidated Financial Statements

Note 39 : Statement of Net Assets and Profit and Loss attributable to Owners

Name of the Entity	Net Asset i.e (Total asset minus total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Asset	Rs. Amt (In Crore)	As % of consolidated profit	Rs. Amt (In Crore)	As % of consolidated Other comprehensive income	Rs. Amt (In Crore)	As % of consolidated Total comprehensive income	Rs. Amt (In Crore)
Finolex Cables Ltd	78.6%	2,718.63	81.0%	402.48	16.7%	(40.55)	142.4%	361.93
Associate								
Finolex Industries Ltd.*	18.6%	643.26	21.7%	107.75	83.3%	(201.91)	(37.0%)	(94.16)
Joint Ventures								
Finolex J-Power Systems Pvt Ltd.	2.4%	81.85	(2.7%)	(13.45)	0.0%	(0.03)	(5.3%)	(13.48)
Corning Finolex Optic Fibre Pvt Ltd.	0.4%	14.05	(0.0%)	(0.15)	0.0%	-	(0.1%)	(0.15)
Total	**100%**	**3,457.79**	**100%**	**496.63**	**100%**	**(242.49)**	**100%**	**254.14**
Adjustments arising from consolidation		(454.08)		(105.63)		201.09		95.46
Consolidated Net Assets/ Profit after tax		**3,003.71**		**391.00**		**(41.40)**		**349.60**

* includes fair value gain in respect of investments held in the Company by the Associate

Note 40: Significant Events after the reporting period :

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed.

D.K. Chhabria
Executive Chairman

Shishir Lall
Director

M. Viswanathan
Chief Financial Officer

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

Pune : 27th June, 2020

Notice

NOTICE is hereby given that the Fifty-Second Annual General Meeting of Members of Finolex Cables Limited will be held on Tuesday, September 29, 2020 at 11.30 a.m. through Video Conference ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statement (including the audited consolidated financial statements) of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors' and Auditors' thereon.

2. To declare a dividend on equity shares for the financial year ended March 31, 2020.

3. To appoint a Director in place of Mr Shishir Lall [DIN:00078316], who retires by rotation, and being eligible, offers himself for reappointment.

Special Business

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

   "RESOLVED THAT pursuant to the provisions of Sections 149(1), 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and the provisions of the Articles of Association of the Company, Mr Devender Kumar Vasal [DIN: 06858991], who was appointed as an Additional Director by the Board of Directors of the Company (the "Board") with effect from September 19, 2019 and who holds office upto the date of this Annual General Meeting and, who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160(1) of the Act from a member of the Company proposing his candidature as Director of the Company and who has consented, if appointed, to act as Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149(1), 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and the provisions of the Articles of Association of the Company, Mr Jayaram Rajasekara Reddy [DIN: 07838591], who was appointed as an Additional Director by the Board of Directors of the Company (the "Board") with effect from September 19, 2019 and who holds office upto the date of this Annual General Meeting and, who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160(1) of the Act from a member of the Company proposing his candidature as Director of the Company and who has consented, if appointed, to act as Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149(1), 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and the provisions of the Articles of Association of the Company, Mr Yatin Yashwant Redkar [DIN: 07799478], who was appointed on the existing terms and remuneration as an Additional Director designated as Executive Director – Operations by the Board of Directors of the Company (the "Board") with effect from September 19, 2019 and who holds office upto the date of this Annual General Meeting and, who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160(1) of the Act from a member of the Company proposing his candidature as Director of the Company and who has consented, if appointed, to act as Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149(1), 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and the provisions of the Articles of Association of the Company, Mrs Kavita Bhaskar Upadhyay [DIN: 08333952], who was appointed as an Additional Director by the Board of Directors of the Company (the "Board") with effect from February 14, 2020 and who holds office upto the date of this Annual General Meeting and, who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160(1) of the Act from a member of the Company proposing her candidature as Director of the Company and who has consented, if appointed, to act as Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 149(1), 152, 160(1) read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and subject to the provisions of the Articles of Association of the Company, and pursuant to the recommendation by the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company (the "Board") in this regard, Mr Devender Kumar Vasal [DIN: 06858991], who was appointed, subject to approval of the Members at the next Annual General Meeting, as an Independent Director for a term of five consecutive years with effect from September 19, 2019 and who is eligible for appointment as an Independent Director be and is hereby appointed as an Independent Director of the Company subject to the provisions contained in the Articles of Association ("AoA") of the Company, to hold office for a term of 5 (five) consecutive years with effect from September 19, 2019.

RESOLVED FURTHER THAT all the actions taken by the Board with regard to appointment of Mr Devender Kumar Vasal as an Independent Director for a term of five consecutive years with effect from September 19, 2019 be and is hereby confirmed and the Board be and is hereby authorised to do or to authorise any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto."

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

"RESOLVED THAT pursuant to the provisions of Section 149(1), 152, 160(1) read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and subject to the provisions of the Articles of Association of the Company, and pursuant to the recommendation by the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company (the "Board") in this regard, Mr Jayaram Rajasekara Reddy [DIN: 07838591], who was appointed, subject to approval of the Members at the next Annual General Meeting, as an Independent Director for a term of five consecutive years with effect from September 19, 2019 and who is eligible for appointment as an Independent Director be and is hereby appointed as an Independent Director of the Company subject to the provisions contained in the Articles of Association ("AoA") of the Company, to hold office for a term of 5 (five) consecutive years with effect from September 19, 2019.

RESOLVED FURTHER THAT all the actions taken by the Board with regard to appointment of Mr Jayaram Rajasekara Reddy as an Independent Director for a term of five consecutive years with effect from September 19, 2019 be and is hereby confirmed and the Board be and is hereby authorised to do or to authorise any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto."

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

"RESOLVED THAT pursuant to the provisions of Sections 149(1), 152, 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and subject to the provisions of the Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company (the "Board") in this regard, Mrs Kavita Bhaskar Upadhyay [DIN: 08333952], who was appointed as an Additional Director and an Independent Woman Director by the Board for a period of five years with effect from February 14, 2020 and who being an additional Director holds office upto the date of this Annual General Meeting and, who is eligible for appointment and has consented, if appointed, to act as Director, be and is hereby appointed as an Independent Director of the Company subject to the provisions contained in the Articles of Association ("AoA") of the Company, to hold office for a term of five consecutive years with effect from February 14, 2020.

RESOLVED FURTHER THAT all the actions taken by the Board with regard to appointment of Mrs Kavita Bhaskar Upadhyay as an Independent Woman Director of the Company with effect from February 14, 2020 be and are hereby confirmed and the Board is hereby authorised to do or to authorise any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto."

11. To ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021 (Financial Year 2020-21) and to consider, and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended, and subject to the provisions of the Articles of Association of the Company, and pursuant to the recommendation of the Audit Committee and the approval of the Board of Directors of the Company (the "Board") and subject to the applicable guidelines and approval of the Central Government as may be applicable in this regard, the Members of the Company hereby ratify the appointment of M/s Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No. 00240) at a consolidated remuneration of ₹5.50 Lakhs (Rupees Five Lakhs Fifty Thousand Only) plus taxes and out of pocket expenses, if any, chargeable extra on actual basis, to conduct cost audit of the cost records of the Company for the financial year ending March 31, 2021 (Financial Year 2020-21).

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

12. 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 (the "Act") 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(s) thereto 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 Disclosure Requirements) Regulations 2015, as amended, and the Rules, Regulations, Guidelines, circulars and clarifications, as issued and amended from time to time by SEBI and/or other appropriate Authority(ies) and subject to the provisions of the Articles of Association of the Company, approval of the Members of the Company (the "Members") be and is hereby accorded to the Board of Directors of the Company (the "Board") to constitute and offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures ("NCDs") on a private placement basis, in one or more series/tranches, aggregating up to an amount of ₹150 Crores (Rupees One Hundred Fifty Crores only), during a period of one year from the date of passing of this resolution and within the overall borrowing limits of the Company, as approved by the Members from time to time, 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 authorised to do all such acts, deeds, matters and things and give such directions and to execute or authorise 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."

13. 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 Disclosure Requirements) Regulations, 2015, as amended, and subject to the provisions of the Articles of Association of the Company, 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"), to authorise the Management of the Company to carry out transaction(s) in the Company's ordinary course of business 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 June 16, 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 authorised 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, proper 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: August 14, 2020

Registered Office:
26/27, Mumbai-Pune Road,
Pimpri, Pune - 411018.
CIN: L31300MH1967PLC016531
Email: Investors@finolex.com

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts concerning the special business under item nos. 4 to 13 of the Notice is Annexed hereto and forms a part of this Notice.

2. In view of the continuing outbreak of Covid-19 Pandemic, social distancing measures are a pre-requisite and in terms of Ministry of Corporate Affairs ("MCA") Circular No. 20/2020 dated May 5, 2020 read with Circular 14/2020 dated April 8, 2020, Circular 17/2020 dated April 13, 2020 ("MCA Circulars") and Securities Exchange Board of India (SEBI) Circular dated May 12, 2020, the Annual General Meeting (AGM) is being conducted through Video Conference ("VC")/Other Audio Visual Means ("OAVM") without physical presence of the Members at a common venue. In accordance with Secretarial Standard-2 (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") read with guidance/ clarification note dated April 15, 2020 issued by ICSI the deemed venue for the AGM shall be the Registered Office of the Company.

3. In terms of MCA Circulars, since physical attendance of Members has been dispensed with the facility of appointment of proxies by Members under Section 105 of the Act, will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

4. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and the Members can join the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first serve basis for upto 1000 members. However, this restriction will not apply in respect of shareholders holding two percent or more shareholding in the Company or to Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors and to Chairmen of the Audit Committee, Nomination and Remuneration Committee and Share Transfer-cum-Stakeholders Relationship Committee.

5. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In line with the MCA Circulars and SEBI Circular dated May 12, 2020, the Notice calling the AGM and Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company's Registrar and Transfer Agents/i.e. KFin Technologies Private Limited/the Depositories. Members may note that Notice and

Annual Report 2019-20 will also be made available on the Company's website at www.finolex.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and The National Stock Exchange of India Limited at www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 19, 2020 to Tuesday, September 29, 2020 (both days inclusive) for the purpose of AGM and payment of Dividend to be declared.

8. The Board of Directors has recommended Dividend on equity shares at 275% i.e. ₹5.50 per equity share of ₹2/- each fully paid up for the year ended March 31, 2020 that is proposed to be paid by October 28, 2020, subject to the approval of shareholders.

9. Further in order to receive dividend in a timely manner, Members who have not updated their mandate for receiving dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to register their Electronic Bank Mandate to receive dividends by following the process as set out below:

   (A) Members holding shares in Physical mode may intimate and get updated the Bank details with the KFin Technologies Private Limited, Karvy Selenium, Tower B, 6th Floor, Plot Nos.31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, Tel Nos. (40) 6716 1613 / 6716 1630 ("RTA") along with following details/documents:-

      (a) A signed request letter stating the Member's name (as recorded on the share certificate), folio number, complete address, along with:-

      (b) Name and Branch of Bank and Bank Account Type

      (c) Bank account Number allotted by your Bank after implementing Core Banking Solutions

      (d) 11 digit IFSC Code

      (e) 9 digit MICR Code Number

      (f) Self-attested copy of cancelled cheque bearing the name of the Member or First Holder

      (g) Self-attested copy of PAN and AADHAR Card

   Note: *For queries related to updation of email ID and bank account details members may contact at einward.ris@kfintech.com/investors@finolex.com.*

   (B) Members holding shares in Demat form are requested to update their Electronic Bank Mandate through their Depository Participants.

10. In case the Company is unable to pay dividend to any Member(s) directly in their bank account through Electronic Clearing Services or any other means due to non-registration of Electronic Bank Mandate, the Company shall dispatch the dividend warrants/demand drafts to such Member(s) at the earliest once the normalcy is restored.

11. Pursuant to the provisions of the Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at prescribed rates. For the prescribed rates for various categories the Members are requested to refer to the Finance Act, 2020 and amendments thereto. The Members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) and their Depository Participants (in case shares are held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during FY 2020-21 does not exceed ₹5000/-.

    A resident individual shareholder with PAN who is not liable to pay income tax is requested to submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax to the Company's RTA i.e. KFin Technologies Private Limited, Karvy Selenium, Tower B, 6th Floor, Plot Nos.31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, Tel Nos. (40) 6716 1613 / 6716 1630 so as to reach latest by September 10, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%, as applicable.

    Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending to Company's RTA i.e. KFin Technologies Private Limited, Karvy Selenium, Tower B, 6th Floor, Plot Nos.31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, Tel Nos. (40) 6716 1613 / 6716 1630. The said declarations need to be submitted so as to reach latest by September 10, 2020.

Incomplete and/or unsigned forms and declarations will not be considered by the Company. All communications/ queries in this respect should be addressed to the RTA i.e. KFin Technologies Private Limited, Karvy Selenium, Tower B, 6th Floor, Plot Nos.31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, Tel Nos. (40) 6716 1613 / 6716 1630 and Exemption Forms are required to be forwarded in original only.

12. The Company's Registrar and Transfer Agents for its share registry work (Physical and Electronic) are KFin Technologies Private Limited, Karvy Selenium, Tower B, 6th Floor, Plot Nos.31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, Tel Nos. (40) 6716 1613 / 6716 1630.

13. Members can avail the facility of nomination in respect of securities held by them in physical form pursuant to the provision of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed form duly filled-in to RTA. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.

14. Further the Members are requested to:

    i) intimate to their DP, changes if any, in their names, registered addresses, email address, telephone/mobile numbers, and/or changes in their bank account details, if the shares are held in dematerialized form.

    ii) intimate to the RTA of the Company, changes if any, in their names, registered addresses, email address, telephone/mobile numbers, and/or changes in their bank account details, if the shares are held in physical form.

    iii) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.

    iv) dematerialize their Physical Shares to Electronic Form (Demat), since in terms of Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, the only exception being in case of requests received for transmission or transposition of securities. Dematerialisation of shares would help to eliminate risks associated with Physical Shares. Members can contact the RTA viz., KFin Technologies Private Limited, Hyderabad (Tel. No. 040 – 67161633/30) for assistance, if any, in this regard.

15. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank account details and all such requests should be directly addressed well before the Book Closure period (which commences on September 19, 2020), to their respective DPs where their shares are held in dematerialized form.

16. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form who have not done so are requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account/s. Members holding shares in physical form must submit their PAN details to the RTA of the Company.

17. Members are requested to refer the website of the Company for the details made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019 for information in connection with the unpaid/unclaimed dividend along with underlying shares thereto liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government.

    As per Section 124(6) of the Act read with the IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. In case the dividends are not claimed by the respective shareholders, necessary steps will be initiated by the Company to transfer the relevant shares held by the Members to IEPF along with dividend remaining unpaid/ unclaimed thereon.

    Members may please note that once the unclaimed dividend and relevant shares is/are transferred to the IEPF, no claim shall lie against the Company in respect of the relevant shares and/or the individual dividend amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made by the Company in respect of any such claims.

Members may please note that even in the event of transfer of such shares and the unclaimed dividends to IEPF, they are entitled to claim the same from IEPF authorities by submitting online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending the original documents mentioned in Form IEPF-5 duly signed to the Company along with Form IEPF- 5 for verification of claim.

Members who have not yet encashed their dividend warrant(s) pertaining to dividend for the financial year 2012-13 and onwards are requested to lodge their claims in this regard with the RTA immediately. It may be noted that the unclaimed Dividend for the financial year 2012-13 should be claimed by the Members immediately else the same will be transferred to IEPF.

18. Members holding shares in demat mode, who have not registered their email addresses are requested to urgently register their email addresses with their respective depository participants, and Members holding shares in physical mode are requested to update their email addresses with the RTA by emailing to einward.ris@kfintech.com immediately to receive copies of Annual Report in electronic mode.

19. Shareholders may send their questions in advance from their registered email addresses mentioning their name demat account number/folio number, email id, mobile number at investors@finolex.com latest by Friday, September 18, 2020. Questions received by the Company by the said date only will be considered for suitable reply by the Company.

20. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and relevant MCA Circulars, the Company is pleased to provide members facility to exercise their right to vote during the AGM by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (“NSDL”).

The remote e-voting period commences on Saturday, September 26, 2020 (9:00 a.m. IST) and ends on Monday, September 28, 2020 (5:00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Tuesday, September 22, 2020, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, September 22, 2020.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting during the AGM through electronic means. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of cut-off date, may obtain the login id and password by sending a request to evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

Mr Mandar Shrikrishna Jog (CP. No. 9798) or failing him Ms Kanchan Aniruddha Limaye, (CP.No.17326), Practicing Company Secretaries and Partners of M/s Jog Limaye & Associates, Company Secretaries, Pune has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting during the Annual General Meeting, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the

Company www.finolex.com and on the website of NSDL https://www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. Simultaneously the results shall also be forwarded to BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The details of the process and manner for remote e-voting are explained below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is set out below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under `Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300*** 12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12****** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001."

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the Company.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mandar@msjcs.com with a copy marked to the Company at investors@finolex.com and to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone no. + 91-22-24994545.

v. **Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of email IDs for e-Voting for the resolutions set out in this Notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) by email to RTA at einward.ris@kfintech.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to RTA at einward.ris@kfintech.com.

3. Alternatively Member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

vi. **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

vii. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com.

   Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further Members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid problems.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/folio number, email ID, mobile number at investors@finolex.com latest upto September 19, 2020 (5.00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

21. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by Members at the Registered Office of the Company between 9.00 a.m. to 11.00 a.m. on any working day of the Company till September 19, 2020 or through video conference facility of NSDL.

22. Reappointment of Directors:

   (A) At the ensuing Annual General Meeting, Mr Shishir Lall [DIN: 00078316], Non-Executive Non Independent Director retires by rotation and, being eligible, offers himself for reappointment. The information or details to be provided pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out hereinafter.

   (a) Brief Resume of the Director

   Mr Shishir Lall is aged 61 years and is a graduate from St. Stephen's College, New Delhi. He was appointed as an Additional Director by the Board of Directors at its meeting held on

May 30, 2017 with immediate effect and is liable to retire by rotation. Thereafter at the Annual General Meeting held on September 28, 2017 the Members of the Company passed requisite resolutions regarding his appointment as Independent Director of the Company. However, pursuant to the Company receiving his letter dated August 14, 2020 informing that due to certain personal and professional reasons he had requested the Board to change his status from Independent Director to Non-Executive Non Independent Director with immediate effect and the Board acceding to his said request at its meeting held on August 14, 2020 he is liable to retire by rotation.

(b) Nature of his expertise in specific functional areas

Mr Shishir Lall has over thirty years' rich experience in the Corporate World. Starting his career with Brooke Bond India Limited (Unilever) as Deputy Regional Manager, he moved to PepsiCo to handle Sales and spearheaded that company's endeavour to outstrip Coke, through meticulous marketplace execution to become India's No.1 brand of soft drinks. He also held the position of International Vice President – Franchise Operations – South Asia Business Unit at PepsiCo and rose to the position of Executive Director which post was held by him from 1990 to 1999. He was the president of Zip Telecom and the Managing Director of Worldspace India. Mr. Shishir Lall specializes in Brand Building, Distribution, Franchise Management and Leadership. He has travelled across the world and worked with different cultures with a focus on gaining leadership in a rapidly changing marketplace environment. Mr Shishir Lall holds valid Registration Certificate of Independent Directors Databank of Indian Institute of Corporate Affairs. He does not hold any shares in the Company.

(c) Disclosure of relationships between Directors inter se

None of the Directors or Key Managerial Personnel or their relatives are related to Mr Shishir Lall.

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

Mr Shishir Lall does not hold any directorship in any listed entities except for the Company and also does not hold any membership of Committees of the Board in any other listed entity.

(e) Shareholding in the Company

Mr Shishir Lall does not hold any shares in the Company.

The Board recommends his reappointment for continuing as a Director on the Board of Directors of the Company liable to retire by rotation under the provisions of the Act and of the Memorandum of Association and Articles of Association of the Company.

Other than Mr Shishir Lall, none of the Directors or Key Managerial Personnel of the Company and/or their relative/s is/are, in any way, concerned or interested, financially or otherwise in the resolution to be passed with regard to Item No.3 of the Notice.

EXPLANATORY STATEMENT IN RESPECT OF ITEM NOS. 4 TO 13 OF SPECIAL BUSINESS OF THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos.4 and 8

Mr Devender Kumar Vasal [DIN: 06858991] was appointed with effect from September 19, 2019 as an Additional Director and an Independent Director by the Board of Directors of the Company (the "Board") at its meeting held on September 18, 2019. His appointment is in accordance with the provisions of Sections 149(1), 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and the provisions of the Articles of Association of the Company. Mr Devender Kumar Vasal holds office of Director for a period of five consecutive years subject to approval of the Members at the ensuing Annual General Meeting. His appointment has been recommended by the Nomination and Remuneration Committee and has been approved by the Board. The Company has received a notice from a member in pursuance of Section 160(1) of the Act signifying his intention to propose the appointment of Mr Devender Kumar Vasal as an Independent Director of the Company.

Mr Devender Kumar Vasal is Commerce and Law graduate from University of Delhi and D.L.L from Indian Law Institute, CAIIB from Indian Institute of Bankers. He is aged about 63 years, and has a number of year's extensive experience in legal field. He was legal partner at DSK Legal and had worked as Group General Legal Counsel (Vedanta Plc.) He then moved to the Banking sector and held very senior positions such as Head of Legal, Standard Chartered Bank (India Region, comprising of different countries); Executive Vice President and Head of Legal at DCB Bank and Head of Legal at Times Bank Limited (Now HDFC Bank). He was also Legal Adviser and Operational Banker at Bank of Baroda for many years. Presently, he is Independent Director on the Boards of Balaji Tele Films Limited, ALT Digital Media Entertainment Limited and Marinating Films Private Limited. Mr Devender Kumar Vasal has successfully qualified the online proficiency self-assessment test for Independent Director's Databank of Indian Institute of Corporate Affairs. He does not hold any equity shares in the Company.

The Company has received requisite declaration from Mr Devender Kumar Vasal that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). Based on the aforesaid declaration and its assessment by the Board, the Board is of the opinion that he fulfills the prescribed conditions for appointment as Independent Director and considers his appointment would be beneficial for the Company.

Other than Mr Devender Kumar Vasal none of the Directors or Key Managerial Personnel of the Company and/or their relatives is/are in anyway concerned or interested financially or otherwise in the resolutions to be passed with regard to Item Nos. 4 and 8 of the Notice.

The Board therefore recommends his appointment as a Director on the Board of Directors of the Company.

Item Nos.5 and 9

Mr Jayaram Rajasekara Reddy (DIN 07838591) was appointed with effect from September 19, 2019 as an Additional Director and an Independent Director by the Board of Directors of the Company (the "Board") at its meeting held on September 18, 2019. His appointment is in accordance with the provisions of Sections 149(1), 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and the provisions of the Articles of Association of the Company. Mr Jayaram Rajasekara Reddy holds office of Director for a period of five consecutive years subject to approval of the Members at the ensuing Annual General Meeting. His appointment has been recommended by the Nomination and Remuneration Committee and has been approved by the Board. The Company has received a notice from a member in pursuance of Section 160(1) of the Act signifying his intention to propose the appointment of Mr Jayaram Rajasekara Reddy as an Independent Director of the Company.

Mr Jayaram Rajasekara Reddy aged about 62 years, is a senior professional with 35 years of rich experience in Internal Audit, General Accounting, Commercial, F&A BPO Operations including setting up the practice, Profit Centre Operations (Centre-Lead) and teams as well as the CIA (Certified Internal Auditor qualification). He took retirement from Sutherland Global Services, after a long stint of 8+ years, managing the Service Delivery of its Finance & Accounting operations at EMEA and APAC. He has extensive expertise in analysing existing systems and procedures, preparing business continuity plans, designing internal control systems and facilitating effective decision-making. He also headed the Internal Audit Function at Castrol India, Ford India, and Sundaram Clayton. Mr Jayaram Rajasekara Reddy has successfully qualified the online proficiency self-assessment test for Independent Director's Databank of Indian Institute of Corporate Affairs. He does not hold any equity shares in the Company.

The Company has received requisite declaration from Mr Jayaram Rajasekara Reddy that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). Based on the aforesaid declaration and its assessment by the Board, the Board is of the opinion that he fulfills the prescribed conditions for appointment as Independent Director and considers his appointment would be beneficial for the Company.

Other than Mr Jayaram Rajasekara Reddy none of the Directors or Key Managerial Personnel of the Company and/or their relatives is/are in anyway concerned or interested financially or otherwise in the resolutions to be passed with regard to Item Nos. 5 and 9 of the Notice.

The Board therefore recommends his appointment as a Director on the Board of Directors of the Company.

Item No.6

Mr Yatin Yashwant Redkar (DIN 07799478), who was since long working in the Company as President – Operations, was appointed by the Board of Directors of the Company (the "Board") at its meeting held on September 18, 2019 as an Additional Director designated as Executive Director – Operations with effect from September 19, 2020 on the existing terms and conditions. His appointment is in accordance with the provisions of Sections 149(1), 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and the provisions of the Articles of Association of the Company. Mr Yatin Yashwant Redkar holds office of Director upto the date of this Annual General Meeting. His appointment has been recommended by the Nomination and Remuneration Committee and has been approved by the Board. The Company has received a notice from a member in pursuance of Section 160(1) of the Act signifying his intention to propose the appointment of Mr Yatin Yashwant Redkar as Director of the Company.

The existing terms and remuneration of Mr. Y Y Redkar on monthly basis is set out below:

Particulars	Amount (Rs)
Basic	2,27,000
House Rent Allowance	90,800
Education Allowance	5,000
Soft Furn Allowance	5,000
Driver Allowance	13,000
Medical Allowance	18,917
LTA	18,917
Petrol Reimbursement (up to)	13,000

Other benefits, including Provident fund, Variable PLI, Bonus, Gratuity and Superannuation at applicable rates / as per rules of the Company applicable to employees of his grade and scale.

Mr Yatin Yashwant Redkar is aged 66 years' and holds a Bachelor's Degree in Electrical Engineering from the University of Mumbai. He has earlier worked with Guest Keen Williams Limited, Mumbai and Shakti Insulated Wires Private Limited. He has extensive expertise in setting up plants/ manufacturing facilities and has been associated with the Company since past 35 years and is currently working with the Company as senior employee and is presently designated as Executive Director - Operations. He has vast experience in wire and cable industry and was the person who had assisted Mr D K Chhabria in setting up various manufacturing facilities in the Company including Optic Fibre Cables in Goa, Green Field Manufacturing facility of Light Duty Cables, Electrical Switches, and Circuit Breakers at Uttarakhand and Solar Power Plant at Urse. Presently, he is on the Board of Finolex J-Power Systems Private Limited. Mr Yatin Yashwant Redkar holds 4700 equity shares in the Company.

Other than Mr Yatin Yashwant Redkar none of the Directors or Key Managerial Personnel of the Company and/or their relatives is/are in anyway concerned or interested financially or otherwise in the resolution to be passed with regard to Item No. 6 of the Notice.

The Board recommends his appointment as a Director on the Board of Directors of the Company and liable to retire by rotation.

Item Nos.7 and 10

Pursuant to the recommendation of the Nomination and Remuneration Committee in this regard, Mrs Kavita Bhaskar Upadhyay [DIN: 08333952] was appointed with immediate effect as an Additional Director and an Independent Woman Director by the Board of Directors of the Company (the "Board") at its meeting held on February 14, 2020. Her appointment is in accordance with the provisions of Sections 149(1), 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and the provisions of the Articles of Association of the Company. Subject to the approval of the Members in general meeting, Mrs Kavita Bhaskar Upadhyay holds office of Independent Director for a term of five consecutive years with effect from February 14, 2020. The Company has received a notice from a member in pursuance of Section 160(1) of the Act signifying his intention to propose the appointment of Mrs Kavita Bhaskar Upadhyay as Director of the Company.

Mrs Kavita Bhaskar Upadhyay, aged about 31 years, is a qualified M.Com., Chartered Accountant, and has over a decade of experience in the field of Accounting, Direct and Indirect Taxation, Transfer Pricing and Tax Compliances and has also helped a lot of start-ups by acting a "Virtual CFO" and lending her expertise to various companies. She also has an implicit understanding of the unique needs of the blossoming tech industry. She is an Independent Woman Director on the Board of Directors of Man Infraconstruction Limited and is also a Member of its Audit Committee. Mrs Kavita Bhaskar Upadhyay has successfully qualified the online proficiency self-assessment test for Independent Director's Databank of Indian Institute of Corporate Affairs. She does not hold any equity shares in the Company.

The Company has received requisite declaration from Mrs Kavita Bhaskar Upadhyay that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). Based on the aforesaid declaration and its assessment by the Board, the Board is of the opinion that she fulfills the prescribed conditions for appointment as Independent Woman Director and considers her appointment would be beneficial for the Company.

Other than Mrs Kavita Bhaskar Upadhyay none of the Directors or Key Managerial Personnel of the Company and/or their relatives is/are in any way concerned or interested financially or otherwise in the resolutions to be passed with regard to Item Nos 7 and 10 of the Notice.

The Board therefore recommends her appointment as an Independent Woman Director on the Board of Directors of the Company for a term of five consecutive years with effect from February 14, 2020.

Item No.11

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment of M/s Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No.00240), to conduct audit of the cost records of the Company for the financial year ending March 31, 2021 (Financial Year 2020-21).

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.11 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.11 of the Notice.

Item No.12

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 51st Annual General Meeting held on September 18, 2019, authorised 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 ₹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 2019-20, 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 51st Annual General Meeting held on September 18, 2019.

SEBI vide Circular No.SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 mandated that large corporates as defined in the said Circular shall raise not less than 25% of their incremental borrowings by way of issuance of debt securities as defined under SEBI (Issue and Listing of Debt Securities) Regulations, 2008. Non-Convertible Debentures ("NCDs") issued on a private placement basis fall within the definition of debt securities as defined in the said SEBI Regulations. The Company presently is not falling under the definition of large corporate as defined in the said SEBI Circular dated November 26, 2018. The Company 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. CRISIL has assigned AA+/Stable rating to the said proposed issue of non-convertible debentures by the Company.

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 and other applicable provisions, if any, 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.12 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.12 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.12 of the Notice.

Item No. 13

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 February 8, 2011 an Agreement dated June 16, 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 Director(s) 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.
4	Nature of material terms, monetary value and particulars of the contract or arrangement.	Estimated annual purchase value at current prices is ₹35.00 Crores or 1 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, and. (c) 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.

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 then Companies Act, 1956, which already came into effect before the commencement of Section 188 of the Companies Act, 2013, that is, April 1, 2014, will not require fresh approval under Section 188 till the expiry of the original term of such contracts, except where any modification in such contract is made on or after April 1, 2014. However, for ensuring better corporate governance and as a matter of abundant caution, the approval of the Members is being sought by way of a special resolution.

The Board resolution dated February 8, 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 September 19, 2020 or through video conference facility of NSDL.

It is in the interest of the Company to pass the special resolution. The Audit committee has approved the proposed resolution and the Board has approved and recommended the said resolution, which is being placed before the Members for their approval.

Mr D K Chhabria and Mr Mahesh Viswanathan are the nominees of the Company on the Board of Directors 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 of or have any pecuniary interest in CFOFPL.

None of the other Directors or Key Managerial Personnel of the Company and/or their relatives is/are concerned or interested in the said resolution at Item No.13 of the Notice.

By Order of the Board of Directors

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

Place: Pune
Dated: August 14, 2020

Registered Office:
26/27, Mumbai-Pune Road,
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