

# Forging Ahead Towards A STRONGER FUTURE

21-22  
Annual Report

**Finolex Cables Limited**

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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.



Watching the impact of the COVID-19 pandemic unfold, we have stayed keenly focussed on what we could do to not only navigate the crisis but also emerge stronger and drive a better future. The fundamental strengths that we have built have enabled us to create a business model that is resilient and upholds our legacy and competitive edge.

As we set our sights on the future, we have identified strategic investment areas for taking our performance to the next level. Be it progressively scaling up our manufacturing facilities to launching new products to driving higher brand engagement and customer connect to widening our distribution reach and enhancing operational efficiencies, the several steps that we have undertaken will power stronger overall growth and higher value for our stakeholders.

**WE ARE FORGING  
AHEAD TOWARDS A  
STRONGER FUTURE  
WITH OUR STEADFAST  
RESOLVE, STRENGTH,  
AND RESILIENCE.**

# ABOUT US

Finolex Cables is India's largest and leading manufacturer of electrical and telecommunication cables and holds a prominent reputation for its high-quality products. Established in 1958, we are anchored on the pillars of manufacturing excellence, strong innovation, and technological competence. These attributes coupled with strong corporate governance helps us build enduring relationships with our customers and create a powerful brand recall. Aspiring to become a one-stop solution for all electrical products, we have recently forayed into the Fast-Moving Electrical Goods (FMEG) segment, thereby capturing new growth opportunities and gaining higher prominence in the B2C segment.

Finolex Cables is a debt-free Company and has a turnover exceeding Rs. 3,768.1 Crores, 5 manufacturing sites and 1,589 employees.

## Strong Foundation for a Stronger Future

Since inception, Finolex Cables has braved many challenges and achieved extraordinary milestones through a strategy of consistent expansion and modernisation. Be it persevering through its initial years during the turbulent phase of India's partition; spearheading the concept of using stranded conductors for manufacturing of electrical wires in the 1950's; emerging as the first private sector company in India to manufacture Jelly Filled Telephone Cables (JFTC) in the late 1980's; or countering the enormous impact of mobile phones advent on our JFTC business through aggressive portfolio diversification in the 1990's; we have taken every challenge in our stride. Our past is glorious and reminds us of our strengths and endurance, inspiring us to find opportunities in every challenge and forge ahead towards a stronger future.

## 1<sup>st</sup> Industry-firsts to our credit

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



### Finolex in Numbers



5

Manufacturing sites



26

Depots



5,000

Channel Partners



1,50,000

Retailers



1,589

Employees



22%

Market Share in the organised wires industry



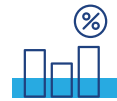
Rs. 3,768.1 Crores

Revenue



Rs. 566.9 Crores

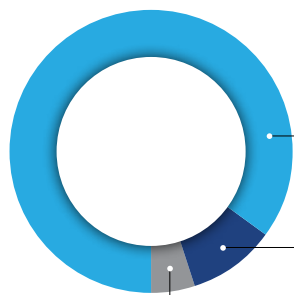
EBITDA



Rs. 404.6 Crores

PAT

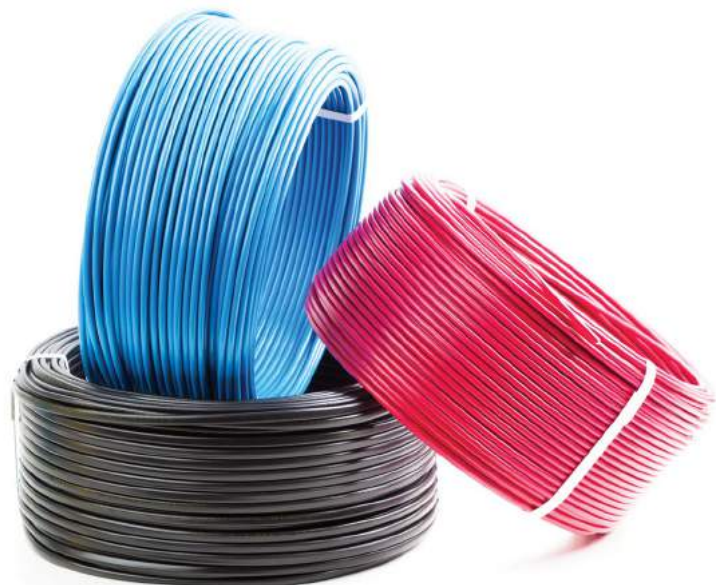
### Revenue break-up (as on FY 2022)



85%  
Electrical wires and cables

10%  
Communication cables

5%  
Copper rod and Other products



## Forging Ahead with Strong Fundamentals

### Strong Brand Positioning

Deep commitment to quality, safety, and reliability has helped us win overwhelming consumer loyalty and position ourselves as a powerful brand, resulting in sustained growth.

### Sound Financials

Robust financials with zero net debt helps us grow aggressively and create lasting value for our stakeholders.

### Manufacturing Prowess

Our manufacturing excellence is driven by five state-of-the-art and scalable manufacturing sites spread across strategic locations to cater to pan-India consumers while de-risking our operations.

### Diversified Portfolio

A wide product portfolio comprising over 50,000 SKUs in wires and cables, FMEG, and home appliances segments establishes us as a one-stop solution for all electrical needs.

### Backward Integration

In-house manufacturing of compounds, copper rods, glass fibres and many other raw materials enables us to ensure raw material availability, control quality, and provide superior products at a competitive cost.

### Pan-India Network

An extensive and far-reaching distribution network, including a distinct focus on the FMEG segment, empowers us to penetrate deeper into the market and enhance our consumer base.

### Technological Collaborations

Partnerships with global leaders in technology has helped us evolve with the advancing technologies and deliver dynamic solutions suited to the emerging needs of the consumers.

### Manufacturing Excellence

Our focus on quality is driven by five state-of-the-art manufacturing plants equipped with modern technology to meet the dynamic needs of customers. Strategically planned, our plants enjoy a great locational advantage and are well-positioned to ensure smooth and timely delivery of products throughout the country.

Over the years, we have consistently invested in backward integration as well as on enhancing our manufacturing capabilities. This gives us greater control on raw material availability and costs, improves process efficiency and enhance the quality of our products.





## Our Manufacturing Footprint



### Roorkee, Uttarakhand

#### Product Focus

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



### Urse, Pune, Maharashtra

#### Product Focus

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



### Pimpri, Pune, Maharashtra

#### Product Focus

Telephone cables; winding wire for pump-set industry



### Verna, Goa

#### Product Focus

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



### Ponda, Goa

#### Product Focus

Copper rods

# CHAIRMAN'S MESSAGE



## Dear Shareholders,

I hope that you and your families are safe and well.

The year gone by was an extraordinary year marked by unprecedented challenges posed by the pandemic, supply chain disruptions caused by the Russia-Ukraine war, and volatility in commodity prices. Inflation pressures have heightened across geographies, and central banks are aggressively tightening liquidity conditions.

The Indian economy has demonstrated its robust fundamentals to the world. Pragmatic policy interventions along with successful vaccination programs have propelled the economic growth, resulting in a solid 8.7% GDP growth in FY 2021-22 and has paved the way for accelerated growth in the future. Increasing government funding in public infrastructure and domestic manufacturing is expected to encourage growth and attract private investment through a strong multiplier effect in the industry.

In the face of massive challenges and disruptions in the operating environment, we stayed focussed on strengthening our business and positioning it for faster growth. We have enhanced our focus on cost optimisation, process efficiency, and new product development. Strategic steps are also being undertaken to ensure our continued competitiveness, financial resilience, and business continuity. At the same time, we continue to expand our distribution presence and drive greater focus on consumer engagement and brand recall.





**In the face of massive challenges and disruptions in the operating environment, we stayed focussed on strengthening our business and positioning it for faster growth. We have enhanced our focus on cost optimisation, process efficiency, and new product development.**

Our well-spread distribution network has been our driving force in fulfilling varied customer demands across the country. Our strategic initiatives have enabled us to build a network of more than 5,000 channel partners and more than 1,50,000 retail counters across 773 districts of India, thereby creating a unique market presence across small and big Indian cities alike. In addition, we are also looking at spreading awareness of our products and incentivising channel partners to attract customers with more ease and speed.

To support our growth ambitions, we continue to invest in increasing our capacity. Our capex plan of Rs. 200 Crores over the next year remains unabated. Our conduit plant in Goa is fully operational and has started clocking revenues. The construction of electron beam cured cables plant in Pune will serve the renewable energy sector as well as construction and automobile segments. Plans on the anvil also include setting up a new line to make tinned copper and foray into instrumentation cables.

Notwithstanding the near-term challenges, the medium and long-term demand prospects for our products and industry remain robust. India's favourable demographics, growing urbanisation, and rising discretionary incomes will drive the household consumption for consumer appliances products. Growing work-from-home trend is expected to further augment the demand for smart and convenient electrical products.

While challenges and disruptions have made our path complex, we have imbibed many learnings from this experience and have made better practices in the new normal. This has enabled us to emerge as a stronger and more resilient company.

**To support our growth ambitions, we continue to invest in increasing our capacity. Our capex plan of Rs. 200 Crores over the next year remains unabated.**

The investments made by the Company in the areas of brand visibility, product development, distribution network, and technology infrastructure will be a source of competitive advantage, enabling us to capitalise on the emerging opportunities and take the organisation to greater heights.

We are now primed and totally ready to drive a stronger and prosperous future.

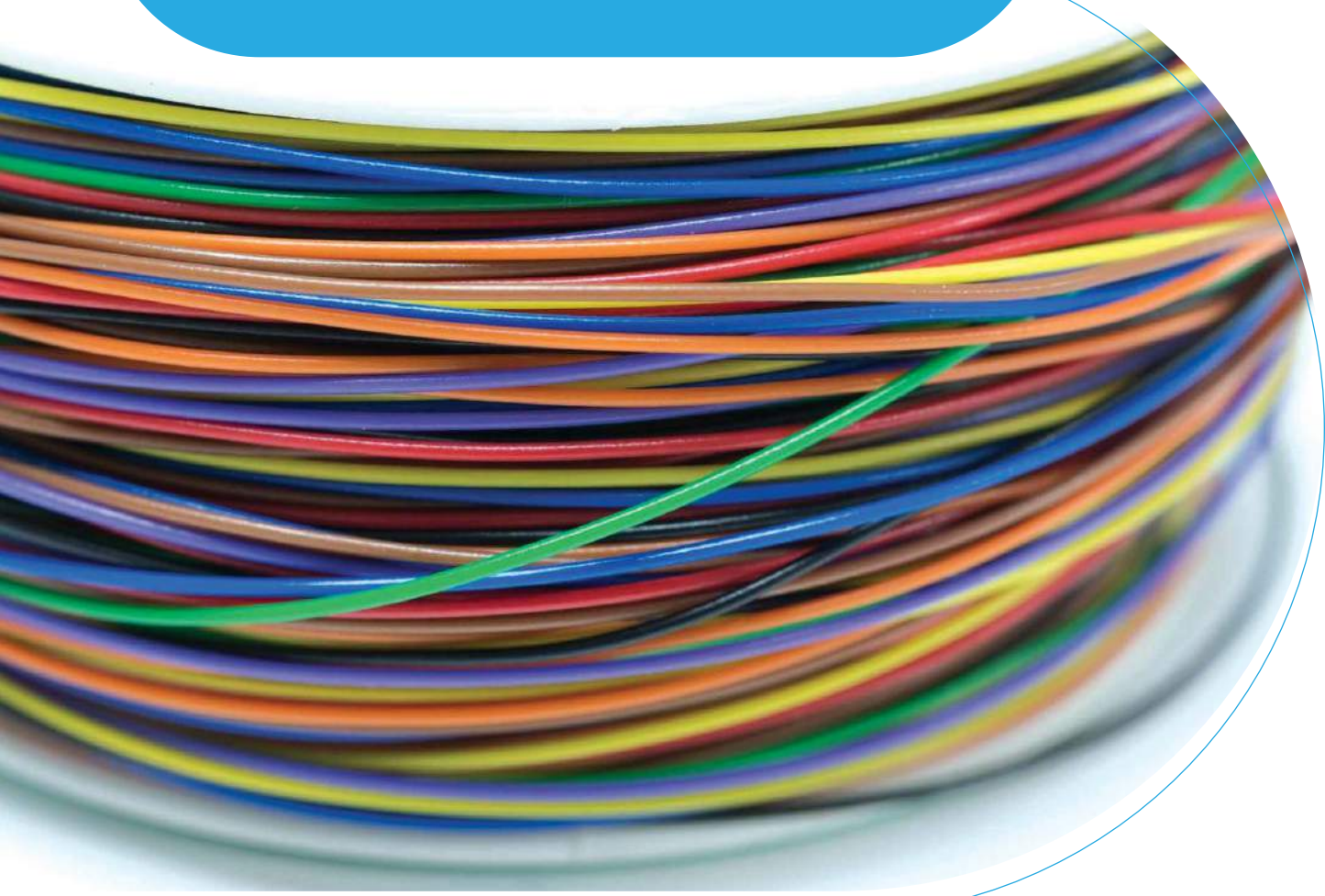
I would like to thank all our stakeholders, including customers, bankers, financial institutions, channel partners, business associates, suppliers, and, most importantly, our employees for their continued trust and support. With enhanced strengths and capacities, I believe that we are fundamentally strong and better placed to deliver sustainable value in the years ahead.

Warm Regards,

**D.K. Chhabria**  
Executive Chairman

# Forging Ahead BY EXPANDING CAPABILITIES

Over the course of our glorious journey, we have stayed focussed on growing our market reach, expanding capacities, enhancing capabilities and efficiencies, and diversifying revenues. A combination of these efforts enables us to maintain our leadership position and forge ahead with strength and optimism.





### Enhancing our distributor network

With the objective of penetrating further into the markets and enhancing our presence across newer territories, a two-tier network of distributors and retailers has been formed over the past few years. Every distributor is allocated a territory comprising about 400 retail counters and various initiatives are implemented to deepen Finolex's connect with distributors and retailers. This strategy has helped us build an army of more than 5,000 channel partners and more than 1,50,000 retail counters across 773 districts of India, thereby creating a unique market presence across small and big Indian cities alike. Subsequently, initiatives are also being taken to spread awareness and create a market pull for our products, enabling our channel partners to attract customers with more ease and speed.

### Bolstering capabilities

We are sharply focussed on expanding our capacities and investing in backward integration to cater to the evolving customer requirements and further diversify our business. Our robust manufacturing infrastructure provides us a locational advantage to ensure timely delivery of products pan-India while de-risking our operations.

Following the easing of restrictions and normalcy in economic activities, we are working towards restoring construction speed of our capacity expansion programs. We have multiple projects, one of which is at Goa to

manufacture electrical conduits which has commenced operations. We have also commenced construction of a plant for the manufacture of solar cables in Pune which will serve the renewable energy sector as well as construction and automobile sectors. We are also installing a new line to make tinned copper and foray into instrumentation cables, which will also strengthen our backward integration.



# Rs. 200 Crores

Planned capex over the next year

### Diversifying revenue

Diversification of business is another important strategy to capitalise on the high growth opportunities and insulate us from downturn in a particular segment. Over 85% of our revenue is generated from electrical wires and cables, while communication cables and electrical appliances products constitute 10% and 5% of the revenue, respectively. Moving forward, we strive to de-risk our business and generate higher revenues from consumer electrical products.





# Forging Ahead

## BY STRENGTHENING INNOVATION & NEW PRODUCT DEVELOPMENT

**Finolex Cables’ sustained growth is underpinned by its consistent focus on innovation in products, technologies, processes, and services. Keeping innovation at the forefront of our key business decisions enables us to launch new and more relevant products, drive greater efficiencies, and keep pace with the emerging trends. Together, these strengthen our business, expand our market share, and help us enjoy a strong brand recall.**

### Innovation-led Portfolio

While we are widely acclaimed for our extensive product portfolio positioning us as a premium brand in the wires and cables segment, our recent diversification in the FMEG segment is a testament to our strong focus on innovation and new product launches. This has enhanced our market reach and established us as a strong player in the B2C segment apart from being a renowned name in the B2B industry. Our FMEG products, with their innovative designs, modern styles, superior aesthetics, and excellent performance, are steadily gaining traction, making us a common name in Indian households.

### New Product Launches

#### Launch of room heaters

We forayed into the room heater category with a range of six high-performance aesthetically designed variants. Developed with extensive engineering to provide reliable service, our new range of heaters was launched with distinct features such as oil filled, quartz tube, fan blower, convector and halogen with a wattage range from 400W to 2500W. With these new launches, we intend to provide convenience and warmth to customers from the comfort of their homes.







### Launch of decorative fans

During the year, we launched decorative ceiling fans in the premium and popular segments. The new Boomerang ceiling fan comes with new-age ABS blades to improve the style statement of the house while delivering enhanced functionality. Its 3D aerodynamic design ensures that it provides air thrust farther and wider to cover a greater area. The rust-free blades are made of high-quality premium materials, thus eliminating the cumbersome peeling that can affect fans after prolonged usage. This quiet and virtually noiseless fan helps consumers enjoy relaxing moments at home.

In the popular range, Flyento & Torrence Deco ceiling fans were also introduced. Their sleek and minimalist design comes with metal finish embellishments. These fans come with blades with ribbed design to deliver higher air over larger area and stylish cuts on the blade which enhances beauty of the fan.



### Lighting Product Launches

We added a plethora of products to our innovative LED lighting range during the year. New launches include spotlight variants like DOB Cabinet Lights, Striker Spot Lights, LED Spot Down lights that can be installed at home or offices, in kitchen bedrooms or bathrooms depending on the exact requirement. Customers were encouraged to explore and instal them in a line or a uniform pattern or used sparingly within the room to light up alcoves and in areas that would benefit from task lighting such as kitchen counters or maybe a cupboard.

Further, we have also introduced Junction Lights, Double Colour panels and Tri Colour panels to meet the needs of new-age customers.



Product Portfolio

Wires & Cables

Light Duty Cables



FR PVC Insulated Industrial Cables



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



3 Core Flat Cables

Communication Cables



CCTV Cable



CAT6 LAN Cable



Optic Fiber Cable



RG6 Coaxial Cable



Speaker Cable



Telephone Cable

Power Cables



Power & Control Cables

Conduits & Fittings



Conduit



Inspection Bend



Circular Box - Tee



Coupler

Lighting Products



COB Downlight



LED Bulb



LED PC Panel Square



LED Street Light



2W Cabinet Light - Round



Flicker Control Concealed Light



LED Spot Light



Track Light



Fans



Boomerang NS Pedestal Fan



Boomerang NS Table Fan



Boomerang NS Wall Fan



Finfresh - Smasher



Fleenor Ceiling Fan



Flyneto Ceiling Fan



Cupid Anti-Bacteria Anti-Dust Fan

Water Heater



Alessandro Instant Water Heater & Immersion Rods

Switchgear



Phase Selector DB



SP MCB



4 Pole RCCB



DP MCB Isolater



FP MCB



FP MCB



Single door SPN DB

Accessories



Ding Dong Bell Selfie



3 Pin Multiplug



Fancy Batten Holder



Spike Guard



PVC Insulation Tape



Extension Board



32A Surface DP

# Forging Ahead BY INCREASING BRANDING & MARKETING ACTIVITIES

**Our aggressive branding and marketing activities in addition to consistent network expansion have enabled us to position ourselves as a consumer-validated superbrand. With accelerated visual and digital marketing spends, we enjoy a strong brand recall across cables and wires portfolio and are making steady progress in the consumer electronics segment.**

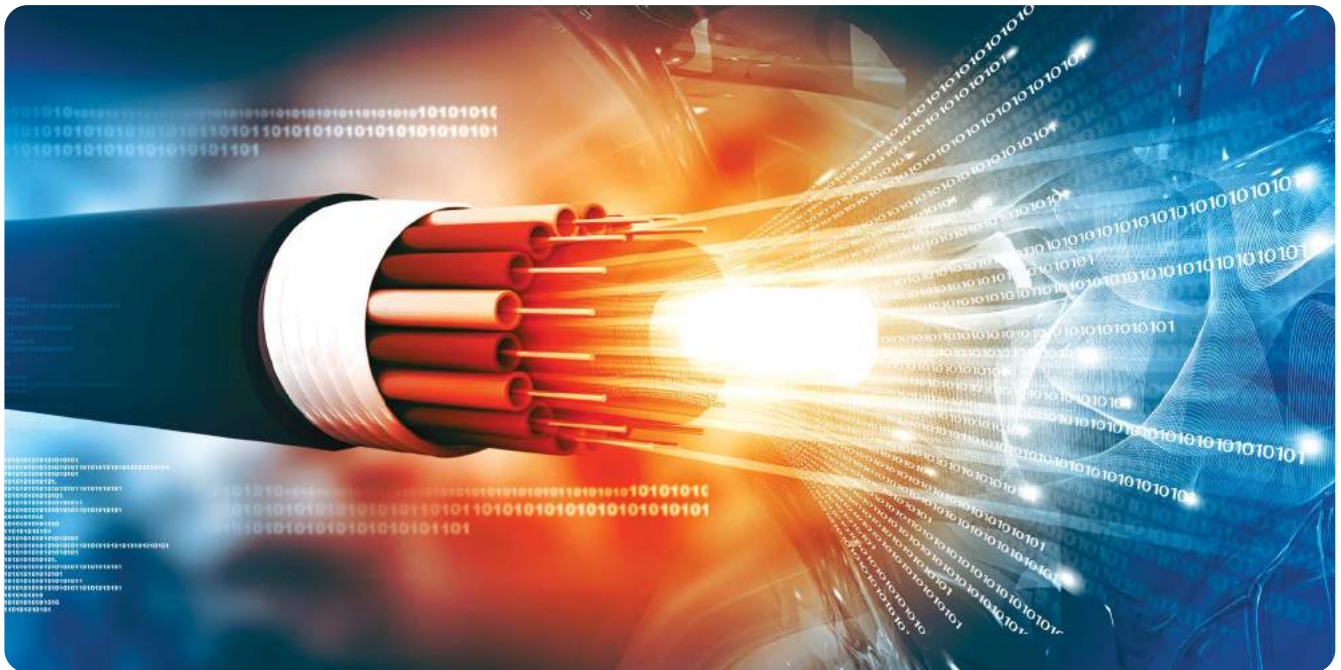
### Growing channel partner reach

Motivating our channel partners remains an effective strategy to position ourselves as a premium brand and expand our market reach. Lucrative incentive schemes backed by ambitious targets were launched during the year which showed excellent outcomes.

We are constantly refining our distribution strategy as we intend to increase our market share in the wires and cables and FMEG categories. We regularly encourage our channel partners to market and retail our complete bouquet of products.

We have implemented a two-tier distribution system, wherein the distributor ends up feeding 200-300 retail counters. We have expanded our retail coverage from 90,000 to 1,50,000 touchpoints and intend to reach 1,70,000 in the coming year.

We have identified the need to be present in 600 out of total 773 districts in the country. By the end of the year, we had ensured that the Finolex products were distributed and sold in 554 districts. We have received encouraging response received from the semi-urban and rural areas and intend to further enhance presence in these markets.



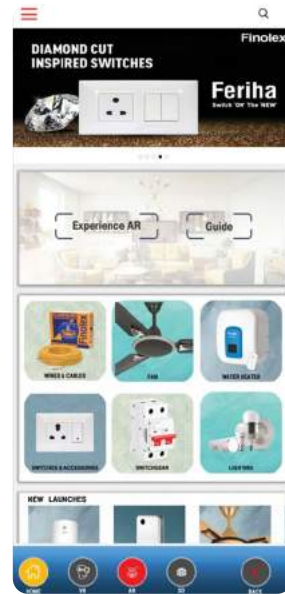




## Elevating consumer experience through digital activities

Over the past few years, we have consistently grown our reach and consumer connect through aggressive promotion campaigns, branding and marketing activities, and sponsorships. We also undertake various above-the-line and below-the-line advertisement and promotion activities to increase our customer connect.

Our brand communication strategies encompass digital and social media channels to ensure marketing effectiveness. Further, we have stepped up our digital marketing and social media campaigns to reach out to our target audiences and deliver a unique experience.



## Awards & Accolades



Received the '**e4m Pride of India - The Best of Bharat**' Award, 2022 to celebrate and honour the brands built in Bharat for Bharat. This award is given to brands that have demonstrated leadership, strategic accomplishments, creativity, and constant innovation in their product, processes, and marketing practices,

and have set a benchmark in establishing a successful Indian brand.



Received the '**Maha brands of Maharashtra**' Award, in recognition of our contribution to providing impetus to the growth and industrialisation of Maharashtra.

## FINOLEX Documentary

During the year, the History TV18 & CNBC channel developed and aired a 22-minute documentary on '**The Finolex Story**' that was broadcasted across the TV18 network. This program took the viewers through the inception and history of Finolex Group and its growth plans for the coming years.

# Forging Ahead BY SEIZING OPPORTUNITIES

The improved operating environment combined with pent-up demand should boost the market growth for wires and cables. While the nation was rattled with the huge loss of lives caused by the pandemic, the situation is now under control and lockdowns have been eased with focus on accelerating vaccine rollout, strengthening of infrastructure, and revival in consumer confidence.





### Exploring massive opportunities

Increasing projects in areas of roads and highways, railways, power transmission and distribution, airports, and solar power, among others, will spur infrastructure and construction activities. Further, the Government has extended its Rs. 111 Lakh Crore (\$ 1.5 Trillion) National Infrastructure Pipeline, which is an umbrella program integrating multi-sector infrastructural projects, to cover more projects by 2025. The Production-Linked Incentive (PLI) Scheme will further encourage private players to enhance their domestic manufacturing capabilities. Moreover, focus on 100% electrification of existing railway network, rural electrification schemes, public charging infrastructure, growing demand for telecom and high-quality broadband services and laying optical fiber cables across the nation under Bharat Net project, and Smart city projects are some of the key factors which will augment the demand for cables and wires in India.

Further, the consumer electricals industry holds significant potential given India's huge consumption demand and growing shift towards branded products. A strong revival

in the housing market, consumer preference towards bigger and comfortable houses in a work-from-home (WFH) scenario, premiumisation and under penetration in many product categories have set the tone for a sustainable growth story for the FMEG industry.

### Our Strategy

Our robust distribution network, proven capabilities, and strong brand positioning puts us in a sweet spot to capitalise on the thriving opportunities and drive a stronger future. Our wide offerings in cables and wires segment suit diverse domestic and industrial requirements. Our strategic foray into consumer electricals segment is in line with our aim of becoming a complete electrical products company and strengthen our B2C business.

We continue to aggressively expand our capabilities and capacities, widen retail footprint, enhance brand pull and customer engagement to augment our market positioning and scale consistent growth.





# DRIVING STRONGER IMPACT IN OUR COMMUNITIES

**As a responsible corporate, we endeavour to achieve holistic development of the communities in which we operate and improve the livelihoods of the marginalised and vulnerable sections. Our dedication to creating value for stakeholders is evident in our meaningful and purposeful community development projects.**

Education, healthcare, women empowerment, and environment protection form the most important focus areas.

### Major activities:

- Partnered with reputed NGOs to assist farmers' children during severe floods and drought
- Extended medical care and facilities to children suffering from H-1B diabetes
- Contributed to Agriculture and Education Development for Research and AI Engineering in agriculture to increase mechanisation and product development for local farming needs
- Provided ambulance and medical equipment for emergency medical care of unprivileged people
- Provided assistance to a non-profit research organisation in the field of research and social welfare for the benefit of the society
- Supported in betterment of school and classroom infrastructure across schools in various states
- Contributed to Augment Health Care Infrastructure for various community healthcare institutions
- Donated patient transport ambulance to Sadhu Vaswani, a mission free health clinic at Lonavala, Maharashtra and neighbouring villages
- Donated sonography machine and computerised radiography X-ray machine for the marginalised masses







# FINANCIAL SCORECARD FOR TEN YEARS

(Rs. in Crores)

	IGAAP				Ind-AS					
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>PROFIT AND LOSS ACCOUNT DATA</b>										
Gross Revenue *	2,447.7	2,558.3	2,633.3	2,676.5	2,771.0	3,011.6	3,199.6	3,049.2	2,845.1	<b>3,919.9</b>
Materials and Manufacturing Cost (Including Excise Duty)	1,904.1	1,973.1	1,998.3	1,960.8	1,952.8	2,103.3	2,264.9	2,083.4	2,051.4	<b>2,966.3</b>
Employee cost	84.6	84.8	94.0	107.6	119.2	135.5	140.7	149.5	137.9	<b>146.1</b>
Depreciation	46.6	48.4	64.0	57.2	48.0	43.8	40.6	38.9	39.0	<b>38.8</b>
Interest and Finance charges	13.4	14.5	13.6	9.5	4.3	1.4	0.9	1.6	0.7	<b>1.5</b>
Other Expenses	228.2	193.5	200.2	205.1	227.3	223.2	220.6	274.5	223.9	<b>240.6</b>
<b>Profit Before Tax</b>	<b>170.8</b>	<b>244.0</b>	<b>263.1</b>	<b>336.3</b>	<b>419.3</b>	<b>504.5</b>	<b>531.9</b>	<b>501.3</b>	<b>392.1</b>	<b>526.6</b>
Taxation	25.5	36.3	64.5	87.6	103.4	146.3	187.8	98.9	109.2	<b>122.0</b>
<b>Profit After Tax</b>	<b>145.3</b>	<b>207.7</b>	<b>198.6</b>	<b>248.8</b>	<b>315.9</b>	<b>358.2</b>	<b>344.1</b>	<b>402.5</b>	<b>282.9</b>	<b>404.6</b>
Other Comprehensive Income	-	-	-	-	3.8	13.5	(24.6)	(40.6)	33.3	<b>(7.4)</b>
Total Comprehensive Income for the year	-	-	-	-	319.7	371.7	319.5	361.9	316.2	<b>397.2</b>
Dividend (Including Tax on Dividend Distribution if applicable) **	21.4	28.6	33.1	46.0	55.2	73.6	83	84.1	84.1	<b>91.7</b>
<b>BALANCE SHEET DATA</b>										
Share Capital	30.6	30.6	30.6	30.6	30.6	30.6	30.6	30.6	30.6	<b>30.6</b>
Reserves	893.7	1,072.8	1,234.2	1,437.0	1,846.9	2,163.3	2,409.1	2,688.0	2,920.1	<b>3,233.2</b>
Net Worth	924.3	1,103.4	1,264.8	1,467.6	1,877.4	2,193.9	2,439.7	2,718.6	2,950.7	<b>3,263.8</b>
Loan Funds	180.6	147.0	126.7	51.2	-	-	-	-	-	<b>-</b>
Other Liability	-	-	-	-	6.6	7.5	9.8	18.2	16.2	<b>16.6</b>
Deferred Tax (Net)	34.5	29.5	30.0	23.0	18.9	34.9	58.3	36.1	34.1	<b>26.1</b>
<b>Total Liabilities</b>	<b>1,139.4</b>	<b>1,279.9</b>	<b>1,421.5</b>	<b>1,541.8</b>	<b>1,903.0</b>	<b>2,236.4</b>	<b>2,507.8</b>	<b>2,772.9</b>	<b>3,001.0</b>	<b>3,306.5</b>
Gross Block	977.7	1,072.8	1,096.0	1,107.4	1,148.5	1,181.2	1,213.8	1,238.6	1,293.5	<b>1,315.2</b>
Net Block	460.7	507.4	470.4	424.8	414.9	414.2	414.6	404.5	411.9	<b>456.4</b>
Investments	324.1	403.1	494.2	619.5	895.9	1,214.8	1,381.8	725.9	937.2	<b>1,120.5</b>
Net Current Assets	354.6	369.4	456.9	497.5	592.2	607.4	711.4	1,642.5	1,651.9	<b>1,729.6</b>
<b>Total Assets</b>	<b>1,139.4</b>	<b>1,279.9</b>	<b>1,421.5</b>	<b>1,541.8</b>	<b>1,903.0</b>	<b>2,236.4</b>	<b>2,507.8</b>	<b>2,772.9</b>	<b>3,001.0</b>	<b>3,306.5</b>
<b>KEY RATIOS</b>										
Growth in Revenue (%)	10.3	4.5	2.9	1.6	3.5	8.7	6.2	(4.7)	(6.7)	<b>37.8</b>
PAT to Revenue (%)	5.9	8.1	7.5	9.3	11.5	12.3	10.0	11.9	11.1	<b>10.7</b>
Return on Net Worth (%)	15.7	18.8	15.7	16.9	16.8	16.3	14.1	14.8	9.6	<b>12.4</b>
Earnings per Share Rupees (for face value of Rs. 2/- each)	9.5	13.6	13.0	16.3	20.7	23.4	22.5	26.3	18.5	<b>26.5</b>
Asset Turnover Ratio (Revenue to Total Assets)	2.1	2.0	1.9	1.7	1.5	1.3	1.3	1.1	0.9	<b>1.2</b>
Return on Capital Employed (%)	17.1	21.3	21.9	23.6	22.6	22.6	21.3	18.1	13.1	<b>16.0</b>
Debt to Equity Ratio	0.2	0.1	0.1	0.03	-	-	-	-	-	<b>-</b>
Payout Ratio (incl. Dividend Tax) Distribution to PAT (%)	14.7	13.8	16.7	18.5	17.5	20.6	24.1	20.9	29.7	<b>22.7</b>
Interest Coverage Ratio	10.8	14.3	14.6	26.2	73.6	248.7	374.0	259.7	404.1	<b>266.2</b>
Operating Profit Margin (%)	22.2	22.9	24.1	26.7	29.5	30.2	29.2	31.7	27.9	<b>24.3</b>
Net Profit Margin (%)	5.9	8.1	7.5	9.3	11.4	11.9	10.8	13.2	9.9	<b>10.3</b>

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

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



# CORPORATE INFORMATION

## Board of Directors

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

**Mr. Ratnakar Prakash Barve**  
Executive Director - Operations

**Mr. Zubin Framroze Billimoria**  
Independent Director

**Mr. Sriraman Raghuraman**  
Independent Director

**Mrs. Vanessa Singh**  
Independent Woman Director

**Mr. Nikhil Manohar Naik**  
Non-Executive Director

## Bankers

Central Bank of India  
Union Bank of India  
State Bank of India  
ICICI Bank Ltd.  
HDFC Bank Ltd.  
Axis Bank Ltd.

## Chief Financial Officer

**Mr. Mahesh Viswanathan**

## Company Secretary and President (Legal)

**Mr. Richard George D'Silva**

## Auditors

**Deloitte Haskins and Sells LLP**  
Chartered Accountants

## Cost Auditors

**Joshi Apte & Associates**  
Cost Accountants

## Secretarial Auditors

**Jog Limaye & Associates**  
Company Secretaries

## Juris Corp

**Solicitors & Advocates**

## Registered Office

26-27, Mumbai-Pune Road,  
Pimpri, Pune - 411 018, India  
Tel: 020-27506200/27475963  
CIN: L31300MH1967PLC016531



# Board's Report

## To the Members,

Your Board of Directors have pleasure in presenting the 54<sup>th</sup> Annual Report and Audited Accounts of the Company for the Financial Year ended March 31, 2022.

## Financial Results

The summarized financial results for the year are as under:

(Rs. in Crores)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2021-22	2020-21	2021-22	2020-21
<b>INCOME</b>				
Revenue From Operations (Net)	3768.1	2768.1	3768.1	2768.1
Other Income	151.8	77.0	71.5	77.0
<b>Total</b>	<b>3919.9</b>	<b>2845.1</b>	<b>3839.6</b>	<b>2845.1</b>
<b>EXPENDITURE</b>				
Material Costs	2,966.3	2,051.4	2,966.3	2,051.4
Employee Benefit Expenses	146.1	137.9	146.1	137.9
Finance Costs	1.5	0.8	1.5	0.8
Depreciation, Amortization and impairment	38.8	39.0	38.8	39.0
Other Expenses	240.6	224.0	227.3	208.6
<b>Total</b>	<b>3,393.3</b>	<b>2,453.0</b>	<b>3380.0</b>	<b>2,437.7</b>
Profit Before Tax	526.6	392.1	459.6	407.5
Share of Net Profits of an Associate and Joint Ventures accounted for using equity Method	-	-	327.0	223.4
<b>Profit Before Tax</b>	<b>526.6</b>	<b>392.1</b>	<b>786.6</b>	<b>630.9</b>
<b>Tax Expenses:</b>				
Current Tax	127.9	112.6	127.9	112.6
Deferred Tax	(5.9)	(3.4)	59.6	56.8
Total Tax	122.0	109.2	187.5	169.4
<b>Profit After Tax</b>	<b>404.6</b>	<b>282.9</b>	<b>599.1</b>	<b>461.5</b>
<b>Total Other Comprehensive Income/(Expenses) For the year</b>	<b>(7.4)</b>	<b>33.3</b>	<b>(7.4)</b>	<b>33.5</b>
<b>Total Comprehensive Income for the year</b>	<b>397.2</b>	<b>316.2</b>	<b>591.7</b>	<b>494.9</b>

## Economic Review

### Global Economy

After the pandemic-related disruptions and deep recession in 2020, the global economy was seen recovering in the year 2021. However, the emergence of newer Covid variants and the Russia-Ukraine crisis led to extensive loss of lives and derailed the economic recovery. Global growth is projected to decline from 6.1% in 2021 to 3.6% in 2022 and 2023. Moreover, at the end of 2021, inflation in several regions surged to multi-decadal highs. A key driver of inflation across

the world has been the steep surge in energy, food, and commodity prices.

Growth across Advanced Economies (AEs) is expected to moderate to 3.3% in 2022 from 5.2% in 2021. Rising inflation and gradual withdrawal of fiscal and monetary policy support have been dragging growth in the United States (US). The rebound that was underway in Europe has suffered a setback due to the Russia-Ukraine conflict with inflation at unpredictable levels. Emerging Markets and Developing





Economies (EMDEs) are expected to record a growth of 3.8% as against 6.8% growth registered in 2021. Developments in China continue to dominate the outlook for Asia, especially for emerging Asia. The risk of new COVID-19 variants and consequent lockdowns in China has led to mobility restrictions, supply chain disruptions, and subdued consumption. Central banks worldwide have started tightening their stances in the second half of 2021 in response to adverse macroeconomic conditions, including rising inflationary pressures.

Source: IMF World Economic Outlook April 2022

### Indian Economy

India's underlying economic fundamentals remain strong and despite the short-term turbulences caused by the emergence of newer variants, supply-chain disruptions arising out of the Russia-Ukraine crisis, and rising inflation, the impact on the long-term outlook will be marginal. The results of growth-enhancing policies and schemes such as production-linked incentives and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity and efficiency—all leading to accelerated economic growth. As per International Monetary Fund (IMF), India's Gross Domestic Product (GDP) grew by 8.7% in FY 2021-22, and growth is expected at 8.2% in FY 2022-23. The ongoing vaccination drives, restart of investment cycle with significant spending on infrastructure, emphasis on manufacturing and stronger digitisation and continued recovery in consumption, accentuated by work-from-home along with rising rural incomes and affordability will drive significant growth in the Indian economy.

Huge government funding in public infrastructure, thrust on railway infrastructure, higher allocation towards affordable housing - are all expected to encourage growth and attract private investments through a strong multiplier effect in the industry. However, supply-side bottlenecks persist with elevated commodity costs and oil prices. The availability of budgetary space to ramp up capital spending, advantages from supply-side reforms, and continued export growth will stimulate growth in FY 2022-23.

Source: IMF World Economic Outlook April 2022

### Performance of the Company

Finolex registered total revenue of Rs 3768.1 crore in FY 2021-22 as against Rs 2,768.1 crore in the previous year, registering a 36.1 % YoY growth in value terms. While part of the growth resulted from commodity price increases, volume growth came in due to support from various reforms undertaken by the government, such as significant increase in capital expenditure on infrastructure, thrust on domestic manufacturing and technology-enabled development, and recovery in consumer demand among others.

The segment-wise revenue growth was:

Electrical Cables by 38.2%

Communication Cables by 18.1%

Other products segment registered a growth of 55.2%

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

### Exports:

Exports stood at Rs 27.6 crores as against Rs 30.9 in the previous year, reflecting lower economic growth in the export markets for your Company's products as well as supply chain issues still being faced on shipping availability etc.

### 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 rated your Company's long term debt offerings at AA+/stable. During the year, no debt papers were issued. As on the date of this report, your Company continues to remain debt free.

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

### Dividend

Based on the Company's performance, the Directors are pleased to recommend a Dividend of Rs. 6.00 per equity share i.e., 300 % 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. 91.77 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 <https://finolex.com/wp-content/uploads/2017/04/Dividend-Distribution-Policy.pdf>.

### Transfer to Reserves

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

### Fixed Deposits

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

### Change in Nature of Business

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

### Expansion

As reported in the previous year, your Company had committed a capex of Rs.200 crore over 18 months for enhancing manufacturing capabilities at Urse and Goa. This capex is directed towards enhancing production capabilities to meet the requirements of the Construction, Solar Power and the Automotive industries, bringing in-house certain value additions which were outsourced earlier and further expansion of the Optic Fiber line. Expansion work is in progress and certain lines will go on stream in Q2 of 2022-23.

### 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

As reported during the year, your Company and the JV partner M/S Corning France SAS, have reached an agreement to wind up the JV in view of the fact that the purpose for which the JV had been originally formed had been achieved and that the relationship between the partners had reached a level of maturity that a JV structure was not felt necessary any longer. Consequently, the JV has applied for voluntary liquidation and the process of winding up has commenced. It is expected that subject to regulatory approvals, this process would be completed by December 2022 at which point in time the available surplus with the JV would be distributed.

### Finolex J-Power Systems Limited

The Government has been vocal and visual with its progressive outlook towards the infrastructure development initiatives such as smart cities, economic corridors, logistics park, housing projects, metros etc., and power infrastructure plays an imminent role in such development. With the increasing number of tenders for High Voltage (HV) and Extra High Voltage (EHV) power transmission lines, the JV foresees great potential for growth.

Based on its performance and outreach, it is expected that the JV will be able to break even as well as become profitable going forward; however, it would need financial support through Equity infusion in the short term. There was no capital infusion during the year and the Company's total participation in the JV remains at Rs. 220.5 Crores at the end of FY 2021-22.

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. 9.8 Crores during the year under review. The Company however is confident that the JV will be turning cash positive in the coming years.

### Particulars of Employees

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

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

### Key Managerial Personnel

The following persons continued as Key Managerial Personnel during the year 2021-22.

Name	Title
Mr. D K Chhabria	Executive Chairman
Mr. Ratnakar Barve	Executive Director
Mr. Mahesh Viswanathan	Chief Financial Officer
Mr. R G D'Silva	Company Secretary & President (Legal)

### Human Resources

The Company engaged approximately 1589 and 1649 permanent employees as at 31<sup>st</sup> March, 2022 and 2021, respectively. The number of flexible (contractual, trainee and temporary) employees as at 31<sup>st</sup> March, 2022 was 1413.

### Corporate Governance

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



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

### Corporate Social Responsibility

Your Company strives to provide best products and services not only to its customers, employees, shareholders and society as a whole. Your Company commits itself to utmost care and help for sections of the society in need of such a hand and this is visible through the CSR initiatives undertaken by the Company.

During 2021-22, The Company undertook the following CSR activities:

- Donation to Agricultural Development Trust, Pune
- Donation to Maharaja Jagat Singh Medical Relief Society
- Donation to ABMM Maheshwari Relief Foundation – Mumbai
- Donation to IIME - International Institute of Management & Entrepreneurship - Jaipur
- Free OPD Medical centre in Khandala, Pune through Sadhu Vaswani Mission
- Project for helping Diabetic and needy children
- Medical Ambulance for below poverty line people
- Helping children of farmer who had committed suicide due to droughts through Snehawan
- Others

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

1. The current Board of Directors of the Company comprises 6 (Six) Directors, of which 3 (Three) Directors are Additional Directors appointed as Independent Directors, 2 (Two) Directors are Additional Directors appointed as Non-Independent Directors and 1 (One) Director is the Executive Chairman of the Company. In terms of Section 152 of Companies Act, 2013 (the "Act") read with applicable provisions of the Articles of Association ("AoA") of the Company, Independent Directors and Directors who are appointed as Chairman, Executive Chairman or Managing Director of the Company are not liable to retire by rotation. Further, the offices of Additional Directors appointed by the Board of Directors are valid upto ensuing AGM and their

appointment as Directors is subject to the approval of Members of the Company in the said AGM. Therefore, there is no Director who is liable to retire by rotation in this AGM.

2. Mr. Padmanabh Barpande, Mr. Avinash Khare, Mrs. Firoza Kapadia, Mr. Prasad Deshpande and Mr. Sunil Upmanyu, Directors had offered themselves for appointment at the AGM held on 29<sup>th</sup> September, 2021 but even though the majority of numbers of shareholders voted in favour of the said resolutions, two major Corporate Shareholders voted contrary to the mandate in their constitutional documents/concluded contractual commitments and voted against the resolutions at the said AGM. The clarification in this regard is given under point no. 2.1 in Corporate Governance Report at Annexure B.
3. The following Directors on the Board of Directors of the Company (the "Board") namely: Mr Ratnakar P Barve, Executive Director - Operations, Mr Zubin F Billimoria, Independent Director, Mr Sriraman Raghuraman, Independent Director, Mrs Vanessa Singh, Independent Women Director and Mr Nikhil M Naik, Non Independent Non-Executive Director hold office with effect from 30<sup>th</sup> September, 2021 upto the date of the ensuing AGM of the Company. The respective resolutions proposing the appointment of each of these five Directors has, pursuant to the recommendation of the Nomination and Remuneration Committee been duly approved and recommended by the Board for consideration and due approval of the Members at ensuing AGM and is included in the Notice issued for ensuing AGM.

The requisite details regarding their appointment are set out in the Notice for the ensuing AGM.

### 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 Return of the Company is available at the Company's website at [www.finolex.com](http://www.finolex.com)
- **Number of meetings of the Board:** The Board met on Six (6) occasions during the year. The details of the meetings are furnished in the Report on Corporate Governance which is attached as Annexure B to this Report.
- **Directors' Responsibility Statement:** Pursuant to Sections 134(3)(c) and 134 (5) of the Companies Act, 2013, (the "Act"), the Directors, to the best of their knowledge and belief and according to the information and explanations provided to them, confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
  - the Directors have selected such accounting policies and applied them consistently and made judgements 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:** Pursuant to the relevant provisions of Companies Act, 2013, the Independent Directors at their meeting dated 29<sup>th</sup> March, 2022 without the participation of the non-independent directors and Management, considered and evaluated the Board's performance, performance of the Chairman and other non-independent directors. The evaluation was performed taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The Board of Directors expressed its satisfaction with the evaluation process.
  - **Particulars of loans, guarantees or investments under section 186 of The Companies Act, 2013:** During the year, no further equity investment in the Company's JV - M/s Finolex J-Power Systems 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 and Note 35A 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](http://www.finolex.com).
  - **Material changes and commitments affecting the financial position of the Company which have occurred between 31<sup>st</sup> March, 2022 and (date of this report):** There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (31<sup>st</sup> March, 2022) and date of this Report (28<sup>th</sup> May, 2022)
  - **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. Zubin Bilimoria, Mr. D. K. Chhabria, Mr. Mahesh Viswanathan, Mrs. Vanessa Singh and Mr. Ratnakar Barve. 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) Rules, 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](http://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, Two complaints were received.

#### Auditors

M/s Deloitte Haskins & Sells LLP, Chartered Accountants will complete their present term on conclusion of the Fifty Fourth Annual General Meeting of the Company. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The Audit Committee and the Board has recommended the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants as Auditors of the Company, for a period of five consecutive years from the conclusion of Fifty Fourth Annual General Meeting till the conclusion of Fifty Ninth Annual General Meeting of the Company.

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

Necessary resolution is being placed before the Members for approval.

#### Cost Audit

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) rules of 2014 as amended from time to time, your Company has been carrying out an audit of cost records every year. 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 2021-22, at a remuneration of Rs. 5.5 lakh 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 2020-21 was filed prior to its due date.

#### Secretarial Audit

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

Their Report dated 21.05.2022 is attached as Annexure D to this report

#### Secretarial Standards

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

#### Listing of Securities

Your Company's equity shares are listed on the two premier stock exchanges of the country namely BSE Limited and National Stock Exchange of India Limited. Your Company had issued Global Depository Receipts which are listed on the Luxembourg Stock Exchange. Your Company has not issued any Non-Convertible Debentures ("NCDs") in financial year 2021-22 and no NCDs were outstanding as on 31<sup>st</sup> March 2022.

#### Energy, Technology & 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 44,995 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 Annexure may contain forward looking statements within the meaning of applicable Securities laws and regulations. Actual results could differ materially from those expressed or implied. Various factors including commodity prices, cyclical demand, changes in Government regulations, tax laws, general economic development could all have a bearing on the Company's operations and would impact eventual results.

#### Acknowledgements

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

For and on behalf of the Board of Directors

Place: Pune

Date: 28<sup>th</sup> May, 2022

**D. K. Chhabria**  
Executive Chairman

## Annexure A

# Management Discussion and Analysis

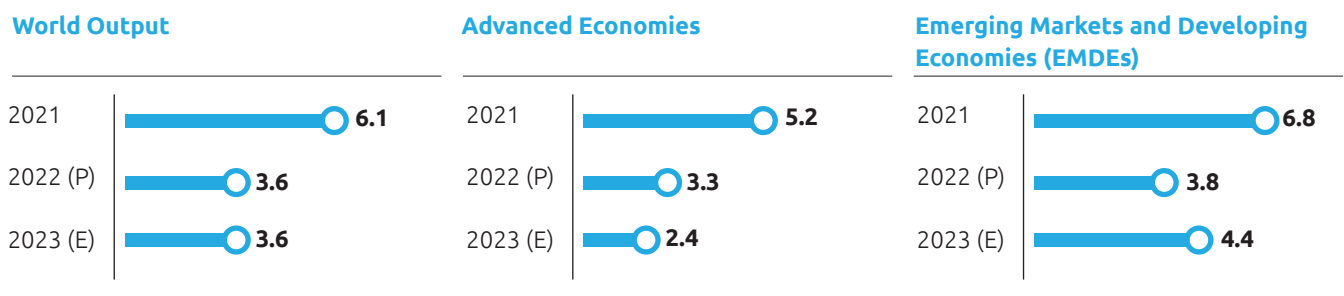
## Economic Review

### Global Economy Scenario

The global economy was seen recovering in 2021 after the high market volatility and deep recession in 2020. However, the ongoing Russia-Ukraine crisis led to extensive loss of lives, triggered the biggest refugee crisis in Europe and severely set back the global recovery. After a strong rebound in 2021, the economic indicators suggest that global activity has slowed. Global growth is projected to decline from 6.1% in 2021 to 3.6% in 2022 and 2023. This comes just as the threat from the Omicron variant appeared to be fading, with major economies of the world moving past the acute phase of the pandemic. At the end of 2021, inflation in several regions surged to multi-decadal highs. A key driver of inflation across the world has been the rapid surge in energy, food and commodity prices. However, a faster resolution of the war in Ukraine and strong policy support would lift confidence, ease pressure on commodity markets and reduce supply bottlenecks.

Growth across Advanced Economies (AEs) is expected to moderate to 3.3% in 2022 from 5.2% clocked in 2021. The US economic expansion has been facing headwinds from surging inflation and gradual withdrawal of fiscal and monetary policy support. The rebound that was underway in Europe has suffered a setback due to the Russia-Ukraine conflict with inflation at unpredictable levels. Emerging Markets and Developing Economies (EMDEs) are expected to grow at 3.8% as against 6.8% growth recorded in 2021. Developments in China continue to dominate the outlook for Asia, especially for emerging Asia. The risk of new COVID-19 variants in China has led to mobility restrictions and localised lockdowns, which has slowed private consumption. Emerging and Developing Europe, including Russia and Ukraine will see GDP contract significantly owing to higher energy prices and the disruption of trade. A few central banks have started tightening their stances in the second half of 2021 and others are expected to follow in response to domestic macroeconomic conditions, including rising inflationary pressures.

### Global Economic Growth: Actual and Projections (%)



P-Projections, E-Estimates

(Source: IMF World Economic Outlook, April 2022)

### Indian Economy Scenario

Following the second wave of the COVID-19 pandemic, India's economy was well on its way to recovery, with both the manufacturing and service sectors exhibiting consistent growth. However, the emergence of new COVID variants, supply-chain disruptions arising out of the Russia-Ukraine crisis, and more recently, weaker consumer demand owing to higher oil and food prices have been posing fresh challenges to economic development. As per IMF, India's Gross Domestic Product (GDP) grew by 8.7% in FY 2021-22, and growth is expected at 8.2% in FY 2022-23.

The Indian economy is expected to remain resilient despite the ongoing geopolitical conflicts, mainly due to the economy's inherent strengths, strong fundamentals and growth promising sectors. Growth will be supported by various dynamic reforms undertaken by the government, such as significant increase in capital expenditure on infrastructure, thrust on domestic manufacturing and technology-enabled development and recovery in consumer demand, among others.

(Source: IMF World Economic Outlook, April 2022)

**Outlook**

Huge government funding in public infrastructure, thrust on railway infrastructure, higher allocation towards affordable housing – are all expected to encourage growth and attract private investments through a strong multiplier effect in the industry. However, supply-side bottlenecks persist with rising international crude oil prices and growing raw material costs. The availability of budgetary space to ramp up capital spending, advantages from supply-side reforms and continued export growth will stimulate growth in FY 2022-23.

The series of reforms that started in 2014 led to increased capital flows over the years. Out of the total Institutional investment of \$ 62.8 billion from 2006 to March 2022, 58 percent was received from 2015 onwards. The key reforms like the introduction of REITs in 2014, the Real Estate and Development) Act (RERA) in 2016, the Benami Transactions (Prohibition) Act, GST and the progressive relaxation of foreign direct investment (FDI) norms over the years led to improved transparency, accountability, professional management, and development of markets for smoother entry and exit of capital.

The positive impact of the reforms resulted in investments to the tune of \$36.7 billion flowing into Indian real estate from 2015 to Q1 2022. The affordable housing segment which has seen a regulatory push in the last few years has seen focussed platforms accounting for an 18% share of the total announced,”

(Sourced: JLL India Real Estate Outlook 2022)

**Company Review**

Established in 1958, Finolex Cables Limited (hereinafter referred to as “Finolex” or “the Company”) is India’s largest and leading manufacturer of electrical and telecommunication cables. The Company has established a distinct mark in the industry as a manufacturer of the highest quality Cable and Wire (C&W) products. Robust manufacturing prowess, technical competence, and innovative capabilities underpin the operations of the Company. The Company’s foray into the Fast-Moving Electrical Goods (FMEG) segment is driven by its ambition of becoming a one-stop shop solution for all electrical products requirements and enhance its B2C presence.

The Company’s Goa plant manufactures Continuous Cast Copper Rods (CCC rods) that form a key raw material input for producing copper-based electrical and communication cables. Backward integration ensures greater control over the raw material costs and quality of the final products. While most of the production in Goa plant is used to fulfil the captive requirement of the Company, the surplus share is sold to third parties, results of which are covered under ‘Copper’ segment results. Consistent investments in technology upgradation and manufacturing capabilities enable the Company to produce high-quality products and adapt to the changing market dynamics.

**Major Products and Segments**

Finolex is widely recognised as a ‘Total Cable Solutions’ provider and caters to diverse electrical requirements of commercial, industrial and consumer markets through its wide range of electrical wires and cables. Furthermore, its FMEG product portfolio comprising LED lights, electrical switches, fans, water heaters, and switchgear is well-positioned to provide new growth opportunities to the Company.

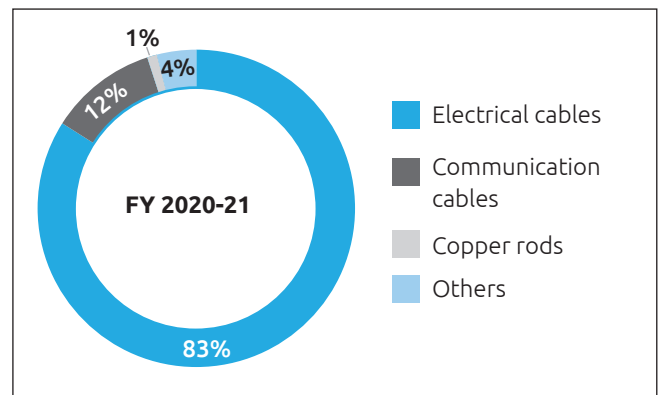
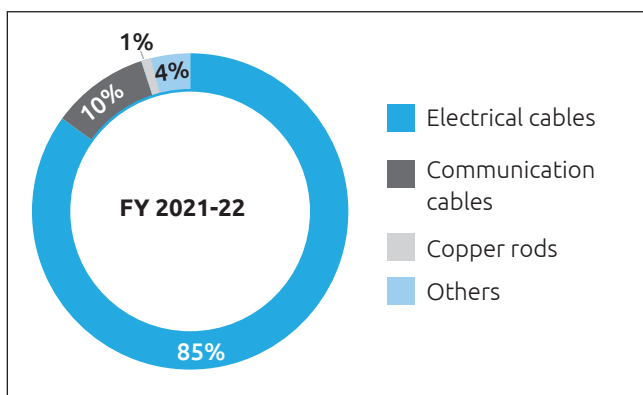
**Product Portfolio**

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 the automobile industry and battery cables for various applications
	UPS cables	For providing power from the UPS to the computer / appliances in the networking environment
	Heavy-duty, underground, low voltage, power and control cables	Connection to the user point from the main supply of power
	Heavy-duty, underground, high voltage, power cable	Intra-city power distribution network
	Elevator cables	For use by the elevator industry
	Solar cables	Specially insulated cables for use in solar parks



Group	Product Covered	Application
<b>Communication Cables</b>	Optic fiber cables	Networks requiring high-speed transfer of large bandwidth for voice image and data transmission
	Optic fiber	The principal raw material for optic fiber cables
	Coaxial cables	Cable TV network solutions, microwave communications, mobile towers
	Local area network (LAN) cables	Indoor and outdoor networking, voice and data transmission, broadband usage
	CCTV cables	CCTV cables for a 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 a base station
<b>Copper Rods</b>	CCC rods of 8mm in diameter	The raw material for manufacturing copper-based cables
<b>Electrical Switches</b>	Premium and classic switches, sockets, regulators, etc.	For power supply to equipment in domestic, commercial and industrial environment
<b>Lamp</b>	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
<b>Electrical Fans</b>	Ceiling fans, table fans, wall fans, pedestal fans, exhaust fans	For use in domestic, commercial and industrial / environment
<b>Switchgear</b>	Miniature circuit breaker (MCB), residual current circuit breaker (RCCB), moulded case circuit breaker (MCCB), distribution boards (DB)	For use in voltage surge protection and safety applications in the domestic and commercial environment
<b>Water Heater</b>	Instant and storage water heaters	For use in the domestic and commercial environment
<b>Conduits</b>	Conduit Pipes and Fittings	For use in domestic and commercial environment

### Revenue Break-Up



### Operational Review

#### Production

**Electrical Cables:** 48,166 MT as compared to 52,248 MT in the previous year

**Communication Cables:** Metal-based at 5,961 MT as compared to 6,457 MT in the previous year.

**Communication Cables:** Optic fiber cables of 1,472,435 fiber kilometre (FKM) as compared to 1,233,952 fiber kilometre (FKM) in the previous year.

#### Revenue

**Electrical Cables:** Rs. 3,193.2 Crores as compared to Rs. 2,309.9 Crores in the previous year.



**Communication Cables:** Rs. 379.7 Crores as compared to Rs. 321.5 Crores in the previous year.

**Copper Rods:** Rs. 18.8 Crores as compared to Rs. 23.1 Crores in the previous year.

**Other Products:** Rs. 176.4 Crores as compared to Rs. 113.6 Crores in the previous year.

Finolex registered total revenue of Rs. 3,768.1 Crores in FY 2021-22 as against Rs. 2,768.1 Crores in the previous year, registering a 36.1% YoY growth across all major segments, due to growth supported by various dynamic reforms undertaken by the government, such as significant increase in capital expenditure on infrastructure, thrust on domestic manufacturing and technology-enabled development and recovery in consumer demand among others.

The segment-wise revenue growth was:

Electrical Cables - 38.2%

Communication Cables - 18.1%

Other Products Segment - 55.2%

Electrical Cables segment which contributes approximately 85% of the Company's total revenue, caters to the Real Estate Market. Segment's performance depends on the performance of the Real Estate sector. The Real estate sector which had started recovering after setbacks from demonetisation, GST, RERA and the NBFC crisis and lockdown.

Real estate sector is witnessing a healthy increase in demand in 2022 and this momentum is expected to continue for next few years. Vaccination drives and lowered infection rates infused optimism in the market. In addition, the festive season fed the sector's growth. Buoyed by these factors, the sector made a strong comeback. The industry is additionally to benefit from a regime of low interest rates, coupled with duty waivers (in some states), realistic property pricing and attractive offers leading to affordable synergy.

- While residential demand is rebounding, hospitality and retail segments are still on their journey of recovery
- Warehousing and data centre segments have emerged stronger clearly outlining the role enhancement of technology in our lives
- Capital allocation is also chasing assets in this new light with green finance a big part of investment strategies. Investors and users will be the drivers for the push towards sustainability

(Source: JLL India Real Estate outlook 2022)

### The Budget effects

A number of initiatives have been undertaken by the Government of India with the hope of incentivising real estate purchases. The announcements made in the Union Budget 2022-23 will help in creating a thriving atmosphere in the real estate sector.

The government continues to prioritise the affordable housing segment and parallelly looking at ways to strengthen the existing financing systems to provide liquidity to stuck real estate projects. In the first week of December, the Government of India extended the deadline to provide pucca houses to all families in rural India to 2024. The Cabinet decided that the flagship rural scheme, Pradhan Mantri Awas Yojana-Gramin will be provided Rs. 2.17 Lakh Crore in additional Central and State funding to achieve its target of building 2.95 Crore houses.

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) has announced that it will be keeping the repo rate and reverse repo rate unchanged for the tenth consecutive time. Setting the tone for the year, MPC gave a clear indication that it is growth-oriented. Holding the interest will help in increasing the affordability for the consumer and help in holding the current demand trends.

Source: Reserve Bank of India

### Continuing growth

NITI Aayog expects that the Indian real estate sector will reach a market size of \$1 Trillion by 2030 and will account for 13 per cent of India's GDP by 2025. Already the third-largest sector to bring about economic growth, the real estate industry is expected to continue its upward trajectory in 2022.

(Source: Times of India Real estate market to touch new heights in 2022)

### Exports

Despite the recovery in India there is slow recovery in export market; Finolex total exports stood at Rs. 27.6 Crores as against Rs. 30.9 Crores during the previous year, registering a degrowth of 10.7% Y-o-Y.

### Key Financial Ratios

Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires reporting of significant changes (change of 25% or more 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](http://www.finolex.com).



## Key Strengths

### Brand Positioning

Finolex has created a strong brand identity in its over five decades of operations by leveraging its robust manufacturing and technical capabilities and producing highest quality products. Its foray into the fast-growing FMEG segment is a function of its brand recognition and pan-India distribution network. It has enabled the Company to establish itself as a consumer validated 'Superbrand'. Further, it continues to enhance its visual and digital marketing spends to up its brand visibility and maintain its unique presence.

### Vast Portfolio

The Company has a wide product portfolio comprising over 50,000 SKUs in wires and cables, FMEG, and home appliances segments. It has established itself as a one-stop solutions provider for all cabling requirements across institutional and government clients. Its FMEG business has been garnering significant traction and is steadily increasing its share in the revenue mix.

### Quality Consciousness

Quality consciousness and customer satisfaction form the cornerstone of the Company's operations. The Company adheres to the highest standards of quality, reliability, and durability to deliver products at competitive prices and establish a strong value proposition. Staying true to its tagline 'Behtar ElectriKAL Ke Liye', it constantly invests in advanced plant, machinery and technology to enhance innovation and product quality.

### Wide Reach

Finolex's pan-India network comprising 600 distributors, 5,000 channel partners and 1.5 Lac retailers enables it to supply huge volumes of products to all the key markets across India. Further, it has also launched an e-retail site to seize the growing e-commerce trend and increase its presence in the retail segment. The Company has 7 exclusive retail stores named 'Finolex House' and further plans to launch 15 stores by FY 2023.

### Backward Integration

Finolex has strategically undertaken backward integration and manufactures key raw materials such as PVC compound, copper rods, optic fiber and FRP rods in-house. This backward integration ensures uninterrupted availability of key raw materials at a lower costs. This enables the Company to deliver quality products at competitive prices.

## Business Environment for Product Segments with Outlook

### Electrical Cables

The electrical cables segment forms the core business of Finolex accounting for the largest share of the revenue mix. The Company manufactures high-quality, light-duty electrical

cables and power and control cables that meet stringent international standard benchmarks.

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

### Performance

Revenue from the Electrical Cables segment in FY 2021-22 stood at Rs. 3,193.2 Crores against Rs. 2,309.9 Crores in the previous year. It accounted for 85% of total sales for the year under review. Volumes sold reduced by 7.8% as compared to the previous year. However, increase in commodity prices resulted in increase in total sales value by 38.2%. The consistent increase in the commodity prices was addressed by suitable pricing policies. Due to sustained cost pressures, Electrical Cable EBIT margin decreased from 15% in FY 2020-21 to 13% in FY 2021-22.

The lifting of restrictions led to a pick-up in investment momentum during Q1 2022. This quarter saw a 41 percent jump in institutional investments over Q4 2021. While domestic capital chased deals in the residential sector, foreign investors were largely seen focussing on commercial assets. Healthy leasing momentum has brought back - office demand with investors entering JVs/development partnerships. Retail also continued to see good traction with some opportunistic deals in the market.

The year 2021 witnessed the industrial and warehousing space sector dial up its growth trajectory fuelled by e-commerce and 3PL demand. The absorption is expected to be around 35-37 mn sft. Space demand from E-commerce will continue to gain traction as the behavioural shift from buying offline to online is expected to sustain and grow. This will be steering the growth in In-city and Urban logistics, demand in the cold chain industry, among others.

### Growth Drivers

The Cables and Wires (C&W) industry is expected to grow at a compound annual growth rate (CAGR) of 12% over FY 2021-26. Growth is expected to be driven by upbeat construction activity in the housing sector and government initiatives in the power and infrastructure sectors. Further, electrification of rural villages and households, improved transmission and distribution systems along with increased demand from renewable power generation will drive growth of electrical cables.

India Consumer Electricals Report 2022: Systematix Research

### Favourable government reforms

Numerous government initiatives including the National Infrastructure Pipeline, Production-Linked Incentive schemes, focus on indigenous manufacturing, higher budgetary allocations for capital expenditure, renewable energy, digital infrastructure push and Housing for All – have benefited the electrical industry and are likely to augment the demand for electrical cables and wires.

### Improving electrification and infrastructure

While a large number of houses in rural India is electrified, there exists immense scope till all rural areas get access to reliable electricity. Initiatives such as Saubhagya and Deendayal Upadhyay Gram Jyoti Yojana (DDUGJY) will spur development of rural infrastructure as well as growth in household electrical products. The revival of discoms through Ujjwal Discom Assurance Yojana (UDAY) could also support the government's electrification initiatives.

Source: Ministry of Power

### National Infrastructure Pipeline (NIP)

In 2019, the Centre announced the National Infrastructure Pipeline with a proposed outlay of Rs. 100,000 Trillion over a five-year period. To achieve India's ambitious goal to be a \$ 5 Trillion economy by 2025, these targets have been revised upwards and currently stand at almost Rs. 200,000 Trillion. This significant push from the government has increased India's overall potential manifold and presented a humongous opportunity to direct and indirect players in the infrastructure value chain. As growth in infrastructure drives derived demand for wires, cables, and other electrical products, the electrical industry is bound to be a key beneficiary of the potential demand.

Source: Ministry of Finance

### Thrust on Renewable Energy

Increasing demand for renewable power generation as well as government's ambitious target to reach 175 GW and 500 GW of renewable energy by 2022 and 2030, respectively, are expected to create considerable demand for electrical and speciality solar cables going forward.

### Outlook

The domestic cables and wires industry has registered robust growth over the last five years led by the government's focus on providing power to all and gradual pickup from the housing market. The wire and cables market in India has the potential to grow by \$ 1.65 billion during 2021-25. The development of infrastructural projects by the government and investment is driving the growth of the wire and cable market in India. The market is expected to be driven by factors such as the growth in renewable power generation in India, the expansion and revamping of Transmission & Distribution infrastructure in India, and increasing investments in metro railways. Increased investments in smart grid projects and upgradation of power transmission and distribution systems are also estimated to propel the demand for wires & cables globally.

Significant investments in smart grid technology have resulted in an increasing need for grid interconnections. Additionally, rising investments in underground cables and the growth of renewable energy are set to escalate the adoption of wires and cables. Wire and cables demand is directly dependent on the growth of the manufacturing industry an infrastructure in the power, telecommunications, residential and commercial sectors. Thus, the government's initiatives on various fronts like – power, housing, infrastructure and digitisation are sure to generate a lot of business for the wire and cable industry in the foreseeable future.

Likewise, with the government's emphasis on pushing renewable energy to the forefront, the industry is now looking forward to supplying cables for solar and wind power applications in addition to oil and gas, railways and other specialised segments. Wires and cables are deployed across an extensive range of applications which include consumer electronics, utilities, material handling, automotive and entertainment/leisure amongst others. Growing inclination toward the expansion of prevailing grid networks coupled with lack of efficient electric infrastructure will propel the industry outlook over the forecast timeline.

(Source: Industrial outlook)

### Communication Cables

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

- The state-of-the-art communication cables include Copper-Based Cables and Optical Fiber (glass-based) Cables (OFC). Copper-based cables are further categorised into LAN cables, Coaxial cables, PE insulated switchboard cables, and V-SAT cables. While LAN cables are used for high-speed data transfer, Coaxial cables find application in microwave connections, mobile towers, and feeding content to TV receiving sets. PE insulated switchboard cables are used in telephone instruments and EPABX (voice communication) systems,



whereas V-SAT cables enable last-mile connectivity by establishing a connection between V-SAT dish to a base station. In light of the growing demand for surveillance, the Company has also launched innovative special cables used for image capture and CCTV cameras as well as in power solutions.

- Optic Fiber Cables (OFC) are glass-based cables having the ability to carry maximum bandwidth and transmit data at high speed. While they are primarily used for data distribution by telecom companies and multi-service organisations, they are also used as trunk cables for long-distance networks.
- Communication cables play a critical role in the infrastructure development of the country due to their demonstrated abilities in transmitting digital data at high speed and high bandwidth.
- Traditional telephone cables include copper-based JFTCs which are laid underground and are primarily utilised for achieving landline telephone connectivity. The Company is gradually reducing its focus on this segment as growing penetration of mobile phones and technically advanced substitute OFC are affecting demand for JFTCs. However, the Company continues to manufacture JFTCs having broadband features for public and private telecom companies as well as for export markets as per the client requirements.

### Performance

The communication cables segment (including optical fiber) recorded sales of Rs. 379.8 Crores in FY 2021-22 against Rs. 321.5 Crores in FY 2020-21. Communication Cable EBIT margin declined due to challenges faced by India's telecom sector which has been struggling for the last three years. EBIT levels for the year stood at (3.4)% in this segment as compared to 2.6% in the previous year EBIT impacted by provisioning for Government receivables which have been delayed for long.

International fiber prices experienced volatile movements through the year while the same could be said for the supply of raw material required for the product. Further, communication cable projects in the domestic market faced severe liquidity crunch. While state-run telecom players BSNL and MTNL have been struggling to generate cash, other major telecom companies in India reported record losses in the year under review after making provisions for adjusted gross revenue (AGR).

### Growth Drivers and Outlook

The government's increasing investments in Project BharatNet in building networks to bridge the digital divide will increase demand for fibre optic cables. Also, network

connectivity in India is abysmal and there is a dire need to replace cables with quality fibre optic cables as the country progresses towards 5G network connectivity. Considering the robust economic growth and other demand factors, the overall consumption of communication cables in India is bound to grow.

### Copper Rods

The Company integrated backwards to manufacture Continuous Cast Copper Rods (CCC rods) which are used in the production of copper-based electrical and communication cables. The Company contracts long-term and bulk purchase agreements with local players to cost-effectively procure Copper cathodes, the key raw material for copper rods. Production over and above captive requirement is sold to third-party customers.

### Performance

Majority of the production of the Copper rod division was consumed in-house by the Company. During the year third-party sales stood at Rs. 18.8 Crores compared with Rs. 23.1 Crores in the previous year. 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

Demand for copper rods, which is a key input for all copper-based electrical and communication cables is expected to grow in line with the growth in the C&W industry. Furthermore, the Company looks forward to benefit from selling surplus copper rods to third parties under the GST regime. The rising output of entities such as domestic and consumer appliances, transportation equipment, industrial machinery and an array of other durable goods has been leading to a spurt in the demand for copper rods.

### Others (FMEG and Home Appliances)

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

Finolex strategically diversified into the attractive FMEG segment to enhance its B2C sales and reduce dependence on C&W industry. The FMEG product portfolio consists of lighting products, electrical switches and low duty switchgear. Its electrical wire accessories include doorbell, extension box, spike guard, angle holders and batten holders, among others.

The Company intends to leverage its strong brand equity, technical skills, vast network and dynamic sales team to further grow its FMEG business. It continues to deepen its distribution network and nurture relationships with channel partners to strengthen its reach.



## b. Fans and Water Heaters

The Company forayed into the fans and water heaters segment to capture the emerging opportunity in the home appliances segment. Its products are well accepted in the market owing to attributes such as quality, performance, aesthetics, and value-for-money proposition. The Company's strong brand recall and vast reach along with nationwide doorstep aftersales service have been supporting its product sales.

The Company reported a strong performance in this segment, with sales of Rs. 51.8 Crores in FY 2021-22, as compared with Rs. 48.5 Crores in the previous year.

## Outlook

Consumer electricals industry in India is seen recovering after the downturn induced by COVID-related disruptions for two years. Recovery has been broad-based across the product categories and supported by pent-up demand. A strong revival in the housing market, consumer preference towards luxury houses in a work-from-home (WFH) scenario, rising aspirations with disposable incomes, availability of energy-efficient products, and a shift in consumer preference towards technology-driven and branded products are the key factors supporting the growth of consumer electricals.

## Financial Performance

(Rs. in Crores)

PARTICULARS	STANDALONE	
	2021-22	2020-21
<b>INCOME</b>		
Revenue from Operations (Net)	3768.1	2768.1
Other Income	151.8	77.0
<b>Total</b>	<b>3919.9</b>	<b>2845.1</b>
<b>EXPENDITURE</b>		
Material Costs	2966.3	2051.4
Employee Benefit Expenses	146.1	137.9
Finance Costs	1.5	0.8
Depreciation, Amortisation and Impairment	38.8	39.0
Other Expenses	240.6	224.0
<b>Total</b>	<b>3393.3</b>	<b>2453.1</b>
<b>Profit Before Tax</b>	<b>526.6</b>	<b>392.0</b>
Tax Expenses:		
Current Tax	127.9	112.6
Deferred Tax	(5.9)	(3.4)

(Rs. in Crores)

PARTICULARS	STANDALONE	
	2021-22	2020-21
Total Tax	122.0	109.2
Profit After Tax	404.6	282.8
Total Other Comprehensive Income / (Expense) for the year	(7.4)	33.3
<b>Total Comprehensive Income for the year</b>	<b>397.2</b>	<b>316.1</b>

## Revenue

The Company achieved a revenue of Rs. 3,768.1 Crores as against Rs. 2,768.1 Crores in the previous year, marking a growth of 36.1%.

## Costs

**Material Cost:** Raw material prices increased significantly during the year, total material costs during the year increased owing to volumes and product mix

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

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

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

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

## Balance Sheet

(Rs. in Crores)

SUMMARY OF STATEMENT OF BALANCE SHEET	2021-22	2020-21
<b>SOURCES OF FUND:</b>		
Shareholder's Fund	3263.8	2950.7
Non-Current Liabilities	42.7	50.3
Current Liabilities	293.7	250.7
<b>Total</b>	<b>3600.2</b>	<b>3251.7</b>
<b>APPLICATIONS OF FUND:</b>		
Fixed Assets	466.9	420.1
Investments	1120.5	937.2
Loan & Other Non-Current Assets	42.9	60.0
Current Assets	1969.9	1834.4
<b>Total</b>	<b>3600.2</b>	<b>3251.7</b>



**Capital Expenditure and Investments in JV:** During the year, the Company incurred Rs. 67.1 Crores towards capital expenditure, predominantly towards sustenance of existing capacity and product development activities. During the year, the Company invested in its Joint venture was NIL.

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

**Profitability:** Your Company’s profit before tax improved due to increase in revenue in FY 2021-22, tighter control on operating expenses & Dividend received from Associates .

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

**Results of Operations:** Your Company registered a net cash inflow of Rs. 473 Crores from its operations as compared to Rs. 114.3 Crores generated last year. Profit before tax and exceptional items stood at Rs. 526.6 Crores as against Rs. 392.1 Crores in last year.

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

#### Cash Flow

(Rs. in Crores)

PARTICULARS	2021-22	2020-21
Profit from operations before tax	526.6	392.1
(Inc)/Dec in Net working capital	78.3	(160.7)
Income tax paid	(131.9)	(117.1)
Net cash flow from operating activities	473.0	114.3
Cash outflow for investing activities	(378.3)	(859.4)
Cash outflow for financing activities	(86.9)	(86.3)
Net cash flow / (Outflow)	7.8	(831.4)

#### Risk Management

Risk management is a vital function of every business organisation. Finolex has a comprehensive risk management framework in place responsible for identifying, assessing, monitoring, and mitigating key risks that may adversely affect the Company’s operational and financial performance. The Company has deployed a Risk Management Committee to oversee the risk management framework. It ensures that risk management processes are strictly adhered to across all functional departments from the top management of the Company to managers operating at various execution levels. Further, the Company also appoints external advisors responsible for formulating strategies for managing key risks. While the segment-specific risks have been covered under ‘Business Environment for Product Segments with Outlook’, key general risks have been enumerated below:

#### Competition Risk

The Company faces stiff competition from both organised as well as unorganised players. Therefore, its failure to supply innovative, high-quality products may result in the loss of market share and profitability.

#### Mitigation

Leveraging its technological expertise enables the Company to produce innovative products that fulfil varied customer demands. Further, the Company exercises complete control over key raw materials through backward integration and sells products at competitive prices. With its recent foray into FMEG segment, it has become a one-stop shop solution for all electrical requirements.

#### Policy Risk

Adverse government regulations and policies pertaining to housing and infrastructure sectors may impact the Company’s order book, revenues and profitability. Unfavourable changes in monetary policy may also affect borrowing terms and project viability.

#### Mitigation

Finolex’s penetration into the FMEG segment reduces its dependence on cables and wires industry and insulates the overall business from negative policies or sectoral downturn. The Company also continues to focus on increasing exports to reduce domestic market exposure.

#### Raw Material Fluctuation Risk

Fluctuations in prices of raw materials such as copper, aluminium and fiber optics and failure to procure these at competitive costs may significantly impact the Company’s ability to supply products at competitive rates. This may lead to loss in market share and affect the margins of the Company.

**Mitigation**

The Company strives to maintain margin levels by linking product sales price to the raw material costs and thereby mitigate the impact of adverse price fluctuations. Besides, its strong relationships with suppliers enables the Company to procure bulk quantities at optimal rates. It has established an agile procurement policy by leveraging efficient production forecasting based on past and present trends, enabling it to maintain adequate inventory levels at optimal costs.

**Currency Fluctuation Risk**

The Company imports key raw materials and exports final products, thereby exposing it to foreign exchange rate fluctuation risk. Adverse movement in the currency exchange rate may result in lower realisations and impact the margins.

**Mitigation**

The Company has a robust hedging policy in place and engages in appropriate forward contracts to safeguard revenue and margins. It also undertakes long-term contracts with foreign customers and suppliers to minimise currency rate risk.

**Geopolitical Tensions and Global Pandemic Risk**

Rising geopolitical tensions and international trade barriers may negatively impact the Company's exports business. Besides, emergence of newer variants of the COVID-19 pandemic and ensuing restrictions may disrupt business

activities, supply chains, and customer demand, thus impacting the business operations of the Company.

**Mitigation**

Extensive market research on macroeconomic, political, social and regulatory parameters enables the Company to stay abreast with all the developments before foraying into a newer territory. It follows a lean operational and cost structure while proactively monitoring cash flows to ensure low impairment risk. Moreover, it has enforced a comprehensive business continuity plan by leveraging the vast experience of its senior leaders to stay afloat during the uncertain times.

**Internal Controls**

The Company has a well-framed internal control system in place commensurate with the size and nature of its business. These internal controls are responsible for reliability of financial information, timely recording of all financial, commercial and operational transactions, safeguarding of assets and stringent adherence to the applicable laws and regulations. The internal team of the Company is responsible for continuous monitoring and review of these controls. In addition, it has also appointed an external team to ensure the adequacy and efficacy of the control mechanism. The Audit Committee conducts a periodic review of audit reports submitted by the internal audit team. Key observations are communicated to the management who undertakes prompt action.



## 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 ("SEBI (LODR) Regulations"). 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, Executive Chairman
Non Promoter Executive Director	Mr. Ratnakar Prakash Barve, Executive Director- Operations
Independent Directors	Mr. Zubin Framroze Billimoria
	Mr. Sriraman Raghuraman
	Mrs. Vanessa Singh
Non Independent Non-Executive Director	Mr. Nikhil Manohar Naik

\* Clarification:

Mr. Padmanabh Barpande, Mr. Avinash Khare, Mrs. Firoza Kapadia, Mr. Prasad Deshpande and Mr Sunil Upmanyu, Directors had offered themselves for reappointment at the Annual General Meeting held on 29<sup>th</sup> September 2021. All the resolutions proposed at said AGM were passed by requisite majority except for the resolutions for appointment / reappointment of aforesaid Directors. It was due to 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 who 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 against whom Mr. D K Chhabria, another promoter who is in management control of the Company is in dispute which explains the reasons for such negative votes being cast by those companies despite their purportedly having Independent Directors on their respective Boards. A contention has been raised that the votes cast by the aforesaid two companies was contrary to the mandate under their constitutional documents/ concluded contractual commitments, and these are the subject matter of challenge before the Court(s) and the matter is thus sub judice. Excepting for the negative votes prejudicially cast by the aforesaid two major corporate shareholders, the other shareholders of the Company in general have voted with requisite majority in numbers in favour of the resolutions for appointment/ reappointment of the above Directors.



Similarly in the case of earlier two AGMs of the Company held on:

- i) **18<sup>th</sup> September, 2019**, the following Directors offered themselves for appointment/re-appointment: Mr. Mahesh Vishwanathan; Mr. Pratap G. Pawar; Mr. Mohanlal Jain; and Mrs. Shruti Udeshi; and
- ii) **29<sup>th</sup> September, 2020**, the following Directors offered themselves for appointment/re-appointment: Mr. Shishir Lall; Mr. Devendra Kumar Vasal; Mr. Jayaram R Reddy; Mr. Yatin Redkar; and Mrs. Kavita Upadhyay;

All the resolutions proposed at the said AGMs were passed by requisite majority except for the resolutions for appointment / reappointment of the above Directors. Orbit Electricals Private Limited and Finolex Industries Limited similarly ignored their constitutional documents/concluded contractual commitments and at these AGMs voted against each of the resolutions for their respective appointments/reappointments despite purportedly having Independent Directors on their respective Boards, they apparently voted as per the wishes of Mr. Prakash Chhabria, probably to destabilize the Board of the Company to wrest control of the Company and these actions are the subject matter of challenge before the Court(s) and the matter is thus sub judice.

To meet the eventualities caused by such contrary actions by the aforesaid two major corporate shareholders, the Company had to time and again, reconstitute its Board

of Directors and its Committees in accordance with the provisions of :The Companies Act 2013, Rules framed thereunder and of SEBI (LODR) Regulations.

The independent directors of the Company 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 six Board Meetings were held i.e. on 29<sup>th</sup> June 2021, 12<sup>th</sup> August 2021, 24<sup>th</sup> September 2021, 12<sup>th</sup> November 2021, 9<sup>th</sup> February 2022 and 29<sup>th</sup> March, 2022.

Attendance at meetings of the Board in financial year 2021-22 and at last AGM held on 29<sup>th</sup> September 2021, number of other directorship, details of designation/ category and membership/ chairmanship(s) of Board Committees of each director in other companies as on the date of this report, is set out below:

Name of Director	Category	No of Meetings attended	Whether attended last AGM	No of Directorship(s)			No of Membership (s) of Board Committees***	
				Public		Private	As Member	As Chairman
				Listed	Unlisted			
Mr. D K Chhabria	Chairman Executive Director	6	Yes	-	1	3	0	0
Mr. Sunil Upmanyu <sup>1</sup>	Executive Director	3	Yes	0	0	1	0	0
Mr. Padmanabh Ramchandra Barpande <sup>1</sup>	Non-Executive Independent Director	3	Yes	2	6	5	1	4
Mr. Avinash Shridhar Khare <sup>1</sup>	Non-Executive Independent Director	3	Yes	0	0	16	0	0
Mrs. Firoza Fredoon Kapadia <sup>1</sup>	Non-Executive Women Independent Director	3	Yes	0	0	0	0	0
Mr. Prasad Marutirao Deshpande <sup>1</sup>	Non-Executive Director	3	Yes	0	0	1	0	0
Mr. Ratnakar Prakash Barve <sup>2</sup>	Executive Director	3	N/A	0	0	0	0	0
Mr. Zubin Framroze Billimoria <sup>3</sup>	Non-Executive Independent Director	3	N/A	0	0	0	0	0

Name of Director	Category	No of Meetings attended	Whether attended last AGM	No of Directorship(s)			No of Membership (s) of Board Committees***	
				Public		Private	As Member	As Chairman
				Listed	Unlisted			
Mr. Sriraman Raghuraman <sup>4</sup>	Non-Executive Independent Director	3	N/A	0	3	0	0	0
Mrs. Vanessa Singh <sup>5</sup>	Non-Executive Women Independent Director	3	N/A	0	0	0	0	0
Mr. Nikhil Manohar Naik <sup>6</sup>	Non-Executive Director	3	N/A	0	8	1	0	0

- Regarding status of Mr. Sunil Upmanyu, Mr. Padmanabh Ramchandra Barpande, Mr. Avinash Shridhar Khare, Mrs. Firoza Fredoon Kapadia and Mr. Prasad Marutirao Deshpande, Directors please see clarification given under Item 2.1 above.
- Mr. Ratnakar Prakash Barve was appointed by the Board as an Executive Director-Operations w.e.f 30<sup>th</sup> September 2021. He is not a Director of any other listed company and does not hold any shares in the Company.
- Mr. Zubin Framroze Billimoria was appointed by the Board as Non-Executive Independent Director w.e.f 30<sup>th</sup> September 2021. He is not a Director of any other listed company and does not hold any shares in the Company.
- Mr. Sriraman Raghuraman was appointed by the Board as Non-Executive Independent Director w.e.f 30<sup>th</sup> September 2021. He is not a Director of any other listed company and does not hold any shares in the Company.
- Mrs. Vanessa Singh was appointed by the Board as Non-Executive Independent Director w.e.f 30<sup>th</sup> September 2021. She is not a Director of any other listed company and does not hold any shares in the Company.
- Mr. Nikhil Manohar Naik was appointed by the Board as Non-Executive Director w.e.f 30<sup>th</sup> September 2021. He is not a Director of any other listed company and does not hold any shares in the Company.

\*\*\* 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:

(Rs. Per Annum)

Particulars	Mr. D K Chhabria, Executive Chairman	Mr. Mahesh Viswanathan, CFO	Mr. Sunil Upmanyu, Executive Director upto 29 <sup>th</sup> September 2021	Mr. Ratnakar Prakash Barve, Executive Director w.e.f 30 <sup>th</sup> September 2021
Salary and Allowances	10,200,000	13,700,400	2,129,250	1,106,055
Contribution to Provident and Superannuation Funds	2,754,000	23,13,360	360,450	181,035
Other Perquisites	10,200,000	1,908,000	335,595	279,750
*Commission/**Incentive – payable	*76,000,000	**20,000,000	**267,000	**134,100
<b>Total</b>	<b>99,154,000</b>	<b>37,921,760</b>	<b>3,092,295</b>	<b>1,700,940</b>

Notes:

- There was no scheme of "Employee Stock Options" during the year.
- The above does not include contributions to group gratuity fund as the contributions/benefits are on group basis.
- 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 their respective 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. Sunil Upmanyu and Mr. Ratnakar Prakash Barve.
- Performance is evaluated by the Nomination and Remuneration Committee ("NRC"), which, inter alia, considers and recommends payment of commission/incentive based on the performance of the Company and contemporary practices in the industry. The recommendations of the NRC are further considered by the Board and a collective decision taken without participation of concerned interested Directors.

## 2.4 Remuneration to Non-Executive Directors:

Non-Executive Directors are entitled to sitting fees for attending each meeting of the Board or any Committee(s) of the Board and profit related commission. The details of payment of sitting fees and commission to Non-Executive Directors for the financial year 2021-22 are set out below:

Name of Non-Executive Director	Sitting Fees (Rs.)	Commission Payable (Rs.)	Total (Rs.)	Shareholding (in Nos. of shares) of Non-Executive Directors in the Company	Remarks
Mr. Padmanabh Ramchandra Barpande <sup>1</sup>	1,80,000	8,48,125	10,28,125	NIL	
Mr. Avinash Shridhar Khare <sup>1</sup>	2,40,000	8,48,125	10,88,125	NIL	
Mrs. Firoza Fredoon Kapadia <sup>1</sup>	2,25,000	8,48,125	10,73,125	NIL	
Mr. Prasad Marutirao Deshpande <sup>1</sup>	1,95,000	8,48,125	10,43,125	NIL	
Mr. Zubin Framroze Billimoria <sup>2</sup>	2,10,000	8,48,125	10,58,125	NIL	
Mr. Sriraman Raghuraman <sup>3</sup>	2,55,000	8,48,125	11,03,125	NIL	
Mrs. Vanessa Singh <sup>4</sup>	2,55,000	8,48,125	11,03,125	NIL	
Mr. Nikhil Manohar Naik <sup>5</sup>	1,20,000	8,48,125	9,68,125	NIL	
<b>Total</b>	<b>16,80,000</b>	<b>67,85,000</b>	<b>84,65,000</b>	<b>NIL</b>	

Notes:

- 1 Regarding status of Mr. Sunil Upmanyu, Mr. Padmanabh Ramchandra Barpande, Mr. Avinash Shridhar Khare, Mrs. Firoza Fredoon Kapadia and Mr. Prasad Marutirao Deshpande, Directors please see clarification given under Item 2.1 above.
- 2 Mr. Zubin Framroze Billimoria was appointed by the Board as Non-Executive Independent Director w.e.f 30<sup>th</sup> September 2021.
- 3 Mr. Sriraman Raghuraman was appointed by the Board as Non-Executive Independent Director w.e.f 30<sup>th</sup> September 2021.
- 4 Mrs. Vanessa Singh was appointed by the Board as Non-Executive Independent Director w.e.f 30<sup>th</sup> September 2021.
- 5 Mr. Nikhil Manohar Naik was appointed by the Board as Non-Executive Director w.e.f 30<sup>th</sup> September 2021.

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

b) Commission as may be decided by the Board but not exceeding one percent of the net profits of the Company as per the provisions of Section 197 of the Companies Act, 2013 or Rupees Two Crores, whichever is less, which is the ceiling limit approved in this regard by the Members at the AGM held on 25<sup>th</sup> September, 2018 is payable to non-executive Directors for a period of five years from the accounting year commencing from 1<sup>st</sup> April 2018. The said commission, as may be determined by the Board 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, within fifteen days of each meeting, 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 date of the respective meeting.

## 2.6 Familiarisation Programmes:

Pursuant to regulation 25 (7) of the SEBI (LODR) Regulations, 2015 the Company holds familiarization programs and plant visits especially for the new directors whether independent or otherwise on an ongoing basis. However due to the unprecedented effects of Covid-19 pandemic such visits could not be organized during the year under review but at meetings of the Board of Directors, presentations were made of the various business segments in which the Company operates and of their operations risks/threats faced, potential, etc for information and also of the actions and major initiatives taken to fight the said pandemic.

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

## 2.7 Independent Directors :

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

## 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 diversification strategies including in newer product segments.

The list of core skills/ expertise / competencies identified by the Board of Directors as required in the context of 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 / CFO
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. M. Viswanathan Mr. Zubin Framroze Billimoria
Strategic Marketing	Knowledge of and experience in marketing services, Experience in, or a thorough understanding of, the prevailing business situations communication with industry groups and/or end users through a range of relevant communication channels and media.	Mr. D K Chhabria Mr. M. Viswanathan Mr. Zubin Framroze Billimoria Mr. Ratnakar Prakash Barve Mr. Nikhil M Naik
Finance & Accounting	Qualifications and experience in accounting, finance including treasury management and investment scenario the ability to: <ul style="list-style-type: none"> <li>Analyse key financial statements;</li> <li>Critically assess financial viability and performance;</li> <li>Contribute to strategic financial planning;</li> <li>Oversee budgets and the efficient use of resources;</li> </ul>	Mr. M. Viswanathan Mr. Zubin Framroze Billimoria Mr. Sriraman Raghuraman



Skills/Expertise/ Competencies	Description	Name of Directors / CFO
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. M. Viswanathan Mr. Ratnakar Prakash Barve
Corporate Governance and Legal matters	Expertise to ensure compliance with legislative and regulatory requirements, including transparency requirements under SEBI regulations and the listing rules of the stock exchange.	Mr. Zubin Framroze Billimoria Mr. Sriraman Raghuraman Mr. D K Chhabria Mr. M. Viswanathan Mrs. Vanessa Singh
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. Sriraman Raghuraman Mr. D K Chhabria Mr. M. Viswanathan Mr. Nikhil Naik (with advice of specialised agencies as and when required)
Human Resource Management	Qualification and experience in human resource management with an understanding of: <ul style="list-style-type: none"> <li>• Manufacturing cycle of business</li> <li>• Expertise in labour laws and industrial relations</li> <li>• Ability to effectively engage and retain skilled manpower.</li> </ul>	Mr. Zubin Framroze Billimoria Mr. D K Chhabria Mr. M. Viswanathan Mr. Ratnakar Prakash Barve
Risk Management	Ability to identify key risks to the Company in a wide range of areas including business/ product segments, political scenario and legal and regulatory compliance.	Mr. Zubin Framroze Billimoria Mr. D K Chhabria Mr. M. Viswanathan Mr. Ratnakar Prakash Barve

### 3. AUDIT COMMITTEE

#### Constitution and Composition:

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

Name of Director	Category
Mr. Zubin F. Billimoria	Non- Executive Independent Director (Chairperson)
Mr. Sriraman Raghuraman	Non- Executive Independent Director
Mrs. Vanessa Singh	Non- Executive Independent Director

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

\* As explained in the clarification given under Item No. 2.1 above, the Audit Committee was reconstituted in the Board Meeting held on 24<sup>th</sup> September 2021 whereby all the aforesaid members were appointed w.e.f. 30<sup>th</sup> September 2021.

#### Terms of reference:

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

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

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



thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgement 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;
  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 six times during the financial year ending 31<sup>st</sup> March 2022, as against the minimum requirement of four meetings i.e., 29<sup>th</sup> June 2021, 12<sup>th</sup> August 2021, 24<sup>th</sup> September 2021, 12<sup>th</sup> November 2021, 9<sup>th</sup> February, 2022 and 15<sup>th</sup> March 2022. 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.Padmanabh Ramchandra Barpande <sup>@</sup>	Previous Chairman	Independent	3 out of 3
2	Mr. Avinash S Khare <sup>@</sup>	Member	Independent	3 out of 3
3	Mr. Firoza Kapadia <sup>@</sup>	Member	Independent	3 out of 3
4	Ms. Prasad Deshpande <sup>@</sup>	Member	Non-Executive	3 out of 3
5	Mr. Zubin f. Billimoria (w.e.f 30.09.2021)	Chairman	Independent	3 out of 3
6	Mr. Sriraman Raghuraman (w.e.f 30.09.2021)	Member	Independent	3 out of 3
7	Mrs. Vanessa Singh (w.e.f 30.09.2021)	Member	Independent	3 out of 3

<sup>@</sup> Regarding status of Mr. Padmanabh Ramchandra Barpande, Mr. Avinash S Khare, Mrs. Firoza Kapadia, and Mr. Prasad Deshpande, 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 24<sup>th</sup> September 2021.

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 relevant Audit Committee Meetings. The Statutory Auditors attended all six meetings of the Audit Committee held in financial year ending 31<sup>st</sup> March 2022. The Cost Auditors generally attend the meetings when matters



concerning Cost Audit are dealt with by the Audit Committee and they attended one meeting of the Audit Committee in financial year ending 31<sup>st</sup> March 2022.

The date of the meeting of the Committee held for considering finalization of accounts for the year ending 31<sup>st</sup> March, 2022 was 28<sup>th</sup> May, 2022.

The Company had filed Cost Audit Report for the FY 2020-21 in XBRL format within the time permissible on 24/10/2021.

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

In view of the importance given by the Company to good corporate governance, the Nomination and Remuneration Committee ("NRC") was constituted by the Board at its meeting held on 21<sup>st</sup> October, 2000. As explained in the clarification given under Item No. 2.1 above, the NRC was reconstituted by the Board from time to time and lastly at its meeting held on 24<sup>th</sup> September 2021.

Composition of the NRC as on the date of this report is as under:

Name of director	Category
Mrs. Vanessa Singh	Non-Executive Independent Director (Chairperson)
Mr. Sriraman Raghuraman	Non-Executive Independent Director
Mr. Zubin F. Billimoria	Non-Executive Independent Director
Mr. Nikhil Manohar Naik	Non-Executive Non-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 at <http://www.finolex.com>.

#### Meetings and Attendance:

The Nomination and Remuneration Committee has met three times during the financial year ending 31<sup>st</sup> March 2022 i.e. 29<sup>th</sup> June 2021, 24<sup>th</sup> September 2021 and 8<sup>th</sup> February, 2022. The following table sets out the attendance of Committee members:

Sr. No.	Name of the Director	Status	Category	No. of meetings attended
1	Mrs. Firoza F Kapadia	Previous Chairperson	Independent	2 out of 2
2	Mr. Avinash S Khare	Member	Independent	2 out of 2
3	Mr. Padmanabh Ramchandra Barpande	Member	Independent	2 out of 2
4	Mr. Prasad M Deshpande	Member	Non Executive	2 out of 2
5	Mrs. Vanessa Singh	Chairperson	Independent	1 out of 1
6	Mr. Sriraman Raghuraman	Member	Independent	1 out of 1
7	Mr Zubin F. Billimoria	Member	Independent	1 out of 1
8	Mr. Nikhil Manohar Naik	Member	Non-Executive	1 out of 1

@ Regarding status of Mrs. Firoza F Kapadia, Mr. Avinash S Khare, Mr. Prasad M Deshpande, and Mr. Padmanabh Ramchandra Barpande, Directors please see clarification given under Item 2.1 above.

As explained in the clarification given under Item No. 2.1 above, the Nomination and Remuneration Committee was reconstituted in the Board Meeting held on 24<sup>th</sup> September 2021 whereby Mrs. Vanessa Singh, Mr. Sriraman Raghuraman, Mr Zubin F. Billimoria and Mr. Nikhil Manohar Naik were appointed as members of the Committee w.e.f 30<sup>th</sup> September 2021.

#### 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:

- 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 criteria for evaluation of Independent Directors includes the following;**

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

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

**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:

<b>Name of director</b>	<b>Category</b>
Mr. Sriraman Raghuraman	Non- Executive Independent Director (Chairperson)
Mrs. Vanessa Singh	Non- Executive Independent Director
Mr. Deepak K Chhabria	Executive Director
Mr. Nikhil M Naik	Non Executive Non Independent Director
Mr. Ratnakar Barve	Executive Director- Operations

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

\* As explained in the clarification given under Item No. 2.1 above, the Share Transfer – Cum- Stakeholders Relationship Committee was reconstituted in the Board Meeting held on 24<sup>th</sup> September 2021 whereby Mr. Sriraman Raghuraman, Mrs. Vanessa Singh and Mr. Ratnakar Barve were appointed as members 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 six 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	Status	Category	No. of meetings attended
1	Mr. D K Chhabria	Member	Executive Chairman	5 out of 6
2	Mr. Mahesh Viswanathan	Member	Chief Financial Officer	6 out of 6
3	Mr. Avinash S Khare	Chairperson	Independent	3 out of 3
4	Mrs. Firoza F Kapadia	Member	Independent	3 out of 3
5	Mr. Sunil Upmanyu	Member	Executive	3 out of 3
6	Mr. Sriraman Raghuraman	Chairperson	Independent	3 out of 3
7	Mrs. Vanessa Singh	Member	Independent	3 out of 3
8	Mr. Ratnakar Barve	Member	Executive	3 out of 3

# Regarding status of Mr. Avinash S. Khare, Mrs. Firoza Kapadia and Mr. Sunil Upmanyu, Directors please see clarification given under Item 2.1 above.

### Investor's complaints attended and resolved during 2021-2022:

One complaint was received from investors during the financial year 2021-2022 and no complaint was outstanding as on 31<sup>st</sup> March, 2022.

## 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 is as under:

Name of Director	Category	Status
Mr. Sriraman Raghuraman	Independent Director	Chairperson
Mr. Nikhil Manohar Naik	Non Executive Director	Member
Mr. D K Chhabria	Executive Chairman	Member
Mr. Ratnakar Barve	Executive Director- Operations	Member

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

\* As explained in the clarification given under Item No. 2.1 above, the Corporate Social Responsibility Committee was reconstituted in the Board Meeting held on 24<sup>th</sup> September 2021 whereby Mr. Sriraman Raghuraman, Mr. Nikhil Manohar Naik and Mr. Ratnakar Barve were appointed as members 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 2021-22 i.e. 28<sup>th</sup> June, 2021 and 8<sup>th</sup> February, 2022. 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:

<b>Name of director</b>	<b>Category</b>
Mr. Zubin F. Billimoria	Non-Executive Independent Director, Chairperson
Mrs. Vanessa Singh	Non-Executive Independent Director
Mr. D K Chhabria	Executive Chairman
Mr. Mahesh Viswanathan	Chief Financial Officer (CFO)
Mr. Ratnakar Barve	Executive Director- Operations

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

Mr. P K Mishra of the Company is the Risk Officer, who reviews and generates a risk report which is shared with the Risk Management Committee for perusal and review.

\* As explained in the clarification given under Item No. 2.1 above, the Risk Management Committee was reconstituted in the Board Meeting held on 24<sup>th</sup> September 2021 whereby Mr. Zubin F. Billimoria, Mrs. Vanessa Singh and Mr. Ratnakar Barve were appointed as members of the Committee w.e.f 30<sup>th</sup> September 2021.

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,
- j) Monitoring the risks associated with all material outsourcing arrangements, if any, by the Company, and
- k) Review of policies, processes, and control measures, designed to protect information and systems from security events that could compromise

the achievement of the entity's cyber security objectives and to detect, respond to, mitigate, and recover from, on a timely basis, security events that were not prevented.

### Meetings and Attendance

The Risk Management Committee has met once in the financial year i.e. 29<sup>th</sup> March, 2022. 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(s) passed

During the preceding three years, the Annual General Meeting (AGM) of the Company for the financial year 2018-19 was held at Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D' Mart, Chinchwad, Pune - 411 019. For financial year 2019-20 and 2020-21 due to the outbreak of Covid – 19 Pandemic, social distancing measures were pre-requisite and in terms of Ministry of Corporate Affairs ("MCA") circulars the Fifty –Second Annual General Meeting of members was held on 29<sup>th</sup> September 2020 and the Fifty –Third Annual General Meeting of members was held on 29<sup>th</sup> September 2021 through Video Conference/ Other Audio Visual Means.

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
51 <sup>st</sup> AGM	18 <sup>th</sup> September 2019 at 11.30 am	<ol style="list-style-type: none"> <li>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 9<sup>th</sup> September 2019**</li> <li>b) Offer or invitation for subscription of Redeemable Non – Convertible Debentures on private placement (enabling resolution – not implemented due to then prevailing scenario of interest rates)</li> <li>c) Approval for related party transaction with Corning Finolex Optical Fibre Private Limited</li> </ol>



Details of AGM	Date and time of AGM	Details of special resolution(s) proposed/passed at the AGM, if any
52 <sup>nd</sup> AGM	29 <sup>th</sup> September 2020 at 11.30 am	<p>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).</p> <p>b) Approval for related party transaction with Corning Finolex Optical Fibre Private Limited</p>
53 <sup>rd</sup> AGM	29 <sup>th</sup> September 2021 at 11.30 am	<p>a) Appointment of Mr. Padmanabh R Barpande as Independent Director of the Company for a term of five consecutive years with effect from 30<sup>th</sup> September, 2020.**</p> <p>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).</p> <p>c) Approval for related party transaction with Corning Finolex Optical Fibre Private Limited</p>

\*\* Regarding status of Mr. P G Pawar and Mr. Padmanabh R Barpande, please refer clarification given under Item No. 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.

The Independent Directors at their meeting held on 29<sup>th</sup> March, 2022, without the participation of the Non-Independent Directors, considered and evaluated the Board's performance, performance of the Chairman and other Non-Independent Directors. The evaluation was performed taking into consideration the various aspects of the Board's functioning, composition of the Board 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

- Disclosures regarding materially significant Related Party Transactions: For details please refer Note No. 35 and 35A of Notes forming part of the Accounts.
- There were no instances of non-compliance or penalty, strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets, during the last three financial years.

- 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.
- The Company does not have any subsidiary at present and accordingly there is no policy for determining material subsidiaries.
- The policy on dealing with related party transactions is available on Company's website: [www.finolex.com](http://www.finolex.com)
- 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)
- 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 31<sup>st</sup> March, 2022.
- 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.



- 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. 31.1 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 26<sup>th</sup> November 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 Limited) pursuant to the filing made by the Company on the said stock exchanges. Official news / media releases, blank forms / formats for convenience of members and other information of the Company are uploaded on its said website and where relevant are also informed to the stock exchanges for taking the same on record. The management provides detailed analysis of Company's operations in the 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 1st April, 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  
Date: 28<sup>th</sup> May, 2022

**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](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below at the Financial Year ending on 31<sup>st</sup> March, 2022 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.	Nikhil Manohar Naik	00202779	30/09/2021
3.	Sriraman Raghuraman	00228061	30/09/2021
4.	Zubin Framroze Billimoria	07144644	30/09/2021
5.	Ratnakar Prakash Barve	09341821	30/09/2021
6.	Vanessa Singh	09342022	30/09/2021

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

For **Jog Limaye & Associates**  
Company Secretaries

**Kanchan Anirudha Limaye**  
Partner  
Membership No.- F9555  
CP No.- 17326  
UDIN: F009555D000361621  
PR No. 738/2020

Place: Pune  
Date: 21<sup>st</sup> May, 2022



## 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 31<sup>st</sup> March, 2022 as stipulated in Regulation 17 and 34 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended (“Listing Regulations”).

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

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

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

For **Jog Limaye & Associates**  
Company Secretaries

**Kanchan Anirudha Limaye**  
Partner  
Membership No.- F9555  
CP No.- 17326  
UDIN: F009555D000361643  
PR No. 738/2020

Place: Pune  
Date: 21<sup>st</sup> May, 2022



## Annexure - D

**SECRETARIAL COMPLIANCE REPORT****of Finolex Cables Limited For the year ended 31st March, 2022**

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

We 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 and made available to us, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> March, 2022 (“Reporting period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

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

- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 (not applicable during reporting period)
- iii. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; (not applicable during reporting period)
- iv. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- v. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable during reporting period);

- vi. Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 (not applicable during reporting period);
- vii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- viii. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable during reporting period); and Circular D&CC/FITTC/CIR-16/2002 dated 31<sup>st</sup> December, 2002 and CIR/MRD/DP/30/2010 dated 6<sup>th</sup> September, 2010 issued under SEBI (Depositories and Participants) Regulations, 2018 and based on information provided by the management of the Company and on the above examination, 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,
- (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 those records.
- (d) The listed entity has taken the following actions to comply with the observations made in previous reports: Not Applicable

For **Jog Limaye & Associates**  
 Company Secretaries

**Kanchan Anirudha Limaye**

Partner

Membership No.- F9555

CP No.- 17326

UDIN: F009555D000361588

PR No. 738/2020

Date: 21<sup>st</sup> May, 2022

Place: Pune



## Form No. MR-3 SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 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. The changes in the Composition of the Board of Directors that took place during the audit period under review were carried out in compliance with provisions of the Act.

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

Majority decision is carried through while the dissenting members' views 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 29<sup>th</sup> September, 2021, 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. ***Appointment of Mr. Padmanabh R Barpande [DIN: 00016214] as Director of the Company, liable to retire by rotation.***
2. ***Appointment of Mr. Avinash S Khare [DIN: 06759588] as Director of the Company, liable to retire by rotation.***
3. ***Appointment of Mrs. Firoza F Kapadia [DIN: 08899561] as Director of the Company, liable to retire by rotation.***
4. ***Appointment of Mr. Prasad M Deshpande [DIN: 00040587] as Director of the Company, liable to retire by rotation.***
5. ***Appointment of Mr. Sunil Upmanyu [DIN: 06447016] as Director of the Company, liable to retire by rotation.***
6. ***Appointment of Mr. Padmanabh R Barpande [DIN: 00016214] as an Independent Director of the Company, for a term of five consecutive years with effect from 30<sup>th</sup> September 2020.***
7. ***Appointment of Mr. Avinash S Khare [DIN: 06759588] as an Independent Director of the Company, for a term of five consecutive years with effect from 30<sup>th</sup> September 2020.***
8. ***Appointment of Mrs. Firoza F Kapadia [DIN: 08899561] as an Independent Woman Director of the Company, for a term of five consecutive years with effect from 30<sup>th</sup> September 2020.***



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

For **Jog Limaye & Associates**  
Company Secretaries

**Kanchan Anirudha Limaye**

Partner

Membership No.- F9555

CP No.- 17326

UDIN: F009555D000361533

PR No. 738/2020

Place: Pune

Date: 21<sup>st</sup> May, 2022

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

## 'ANNEXURE A'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Jog Limaye & Associates**  
Company Secretaries

**Kanchan Anirudha Limaye**

Partner

Membership No.- F9555

CP No.- 17326

UDIN: F009555D000361533

PR No. 738/2020

Place: Pune

Date: 21<sup>st</sup> May, 2022



## SHAREHOLDER / DEBENTUREHOLDER INFORMATION

### Registered Office

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

### Annual General Meeting

The 54<sup>th</sup> Annual General Meeting (“AGM”) of the Company will be held on Wednesday, 28<sup>th</sup> September, 2022 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 28 <sup>th</sup> , 2022
b)	Results for quarter ending June 30, 2022	: Second week of August, 2022
c)	Results for quarter ending September 30, 2022	: Second week of November, 2022
d)	Results for quarter ending December 31, 2022	: Second week of February, 2023
e)	Results for quarter ending March 31, 2023	: Last week of May, 2023

### Dates of Book Closure

The Company’s Transfer Books will be closed from Saturday, September 17<sup>th</sup>, 2022 to Wednesday, 28<sup>th</sup> September, 2022 (both days inclusive) for purpose of AGM and for payment of Dividend for the year ending March 31, 2022.

### Dividend Payment

The Board of Directors of the Company at its meeting held on 28<sup>th</sup> May, 2022 recommended payment of Dividend @ 300% (i.e. Rs. 6.00 per equity share of Rs. 2/- each fully paid up) for the year ending March 31, 2022. 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 27<sup>th</sup>, 2022 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, 16<sup>th</sup> September, 2022).

### 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 2022-23 as applicable has been paid to the Stock Exchanges (i.e., NSE and BSE) and Annual Maintenance Fees for the Calendar year 2022 has been paid by the Company to the Luxembourg Stock Exchange in respect of the GDRs listed thereon.

## Stock Market Data

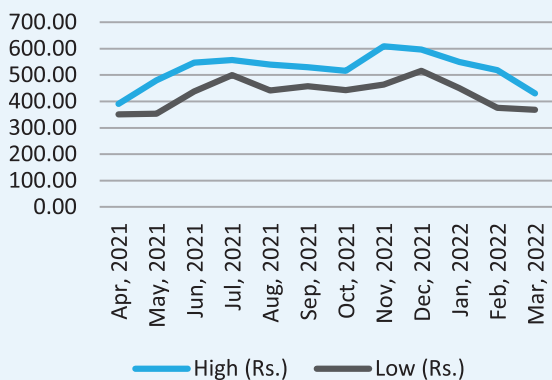
The monthly high and low quotations and volume of shares traded at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) are as follows:

(Source: NSE and BSE Websites)

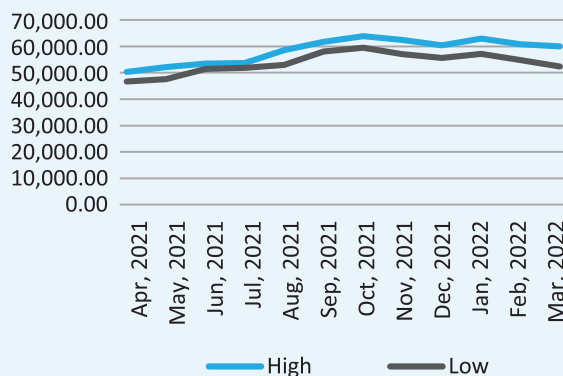
Period	NSE			BSE		
	High	Low	Volume Shares traded (Nos.)	High	Low	Volume Shares traded (Nos.)
April, 2021	391.95	350.00	1,69,30,54	391.00	350.60	1,16,976
May, 2021	480.00	354.10	2,03,12,069	479.80	353.85	1,07,46,22
June, 2021	539.70	425.10	1,70,32,205	547.50	438.00	8,92,271
July, 2021	557.70	501.50	8,40,45,20	557.05	500.00	7,30,904
August, 2021	540.00	440.10	5,86,80,81	539.20	441.00	3,27,531
September 2021	531.00	458.15	5,31,18,91	530.05	457.60	5,25,438
October 2021	516.50	442.75	3,24,04,25	516.25	442.80	2,47,470
November, 2021	608.60	463.50	1,20,32,582	608.65	463.75	6,30,270
December, 2021	596.55	515.15	3,62,93,53	596.00	515.40	3,04,493
January, 2022	549.30	450.00	3,08,57,92	549.00	450.00	3,29,433
February, 2022	517.25	374.40	2,72,10,49	518.00	375.20	2,85,899
March, 2022	430.00	368.50	4,70,99,41	430.15	368.50	4,29,192

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 31st March, 2022

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

Category		No. of shares held	Percentage Shareholding
B	<b>Non-Promoters holding:</b>		
3	Institutional Investors		
a	Mutual Funds	23,980,068	15.68
b	NBFCs	9,445	0.00
c	Foreign Portfolio Investors	14,297,904	9.35
d	Financial Institutions/Banks	19,550	0.01
	<b>Sub Total</b>	<b>38,306,967</b>	<b>25.04</b>
	<b>OTHERS:</b>		
a	Private Corporate Bodies**	23,263,118	15.21
b	Indian Public including HUFs	26,339,711	17.22
c	NRIs/ OCBs	3510323	2.30
d	Clearing Members***	106,108	0.07
e	Trusts and Qualified Institutional Buyers	59,71,048	3.91
f	Any others (Custodian for GDRs)	2,48,750	0.16
g	IEPF	352,150	0.23
	<b>Sub Total</b>	<b>59,791,208</b>	<b>39.10</b>
	<b>Grand Total</b>	<b>152,939,345</b>	<b>100.00</b>

\* The promoters have not pledged any of their shares held in the Company as at 31<sup>st</sup> March, 2022 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 31st March, 2022

No. of Equity Shares held	No. of Members	% of Members	No. of Shares	% of Shareholding
1-5000	90,929	98.44	11,201,289	7.33
5001-10000	930	1.01	33,37,480	2.18
10001 & above	510	0.55	138,400,576	90.49
<b>Grand Total</b>	<b>92,369</b>	<b>100.00</b>	<b>152,939,345</b>	<b>100.00</b>

### Registrar and Transfer Agents

The Company had earlier taken requisite steps and centralized at a single point its share registry works for equity shares held in physical as well as electronic form with M/s. KFIN Technologies Limited (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 dematerialised form with a depository. Subsequently, SEBI vide its Press Release No. 12/2019 dated March 27, 2019 extended the date and made the same effective from April 1, 2019.



## Statistics of Members – 2020 – 2022

31 <sup>st</sup> March	No. of members
2020	47,732
2021	66,713
2022	90,842

## Corporate Benefits to Investors

### a) Bonus Issues of Fully Paid-up Equity Shares:

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

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

Financial Year	Date of Declaration	Face Value of Equity Share	Dividend Rate	
			Percentage (%)	Amount (Rs. per share)
2020-21	September 29, 2021	2	275	5.50
2019-20	September 29, 2020	2	275	5.50
2018-19	September 18, 2019	2	225	4.50
2017-18	September 25, 2018	2	200	4.00
2016-17	September 28, 2017	2	150	3.00
2015-16	September 8, 2016	2	125	2.50
2014-15	August 10, 2015	2	90	1.80
2013-14	September 9, 2014	2	80	1.60
2012-13	June 28, 2013	2	60	1.20
2011-12	August 14, 2012	2	40	0.80

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

## 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 agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to offer depository services to its members. As on 31<sup>st</sup> March, 2022, 99.17% (i.e., NSDL: 95.20% and CDSL: 3.97%) of the equity share capital of the Company has been dematerialized.

Annual custody fees for the financial year 2022-23 had been paid by the Company to NSDL and CDSL.

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

There are no outstanding GDRs/ DRs/ Warrants or any convertible instruments for conversion as on 31<sup>st</sup> March, 2022.

**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: Binay\_kumar@finolex.com

**Urse (Switches)**

Gat No. 344 Village Urse, Taluka Maval  
Dist- Pune - 410 506  
Telephone No.: (02114) 230700  
Email: Ravindra.Bhakare@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 Nos.: (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 (Conduit Pipe)**

Plot No. L-116,  
Verna Industrial Estate,  
Verna Salcette,  
South Goa- 403722  
Telephone Nos.: (0832) 2782002/3/4  
Email: prakash.rasal@finolex.com

**Goa (CCC Rod)**

Plot No. S263/2, Panjim-Belgaum Road, Usgaon – Tisk, Ponda,  
Goa – 403 406  
Telephone Nos.:(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 Nos.: (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 as set out below:

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**(A) Company:**

Secretarial Department  
 Finolex Cables Limited  
 26/27 Mumbai – Pune Road, Pimpri,  
 Pune - 411 018  
 Telephone Nos.: (020) 27506202/27506230/27506279  
 Board Nos.: (020) 27506200 / 27475963  
 Facsimile No.: (020) 27472239  
 Email: [investors@finolex.com](mailto:investors@finolex.com)

**Contact Persons:**

Mr. R G D'Silva - Company Secretary & President (Legal)  
 Mr. Kamlesh Shinde – Asst Company Secretary &  
 Compliance Officer  
 Mr. Gitesh Karandikar – Senior Manager – Secretarial

**(B) Share Transfer Agent:**

M/s. KFIN Technologies Ltd.  
 Selenium Building, Tower B, Plot 31-32,  
 Gachibowli, Financial Dist, Nanakramguda,  
 Hyderabad, Telangana – 500 032  
 Telephone No.: (040) 67161630  
 Board No.: (040) 67162222  
 Facsimile No.: (040) 23420814  
 Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**Contact Persons:**

Mr. Ganesh Chandra Patro – Senior Manager  
 Mr. Ramulu Peraboina - Manager  
 Mr. Rajesh K Patro - Deputy Manager  
 Ms. Shabari Sheshadri – Executive

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**Shareholder information On-line:**

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

**Nomination facility:**

Individual members (whether holding shares singly or jointly) can avail of the facility of nomination. 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 to be followed, as specified by the Government Authorities.

**ECS Facility / Bank Mandate / Details:**

In order to provide protection against fraudulent encashment of dividend warrants: (a) Members holding shares in physical form are requested to furnish their Bank account number with the name of the Bank/Branch, its address (with 9-digit MICR Code) and quoting their folio number, etc. so that the Bank account details are available for payment of dividend by ECS / can be printed on the dividend warrants. (b) Members holding shares in dematerialized form may please immediately inform changes, if any, in their Bank account details (with 9-digit MICR Code) to their Depository

Participant (DP) to enable the correct Bank account details to be made available to the Company by the DP for ECS / printing on the dividend warrants. In any case, members will appreciate that the Company will not be responsible for any loss arising out of fraudulently encashed dividend warrants, if any.

**Debt Securities:**

The SEBI vide its circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 mandated that the 'Large Corporates' as defined under the said circular, shall raise not less than 25% of their incremental borrowings by way

of issuance of debt securities, as defined under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. Non-Convertible Debentures (NCDs) issued on a private placement basis fall within the definition of debt securities as defined in the said SEBI Regulations. The Company presently is not falling under the definition of 'Large Corporate' as defined in the said SEBI Circular dated November 26, 2018.

The Company has not issued any Non-Convertible Debentures ("NCD") in Financial Year 2021-22 and no NCD is outstanding as on March 31, 2022.



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

## B. Technology Absorption:

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

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

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

The aforesaid newly developed products have been introduced in the market and give significant benefits in terms of quality, better performance of the end-user application and import substitution.
3. Future plan of action:
  - To develop CAT7 LAN cables with higher bandwidth
  - To develop Insulation and Sheathing compound suitable for solar cable application – Both ambient and E-Beam curing
  - To develop new variants of cables for EV Vehicles, charging cables and TPE Type D compound for Electrical Commercial Vehicles
  - To develop cables with thermo plastic rubber insulation for welding application
  - To develop Rubber based cables for windmill application
  - To develop FR XLPE for auto wires conforming TXL/GXL requirement
  - To develop compound for HFFR application
  - To develop welding cable compound having cross linking properties
4. Expenditure on R & D:
 

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

### Technology Absorption, Adaptation and Innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
  - (a) High speed insulation lines installed and commissioned having production speeds upto 1200 MPM having better power saving abilities and giving better product quality.
  - (b) Old RBD machine drives replaced and totally refurbished and installed and put into operation.



- (c) New 32 wire multi wire drawing machines and Bunchers installed to facilitate better plant output.
  - (d) Old Buncher PLC panel retrofitting done and new S7 series PLC installed in place of obsolete S5 PLC.
  - (e) 800 mm spooler installed for 16 wire MWD machine in place of 630 mm spooler.
  - (f) Dust proof Green room installed over ARP and UVFRP lines to improve product quality.
  - (g) Mixer 750 and 350 automation done through SCADA to give better quality and output.
  - (h) Continuous efforts are going on for further developing, improving and upgrading all types of cables.
2. Benefits derived as a result of the efforts e.g. product improvement, cost reduction, product development, import substitution, etc:
- Several tangible and intangible benefits from new technology are derived such as cost reduction, productivity, development of better and new products, import substitution and better customer services. Development and manufacture of new products with enhanced features will extend the product range of the Company, enabling it to cater to different niche markets and customer needs.
3. Imported technology (imported during the last 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 despite its sustained efforts dropped marginally to Rs.27.6 Crores as against Rs.30.9 Crores during the previous year. Your Company is continuing its sustained efforts to retain old customers and add new customers in various export markets and to address the needs of niche markets.

- i) Earnings by way of Exports : Rs. 27.6 Crores
- ii) Outgo by way of Imports : Rs. 202.5 Crores

For and on behalf of the Board of Directors

Place: Pune  
Date : 28<sup>th</sup> May, 2022

**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	<b>Name of the Director</b>	
		<b>Ratio</b>	
		Mr.D. K. Chhabria	235.2 X
		Mr.Sunil Upmanyu	7.87 X
		Mr. Ratnakar Barve	2.88 X
		Mr P R Barpande	2.44 X
		Mr. Avinash S Khare	2.58 X
		Mrs. Firozia Kapadia	2.54 X
		Mr. Prakash Deshpande	2.47 X
		Mr. Zubin F Billimoria	2.51 X
		Mr. Sriraman Raghuraman	2.62 X
		Mr. Nikhil Manohar Naik	2.30 X
Mrs. Vanessa Singh	2.62 X		
		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 Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year	Mr.D. K. Chhabria	15.00%
		Mr.Mahesh Viswanathan	15.00%
		Mr.R. G. D`silva	9.00%
3	The percentage increase in the median remuneration of employees in the financial year:	During FY 2021-22, the percentage increase in the median remuneration of employees as compared to previous year was approximately 10%	
4	The number of permanent employees on the rolls of company	1589 (including whole time directors)	
5	Average percentage increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration.	Average increase in the remuneration is 8.78% for the employees other than Managerial Personnel and 14 % for Managerial Personnel.	
6	The key parameters for any variable component of remuneration availed by the KMP's as per Employment Contract.	- Mr. D.K. Chhabria, Executive Chairman - Mr. Mahesh Viswanathan, Chief Financial Officer. both variable pay, payment is made after approval of shareholders.	
7	Affirmation, that the remuneration is as per the remuneration policy of the Company	Yes	

**Note:**

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

For and on behalf of the Board of Directors

Place: Pune  
Date: 28<sup>th</sup> May, 2022

**D. K. Chhabria**  
Executive Chairman



## Annexure - G

# Form No. AOC-1

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

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

## Part A – Subsidiaries: The Company has no subsidiaries

## Part B – Associates and Joint Ventures

(Rs. In Crores)

Name of Associates or Joint Ventures	Finolex Industries Ltd (FIL)	Finolex J-Power Systems Ltd (FJPSL)	Corning Finolex Optical Fibre Pvt. Ltd.(CFOFPL)
	Associate	Joint Venture	Joint Venture
<b>1. Latest audited Balance Sheet Date</b>	March 31, 2022	March 31, 2022	March 31, 2022
<b>2. Date on which the Associate or Joint Venture was associated or acquired</b>	March 31,1989	May 15, 2008	September 17, 2014
<b>3. Shares of Associates or Joint Ventures held by the company on the year end</b>			
No. of shares	200,962,985	220500000	1,750,000
Amounted on Investment in Associates or Joint Ventures	151.85	220.50	1.75
Extend of Holding %	32.39%	49%	50%
<b>4. Description of how there is significant influence</b>	There is significant influence due to shareholding	There is significant influence due to joint control over the economic activities	
<b>5. Reason why the Associate or Joint Venture is not consolidated</b>	N.A.	N.A.	N.A.
<b>6. Net-worth attributable to shareholding as per audited Balance Sheet</b>	1272.22	77.70	13.81
<b>6. Profit /(Loss) for the Year</b>			
Total Profit	<b>1051.34</b>	<b>(27.23)</b>	<b>(0.22)</b>
i. Considered in Consolidation	<b>340.53</b>	<b>(13.34)</b>	<b>(0.11)</b>
i. Not Considered in Consolidation	<b>710.81</b>	<b>(13.89)</b>	<b>(0.11)</b>

For and on behalf of the Board of Directors

Place: Pune  
Date: 28<sup>th</sup> May, 2022

**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 and 35A Related Party Disclosures to the Standalone Financial Statements
  - b) Nature of transaction: Refer to Note 35 and 35A Related Party Disclosures to the Standalone Financial Statements
  - c) Duration of transaction: The Transaction is entered into in the ordinary course of business.
  - d) Salient terms of the transaction including the value, if any: Refer to Note 35 and 35A Related Party Disclosures to the Standalone Financial Statements
  - e) Date of approval by Members, if any: Approved on various dates.
  - f) Amount paid as advances, if any: Refer to Note 35 and 35A Related Party Disclosures to the Standalone Financial Statements

**For and on behalf of the Board of Directors**

Place: Pune  
Date: 28<sup>th</sup> May, 2022

**D. K. Chhabria**  
Executive Chairman



## Annexure - I

## Annual Report on Corporate Social Responsibilities (CSR) Activities for the Financial Year 2021-22

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

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

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

Sl. No.	Name of Director	Designation / Nature of directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR committee attended during the year**
1	Mr. Sriraman Raghuraman (Chairperson)	Independent Director	2	1/1
2	Mr. D K Chhabria (Member)	Executive Director	2	2/2
3	Mr. Nikhil Manohar Naik (member)	Non-Executive Non Independent Director	2	1/1
4	Mr. Ratnakar Barve (Member)	Executive Director- Operations	2	1/1

\* The Corporate Social Responsibility Committee earlier consisted of Mr. D K Chhabria, Mr. Avinash Khare, Mr. Sunil Upmanyu and Mr. Prasad Deshpande was reconstituted in the Board Meeting held on 24<sup>th</sup> September 2021 whereby besides Mr. D K Chhabria, Mr. Sriraman Raghuraman, Mr. Nikhil Manohar Naik and Mr. Ratnakar Barve were appointed as members of the said Committee.

\*\* The CSR Committee has met two times in the financial year i.e. on 28<sup>th</sup> June, 2021 and 8<sup>th</sup> February, 2022. All the then Committee Members attended each of the relevant meetings.

- The Composition of CSR committee, CSR policy and CSR Projects approved by the board of the company have been disclosed on the website of the Company at the link <https://finolex.com/>
- Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the companies (Corporate Social Responsibility policy) Rules 2014, - **Not Applicable**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the companies (Corporate Social responsibility policy) rules, 2014 and amount required for set off for the financial year, if any - **NIL**

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

6. Average net profit of the company as per section 135(5) : **407.61 Crore**
7. (a) Two percent of average net profit of the Company as per section (5) : **8.15 Crore**
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial year: **NIL**
- (c) Amount required to be set off for the financial year, if any: **NIL**
- (d) Total CSR obligation for the financial year (7a+7b+7c): **8.15 Crore**
8. (a) **CSR amount spent or unspent for the financial year :**

Total Amount spent for the financial year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of Transfer.	Name of the fund	Amount.	Date of transfer.
8.15 crore	2.95 Crore	30.04.2022	-	NIL	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project	Project duration (Years)	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs)	Amount transferred to unspent CSR account for the project as per section 135(6) (in Rs)	Mode of Implementation – Direct (Yes/no)	Mode of Implementation – Through Implementing Agency		
				State	District					Name	CSR Registration number	
1	Snehawan	(ii)	Yes	Maharashtra	Pune	3	0.14	0.01	0.13	Yes	-	-
2	ABMM Maheshwari Relief Foundation – Mumbai	(i)	No	Maharashtra	Mumbai	3	3.25	1.63	1.63	Yes	-	-
3	Storm Water Drain Pipeline, Urse	(x)	Yes	Maharashtra	Pune	3	0.1	0.1		Yes	-	-
<b>Total</b>							<b>3.49</b>	<b>1.64</b>	<b>1.86</b>			



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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local Area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in Rs.)	(7) Mode of Implementation – Direct (Yes/no)	(8) Mode of Implementation – Trough Implementing Agency	
				State	District			Name	CSR Registration number
1	MOBILE- PAWANA HOSPITAL, URSE	(i)	Yes	Maharashtra	Pune	0.07	Yes	-	-
2	VILLAGE SCHOOL, KURSALI,ROORKEE	(ii)	Yes	Uttarakhand	Roorkee	0.23	Yes	-	-
3	College & School Renovation, Roorkee	(ii)	Yes	Uttarakhand	Roorkee	0.10	Yes	-	-
4	Storm Water Drain Pipeline, Urse	(x)	Yes	Maharashtra	Pune	0.32	Yes	-	-
5	MAHARAJA JAGAT SINGH MEDICAL RELIEF SOCIETY,BEAS, PUNJAB	(i)	No	Punjab	Amritsar	2.00	Yes	-	-
6	VERNA INDUSTRIES ASSOCIATION,GOA	(xii)	Yes	Goa	Verna	0.08	Yes	-	-
7	HARIBAI COWASJI JEHANGIR MEDICAL RESEARCH INSTITUTE	(i)	Yes	Maharashtra	Pune	0.25	Yes	-	-
8	SADHU VASWANI MISSION	(i)	Yes	Maharashtra	Pune	0.20	Yes	-	-
9	SANJEEVANI SHARDA KENDRA	(ii)	No	Jammu and Kashmir	Jammu	0.26	Yes	-	-
10	DEENDAYAL BAHUUDDESHIYA PRASARAK MANDAL	(ii)	No	Maharashtra	Yawatmal	0.50	Yes	-	-
11	Jhabreda Police Station, Roorkee	(i)	Yes	Uttarakhand	Roorkee	0.00	Yes	-	-
12	Missionaries of Charity, Mother Teresa's Home.	(i)	Yes	Maharashtra	Pune	0.01	Yes	-	-
13	Perna Bhavan, Thathavde, Pune	(i)	Yes	Maharashtra	Pune	0.01	Yes	-	-
14	Blind Organization of India	(i)	No	Maharashtra	Mumbai	0.00	Yes	-	-
15	Inlakhs Budhrani Hospital Pune	(i)	Yes	Maharashtra	Pune	0.15	Yes	-	-
16	Agricultural Development Trust, Baramati	(ii)	Yes	Maharashtra	Pune	2.00	Yes	-	-
17	IIME - International Institute of Management & Entrepreneurship – Jaipur	(ii)	No	Rajasthan	Jaipur	0.20	Yes	-	-
18	Maharashtra Mazdoor Sanghatna – Pune	(i)	Yes	Maharashtra	Pune	0.13	Yes	-	-
19	Social Action for Manpower Creation	(i)	No	Maharashtra	Mumbai	0.00	Yes	-	-
<b>Total</b>						<b>6.51</b>			

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

- (d) Amount spent in Administrative Overheads: **NIL**
- (e) Amount spent on impact Assessment, if applicable: **NIL**
- (f) Total amount spent for the financial year (8b+8c+8d+8e): **8.15 Crore**

(g) Excess amount for set off, if any

Sr. No	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per Section 135(5)	8.15 Crore
(ii)	Total Amount spent for the financial year	8.15 Crore
(iii)	Excess amount spent for the financial year	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sr No.	Preceding Financial Year	Amount Transferred to unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6) if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1	-	NIL	-	-	NIL	-	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr No.	Project ID	Name of the Project	Financial Year in which the Project was Commenced	Project Duration (years)	Total amount allocated for the project (In Rs.)	Amount spent on the project in the reporting financial Year (in Rs)	Cumulative amount spent at the end of reporting financial Year (in Rs.)	Status of the project – Completed/ Ongoing
1		VILLAGE SCHOOL, KURSALI,ROORKI	FY 2018-19	3	0.75	0.23	0.75	Completed
2		SANJEEVANI SHARDA KENDRA	FY 2018-19	3	1.05	0.26	1.05	Completed
3		DEENDAYAL BAHUUDDESHIYA PRASARAK MANDAL, YAVATMAL	FY 2018-19	3	2.95	0.5	2.95	Completed
4		Storm Water Drain Pipeline, Urse	FY 2019-20	3	0.85	0.32	0.53	Ongoing
5		College & School Renovation, Roorkee	FY 2019-20	3	0.3	0.1	0.2	Ongoing
6		Missionaries Of Charity, Mother Teresa's Home, Chinchwad, Pune	FY 2020-21	3	0.2	0.01	0.02	Ongoing
7		Prerna Bhavan, Thathavde, Pune	FY 2020-21	3	0.08	0.01	0.02	Ongoing
8		Social Action for Manpower Creation	FY 2020-21	3	0.15	0.00	0.01	Ongoing
9		Blind Organization of India, Mumbai	FY 2020-21	3	0.08	0.00	0.04	Ongoing
10		Pawana Hospital Urse	FY 2020-21	3	0.15	0.07	0.08	Ongoing
11		The Blind & humanity welfare Centre	FY 2020-21	3	0.03	0.00	0.01	Ongoing
<b>Total</b>						<b>1.50</b>		



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)
- (a) Date of Creation or acquisition of the capital asset(s) : **None**
  - (b) Amount of CSR spent for creation or acquisition of capital asset : **NIL**
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : **Not Applicable**
  - (d) Provide details of the capital asset(s) created or acquired ( including complete address and location of the capital asset ) : **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) : **Not Applicable**

**D. K. Chhabria**  
Executive Chairman

**Sriraman Raghuraman**  
Chairman, CSR Committee

## Annexure - J

# Business Responsibility Report

## Section A - General information about the 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	1 <sup>st</sup> April 2021 – 31 <sup>st</sup> March 2022																				
7	Sector(s) that the Company is engaged in ( industrial activity code- wise )	<table border="1"> <thead> <tr> <th>Group</th> <th>NIC Code/ Class</th> <th>Description</th> <th>Main Description</th> </tr> </thead> <tbody> <tr> <td>273</td> <td>2731</td> <td>Manufacture of fibre optic cables for data transmission or live transmission of images</td> <td>Cables</td> </tr> <tr> <td>273</td> <td>2732</td> <td>Manufacture of other electronic and electric wires and cables</td> <td>Cables</td> </tr> <tr> <td>274</td> <td>2740</td> <td>Manufacture of electric lighting equipment</td> <td>Lighting and fixtures</td> </tr> <tr> <td>275</td> <td>2750</td> <td>Manufacture of domestic appliances</td> <td>Electronic Consumer durables</td> </tr> </tbody> </table>	Group	NIC Code/ Class	Description	Main Description	273	2731	Manufacture of fibre optic cables for data transmission or live transmission of images	Cables	273	2732	Manufacture of other electronic and electric wires and cables	Cables	274	2740	Manufacture of electric lighting equipment	Lighting and fixtures	275	2750	Manufacture of domestic appliances	Electronic Consumer durables
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274	2740	Manufacture of electric lighting equipment	Lighting and fixtures																			
275	2750	Manufacture of domestic appliances	Electronic Consumer durables																			
8	Three key products/services manufactured/provided by Company (as in balance sheet)	Electrical / Communication Cables & Other Electrical products																				
9	Total number of locations where business activities are undertaken by the Company	<ul style="list-style-type: none"> <li>• <b>Registered Office -Plant:</b> Pimpri :26/27, Mumbai-Pune Road26/27, Mumbai-Pune Road Pimpri,Pune-411018</li> <li>• <b>Plant Location :</b> Urse : Talukal Maval Dist: Pune-410506</li> <li>• <b>Goa:</b> Plot No.117/L118, Verna Industrial Estate, Verna Salcette-South Goa, Goa-403722</li> <li>• <b>Panjim:</b> Belgaum Road, Usgoan- Tisk, Ponda, Goa-403406</li> <li>• <b>Roorkee:</b> Plot Nos.K-1 &amp; K-2, AIS Industrial Estate Latherdeva Hoon, Mangalaur Zebreda road, Roorkee, Taluka Haridwar, Uttarakand- 247667</li> </ul>																				
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 Crore
2	Total Turnover	Rs. 3,919.9 crore (Including other non-operating income)
3	Total profit after tax	Rs. 404.6 Crore
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. D.K.Chhabria	Executive Chairman	01403799
Mr. Ratnakar Barve	Executive director	09341821

- b) Details of BR Head

Name	Designation	DIN	Telephone number	E-mail ID
Mr. D.K.Chhabria	Executive Chairman	01403799	+91 020 27475963	sales@finolex.com
Mr. Ratnakar Barve	Executive director	09341821	+91 020 27475963	sales@finolex.com

### 2) Principle- wise (as per NVGs) BR policy / policies

The Company's policies are in line with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the ministry of corporate affairs 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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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 from the last three years which can viewed at <a href="http://www.finolex.com">www.finolex.com</a>

## 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 SERVICES THAT ARE SAFE AND CONTRIBUTE 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”, “Experts Choice Award- 2018” and “e4m Pride of India - The Best of Bharat” Award, 2022 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 2021-22, FCL hired approximately 178 employees, including 165 regular employees, 13 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	1589
b) Total number of employees hired on temporary/ Contractual/casual basis	1588
c) Total number of permanent Women employees	45
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 – 2

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 2021-22 more than 512 employees were part of learning process through 97 training programs. We also have successfully implemented On-Job

Training for 310 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 MARGINALIZED.**

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 2021-22.

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 2021-22 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.

# 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, 2022, 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, 2022, 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 Matter

Key audit matters are those matters that, in our professional judgement, 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 Matter

**Impairment of Investment in joint venture:** (Refer Notes 2.3 (ii), 2.23 and 6 to the standalone financial statements)

As at 31 March, 2022, the Company held investment with a carrying value of Rs. 47.93 crore (net of impairment Rs. 172.57 crore including Rs. 9.81 crores impaired during the year) in a joint venture - Finolex J-Power Systems Limited (formerly known as 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, 2022.

The recoverable amount of the investment in joint venture is assessed based on future discounted cash flows of the joint venture (Enterprise Value).

#### Auditor's Response

##### 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.



Key Audit Matter	Auditor's Response
<p>We considered this as a key audit matter due to significant judgement involved in estimating future cash flows of the joint venture and in determining the discount rate to be used. Changes in inputs and assumptions could impact the results of the impairment assessment.</p>	<ul style="list-style-type: none"> <li>• With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology and discount rate by developing a range of independent estimates and comparing those to the discount rate selected by the management.</li> <li>• We evaluated management's sensitivity analysis around the key assumptions such as discount rate and terminal growth rate, to ascertain the extent of change in those assumptions that would be required for the investment in joint venture to be impaired further.</li> <li>• We assessed the adequacy of disclosures made in the financial statements for the year ended 31 March, 2022.</li> </ul>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Boards' 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 judgements 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 judgement 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 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 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.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 40 (b) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the

Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 40 (b) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 16 (b) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm’s Registration No. 117366W/W-100018)

**Rupen K. Bhatt**

(Partner)

Place: Pune

Date: 28<sup>th</sup> May, 2022

Membership No. 046930

UDIN: 22046930AJUBYL2852

# 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, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls 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 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, 2022, based on the criteria for internal financial 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)

Place: Pune

Date: 28<sup>th</sup> May, 2022

Membership No. 046930

UDIN: 22046930AJUBYL2852

## Annexure “B” to the Independent Auditor’s Report

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The company has a program of verification of Property, Plant and Equipment so to cover all the items of Property, plant and equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed / Possession Certificate / Lease agreement / Encumbrance Certificate provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress, are held in the name of the Company as at the balance sheet date.
- (d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, from banks on the basis of security of current assets of the Company. In our opinion and according to the information and explanations given to us, the quarterly returns or statements, provisional/final containing, inter alia, amount of inventory and trade receivable, filed by the company with such banks till the date of this report are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) (c), (d), (e) and (f) of the Order is not applicable. The Company has made investments in, provided guarantee, to companies, or any other parties during the year, in respect of which:
- (a) The Company has stood guarantee during the year and details of which are given below:

<b>Guarantee</b>	
A. Balance outstanding as at balance sheet date	Rs. 24.50 crores
- Others (counter guarantee to J-Power Systems Corporation, Japan)	

- (b) The investments made, guarantee provided, and the terms and conditions of guarantee provided



during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of, investments made and guarantees provided. Further, the Company has not granted any loans or provided securities during the year.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, the reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have

been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2022, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March, 2022 on account of disputes are given below:

Name of Statute	Nature of the Dues	Amount Unpaid (Rs. In crore)	Period to which the Amount relates	Forum where Dispute is pending
The Central Sales Tax Act and Local Sales Tax Act	Sales Tax(#)	0.84	1992-1993, 2003-2004, 2013-2014, 2014-2015	Tribunal
		121.19	2002-2003, 2004-2005, 2006-2007 to 2009-2010, 2011-2012 to 2017-2018	Appellate Authority upto Commissioner Level
Goa Entry Tax Act, 2000	Entry Tax	4.85	2005-2006, 2011-2012 and 2012-2013	Appellate Authority upto Commissioner Level
Income-Tax Act, 1961	Income Tax	2.82	2001-2002	Supreme Court
		20.21	1992-1993 to 1995-1996, 1999-2000 to 2002-2003, 2007-2008 to 2009-2010	High Court
		4.56	2012-2013, 2016-2017, 2017-2018	Appellate Authority upto Commissioner Level
Customs Act, 1962	Customs Duty	0.88	1999-2000	CESTAT
Central Excise Act, 1944	Excise Duty (*)	31.59	2003-2004 to 2015-2016	CESTAT
		4.33	2015-2016	Appellate Authority upto Commissioner Level
Central Goods and Service Tax Act, 2017	Goods and Service Tax(\$)	0.23	2017-2018, 2019-2020, 2021-2022	Appellate Authority upto Commissioner Level

#Net of Rs. 16.00 crore paid under protest

\* Net of Rs. 1.13 crore paid under protest

\$ Net of Rs. 0.01 crore paid under protest.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken / drawdown any loans or other borrowings from sanctioned fund-based limits approved by the lenders. Hence reporting under clause (ix)(a) Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence reporting under clause (ix)(c) Order is not applicable.
- (d) The Company has not raised any funds on short-term basis during the year and hence reporting under clause (ix)(d) Order is not applicable.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint ventures or associate. Further, the Company does not have any subsidiary during the year.
- (f) The company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence reporting under clause (x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports issued to the company during year and covering the period up to March 2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any Core Investment Company (CIC) as part of the Group and accordingly clause (xvi)(d) of the Order is not applicable.
- (xvii) The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the



assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent Corporate Social Responsibility (CSR) amount for the year requiring a transfer to Fund specified in Schedule VII to the Companies Act in compliance with second proviso to section 135(5)

of the said Act. Accordingly, reporting under clause (xx)(a) of the Order is not applicable for the year.

- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the said Act.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Rupen K. Bhatt**

(Partner)

Place: Pune

Membership No. 046930

Date: 28<sup>th</sup> May, 2022

UDIN: 22046930AJUBYL2852

# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2022

	Note No.	As at 31 <sup>st</sup> March, 2022	(Rs. In Crore) As at 31 <sup>st</sup> March, 2021
<b>I ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	369.66	385.93
(b) Capital Work-in-Progress	3.1	86.77	25.71
(c) Intangible Assets	4	0.27	0.21
(d) Right of use Asset	5	10.25	8.29
(e) Financial Assets			
i) Investment in Associate and Joint Ventures	6	201.53	211.34
ii) Other Investments	7	91.60	216.86
iii) Other Financial Assets	9	4.33	4.38
(f) Non-Current Tax Assets (net)		19.14	20.46
(g) Other Non-Current Assets	10	19.37	35.20
		<b>802.92</b>	<b>908.38</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	11	653.11	755.40
(b) Financial Assets			
i) Investments	8	827.32	509.00
ii) Trade Receivables	12	177.15	176.55
iii) Cash and Cash Equivalents	13	32.39	24.60
iv) Other Bank balances	14	5.55	29.12
v) Other Financial Assets	9	1,057.14	778.21
(c) Other Current Assets	15	44.60	70.50
		<b>2,797.26</b>	<b>2,343.38</b>
<b>TOTAL ASSETS</b>		<b>3,600.18</b>	<b>3,251.76</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	30.59	30.59
(b) Other Equity	17	3,233.20	2,920.12
		<b>3,263.79</b>	<b>2,950.71</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings	18	0.28	0.31
ii) Lease Liabilities	5	6.34	4.18
(b) Provisions	19	9.98	11.72
(c) Deferred Tax Liabilities (Net)	20	26.14	34.10
		<b>42.74</b>	<b>50.31</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	0.03	0.03
(ii) Lease Liabilities	5	2.14	2.18
(iii) Trade Payables			
(a) Total Outstanding Dues of micro enterprises and small enterprises	21	16.29	15.87
(b) Total Outstanding Dues of Creditors other than micro enterprises and small enterprises	21	173.76	160.16
(iv) Other Financial Liabilities	22	4.29	4.14
(b) Other Current Liabilities	23	68.02	32.11
(c) Provisions	19	5.08	6.85
(d) Current tax Liabilities (net)		24.04	29.40
		<b>293.65</b>	<b>250.74</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,600.18</b>	<b>3,251.76</b>

See accompanying notes to the Standalone Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune: 28<sup>th</sup> May, 2022

For and behalf of Board of Directors of Finolex Cables Limited

**D. K. Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F. Billimoria**  
Director

**R. G. D'Silva**  
Company Secretary  
& President (Legal)  
Pune: 28<sup>th</sup> May, 2022



# Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

	Note No.	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
<b>I</b> Revenue from operations	24	3,768.14	2,768.11
<b>II</b> Other income	25	151.81	76.99
<b>III Total income</b>		<b>3,919.95</b>	<b>2,845.10</b>
<b>IV EXPENSES</b>			
(a) Cost of material consumed	26	2,793.62	2,129.91
(b) Purchase of stock-in-trade		93.83	76.24
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	78.83	(154.71)
(d) Employee benefits expense	28	146.08	137.87
(e) Finance Costs	29	1.52	0.76
(f) Depreciation and amortization expenses	30	38.85	38.96
(g) Other Expenses	31	240.60	223.95
<b>Total Expenses</b>		<b>3,393.33</b>	<b>2,452.98</b>
<b>V Profit before Tax</b>		<b>526.62</b>	<b>392.12</b>
<b>VI Tax Expense</b>			
(a) Current tax	20	127.92	112.63
(b) Deferred tax	20	(5.91)	(3.40)
<b>Total Tax</b>		<b>122.01</b>	<b>109.23</b>
<b>VII Profit for the year</b>		<b>404.61</b>	<b>282.89</b>
<b>VIII Other Comprehensive Income / (Expense)</b>			
A. Items that will not be reclassified to profit or loss			
(i) Re-measurement gain/ (loss) on defined benefit plans		1.45	0.66
(ii) Fair value change on equity instruments		(10.91)	34.09
(iii) Income tax relating to these items		2.05	(1.44)
B. Items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive (Expense)/Income for the year</b>		<b>(7.41)</b>	<b>33.31</b>
<b>IX Total comprehensive income for the year</b>		<b>397.20</b>	<b>316.20</b>
<b>X Earnings per equity share of face value of Rs. 2 each</b>			
(i) Basic	37	26.46	18.50
(ii) Diluted	37	26.46	18.50

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  
Pune: 28<sup>th</sup> May, 2022

For and behalf of Board of Directors of Finolex Cables Limited

**D. K. Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F. Billimoria**  
Director

**R. G. D'Silva**  
Company Secretary  
& President (Legal)  
Pune: 28<sup>th</sup> May, 2022

# Statement of Standalone Cash Flow

for the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
<b>A. Cash flow from Operating Activities</b>		
Profit before tax for the year	<b>526.62</b>	<b>392.12</b>
<b>Adjustments for :</b>		
Finance costs	1.52	0.76
Interest income on financial assets carried at amortised cost	(46.10)	(51.61)
Dividend income	(80.91)	(0.24)
Net (gain)/loss on investments classified at FVTPL	(20.78)	(21.38)
Allowances for doubtful debts	25.50	0.49
Allowances for doubtful advances	0.52	1.16
Depreciation and amortisation expenses	38.85	38.96
Impairment of financial assets	9.81	27.03
Loss/(gain) on disposal of property, plant and equipment	0.50	0.03
	<b>(71.09)</b>	<b>(4.80)</b>
Operating profit before working capital changes	<b>455.53</b>	<b>387.32</b>
<b>Working Capital Adjustments</b>		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(26.10)	9.98
Inventories	102.29	(162.34)
Other current assets	25.90	(18.90)
Other financial assets (current and non-current)	0.05	(0.54)
Other non-current assets	(0.39)	0.96
	<b>101.75</b>	<b>(170.84)</b>
	<b>557.28</b>	<b>216.48</b>
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	14.04	17.35
Long term / short term provisions	(2.06)	0.01
Other current liabilities	35.91	(2.59)
Other current financial liabilities	(0.16)	0.21
	<b>47.73</b>	<b>14.98</b>
Cash generated from operations	605.01	231.46
Income tax paid	(131.96)	(117.09)
<b>Net cash generated from Operating Activities</b>	<b>473.05</b>	<b>114.37</b>



# Statement of Standalone Cash Flow

for the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
<b>B. Cash flow from Investing Activities</b>		
Dividend received	80.91	0.24
Deposits and bank balances not considered as cash and cash equivalents	(247.02)	(651.26)
Interest received - Others	37.76	29.32
Purchase of investments in mutual funds	(3,802.96)	(2,884.50)
Proceeds from sale of investments in mutual funds	3,619.76	2,726.13
Purchase of investment in joint venture	-	(24.50)
Purchase of property, plant and equipment	(67.06)	(54.91)
Proceeds from disposal of property, plant and equipment	0.27	0.02
<b>Net cash (used in) Investing Activities</b>	<b>(378.34)</b>	<b>(859.46)</b>
<b>C. Cash flow from Financing Activities</b>		
Other borrowings repaid	(0.03)	(0.04)
Dividend paid	(83.81)	(83.84)
Interest and other borrowing costs	(0.59)	(0.03)
<b>Repayment of lease liability:</b>		
Principal	(1.56)	(1.69)
Interest	(0.93)	(0.73)
<b>Net cash (used in) Financing Activities</b>	<b>(86.92)</b>	<b>(86.33)</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>	<b>7.79</b>	<b>(831.42)</b>
<b>Cash and cash equivalents as at 1<sup>st</sup> April (Opening balance)</b>	<b>24.60</b>	<b>856.02</b>
<b>Cash and cash equivalents as at 31<sup>st</sup> March (Closing balance)</b>	<b>32.39</b>	<b>24.60</b>

## Notes:

### 1 Cash and Cash Equivalents include:

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Cash on hand	0.01	0.02
(b) Balances with banks		
In current accounts	32.38	24.58
<b>Cash and Cash Equivalents</b>	<b>32.39</b>	<b>24.60</b>

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune: 28<sup>th</sup> May, 2022

For and behalf of Board of Directors of Finolex Cables Limited

**D. K. Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F. Billimoria**  
Director

**R. G. D'Silva**  
Company Secretary  
& President (Legal)  
Pune: 28<sup>th</sup> May, 2022

# Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2022

## A) Equity Share Capital

	(Rs. In Crore)	
	No. of shares	Amount
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>152,939,345</b>	<b>30.59</b>
Issued during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>152,939,345</b>	<b>30.59</b>
Issued during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>152,939,345</b>	<b>30.59</b>

## B) Other Equity

Description	Reserve and surplus					Item of Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	General Reserve	Share buyback Reserve	Retained Earnings		
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>1,967.09</b>	<b>45.56</b>	<b>2,688.04</b>
Profit for the year	-	-	-	-	282.89	-	282.89
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	0.49	32.82	33.31
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283.38</b>	<b>32.82</b>	<b>316.20</b>
Dividend Paid	-	-	-	-	(84.12)	-	(84.12)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,166.35</b>	<b>78.38</b>	<b>2,920.12</b>
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,166.35</b>	<b>78.38</b>	<b>2,920.12</b>
Profit for the year	-	-	-	-	404.61	-	404.61
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	1.09	(8.50)	(7.41)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405.70</b>	<b>(8.50)</b>	<b>397.20</b>
Dividend Paid	-	-	-	-	(84.12)	-	(84.12)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,487.93</b>	<b>69.88</b>	<b>3,233.20</b>

See accompanying notes to the Standalone Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune: 28<sup>th</sup> May, 2022

For and behalf of Board of Directors of Finolex Cables Limited

**D. K. Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F. Billimoria**  
Director

**R. G. D'Silva**  
Company Secretary  
& President (Legal)  
Pune: 28<sup>th</sup> May, 2022



# Notes to the Standalone Financial Statements

## 1. Corporate information

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges (i.e. BSE & NSE) in India. The registered office of the Company is located at 26/27, Mumbai-Pune Road, Pimpri, Pune 411018 (India). The Company is principally engaged in the manufacturing of Electricals Cables, Communication Cables & other electrical appliances.

These standalone financial statements for the year ended March 31, 2022 were approved for issue by the Board of Directors in accordance with their resolution dated May 28, 2022.

## 2. Summary of Significant Accounting Policies

### 2.1 Basis of preparation & presentation and statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements are presented in INR and all values are rounded to the nearest Crores in two digits, except where otherwise indicated.

### 2.2 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management of the Company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, provisions and contingent liabilities and fair value measurement of financial instruments. Key source of estimation of uncertainty in respect of employee benefits and measurement of deferred tax assets have been discussed in their respective policies.

### 2.3 Critical accounting estimates

#### i) Property, plant and equipment:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.11.

#### ii) Impairment of Investments

The Company reviews its carrying value of investments in associate and joint ventures carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### iii) Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.16.

# Notes to the Standalone Financial Statements

## iv) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2.18.

## 2.4 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and

cash equivalents. The Company has identified twelve months as its operating cycle.

## 2.5 Revenue recognition

### Sale of goods

Revenue from the sale of goods is recognized at point in time when control of the goods is transferred to the customer, usually on delivery of the goods, customer acceptance and other indicators of transfer of control of goods to the customer. Revenue from sale of goods is measured at an amount that reflects the consideration ("transaction price") expected to be received in exchange for those goods.

### Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### Dividends

Revenue is recognized when the Company's right to receive the dividend is established, which is generally when shareholders approve the dividend.

## 2.6 Foreign Currencies

The Functional Currency of the company is in the Indian rupee. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realized gains and losses as well as exchange differences arising on translation (at year end exchange rates) of monetary assets and monetary liabilities outstanding at the end of the year are recognised in the statement of Profit and Loss.

Non-monetary assets and liabilities that all are measured in terms of historical cost in foreign currencies are not retranslated.

## 2.7 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received. Government grants relating to income are determined and recognised in the statement of



# Notes to the Standalone Financial Statements

profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets. The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

## 2.8 Employee Benefits

### 2.8.1 Defined contribution plans

#### (a) Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

#### (b) Superannuation:

Superannuation fund, which is defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

#### (c) Employees state insurance scheme (ESIC):

The company pays ESIC contribution to Employee State Insurance Corporation of India as per ESIC Act 1948. The Company has no further obligations other than its monthly contributions.

### 2.8.2 Defined benefits plans (Gratuity)

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net

interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

### 2.8.3 Compensated absences:

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of un-availed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

## 2.9 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

# Notes to the Standalone Financial Statements

## Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.23) Impairment of assets.

### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are

incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 2.10 Income Taxes

### Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted





# Notes to the Standalone Financial Statements

or substantively enacted, at the reporting date in India where it generates taxable income, Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized.

## 2.11 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation commences when the assets are ready for their intended use. Freehold land and Assets held for sale are not depreciated.

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

The estimated useful lives in respect of Property, plant and equipment are mentioned below:

Asset Class	Useful Life Adopted (Years)	Useful Life as per Schedule –II (Years)
Plant & Machinery	10 to 25*	15
Solar Plant	25	NA
Buildings-Factory	30	30
Buildings-Others	60	60
Furniture & Fittings	10	10
Office Equipment	5	5
Computers & Peripherals	3 to 6	3 to 6
Vehicles	8	8
Dies & Moulds	6*	8

\*As evaluated by internal technical personnel

# Notes to the Standalone Financial Statements

## 2.12 Intangible Assets

Intangible assets acquired separately are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The amortization policy applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

Asset Class	Amortization
Computer Software	Over a period of 5 years

## 2.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 2.14 Assets Held for Sale

Non-current assets held for sale are measured at the lower of their carrying value and fair value of the assets less costs to sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment once classified as held for sale are not depreciated/ amortised.

## 2.15 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on weighted average. Cost for this purpose includes cost of direct materials, direct labour, appropriate share of overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for and valued at net realisable value.

## 2.16 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

## 2.17 Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



# Notes to the Standalone Financial Statements

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

## 2.18 Financial Assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### 2.18.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 2.18.2 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are

measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

### 2.18.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

### 2.18.4 Investment in Joint Ventures and Associate

Investment in joint Ventures and Associate are measured and stated at cost less impairment as per Ind AS 27 - Separate Financial Statements.

### 2.18.5 Impairment of financial assets (other than financial assets at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes life-time expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life-time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. Also, refer note 12.1 on loss allowance on Trade receivable.

# Notes to the Standalone Financial Statements

## 2.19 Financial liabilities and equity instruments

### 2.19.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 2.19.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognized in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### 2.19.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

## 2.20 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

## 2.21 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank

overdrafts as they are considered an integral part of the Company's cash management.

## 2.22 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 2.23 Impairment of assets

Assets are tested for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lower levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversals of the impairment at the end of each reporting period.

## 2.24 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

## Notes to the Standalone Financial Statements

Ind AS 16 – Property Plant and equipment -The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –The amendments specifies that

the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1,2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

# Notes to the Standalone Financial Statements

## Note 3: Property, Plant and Equipment

(Rs. In Crore)

	Freehold Land	Lease hold Land	Buildings (Refer note 1)	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
<b>Cost</b>									
<b>Balance as at 1<sup>st</sup> April, 2021</b>	36.37	15.30	191.79	380.57	2.75	3.46	3.73	3.54	637.51
Additions	0.26	-	0.07	19.72	0.69	0.06	0.77	-	21.57
(Disposals)	-	-	-	(9.97)	-	-	(0.18)	(1.37)	(11.52)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>36.63</b>	<b>15.30</b>	<b>191.86</b>	<b>390.32</b>	<b>3.44</b>	<b>3.52</b>	<b>4.32</b>	<b>2.17</b>	<b>647.56</b>
<b>Accumulated Depreciation &amp; Impairment</b>									
<b>Balance as at 1<sup>st</sup> April, 2021</b>	-	1.01	40.37	202.06	1.42	2.53	2.21	1.98	251.58
Depreciation expense for the year	-	0.17	6.68	28.74	0.17	0.27	0.54	0.50	37.07
(Disposals)	-	-	-	(9.51)	-	-	(0.16)	(1.08)	(10.75)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>1.18</b>	<b>47.05</b>	<b>221.29</b>	<b>1.59</b>	<b>2.80</b>	<b>2.59</b>	<b>1.40</b>	<b>277.90</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>36.63</b>	<b>14.12</b>	<b>144.81</b>	<b>169.03</b>	<b>1.85</b>	<b>0.72</b>	<b>1.73</b>	<b>0.77</b>	<b>369.66</b>

(Rs. In Crore)

	Freehold Land	Lease hold Land	Buildings (Refer note 1)	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
<b>Cost</b>									
<b>Balance as at 1<sup>st</sup> April, 2020</b>	36.29	15.30	169.62	357.24	2.66	3.39	3.17	3.90	591.57
Additions	0.08	-	22.17	23.38	0.09	0.07	0.58	-	46.37
(Disposals)	-	-	-	(0.05)	-	-	(0.02)	(0.36)	(0.43)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>36.37</b>	<b>15.30</b>	<b>191.79</b>	<b>380.57</b>	<b>2.75</b>	<b>3.46</b>	<b>3.73</b>	<b>3.54</b>	<b>637.51</b>
<b>Accumulated Depreciation &amp; Impairment</b>									
<b>Balance as at 1 April, 2020</b>	-	0.85	33.72	173.45	1.24	2.23	1.63	1.69	214.81
Depreciation expense for the year	-	0.16	6.65	28.64	0.18	0.30	0.59	0.63	37.15
(Disposals)	-	-	-	(0.03)	-	-	(0.01)	(0.34)	(0.38)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>1.01</b>	<b>40.37</b>	<b>202.06</b>	<b>1.42</b>	<b>2.53</b>	<b>2.21</b>	<b>1.98</b>	<b>251.58</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2021</b>	<b>36.37</b>	<b>14.29</b>	<b>151.42</b>	<b>178.51</b>	<b>1.33</b>	<b>0.93</b>	<b>1.52</b>	<b>1.56</b>	<b>385.93</b>

### Notes:

- (1) Building include Rs. \* Crore being cost of ordinary shares in co-operative housing societies.
- (2) Title deeds of freehold land and building are held in the name of the company.
- (3) No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

\* Denotes amount less than Rs. 50,000



# Notes to the Standalone Financial Statements

## 3.1 Capital-work-in progress (CWIP)

### (a) Capital-work-in progress (CWIP) ageing schedule for the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	70.43	14.45	0.17	1.72	86.77
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>70.43</b>	<b>14.45</b>	<b>0.17</b>	<b>1.72</b>	<b>86.77</b>

### Capital-work-in progress (CWIP) ageing schedule for the year ended 31<sup>st</sup> March, 2021

(Rs. In Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	22.84	1.16	-	1.72	25.71
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>22.84</b>	<b>1.16</b>	<b>-</b>	<b>1.72</b>	<b>25.71</b>

### (b) Capital-work-in progress (CWIP), whose completion is overdue or has exceed its cost compared to its original plan as at 31<sup>st</sup> March, 2022.

(Rs. In Crore)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project -1	10.23	-	-	-	10.23
Project -2	1.67	-	-	-	1.67
Project -3	0.05	-	-	-	0.05
<b>Total</b>	<b>11.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.95</b>

### Capital-work-in progress (CWIP), whose completion is overdue or has exceed its cost compared to its original plan as at 31<sup>st</sup> March, 2021

(Rs. In Crore)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project -1	-	6.33	-	-	6.33
Project -2	-	1.67	-	-	1.67
Project -3	-	0.05	-	-	0.05
<b>Total</b>	<b>-</b>	<b>8.05</b>	<b>-</b>	<b>-</b>	<b>8.05</b>

# Notes to the Standalone Financial Statements

## Note 4 : Intangible Assets

	(Rs. In Crore)
	<b>Computer Software \$</b>
<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>1.58</b>
Additions	0.12
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.70</b>
<b>Accumulated Amortisation and Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>1.37</b>
Amortisation expenses for the year	0.06
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.43</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>0.27</b>
<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>1.54</b>
Additions	0.04
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1.58</b>
<b>Accumulated Amortisation and Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>1.09</b>
Amortisation expenses for the year	0.28
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1.37</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2021</b>	<b>0.21</b>

### Note :

1) \$ Other than internally generated intangible assets

## Note 5: Right of use asset

	(Rs. In Crore)
<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>10.20</b>
Addition	3.68
(Disposals)	(0.71)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>13.17</b>
<b>Accumulated Amortisation &amp; Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>1.91</b>
Amortisation expenses for the year	1.72
(Disposals)	(0.71)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>2.92</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>10.25</b>

# Notes to the Standalone Financial Statements

(Rs. In Crore)

<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>9.73</b>
Addition	0.98
(Disposals)	(0.51)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>10.20</b>
<b>Accumulated Amortisation &amp; Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>0.41</b>
Amortisation expenses for the year	1.53
(Disposals)	(0.03)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1.91</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2021</b>	<b>8.29</b>

Set out below are the carrying amounts of lease liabilities movements during the year

(Rs. In Crore)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
<b>Balance at the beginning</b>	6.36	7.56
Additions	3.68	0.98
Deduction during the year	-	(0.49)
Accretion of interest	0.93	0.73
Payments	(2.49)	(2.42)
<b>Balance as at the end</b>	<b>8.48</b>	<b>6.36</b>
Current	2.14	2.18
Non-current	6.34	4.18

The effective interest rate for lease liabilities is 9.05%

The following are the amounts recognised in the statement of profit and loss:

(Rs. In Crore)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Depreciation expense of right-of-use assets	1.72	1.52
Interest expense on lease liabilities	0.93	0.73
Expense relating to short-term leases	0.32	-
Expense relating to leases of low-value assets	-	-
Total amount recognised in the statement of profit and loss	2.97	2.25

**Note:**

The maturities of lease liabilities on an undiscounted basis are disclosed under Note no 34.

# Notes to the Standalone Financial Statements

## Note 6 : Investment in Associate & Joint Ventures- Non-Current

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Investment in Associate &amp; Joint Ventures</b>		
Measured at cost		
<b>(i) Equity shares Quoted</b>		
200,962,985	Equity Shares of Rs. 2 each fully paid in Finolex Industries Limited (Previous Year 40,192,597)	151.85
<b>(ii) Equity shares Unquoted</b>		
220,500,000	Equity Shares of Rs.10 each fully paid in Finolex J- Power Systems Limited (formerly known as Finolex J- Power Systems Private Limited) (Previous Year 220,500,000)	220.50
-	Less: Provision for Impairment in value of Investments (Refer note 6.2)	(172.57)
1,750,000	Equity Shares of Rs.10 each fully paid in Corning Finolex Optical Fibre Private Limited (Previous Year 1,750,000) (Refer note 6.3)	1.75
<b>Total</b>		<b>201.53</b>
<b>Aggregate carrying value of Quoted Investment</b>		<b>151.85</b>
<b>Aggregate market Value of Quoted Investment</b>		<b>3,110.91</b>
<b>Aggregate carrying value of Unquoted Investment</b>		<b>222.25</b>
<b>Aggregate value of impairment in value of assets</b>		<b>(172.57)</b>
<b>Aggregate carrying value of Unquoted Investment net of impairment</b>		<b>59.49</b>

### Note 6.1 : Disclosure as per Ind-AS 27

Name of investees	The principal place of business and country of incorporation	Proportion of the ownership interest and proportion of the voting rights
<b>(I) Associate</b>		
Finolex Industries Limited	India	32.39%
<b>(II) Joint Ventures</b>		
Finolex J-Power Systems Limited	India	49.00%
Corning Finolex Optical Fibre Private Limited	India	50.00%

### Note 6.2 :Disclosure as per Ind-AS 36, on Impairment of Investments in Joint Venture

The Company's investment in Finolex J Power Systems Limited, (FJPS) is long term and strategic in nature. FJPS is engaged in manufacturing and sale of extra high voltage power cables. The operations of FJPS 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 31<sup>st</sup> March 2022.



# Notes to the Standalone Financial Statements

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. 9.81 crores (previous year Rs. 27.03 crores) leading to a total impairment Rs.172.57 crores upto 31<sup>st</sup> March 2022.

### Key assumptions used for value in use to determine the recoverable value are:

1- Discount rate - Weighted Average Cost of Capital (WACC) - 17 % ( Previous year 18% )

2- Terminal growth rate 4 % ( Previous year 5% )

### Note 6.3: Corning Finolex Optical Fibre Private Limited: Discontinuation of JV Agreement

The Joint Venture partners of Corning Finolex Optical Fibre Private Limited ("Corning") in their extra ordinary general meeting held on 30<sup>th</sup> March, 2022 had approved the "voluntary liquidation" of Corning and appointed an insolvency professional duly registered under insolvency and bankruptcy code as the liquidator of the Corning. Corning is currently under liquidation and the financial statements of the Corning have been prepared on the liquidation basis and not on going concern basis. Considering, Corning is in process of liquidation and accordingly, investment in Corning do not qualify as held for sale.

### Note7 : Other Investments - Non-Current

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>a) Investments at fair value through Other Comprehensive Income (FVTOCI) (fully paid)</b>		
<b>i) Equity shares- Quoted</b>		
61,000 Equity Shares of Rs. 2 each fully paid in Bharat Forge Limited (Previous Year 61,000)	4.28	3.64
358,500 Equity Shares of Rs. 10 each fully paid in IndusInd Bank Limited (Previous Year 358,500)	33.52	34.20
168,750 Equity Shares of Rs.5 each fully paid in BF Utilities Limited (Previous Year 168,750)	5.20	4.16
168,750 Equity Shares of Rs.5 each fully paid in BF Investment Limited (Previous Year 168,750)	4.59	4.67
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)	1.83	1.46
200,000 Equity Shares of Rs. 5 each fully paid in Kirloskar Ferrous Limited (Previous Year 200,000)	4.29	3.29
100 Equity Shares of Rs. 2 each fully paid in Nicco Corporation Limited (Previous Year 100)	*	*
100 Equity Shares of Re. 1 each fully paid in Usha Martin Education & Solutions Limited (Previous Year 100)	*	*
100 Equity Shares of Rs. 10 each fully paid in Sterlite Power Transmission Limited (Previous Year 100)	*	*
<b>Total Equity shares - Quoted (i)</b>	<b>53.71</b>	<b>51.42</b>

# Notes to the Standalone Financial Statements

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ii ) Equity shares Unquoted</b>		
1,000,000 Equity Shares of Rs. 10 each fully paid in Finolex Plasson Industries Private Limited (Previous Year 1,000,000)	20.00	30.67
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)	5.53	8.04
5,373,938 Equity Shares of Rs.10 each fully paid in Finolex Infrastructure Limited (Previous Year 5,373,938)	12.36	12.38
<b>Total Equity shares -Unquoted (ii)</b>	<b>37.89</b>	<b>51.09</b>
<b>Total FVTOCI Investments (i+ii)</b>	<b>91.60</b>	<b>102.51</b>
<b>b) Investments at fair value through Profit &amp; Loss (FVTPL)</b>		
Investment in Fixed Maturity Plan (FMP) - Unquoted	-	114.35
<b>Total Investments at FVTPL</b>	<b>-</b>	<b>114.35</b>
<b>Total Other Investments 6=(a+b)</b>	<b>91.60</b>	<b>216.86</b>
<b>Aggregate carrying value and Market Value of Quoted Investments</b>	<b>53.71</b>	<b>51.42</b>
<b>Aggregate carrying value of Unquoted Investments</b>	<b>37.89</b>	<b>165.44</b>

\* Denotes amount less than Rs. 50,000

## Note 8 : Current Investments

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Investments at fair value through profit or loss (FVTPL)</b>		
Investments in Mutual Funds - Unquoted	119.03	97.44
Current portion of Investment in Fixed Maturity Plan (FMP) - Unquoted	708.29	411.56
<b>Total Current Investments</b>	<b>827.32</b>	<b>509.00</b>





# Notes to the Standalone Financial Statements

## Note 9: Other Financial Assets

(Unsecured , considered good)

(Rs. In Crore)

	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Carried at amortised cost</b>				
(a) Fixed Deposit with Banks	-	-	920.81	700.00
(b) Fixed Deposit - Margin Money	-	-	0.08	0.30
(c) Deposits with others	-	-	100.00	50.00
(d) Interest accrued on Fixed Deposit	-	-	36.25	27.91
(e) Security Deposits	4.33	4.38	-	-
	<b>4.33</b>	<b>4.38</b>	<b>1,057.14</b>	<b>778.21</b>

## Note 10 : Other Non-Current Assets

(Unsecured , considered good)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Capital Advance		
Considered Good	0.53	16.75
Considered Doubtful	0.52	-
<b>Total</b>	<b>1.05</b>	<b>16.75</b>
Less: Allowances for doubtful advances	0.52	-
	<b>0.53</b>	<b>16.75</b>
(b) Balances with Government Authorities		
(i) Sales Tax Receivables	16.55	15.74
(ii) Excise Duty Receivables	1.77	2.19
(iii) Other Receivables	0.52	0.52
	<b>19.37</b>	<b>35.20</b>

## Note 11- Inventories

(Lower of cost and net realisable value unless stated)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Raw materials	99.87	127.30
(b) Work in progress	145.95	166.24
(c) Finished goods	350.05	416.95
(d) Stock in Trade ( in respect of goods acquired for trading)	27.66	19.30
(e) Stores & Spares	27.69	23.65
(f) Scrap	1.89	1.96
<b>Total inventories</b>	<b>653.11</b>	<b>755.40</b>
Included above, goods-in-transit:		
Raw materials	17.29	13.22
<b>Total goods-in-transit</b>	<b>17.29</b>	<b>13.22</b>

# Notes to the Standalone Financial Statements

## Note 12 : Trade Receivables - (Unsecured)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Considered good	177.15	176.55
Considered doubtful	41.74	16.24
<b>Total</b>	<b>218.89</b>	<b>192.79</b>
Less: Allowances for credit losses	41.74	16.24
	<b>177.15</b>	<b>176.55</b>

### Note 12.1

#### Trade Receivables :

The average credit period for the Company's receivables is in the range of 30 to 60 days in respect of institutional sales and upto 190 days in case of sales to government owned entities. No interest is charged on trade receivables. Trade receivables balance as at 31<sup>st</sup> March 2022 includes Rs. 65.82 crores (31<sup>st</sup> March 2021, Rs. 84.51 crores) due from Bharat Sanchar Nigam Ltd, Bharat Broadband Nigam Ltd and Telecommunication Consultants India Ltd, Rs. 52.40 crores (31<sup>st</sup> March 2021, Rs. 30.87 crores) due from Minda Corporation Ltd, D-Link India Limited and Logenix Services Private Limited which represents Company's large customers. Apart from the above there are no customers who individually represents more than 5% of the total balance of trade receivables.

#### Expected credit loss

For trade receivables, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the expected credit loss allowance:

(Rs. In Crore)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of the year	16.24	15.75
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	25.50	0.49
<b>Balance at the end of the year</b>	<b>41.74</b>	<b>16.24</b>



# Notes to the Standalone Financial Statements

## 12.2 Trade Receivables Ageing for the year ended March 31, 2022

(Rs. In Crore)

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	148.86	28.02	0.32	3.97	2.37	<b>183.54</b>
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	35.35	<b>35.35</b>
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Subtotal</b>	<b>148.86</b>	<b>28.02</b>	<b>0.32</b>	<b>3.97</b>	<b>37.72</b>	<b>218.89</b>
Less: allowances for credit losses						<b>(41.74)</b>
<b>Total</b>						<b>177.15</b>

## Trade Receivables Ageing for the year ended March 31, 2021

(Rs. In Crore)

CWIP	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	136.01	0.50	4.70	12.38	33.49	<b>187.08</b>
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	0.25	5.46	<b>5.71</b>
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Subtotal</b>	<b>136.01</b>	<b>0.50</b>	<b>4.70</b>	<b>12.63</b>	<b>38.95</b>	<b>192.79</b>
Less: allowances for credit losses						<b>(16.24)</b>
<b>Total</b>						<b>176.55</b>

## Note 13: Cash and Cash Equivalents

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(a) Balances with banks:</b>		
In Current Accounts	32.38	24.58
<b>(b) Cash on hand</b>	0.01	0.02
	<b>32.39</b>	<b>24.60</b>

# Notes to the Standalone Financial Statements

## Note 14: Other Bank Balances

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) In Earmarked Accounts		
Unclaimed dividend	3.45	3.14
(b) Fixed Deposits with maturity greater than 3 months but less than 12 months	1.99	25.98
(c) Fixed Deposit - held as Margin Money	0.11	-
	<b>5.55</b>	<b>29.12</b>

## Note 15 : Other Current Assets

(Unsecured , considered good)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Goods and Services Tax Receivable	18.77	25.42
(b) Government Grant Receivable	-	0.55
(c) Balances with Government authorities	0.28	0.28
(d) Other Advances		
Considered Good	24.98	43.56
Considered Doubtful	1.16	1.16
<b>Total</b>	<b>26.14</b>	<b>44.72</b>
Less: Allowances for doubtful advances	1.16	1.16
	<b>24.98</b>	<b>43.56</b>
(e) Prepaid Expenses	0.57	0.69
	<b>44.60</b>	<b>70.50</b>

## Note 16 : Equity Share Capital

	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No of shares	(Rs. In Crore)	No of shares	(Rs. In Crore)
<b>I Authorised Share Capital</b>				
235,000,000 (Previous year 235,000,000) Equity shares of Rs. 2/-each	235,000,000	47.00	235,000,000	47.00
3,000,000 (Previous year 3,000,000) Unclassified shares of Rs. 10/- each	3,000,000	3.00	3,000,000	3.00
	<b>238,000,000</b>	<b>50.00</b>	<b>238,000,000</b>	<b>50.00</b>
<b>II Issued, Subscribed and Paid up Share Capital</b>				
Equity shares of Rs. 2 each issued, subscribed and fully paid	152,939,345	30.59	152,939,345	30.59

# Notes to the Standalone Financial Statements

## (a) Reconciliation of Equity Shares at the beginning and at the end of the reporting period

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No of shares	(Rs. In Crore)	No of shares	(Rs. In Crore)
Balance at the beginning of the year	152,939,345	30.59	152,939,345	30.59
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>152,939,345</b>	<b>30.59</b>	<b>152,939,345</b>	<b>30.59</b>

## (b) Terms/ rights attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

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

On 28<sup>th</sup> May, 2022, the Board of Directors of the company have proposed a final dividend of Rs. 6.00 per share in respect of the year ended 31<sup>st</sup> March, 2022 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of Rs. 91.76 crores.

## (c) Details of shareholders holding more than 5% Shares in the company

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No of shares	% Holding	No of shares	% Holding
Finolex Industries Limited	22,187,075	14.51	22,187,075	14.51
Orbit Electricals Private Limited	46,956,120	30.70	46,956,120	30.70
Franklin Templeton Mutual Fund	#		10,031,928	6.56
DSP Small Cap Fund	#		8,539,093	5.58

# - Holding less than 5% during the year

## Note 16.1 : Shareholding of Promoters

Shares held by promoters at the end of the year		As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
Sr No.	Promoter Name	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
1	KATARA MUKESH DOLUMAL (HUF)	7,500	-	-	7,500	-	-
2	KATARA MUKESH DOLUMAL	23,500	0.02%	-	23,500	0.02%	-
3	ARUNA KATARA	2,812,950	1.84%	-	2,812,850	1.84%	-
4	SUNITA KISHANDAS CHHABRIA	1,163,400	0.76%	-	1,163,400	0.76%	-
5	PRAKASH PRALHAD CHHABRIA	831,850	0.54%	-	831,850	0.54%	-
6	PRIYA VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
7	VINI DEEPAK CHHABRIA	33,750	0.02%	-	33,750	0.02%	-
8	KISHANDAS PARASHRAM CHHABRIA	685,250	0.45%	-27.93%	950,750	0.62%	-

# Notes to the Standalone Financial Statements

Shares held by promoters at the end of the year		As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
Sr No.	Promoter Name	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
9	DEEPAK KISHAN CHHABRIA	1,202,250	0.79%	28.34%	936,750	0.61%	-
10	PRALHAD PARSRAM CHHABRIA	-	-	-100.00%	100	-	-
11	VIJAY KISHANDAS CHHABRIA	539,250	0.35%	-	539,250	0.35%	-
12	RITU PRAKASH CHHABRIA	95,000	0.06%	-	95,000	0.06%	-
13	RISHI VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
14	KARAN VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
15	GAYATRI PRAKASH CHHABRIA	105,000	0.07%	-	105,000	0.07%	-
16	HANSIKA HIYA PRAKASH CHHABRIA	105,000	0.07%	-	105,000	0.07%	-
17	RADHIKA DEEPAK CHHABRIA	30,000	0.02%	-	30,000	0.02%	-
18	AMIT M KATARA	87,400	0.06%	-	87,400	0.06%	-
19	AMRITA MUKESH KATARA	85,400	0.06%	-	85,400	0.06%	-
20	ORBIT ELECTRICALS PRIVATE LIMITED	46,956,120	30.70%	-	46,956,120	30.70%	-
21	KATARA DENTAL PVT.LTD.	10,050	0.01%	-	10,050	0.01%	-

## Note 17 : Other Equity

(Rs. In Crore)

		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i)</b>	<b>Securities Premium</b>	109.10	109.10
<b>(ii)</b>	<b>Capital Reserve</b>	8.41	8.41
<b>(iii)</b>	<b>General Reserve</b>	552.36	552.36
<b>(iv)</b>	<b>Share buy back reserve</b>	5.52	5.52
<b>(v)</b>	<b>Retained Earnings</b>		
	Opening Balance	2,166.35	1,967.09
Add:	Other Comprehensive Income/(Expenses) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	1.09	0.49
	Profit for the year	404.61	282.89
Less:	Payment of dividend	(84.12)	(84.12)
	<b>Closing Balance</b>	<b>2,487.93</b>	<b>2,166.35</b>
<b>(vi)</b>	<b>Equity Instruments through Other Comprehensive Income</b>		
	Opening Balance	78.38	45.56
Add/(Less):	Change in Fair Value of Equity Instrument through other Comprehensive Income	(10.91)	34.09
Add/(Less):	Deferred Tax	2.41	(1.27)
	<b>Closing Balance</b>	<b>69.88</b>	<b>78.38</b>
	<b>Total</b>	<b>3,233.20</b>	<b>2,920.12</b>



# Notes to the Standalone Financial Statements

## Nature and purpose :

### Securities Premium :

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

### Capital Reserve

The Company recognises the difference on purchase, sale, issue or cancellation of Company's own equity instruments to Capital Reserve. Capital Reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### General Reserve:

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

### Share buy back reserve

During the earlier years, the Company had bought back its own equity out of free reserves. Share buy back reserve (Capital Redemption Reserve) represents amount set-aside in respect of nominal value of the shares bought back as per the Companies Act, 2013.

### Retained Earnings:

Retained Earnings are the profits of the Company earned till date net of appropriations.

### Equity Instruments through Other Comprehensive Income

This Reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings when those assets are disposed off.

## Note 18 :Borrowings

(Rs. In Crore)

	Non Current		Current	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Finance lease obligation	0.28	0.31	0.03	0.03
	<b>0.28</b>	<b>0.31</b>	<b>0.03</b>	<b>0.03</b>

### Note 18.1: Repayment Details of Loans

Finance lease obligation : Repayable over 78 Years, last installment in financial year 2096-97.

## Note 19 : Provisions

(Rs. In Crore)

	Non Current		Current	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Provision for Employee Benefits</b>				
Gratuity	-	1.19	2.07	3.69
Leave Encashment	9.98	10.53	3.01	3.16
	<b>9.98</b>	<b>11.72</b>	<b>5.08</b>	<b>6.85</b>

# Notes to the Standalone Financial Statements

## Note 20 : Tax Expense and Deferred Tax Liability (net)

### Note 20.1 : Tax Expense

#### 1. Income Tax recognised in Statement of profit and loss

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Current Tax:</b>		
In respect of current year	127.92	112.63
	<b>127.92</b>	<b>112.63</b>
<b>Deferred tax:</b>		
In respect of current year	(5.91)	(3.40)
	<b>(5.91)</b>	<b>(3.40)</b>
<b>Total Income Tax expense recognised during the year</b>	<b>122.01</b>	<b>109.23</b>

#### 2. Income Tax recognised in Other Comprehensive Income

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Deferred tax on fair value changes on equity instruments at FVTOCI	2.41	(1.27)
Net (gain)/loss on remeasurements of defined benefit plans	(0.36)	(0.17)
<b>Total Income Tax expense recognised in other comprehensive income during the year</b>	<b>2.05</b>	<b>(1.44)</b>

#### 3. The Income Tax expenses for the year can be reconciled to the accounting profit as follows.

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Profit before tax considered for tax working	526.62	392.12
Income tax expenses calculated at 25.17% (Previous year 25.17 %)	132.54	98.69
Effect of income that is exempt from tax	(20.37)	(0.06)
Effect of expenses that are not deductible in determining taxable profit	5.26	12.91
Effect of tax on other items	4.58	(1.72)
Effect of tax at differential tax rates	-	(0.59)
Income tax expenses recognised in statement of profit and loss	<b>122.01</b>	<b>109.23</b>

#### Note :

- The tax rate used for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 reconciliations above is the corporate tax rate of 25.17% respectively, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

# Notes to the Standalone Financial Statements

## Note 20.2 : Deferred Tax Liability (net)

1. The following is the analysis of Deferred Tax Liability (net) presented in the Balance Sheet:

(Rs. In Crore)

Particulars	As at	As at
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Deferred tax assets	14.54	10.22
Deferred tax liabilities	(40.68)	(44.32)
<b>Total - Deferred tax Liabilities (net)</b>	<b>(26.14)</b>	<b>(34.10)</b>

2. The tax effect of significant timing differences that has resulted in deferred tax liabilities are given below:

(Rs. In Crore)

	For the year ended 31 <sup>st</sup> March, 2022			
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Closing balance
<b>Deferred Tax Assets in relation to</b>				
Employee Benefits	4.68	(0.53)	(0.36)	3.79
Allowance for Doubtful Debt & Advances	4.38	6.13	-	10.51
Others	1.16	(0.92)	-	0.24
<b>Total</b>	<b>10.22</b>	<b>4.68</b>	<b>(0.36)</b>	<b>14.54</b>
<b>Deferred Tax Liabilities in relation to</b>				
Property, Plant and Equipment	28.85	(0.35)	-	28.50
Financial assets at fair value through OCI	7.42	-	(2.41)	5.01
Financial assets at fair value through Profit and loss	7.57	(0.83)	-	6.74
Lease liabilities	0.48	(0.05)	-	0.43
<b>Total</b>	<b>44.32</b>	<b>(1.23)</b>	<b>(2.41)</b>	<b>40.68</b>
<b>Deferred tax Liabilities (net)</b>	<b>(34.10)</b>	<b>5.91</b>	<b>2.05</b>	<b>(26.14)</b>

(Rs. In Crore)

	For the year ended 31 <sup>st</sup> March, 2021			
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Closing balance
<b>Deferred Tax Assets in relation to</b>				
Employee Benefits	4.84	0.01	(0.17)	4.68
Allowance for Doubtful Debt & Advances	3.96	0.42	-	4.38
Others	0.11	1.05	-	1.16
<b>Total</b>	<b>8.91</b>	<b>1.48</b>	<b>(0.17)</b>	<b>10.22</b>
<b>Deferred Tax Liabilities in relation to</b>				
Property, Plant and Equipment	30.85	(2.00)	-	28.85
Financial assets at fair value through OCI	6.15	-	1.27	7.42
Financial assets at fair value through Profit and loss	7.53	0.04	-	7.57
Lease liabilities	0.44	0.04	-	0.48
<b>Total</b>	<b>44.97</b>	<b>(1.92)</b>	<b>1.27</b>	<b>44.32</b>
<b>Deferred tax Liabilities (net)</b>	<b>(36.06)</b>	<b>3.40</b>	<b>(1.44)</b>	<b>(34.10)</b>

# Notes to the Standalone Financial Statements

## Note 21 : Trade Payables

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Total Outstanding Dues of micro enterprises and small enterprises	16.29	15.87
(b) Total Outstanding Dues of Creditors other than micro enterprises and small enterprises		
(i) Trade payables	144.46	133.81
(ii) Accrued Salaries and Benefits	29.30	26.35
	173.76	160.16
<b>Total</b>	<b>190.05</b>	<b>176.03</b>

### Note 21.1 : Dues to Micro enterprises and small enterprises

- (a) Outstanding to suppliers other than micro enterprises and small enterprises Rs. 173.76 crores (previous year Rs.160.16 crores)
- (b) Outstanding to micro enterprises and small enterprises Rs. 16.29 crores (previous year Rs.15.87 crores) including interest.

(Rs. In Crore)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
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	16.15	15.77
(b) Interest due on above	0.14	0.10
	<b>16.29</b>	<b>15.87</b>

### Amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts paid to suppliers beyond the appointed day during each accounting year.

(a) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (7 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(b) Amount of interest due and payable for the period of delay in making payment (beyond the appointed day) but without adding the interest specified under the MSMED Act.	-	-
(c) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.14	0.10
(d) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006;	-	-

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



# Notes to the Standalone Financial Statements

## Note 21.2 : Trade Payables Ageing Schedule

(Rs. In Crore)

Particulars	Trade Payable Ageing as on 31 <sup>st</sup> March, 2022				Total
	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	16.29	-	-	-	16.29
(ii) Others	90.29	1.12	0.35	2.08	93.84
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>106.58</b>	<b>1.12</b>	<b>0.35</b>	<b>2.08</b>	<b>110.13</b>
Accrued Expenses					79.92
<b>Total</b>					<b>190.05</b>

(Rs. In Crore)

Particulars	Trade Payable Ageing as on 31 <sup>st</sup> March, 2021				Total
	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	15.87	-	-	-	15.87
(ii) Others	76.25	0.43	1.35	1.38	79.41
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>92.12</b>	<b>0.43</b>	<b>1.35</b>	<b>1.38</b>	<b>95.28</b>
Accrued Expenses					80.75
<b>Total</b>					<b>176.03</b>

## Note 22 : Other Current Financial Liabilities

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Carried at amortised cost</b>		
(a) Unpaid Dividend (refer note below)	3.45	3.14
(b) Other Payables		
Deposits from Distributors	0.80	0.96
Other Liabilities	0.04	0.04
	<b>4.29</b>	<b>4.14</b>

# Notes to the Standalone Financial Statements

## Note 23 : Other Current Liabilities

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Statutory Dues payable		
(i) Goods and Services Tax Payables	23.58	1.16
(ii) TDS Payables	2.39	1.24
(iii) Employee related dues payable	1.28	1.26
(b) Advance from customers	40.74	28.42
(c) Other payables	0.03	0.03
	<b>68.02</b>	<b>32.11</b>

## Note 24 : Revenue From Operations:

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
(a) Sale of Products	3,698.57	2,722.15
(b) Other operating revenue-Sale of scrap	69.57	45.96
	<b>3,768.14</b>	<b>2,768.11</b>

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>(i) Sale of Products includes:</b>		
Sale of Manufactured products	3,575.27	2,620.15
Sale of Traded Goods	123.30	102.00
<b>Total</b>	<b>3,698.57</b>	<b>2,722.15</b>

### (ii) Disaggregation of the revenue information

The table below presents disaggregated revenue by geography and offerings for each of products.

#### Revenue from sale of products

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
A. Electrical cables	3,130.83	2,267.81
B. Communication cables	377.69	319.74
C. Copper rods	17.65	22.18
D. Others	172.40	112.42
	<b>3,698.57</b>	<b>2,722.15</b>
Sale of Scrap		
A. Electrical cables	62.38	42.17
B. Communication cables	2.06	1.73
C. Copper rods	1.17	0.86
D. Others	3.96	1.20
	<b>69.57</b>	<b>45.96</b>
	<b>3,768.14</b>	<b>2,768.11</b>





# Notes to the Standalone Financial Statements

## Revenue by Geography

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
India	3,740.50	2,737.24
Outside India	27.64	30.87
	<b>3,768.14</b>	<b>2,768.11</b>

## Timing of revenue recognition

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Goods transferred at a point of time	3,768.14	2,768.11
Goods transferred over a period of time	-	-
	<b>3,768.14</b>	<b>2,768.11</b>

### (iii) Information about major customers

There are no major customers having revenue transactions exceeding 10% of the total revenue.

## Note 25 : Other Income

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
(a) Interest income on financial assets carried at amortised cost	46.10	51.61
(b) Dividend Income		
(i) Dividend from Associate	80.39	-
(ii) Dividend from Others- Equity Investments Designated at FVTOCI	0.52	0.24
(c) Others		
(i) Net gain/(loss) on investments classified at FVTPL	20.78	21.38
(ii) Exchange gain/(loss) on translation of Assets and Liabilities	0.85	0.68
(iii) Other Income	3.17	3.08
	<b>151.81</b>	<b>76.99</b>

## Note 26 : Cost of material consumed

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Inventory at the beginning of the year	127.30	116.58
Add: Purchases	2,766.19	2,140.63
Less: Inventory at the end of the year	99.87	127.30
	<b>2,793.62</b>	<b>2,129.91</b>

# Notes to the Standalone Financial Statements

## Note : 27 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Inventories at the end of the year (A)</b>		
Work-in-progress	145.95	166.24
Finished goods	350.05	416.95
Stock-in-Trade	27.66	19.30
	<b>523.66</b>	<b>602.49</b>
<b>Inventories at the beginning of the year (B)</b>		
Work-in-progress	166.24	131.02
Finished goods	416.95	297.34
Stock-in-Trade	19.30	19.42
	<b>602.49</b>	<b>447.78</b>
<b>(Increase)/Decrease in Inventories (B)-(A)</b>	<b>78.83</b>	<b>(154.71)</b>

## Note 28: Employee benefits expense

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
(a) Salaries, wages and bonus (refer note 28.1 below)	131.41	122.50
(b) Contribution to provident and other funds	5.90	5.49
(c) Gratuity expense	2.39	2.49
(d) Leave Encashment	1.99	4.14
(e) Staff welfare and other expenses	4.39	3.25
	<b>146.08</b>	<b>137.87</b>

### Note 28.1

Salaries, wages and bonus includes Rs. 9.92 crores (previous year Rs. 8.63 crores) paid/ payable to the executive director, during the year, subject to the below.

The resolutions for the reappointment and remuneration of the executive directors were placed before the Annual General Meeting of the Company held on 25<sup>th</sup> September 2018. The Hon'ble High Court of Bombay had in respect of an appeal filed in respect of reappointment and remuneration of the executive directors, stated that the results of the voting shall be subject to the Order to be passed by the Hon'ble High Court of Bombay in this Appeal. The matter remains pending.

Total remuneration paid/payable to the executive directors for the period 1<sup>st</sup> July 2018 (being the date of proposed reappointment) upto 31<sup>st</sup> March 2022 is Rs. 38.90 crores. (previous year Rs. 28.98 crores)

# Notes to the Standalone Financial Statements

## Note 29 : Finance Costs

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Interest others	1.52	0.76
	<b>1.52</b>	<b>0.76</b>

## Note 30 : Depreciation and Amortization expenses

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Depreciation on Tangible assets (note 3)	37.07	37.15
Amortization of Intangible assets (note 4)	0.06	0.28
Amortization of Right of use (note 5)	1.72	1.53
	<b>38.85</b>	<b>38.96</b>

## Note 31 : Other Expenses

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
(a) Consumption of stores and spares	25.29	20.44
(b) Power and fuel	46.36	43.52
(c) Freight and forwarding charges	48.69	46.88
(d) Rent	4.17	3.61
(e) Rates and taxes	0.93	8.21
(f) Insurance	5.51	4.98
(g) Repairs and maintenance -		
(i) Plant and machinery	2.05	1.96
(ii) Buildings	4.42	0.44
(iii) Others	4.98	3.71
(h) CSR expenditure (Refer note 2 below)	8.53	9.77
(i) Advertising and sales promotion	9.51	13.77
(j) Travelling and conveyance	9.78	6.85
(k) Communication costs	0.50	0.71
(l) Legal and professional fees	6.58	7.53
(m) Non Executive Directors' sitting fees & Commission	0.85	0.82
(n) Payment to auditor (Refer note 1 below)	0.78	0.80
(o) Allowances for doubtful debts	25.50	0.49
(p) Allowances for doubtful advances	0.52	1.16
(q) Miscellaneous expenses	25.34	21.24
(r) Impairment of Financial Assets	9.81	27.03
(s) Net Loss on disposal of property, plant and equipment	0.50	0.03
	<b>240.60</b>	<b>223.95</b>

# Notes to the Standalone Financial Statements

## Notes :

### 1. Payment to auditor (Exclusive of service tax & GST)

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Audit Fees	0.28	0.28
For other service (certifications, etc)	0.01	0.06
Fees for limited review	0.41	0.41
For reimbursement of expenses	0.03	-
For taxation matters	0.05	0.05
<b>Total</b>	<b>0.78</b>	<b>0.80</b>

### 2. Details of CSR expenditure

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Amount required to be spent as per section 135 of the Act	8.53	8.68
Amount of expenditure incurred	8.15	9.77
Shortfall at the end of the year	0.38	-
Total of previous years shortfall	-	-
Reason for shortfall	Refer Note 2.1 below	NA
Nature of CSR activities	Refer Note 2.2 below	
<b>Total Spent</b>	<b>8.15</b>	<b>9.77</b>
Amount spent during the year on:		
(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	8.15	9.77

2.1 The Company has deposited unspent amount in a separate unspent CSR account as per section 135(6) of the Companies Act, 2013.

2.2 Disaster management, Eradicating hunger, poverty and malnutrition, promoting education, promoting health care, Rural development projects.

## Note 32 : Contingent Liabilities and Commitments

### (a) Contingent Liabilities

#### I Claims against the company not acknowledged as debts

(Rs. In Crore)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Disputed Matters</b>		
(a) Excise (dispute mainly on account of issues of applicability, classification, etc. to certain goods)	37.04	37.04
(b) GST	0.24	0.20
(c) Customs	0.94	0.94



# Notes to the Standalone Financial Statements

(Rs. In Crore)

Particulars	As at	As at
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(d) Sales Tax (dispute mainly on account of non submission of C,F and other forms and rates of tax)	138.05	135.67
(e) Entry Tax (dispute on account of applicability, etc.)	4.85	4.85
(f) Income Tax (Including Wealth Tax)		
wherein the Company is in Appeal	17.26	15.28
wherein the Department is in Appeal	10.33	10.56
(disputes relating to allowability of certain expenses, deductability, etc.)		
<b>II Other claims against the Company not acknowledged as debts</b>	0.28	0.28
	<b>208.99</b>	<b>204.82</b>

### III Gurantees

- (a) The Company has given the counter corporate guarantee to J-Power System Corporation (JPS), Joint venture Partner of Finolex J Power System Limited (FJPS), to the extent of 49% of Rs. 50 crores (upto maximum of Rs. 24.50 crores). Whereas, the JPS has given 100% corporate guarantee to the bankers of FJPS towards the credit facility of Rs. 50 crores taken by FJPS to meet its working capital requirements.

#### Note:-

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

#### (b) Commitments:

(Rs. In Crore)

Particulars	As at	As at
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>i Capital Commitments (Tangible Assets) :</b>		
Estimated amount of contracts remaining to be executed on capital account net of advance and not provided for.	37.36	73.15
<b>ii Other Commitment :</b>		
In respect of Finolex J Power Systems 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.		

### 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. 5.90 crores (31<sup>st</sup> March, 2021 - Rs 5.49 crores) for provident fund contributions.

Contribution for superannuation funds Rs. Nil crores (31<sup>st</sup> March, 2021 - Rs Nil crores) in the Statement of Profit and Loss because the earlier surplus contribution are available for utilisation.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

# Notes to the Standalone Financial Statements

## 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 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Present value of obligations at the beginning of the year	28.16	26.07
Interest Cost	1.81	1.78
Current service cost	2.07	2.02
Benefits paid from the Fund	(1.77)	(1.23)
Actuarial (gain)/loss on obligations	(1.18)	(0.48)
Present Value of obligations as at end of the year	<b>29.09</b>	<b>28.16</b>
<b>Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	23.27	19.16
Expected return on plan assets	1.49	1.31
Contributions	3.76	3.85
Benefits paid	(1.77)	(1.23)
Return on Plan Assets, Excluding Interest Income	0.27	0.18
Fair value of plan asset at end of the year	27.02	23.27
Funded status	<b>93%</b>	<b>83%</b>
<b>Actuarial (gain)/loss on obligations :-</b>		
Due to change in Demographic Assumptions	0.03	-
Due to change in Financial Assumptions	(1.32)	0.87
Due to change in Experience	0.11	(1.35)
<b>Actuarial (gain)/Loss recognised in the year</b>	<b>(1.18)</b>	<b>(0.48)</b>
<b>Amounts to be recognised in the Balance Sheet</b>		
Present Value of obligations as at the end of the year	(29.09)	(28.16)
Fair value of plan assets as at the end of the year	27.02	23.27
Funded Status	(2.07)	(4.89)
Net Asset/(Liability) recognised in balance sheet	<b>(2.07)</b>	<b>(4.89)</b>
<b>Expenses recognised in statement of Profit &amp; Loss Account</b>		
Current Service Cost	2.07	2.02
Interest Cost	0.32	0.47
Expected return on plan assets	-	-
Net Actuarial(gain)/Loss recognised in the year	-	-
Expenses recognised in statement of Profit & Loss	<b>2.39</b>	<b>2.49</b>





# Notes to the Standalone Financial Statements

(Rs. In Crore)

Statement showing changes in Present Value of obligations	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Expenses Recognised in Other Comprehensive Income</b>		
Actuarial (Gains)/Losses on obligation for the year	(1.18)	(0.48)
Return on Plan Assets, Excluding Interest Income	(0.27)	(0.18)
Expenses recognised in Other Comprehensive Income	<b>(1.45)</b>	<b>(0.66)</b>
<b>Table showing administration of Plan Assets</b>		
Administered by Life Insurance Corporation	27.02	23.27
<b>Total</b>	<b>27.02</b>	<b>23.27</b>

Actuarial Assumptions:	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Discount Rate	6.98%	6.44%
Rate of return on assets	6.98%	6.44%
Salary escalation	8.00%	8.00%
Attrition rate (p.a)		
- For service 2 years & below	25.00%	25.00%
- For service 3 to 4 years	12.50%	12.50%
- For service 5 years & above	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate

Particulars	As at 31 <sup>st</sup> March					
	2022	2021	2020	2019	2018	2017
<b>Experience adjustments</b>						
On plan liability (gain)/loss	(1.18)	(0.48)	3.51	3.46	0.33	1.85
On plan asset (gain)/loss	(0.27)	(0.18)	0.09	(0.04)	(0.12)	(0.02)

As per actuarial valuation report, Expected employer's contribution in next year is Rs. 2.07 crores (previous year Rs. 3.69 crores)

# Notes to the Standalone Financial Statements

## Effect on DBO on account of change in the assumed rates:

DBO Rates Types Year	Discount Rate		Salary Escalation Rate		Withdrawal Rate	
	1%	1%	1%	1%	1%	1%
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 <sup>st</sup> March 2022	(2.19)	2.53	2.48	(2.19)	(0.19)	0.21
31 <sup>st</sup> March 2021	(2.19)	2.55	2.48	(2.18)	(0.28)	0.32

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)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Within 1 Year	2.99	2.97
Between 1-2 years	2.02	1.61
Between 2-3 years	2.11	2.19
Between 3-4 years	2.16	1.93
Between 4-5 years	1.87	1.98
Sum of 6-10 years	13.45	11.70
Sum of 11 years and above	34.72	32.81

## Risk exposure:

**Through the defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:**

### Asset Volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk plan assets have been deployed in high grade insurer managed funds.

### Inflation rate risk:

Higher than expected increase in salary will increase the defined benefit obligation.

### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straightforward and depends upon the combination of salary increase, discount rate and vesting criterion.



# Notes to the Standalone Financial Statements

## Note 34 Financial Instruments

### 1. Fair value measurements

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2022 is as follows:

(Rs. In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents	-	-	32.39	32.39	32.39
Other balances with banks	-	-	5.55	5.55	5.55
Trade receivables	-	-	177.15	177.15	177.15
Investments #					
Equity and Others	-	91.60	-	91.60	91.60
Mutual Funds (includes FMP)	827.32	-	-	827.32	827.32
Other financial assets	-	-	1,061.47	1,061.47	1,061.47
<b>Total</b>	<b>827.32</b>	<b>91.60</b>	<b>1,276.56</b>	<b>2,195.48</b>	<b>2,195.48</b>
<b>Liabilities:</b>					
Trade payables	-	-	190.05	190.05	190.05
Borrowings	-	-	0.31	0.31	0.31
Lease liabilities	-	-	8.48	8.48	8.48
Other financial liabilities	-	-	4.29	4.29	4.29
<b>Total</b>	<b>-</b>	<b>-</b>	<b>203.13</b>	<b>203.13</b>	<b>203.13</b>

# Other than investments in associate and Joint Ventures accounted at cost in accordance with Ind-AS 27.

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2021 is as follows:

(Rs. In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents	-	-	24.60	24.60	24.60
Other balances with banks	-	-	29.12	29.12	29.12
Trade receivables	-	-	176.55	176.55	176.55
Investments #					
Equity and Others	-	102.51	-	102.51	102.51
Mutual Funds (includes FMP)	623.35	-	-	623.35	623.35
Other financial assets	-	-	782.59	782.59	782.59
<b>Total</b>	<b>623.35</b>	<b>102.51</b>	<b>1,012.86</b>	<b>1,738.72</b>	<b>1,738.72</b>
<b>Liabilities:</b>					
Trade payables	-	-	176.03	176.03	176.03
Borrowings	-	-	0.31	0.31	0.31
Lease liabilities	-	-	6.36	6.36	6.36
Other financial liabilities	-	-	4.17	4.17	4.17
<b>Total</b>	<b>-</b>	<b>-</b>	<b>186.87</b>	<b>186.87</b>	<b>186.87</b>

# Other than investments in associate and Joint Ventures accounted at cost in accordance with Ind-AS 27.

# Notes to the Standalone Financial Statements

## 1.2. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities and mutual funds (includes FMP) that have quoted price.
- Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) such as derivative financial instruments. The Company does not have any Level 2 instruments as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.
- 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)

Particulars	Fair value hierarchy as at 31 <sup>st</sup> March, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual Funds (includes FMP)	827.32	-	-	827.32
Other Debt Instruments	-	-	-	-
Equity Shares				
Quoted	53.71	-	-	53.71
Unquoted	-	-	37.89	37.89
<b>Total</b>	<b>881.03</b>	<b>-</b>	<b>37.89</b>	<b>918.92</b>

(Rs. In Crore)

Particulars	Fair value hierarchy as at 31 <sup>st</sup> March, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual Funds (includes FMP)	623.35	-	-	623.35
Equity Shares				
Quoted	51.42	-	-	51.42
Unquoted	-	-	51.09	51.09
<b>Total</b>	<b>674.77</b>	<b>-</b>	<b>51.09</b>	<b>725.86</b>

### Valuation technique(s) and key input(s):

- Level 1 The fair value of mutual funds (includes FMP) and quoted equity shares is based on net assets value (NAV) and quoted price.
- Level 2 The Company does not have any Level 2 instrument as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.
- 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 31 <sup>st</sup> March, 2022	Unlisted shares irrevocably designated as at FVTOCI
Opening balance	51.09
Total gain/(loss) in other comprehensive income	(13.20)
<b>Closing balance</b>	<b>37.89</b>

(Rs. In Crore)

For the year ended 31 <sup>st</sup> March, 2021	Unlisted shares irrevocably designated as at FVTOCI
Opening balance	46.44
Total gain/(loss) in other comprehensive income	4.65
<b>Closing balance</b>	<b>51.09</b>

All gains and losses included in other comprehensive income relate to unlisted shares held at the end of the reporting period and are reported under "Equity Instruments through Other Comprehensive Income".

The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 are as shown below:

### Description of significant unobservable inputs to valuation:

Particulars	Valuation techniques	Significant unobservable inputs	Sensitivity of the input to fair value
Investments in unquoted equity shares	Comparable Companies Multiples ("CCM") method under the Market Approach.	Adopted multiple, based on benchmark companies	Increase/(decrease) in discount to determine the multiple will impact the fair value of instrument. Higher the discount lower the fair value and vice-versa.  <b>Finolex Plasson Industries Private Limited:</b> Multiple: CY 5.50 (PY 4.58)  <b>SICOM India Limited:</b> Multiple: CY 0.70 (PY 1.10)

## 2. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

# Notes to the Standalone Financial Statements

## The capital structure is as follows:

(Rs. In Crore)

Particulars	As at	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Total Equity	3,263.79	2,950.71
Total Borrowings	0.31	0.34
<b>Total capital (borrowings and equity)</b>	<b>3,264.10</b>	<b>2,951.05</b>
Equity as a percentage of total capital	99.99%	99.99%
Borrowing as a percentage of total capital	0.01%	0.01%

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding contingent considerations, if any).

(ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a cash surplus Company with cash and bank balances along with investment. The Company's investment is predominantly in liquid and short term mutual funds being far in excess of debt.

### 3. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

#### 3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

##### 3.1.1 Foreign currency risk management

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Euro against the respective functional currency of the company. The Company enters into derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposures.

#### i The carrying amounts of the Company's foreign currency denominated monetary liabilities/ assets at the end of the reporting period are as follows:

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Foreign Currency (In Crore)	(In Crore)	Foreign Currency (In Crore)	(In Crore)
<b>(a) Foreign Currency Liabilities</b>				
In USD	0.28	11.42	0.22	16.36
In EURO	*	0.03	*	0.04
<b>(b) Foreign Currency Asset</b>				
In USD	0.05 #	3.79	0.04 #	2.93

\* Denotes amount less than Rs./EURO 50,000

# Balance with Banks in foreign currency and trade receivables



# Notes to the Standalone Financial Statements

## ii Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the market place.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Forward Contracts	As at 31 <sup>st</sup> March, 2022			As at 31 <sup>st</sup> March, 2021		
	Foreign Currency (In Crore)	Nominal Value (In Crore)	Fair Value (In Crore)	Foreign Currency (Rs In Crore)	Nominal Value (Rs In Crore)	Fair Value (Rs In Crore)
In USD Buy	0.09	6.64	*	-	-	-

\* Denotes amount less than Rs 50,000

## iii Foreign currency sensitivity

For the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021, the impact of every rupee 1 depreciation / appreciation in the exchange rate between the Indian Rupee and U.S. Dollar on Profit before tax of the Company, given in below table.

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Rupee depreciate by INR 1 against USD (Rs. In Crore)	Rupee appreciate by INR 1 against USD (Rs. In Crore)	Rupee depreciate by INR 1 against USD (Rs. In Crore)	Rupee appreciate by INR 1 against USD (Rs. In Crore)
On Foreign Currency Liabilities (net) (Refer Note 2 below)	0.28	(0.28)	0.18	(0.18)

### Notes:

- +/- Gain/(Loss)
- 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 31<sup>st</sup> March 2022 and as at 31<sup>st</sup> March 2021, Company is not exposed to significant interest rate risk.

### 3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units (including FMP).

## Notes to the Standalone Financial Statements

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial asset that potentially expose the Company to credit risks are listed below :

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Trade Receivables	177.15	176.55
Security deposit	4.33	4.38
<b>Total</b>	<b>181.48</b>	<b>180.93</b>

### 3.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The maturity profile of the financial liabilities are listed below:

#### Expected undiscounted contractual maturity for Financial Liabilities

(Rs. In Crore)

As at 31 <sup>st</sup> March, 2022	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
Borrowings	0.03	0.07	0.04	0.17	0.31	0.31
Trade Payables	190.05	-	-	-	190.05	190.05
Other Financial Liabilities	4.29	-	-	-	4.29	4.29
Lease Liabilities	2.24	4.57	1.57	3.75	12.13	8.48
<b>Total</b>	<b>196.61</b>	<b>4.64</b>	<b>1.61</b>	<b>3.92</b>	<b>206.78</b>	<b>203.13</b>

(Rs. In Crore)

As at 31 <sup>st</sup> March, 2021	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
Borrowings	0.03	0.08	0.04	0.19	0.34	0.34
Trade Payables	176.03	-	-	-	176.03	176.03
Other Financial Liabilities	4.14	-	-	-	4.14	4.14
Lease Liabilities	2.18	3.44	0.64	3.99	10.25	6.36
<b>Total</b>	<b>182.38</b>	<b>3.52</b>	<b>0.68</b>	<b>4.18</b>	<b>190.76</b>	<b>186.87</b>

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments.

### 3.4 Financing Facilities

The Company has undrawn committed borrowing facilities of Rs. 200.00 crores (previous year Rs. 200.00 crores).

# Notes to the Standalone Financial Statements

## Note 35: Related Party Disclosures

### Names of Related Parties :

Where transactions have taken place during the year and previous year/ balance outstanding.

(a) **Associate Company**

Finolex Industries Limited

(b) **Joint Venture Entities**

Finolex J- Power Systems Limited

Corning Finolex Optical Fibre Private Limited

(c) **Promoter/ Promoter Group Entities**

Orbit Electricals Private Limited

Finolex Infrastructure Limited

Finolex Plassson Industries Private Limited

Note : Excludes Finolex Industries Limited considered as an Associate company as above.

(d) **Employee Benefit Funds**

Finolex Cables Limited Employee's Group Gratuity and Life Assurance Scheme

Finolex Cables Limited Group Superannuation Scheme

(e) **Key Managerial Personnel**

Mr. Deepak. K. Chhabria	Executive Chairman and Promotor
Mr. Mahesh Viswanathan	Deputy Chief Executive Officer (DY CEO) & Chief Financial Officer (CFO)
Mr. R G D'Silva	Company Secretary & President (Legal)
Mr. Yatin Redkar	Executive Director - Operations (Upto 29 <sup>th</sup> September, 2020)
Mr. Sunil Upmanyu	Executive Director - Operations (w.e.f. 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2021)
Mr. Ratnakar Barve	Executive Director - Operations (w.e.f. 30 <sup>th</sup> September, 2021)

(f) **Relatives of Key Managerial Personnel: (Mr. Deepak. K. Chhabria)**

Mr. Kishandas P. Chhabria	Father
Mr. Vijay K. Chhabria	Brother
Mrs. Sunita K. Chhabria	Mother
Mrs. Vini D. Chhabria	Wife
Ms. Radhika D. Chhabria	Daughter

# Notes to the Standalone Financial Statements

## (g) Non Executive/Independent Directors

Mr. Jayaram Rajasekara Reddy	Non-Executive Independent Director (upto 29 <sup>th</sup> September, 2020)
Mr. Joel Raphael Samuel	Non-Executive Director (upto 14 <sup>th</sup> August, 2020)
Mr. Shishir Lall	Non-Executive Director (upto 29 <sup>th</sup> September, 2020) (Earlier Non Executive Independent Director w.e.f 28 <sup>th</sup> September, 2017 to 14 <sup>th</sup> August, 2020)
Mrs. Kavita Upadhyay	Non-Executive Independent Woman Director (upto 29 <sup>th</sup> September, 2020)
Mr. Prasad Deshpande	Non-Executive Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2021)
Mr. P R Barpande	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2021)
Mr. Avinash S Khare	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2021)
Mrs. Firoza Kapadia	Non-Executive Independent Woman Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2021)
Mr. Nikhil Manohar Naik	Non-Executive Director (w.e.f 30 <sup>th</sup> September, 2021)
Mr. Zubin F. Billimoria	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2021)
Mr. Sriraman Raghuraman	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2021)
Ms. Vanessa Singh	Non-Executive Independent Woman Director (w.e.f 30 <sup>th</sup> September, 2021)

## Note 35A: Transaction with the Related Parties

Particulars	(Rs. In Crore)							
	Financial Year	Associate	Joint Venture Entities	Promoter / Promoter Group Entities	Enterprises controlled by Key Managerial Personnel	Employee Benefit Fund	Key Managerial Personnel & Non-Executive/ Independent Director (Refer note 1 below)	Relatives of Key Managerial Personnel
Investment	2021-22	-	-	-	-	-	-	-
	2020-21	-	24.50	-	-	-	-	-
Dividend Paid	2021-22	12.20	-	25.83	-	-	0.52	1.49
	2020-21	12.20	-	25.83	-	-	0.52	1.49
Dividend Received	2021-22	80.39	-	0.20	-	-	-	-
	2020-21	-	-	0.20	-	-	-	-
Rent Paid	2021-22	-	-	0.26	-	-	-	-
	2020-21	-	-	0.26	-	-	-	-
Rent Received	2021-22	-	0.22	0.06	-	-	-	-
	2020-21	-	0.22	0.06	-	-	-	-
Other Services Provided	2021-22	-	0.05	-	-	-	-	-
	2020-21	-	0.05	*	-	-	-	-
Purchase of Raw Material	2021-22	-	0.25	-	-	-	-	-
	2020-21	-	4.21	-	-	-	-	-
Sale of Material	2021-22	-	1.35	-	-	-	-	-
	2020-21	-	-	-	-	-	-	-
Contribution to Fund	2021-22	-	-	-	-	3.74	-	-
	2020-21	-	-	-	-	3.80	-	-
Benefit paid to employees from Trust	2021-22	-	-	-	-	4.89	-	-
	2020-21	-	-	-	-	1.95	-	-

# Notes to the Standalone Financial Statements

Particulars	(Rs. In Crore)							
	Financial Year	Associate	Joint Venture Entities	Promoter / Promoter Group Entities	Enterprises controlled by Key Managerial Personnel	Employee Benefit Fund	Key Managerial Personnel & Non-Executive/ Independent Director (Refer note 1 below)	Relatives of Key Managerial Personnel
Financial Support	2021-22	-	Refer note 3 below	-	-	-	-	-
	2020-21	-	Refer note 3 below	-	-	-	-	-
Managerial Remuneration (Refer note 4 below)	2021-22	-	-	-	-	-	15.80	-
	2020-21	-	-	-	-	-	14.10	-
Remuneration to Relative	2021-22	-	-	-	-	-	-	0.10
	2020-21	-	-	-	-	-	-	0.02
Amounts owed by related parties (Receivable)	2021-22	-	-	0.25	-	-	-	-
	2020-21	-	0.05	0.25	-	-	-	-
Amounts owed to related parties (Payable)	2021-22	-	-	-	-	2.07	10.53	0.01
	2020-21	-	4.97	-	-	4.89	8.69	*

\* Denotes amount less than Rs. 50,000

## Notes:

- Key managerial Personnel are entitled to post-employment benefits recognised as per IND-AS 19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.
- All transactions with related parties have been done at arms length basis.
- In respect of Finolex J Power Systems 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.
- Details of Compensation of Key Managerial Personnel & Non-Executive/ Independent Director:

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Short-term employee benefits	14.30	12.62
Post-employment benefits	-	-
Other long-term benefits	0.65	0.66
Commission and other benefits to non-executive/independent directors	0.85	0.82
<b>Total</b>	<b>15.80</b>	<b>14.10</b>

Payments made to the directors and other members of key managerial personnel are approved by the Nomination and Remuneration Committee.

# 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".

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Segment Revenue</b>		
A. Electrical cables	3,193.21	2,309.98
B. Communication cables	379.75	321.47
C. Copper rods	682.47	574.21
D. Others	176.36	113.62
<b>Total segment revenue</b>	<b>4,431.79</b>	<b>3,319.28</b>
Less : Inter segment revenue	(663.65)	(551.17)
<b>Net segment revenue</b>	<b>3,768.14</b>	<b>2,768.11</b>
<b>Segment Results</b>		
A. Electrical cables	404.98	340.59
B. Communication cables	(13.22)	8.37
C. Copper rods	2.58	1.10
D. Others	1.87	4.25
<b>Total segment results</b>	<b>396.21</b>	<b>354.31</b>
(Less) : Finance costs	(1.52)	(0.76)
Add /(Less) : unallocable income/(Loss) net of unallocable expenditure	131.93	38.57
<b>Profit before tax</b>	<b>526.62</b>	<b>392.12</b>
Income Taxes	122.01	109.23
<b>Profit for the year</b>	<b>404.61</b>	<b>282.89</b>

# Notes to the Standalone Financial Statements

## OTHER INFORMATION

(Rs. In Crore)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Segment Assets</b>		
A. Electrical cables	1,063.87	1,090.90
B. Communication cables	230.38	299.75
C. Copper rods	18.46	27.97
D. Others	52.80	43.55
Unallocable Assets	2,234.67	1,789.59
<b>Total Assets</b>	<b>3,600.18</b>	<b>3,251.76</b>
<b>Segment Liabilities</b>		
A. Electrical cables	223.47	175.04
B. Communication cables	26.75	25.67
C. Copper rods	15.25	17.41
D. Others	8.50	9.59
Unallocable Liabilities	62.42	73.34
<b>Total Liabilities</b>	<b>336.39</b>	<b>301.05</b>

### For the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

Particulars	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extent allocable to the segment
A. Electrical cables	58.85	22.80	27.85
B. Communication cables	5.08	9.18	(1.33)
C. Copper rods	0.01	0.65	-
D. Others	3.12	6.22	-
<b>Total</b>	<b>67.06</b>	<b>38.85</b>	<b>26.52</b>

### For the year ended 31<sup>st</sup> March, 2021

(Rs. In Crore)

Particulars	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extent allocable to the segment
A. Electrical cables	42.09	29.09	1.88
B. Communication cables	2.73	5.71	(0.20)
C. Copper rods	-	0.72	-
D. Others	10.09	3.44	-
<b>Total</b>	<b>54.91</b>	<b>38.96</b>	<b>1.68</b>

## B. Secondary Segment information

The company's operations are mainly confined within India and as such there are no reportable geographical segments.



# Notes to the Standalone Financial Statements

## Note 37 : Earnings Per Share (EPS)

(Rs. In Crore)

Basic earning per share	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Net Profit for the year attributable to the equity holders</b>	<b>404.61</b>	<b>282.89</b>
Weighted average number of Equity shares for basic EPS	152,939,345	152,939,345
Par value per share (in Rs.)	2.00	2.00
<b>Basic Earnings per share (in Rs.)</b>	<b>26.46</b>	<b>18.50</b>
<b>Diluted Earnings per share (in Rs.)</b>	<b>26.46</b>	<b>18.50</b>

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 results has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects to recover the carrying amounts of these assets. The Company will continue to closely monitor any material changes to future economic conditions.

## Note 39: Ratios

Particulars	Numerator	Denominator	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	Variance	Reason
Current Ratio	Current Assets	Current Liabilities	9.53	9.35	1.93%	
Debt-Equity Ratio	Total Debt (Refer Note 1 below)	Shareholders Equity	-	-	-	
Debt- Service Coverage Ratio	Earnings available for debt service (Refer note 2 below)	Debt Service (Refer note 3 below)	191.00	142.81	33.74%	Increase is mainly on account of increase in operating profit for the year
Return on Equity (ROE)	Net profits after taxes	Average Shareholder's Equity	13.02%	9.98%	3.04%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	4.21	3.04	38.43%	Increase is mainly on account of increase in average inventory during the year
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	17.83	13.61	31.06%	Increase is mainly on account of increase in sales during the year.
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	15.63	13.25	17.96%	
Net capital turnover ratio	Net Sales	Working Capital	1.51	1.32	13.78%	
Net profit ratio	Net Profit	Net Sales	10.74%	10.22%	0.52%	
Return on capital employed (ROCE)	Earning before interest & taxes	Capital Employed (refer note 4 below)	16.01%	13.13%	2.88%	
Return on Investment (ROI):						

# Notes to the Standalone Financial Statements

Particulars	Numerator	Denominator	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	Variance	Reason
<b>Equity Shares</b>						
Quoted	Income generated from investments	Time weighted average investments	50.69%	16.96%	33.73%	Increase is mainly on account of dividend received during the year.
Unquoted	Income generated from investments	Time weighted average investments	-20.65%	2.14%	-22.79%	
Mutual Funds	Income generated from investments	Time weighted average investments	3.54%	5.54%	-2.00%	

## Notes:

- 1) Total Debt includes current as well as non current lease liabilities and borrowings
- 2) Earnings available for debt service includes Net Profit after taxes+Finance Cost+Depreciation and amortisation+Impairment on financial assets+Allowances for doubtful debts and advance+Net Loss on disposal of property, plant and equipment.
- 3) Debt Service includes Interest and lease Payments+ Borrowing repayment
- 4) Capital Employed includes Tangible Net worth+deferred tax liabilities+Total Debt

## Note 40 (a) : Relationship with the struck off companies

(Rs. In Crore)

Name of struck off Company	Nature of transactions	Relationship with the Struck off company, if any, to be disclosed	Transactions during the year 31 <sup>st</sup> March 2022	Balance outstanding as at 31 <sup>st</sup> March 2022	Transaction during the year 31 <sup>st</sup> March 2021	Balance outstanding as at 31 <sup>st</sup> March 2021
UNITY CONTROLS PRIVATE LIMITED	Payables	Vendor	0.01	-	0.01	-

## Note 40 (b)

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## Note 40 (c)

The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets of the Company. The Company has been regularly filling quarterly returns or statements, provisional/final containing, inter alia, amount of inventory and trade receivable with such banks and are in agreement with the unaudited books of account of the Company of the respective quarters.

# Notes to the Standalone Financial Statements

## Note 41: 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

**M. Viswanathan**  
Chief Financial Officer

**Zubin F. Billimoria**  
Director

**R. G. D'Silva**  
Company Secretary  
& President (Legal)  
Pune: 28<sup>th</sup> May, 2022

# Independent Auditor's Report

## To The Members of Finolex Cables Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **FINOLEX CABLES LIMITED** ("the Company") and its share of profit (net) in its associate and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March, 2022, 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 the other auditors on separate financial statements of the associate and joint venture referred to in the Other Matter 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, 2022, 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 Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matter

Key audit matters are those matters that, in our professional Judgement, 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 Matter

**Impairment assessment for investment in joint venture accounted using equity method** (Refer notes 2.2.4, 2.24 and 6 to the consolidated financial statements)

The Company has investment in equity shares of a joint venture, Finolex J-Power Systems Limited (formerly known as 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 investment in equity shares of a joint ventures, accounted for using the equity method are tested for impairment in accordance with Ind AS 36.

#### Auditor's Response

##### 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.

Key Audit Matter	Auditor's Response
<p>The joint venture is making continuous losses and is dependent on continuing support from its two joint venture partners. Due to the presence of impairment indicators, the company's management has tested this investment (carrying value of Rs. 47.93 crore as at 31 March, 2022, net of impairment Rs. 29.77 crore as at 31 March, 2022, Rs. 3.51 crore impairment reversed during the year ended 31 March, 2022) for impairment in accordance with Ind AS 36 by comparing its recoverable amount with its carrying amount as at 31 March, 2022.</p> <p>The company's management has determined the recoverable amount based on the discounted cash flows of the joint venture.</p> <p>We considered this as a key audit matter due to significant judgement involved in estimating future cash flows of the joint venture and in determining the discount rate to be used. Changes in these inputs and assumptions could impact the results of the impairment assessment.</p>	<ul style="list-style-type: none"> <li>• We assessed the commitment provided by the Company and the other joint venture partner for the infusion of funds. We also assessed the history of fund infusion by the Company and the other joint venture partner in the joint venture in the past.</li> <li>• We evaluated the reasonableness of forecasts of future cash flows of the joint venture provided to us by the company's management by comparing the forecasts to historical trend analysis.</li> <li>• With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology and discount rate by developing a range of independent estimates and comparing those to the discount rate selected by the management.</li> <li>• We evaluated the company management's sensitivity analysis around the key assumptions such as discount rate and terminal growth rate, to ascertain the extent of change in those assumptions that would be required for the investment in the joint venture to be impaired.</li> <li>• We assessed the adequacy of disclosures made in the financial statements for the year ended 31 March, 2022.</li> </ul>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the joint venture 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 venture

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 including its Associate and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Company and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associate and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;



making judgements 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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Company and of its associate and joint ventures.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgement 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 associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of 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 such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other 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 and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matter

The consolidated financial statements also include the Company's share of net profit of Rs. 340.42 crore and total comprehensive income of Rs. 340.34 crore for the year ended 31 March, 2022 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 the other auditors on the separate financial statements of the associate and joint venture referred to in the Other Matter 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, 2022 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, 2022 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 venture 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 executive directors is pending before the Hon'ble High Court. Subject to the aforesaid in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of associate companies and joint venture companies incorporated in India, the remuneration paid by the Company and such associate companies and joint venture companies to their respective directors during the year is in accordance with the provision of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company, its associate and joint ventures.

- ii) The Company, its associate and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate and joint ventures companies incorporated in India.
- iv) (a) The respective Managements of the Company and its associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the note 40 (b) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such associate and joint ventures to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company and its associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the note 40 (b) to the consolidated

financial statements, no funds have been received by the Company or any of such associate and joint ventures from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such associate and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v) The final dividend proposed in the previous year, declared and paid by the Company and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable,

during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 16 (b) to the consolidated financial statements, the Board of Directors of the Company and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Company and such associate at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable. No dividend has been proposed, declared or paid during the year by any of the joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable.

- 2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report,

According to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

No.	Name of the Company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remarks
1	Finolex J-Power Systems Limited	U31300PN2008PLC131238	Joint Venture	Clause 3(ii)(b)

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

**Rupen K. Bhatt**  
(Partner)

Membership No. 046930  
UDIN: 22046930AJUCED6513

Place: Pune  
Date: 28<sup>th</sup> May, 2022

# 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 Ind AS financial statements of the Company as of and for the year ended 31 March, 2022, 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, 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.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its associate and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 the 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, 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 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, its associate and joint ventures, which are companies incorporated in India, have, 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, 2022, 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 company, 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)

Place: Pune

Date: 28<sup>th</sup> May, 2022

Membership No. 046930

UDIN: 22046930AJUCED6513

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2022

	Note No.	As at 31 <sup>st</sup> March, 2022	(Rs. In Crore) As at 31 <sup>st</sup> March, 2021
<b>I ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	369.66	385.93
(b) Capital Work-in-Progress	3.1	86.77	25.71
(c) Intangible Assets	4	0.27	0.21
(d) Right of use asset	5	10.25	8.29
(e) Investment Accounted for using the equity method	6	1,095.39	845.25
(f) Financial Assets			
i) Other Investments	7	91.60	216.86
ii) Other Financial Assets	9	4.33	4.38
(g) Non-Current Tax Assets (net)		19.14	20.46
(h) Other Non-Current Assets	10	19.37	35.20
		<b>1,696.78</b>	<b>1,542.29</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	11	653.11	755.40
(b) Financial Assets			
i) Investments	8	827.32	509.00
ii) Trade Receivables	12	177.15	176.55
iii) Cash and Cash Equivalents	13	32.39	24.60
iv) Other Bank balances	14	5.55	29.12
v) Other Financial Assets	9	1,057.14	778.21
(c) Other Current Assets	15	44.60	70.50
		<b>2,797.26</b>	<b>2,343.38</b>
<b>TOTAL ASSETS</b>		<b>4,494.04</b>	<b>3,885.67</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	30.59	30.59
(b) Other Equity	17	3,891.47	3,383.92
		<b>3,922.06</b>	<b>3,414.51</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings	18	0.28	0.31
ii) Lease Liabilities	5	6.34	4.18
(b) Provisions	19	9.98	11.72
(c) Deferred Tax Liabilities (Net)	20	261.73	204.21
		<b>278.33</b>	<b>220.42</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	0.03	0.03
(ii) Lease Liabilities	5	2.14	2.18
(iii) Trade Payables			
(a) Total Outstanding Dues of micro enterprises and small enterprises	21	16.29	15.87
(b) Total Outstanding Dues of Creditors other than micro enterprises and small enterprises	21	173.76	160.16
(iv) Other Financial Liabilities	22	4.29	4.14
(b) Other Current Liabilities	23	68.02	32.11
(c) Provisions	19	5.08	6.85
(d) Current tax Liabilities (net)		24.04	29.40
		<b>293.65</b>	<b>250.74</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>571.98</b>	<b>471.16</b>
		<b>4,494.04</b>	<b>3,885.67</b>

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune: 28<sup>th</sup> May, 2022

For and behalf of Board of Directors of Finolex Cables Limited

**D. K. Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F. Billimoria**  
Director

**R. G. D'Silva**  
Company Secretary  
& President (Legal)  
Pune: 28<sup>th</sup> May, 2022



# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

	Note No.	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
<b>I</b> Revenue from operations	24	3,768.14	2,768.11
<b>II</b> Other income	25	71.42	76.99
<b>III Total income</b>		<b>3,839.56</b>	<b>2,845.10</b>
<b>IV EXPENSES</b>			
(a) Cost of material consumed	26	2,793.62	2,129.91
(b) Purchase of stock-in-trade		93.83	76.24
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	78.83	(154.71)
(d) Employee benefits expense	28	146.08	137.87
(e) Finance Costs	29	1.52	0.76
(f) Depreciation and amortization expenses	30	38.85	38.96
(g) Other Expenses	31	227.28	208.62
<b>Total Expenses</b>		<b>3,380.01</b>	<b>2,437.65</b>
<b>V Profit before share of net profit of investments accounted for using equity method and tax</b>		<b>459.55</b>	<b>407.45</b>
Share of net profit of an associate and joint ventures accounted for using the equity method		327.08	223.42
<b>VI Profit before Tax</b>		<b>786.63</b>	<b>630.87</b>
<b>VII Tax Expense</b>			
(a) Current tax	20	127.92	112.63
(b) Deferred tax	20	59.57	56.78
<b>Total Tax</b>		<b>187.49</b>	<b>169.41</b>
<b>VIII Profit for the year</b>		<b>599.14</b>	<b>461.46</b>
<b>IX Other Comprehensive Income / (Expense)</b>			
A. Items that will not be reclassified to profit or loss			
(i) Re-measurement gain/ (loss) on defined benefit plans		1.45	0.66
(ii) Fair value change on equity instruments		(10.91)	34.09
(iii) Income tax relating to these items		2.05	(1.44)
(iv) Share of other comprehensive income/(expense) of an associate and joint ventures accounted for using equity method		(0.06)	0.15
B. Items that will be reclassified to profit or loss		-	-
<b>X Total Other Comprehensive Income / (Expense) for the year</b>		<b>(7.47)</b>	<b>33.46</b>
<b>XI Total comprehensive income for the year</b>		<b>591.67</b>	<b>494.92</b>
<b>Profit for the year attributable to:</b>			
- Owners of the Company		599.14	461.46
- Non-controlling interest		-	-
<b>Total Other Comprehensive Income / (Expense) for the year attributable to:</b>		<b>599.14</b>	<b>461.46</b>
- Owners of the Company		(7.47)	33.46
- Non-controlling interest		-	-
<b>Total Comprehensive Income for the year attributable to:</b>		<b>(7.47)</b>	<b>33.46</b>
- Owners of the Company		591.67	494.92
- Non-controlling interest		-	-
		<b>591.67</b>	<b>494.92</b>
<b>XII Earnings per equity share of face value of Rs. 2 each</b>			
(i) Basic	37	39.18	30.17
(ii) Diluted	37	39.18	30.17

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune: 28<sup>th</sup> May, 2022

For and behalf of Board of Directors of Finolex Cables Limited

**D. K. Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F. Billimoria**  
Director

**R. G. D'Silva**  
Company Secretary  
& President (Legal)  
Pune: 28<sup>th</sup> May, 2022



# Statement of Consolidated Cash Flows

for the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
<b>A. Cash flow from Operating Activities</b>		
Profit before tax for the year	<b>786.63</b>	<b>630.87</b>
<b>Adjustments for :</b>		
Finance costs	1.52	0.76
Interest income on financial assets carried at amortised cost	(46.10)	(51.61)
Dividend income	(0.52)	(0.24)
Share of profit of an associate and joint ventures accounted for using the equity method	(327.08)	(223.42)
Net gain/(loss) on investments classified at FVTPL	(20.78)	(21.38)
Allowances for doubtful debts	25.50	0.49
Allowances for doubtful advances	0.52	1.16
Depreciation and amortisation expenses	38.85	38.96
Impairment of financial assets	(3.51)	11.70
Loss/(gain) on disposal of property, plant and equipment	0.50	0.03
	<b>(331.10)</b>	<b>(243.55)</b>
Operating profit before working capital changes	<b>455.53</b>	<b>387.32</b>
<b>Working Capital Adjustments</b>		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(26.10)	9.98
Inventories	102.29	(162.34)
Other current assets	25.90	(18.90)
Other financial assets (current and non-current)	0.05	(0.54)
Other non-current assets	(0.39)	0.96
	<b>101.75</b>	<b>(170.84)</b>
	<b>557.28</b>	<b>216.48</b>
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	14.04	17.35
Long term / short term provisions	(2.06)	0.01
Other current liabilities	35.91	(2.59)
Other current financial liabilities	(0.16)	0.21
	<b>47.73</b>	<b>14.98</b>
Cash generated from operations	605.01	231.46
Income tax paid	(131.96)	(117.09)
<b>Net cash generated from Operating Activities</b>	<b>473.05</b>	<b>114.37</b>
<b>B. Cash flow from Investing Activities</b>		
Dividend received	80.91	0.24

# Statement of Consolidated Cash Flows

for the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
Deposits and bank balances not considered as cash and cash equivalents	(247.02)	(651.26)
Interest received - Others	37.76	29.32
Purchase of investments in mutual funds	(3,802.96)	(2,884.50)
Proceeds from sale of investments in mutual funds	3,619.76	2,726.13
Purchase of investment in joint venture	-	(24.50)
Purchase of property, plant and equipment	(67.06)	(54.91)
Proceeds from disposal of property, plant and equipment	0.27	0.02
<b>Net cash (used in) Investing Activities</b>	<b>(378.34)</b>	<b>(859.46)</b>
<b>C. Cash flow from Financing Activities</b>		
Other borrowings repaid	(0.03)	(0.04)
Dividend paid	(83.81)	(83.84)
Interest and other borrowing costs	(0.59)	(0.03)
<b>Repayment of lease liability:</b>		
Principal	(1.56)	(1.69)
Interest	(0.93)	(0.73)
<b>Net cash (used in) Financing Activities</b>	<b>(86.92)</b>	<b>(86.33)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>7.79</b>	<b>(831.42)</b>
<b>Cash and cash equivalents as at 1<sup>st</sup> April (Opening balance)</b>	<b>24.60</b>	<b>856.02</b>
<b>Cash and cash equivalents as at 31<sup>st</sup> March (Closing balance)</b>	<b>32.39</b>	<b>24.60</b>

## Notes:

### 1 Cash and Cash Equivalents include:

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Cash on hand	0.01	0.02
(b) Balances with banks		
In current accounts	32.38	24.58
<b>Cash and Cash Equivalents</b>	<b>32.39</b>	<b>24.60</b>

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune: 28<sup>th</sup> May, 2022

For and behalf of Board of Directors of Finolex Cables Limited

**D. K. Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F. Billimoria**  
Director

**R. G. D'Silva**  
Company Secretary  
& President (Legal)  
Pune: 28<sup>th</sup> May, 2022

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2022

## A) Equity Share Capital

	(Rs. In Crore)	
	No. of shares	Amount
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>152,939,345</b>	<b>30.59</b>
Issued during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>152,939,345</b>	<b>30.59</b>
Issued during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>152,939,345</b>	<b>30.59</b>

## B) Other Equity

Description	Reserve and surplus					Item of Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	General Reserve	Share buyback Reserve	Retained Earnings		
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,250.76</b>	<b>46.97</b>	<b>2,973.12</b>
Profit for the year	-	-	-	-	461.46	-	461.46
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	0.64	32.82	33.46
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>462.10</b>	<b>32.82</b>	<b>494.92</b>
Dividend Paid	-	-	-	-	(84.12)	-	(84.12)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,628.74</b>	<b>79.79</b>	<b>3,383.92</b>
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>2,628.74</b>	<b>79.79</b>	<b>3,383.92</b>
Profit for the year	-	-	-	-	599.14	-	599.14
Other Comprehensive Income/ (Expense) for the year (Net of Tax)	-	-	-	-	1.03	(8.50)	(7.47)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600.17</b>	<b>(8.50)</b>	<b>591.67</b>
Dividend Paid	-	-	-	-	(84.12)	-	(84.12)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>109.10</b>	<b>8.41</b>	<b>552.36</b>	<b>5.52</b>	<b>3,144.79</b>	<b>71.29</b>	<b>3,891.47</b>

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No. 046930  
Pune: 28<sup>th</sup> May, 2022

For and behalf of Board of Directors of Finolex Cables Limited

**D. K. Chhabria**  
Executive Chairman

**M. Viswanathan**  
Chief Financial Officer

**Zubin F. Billimoria**  
Director

**R. G. D'Silva**  
Company Secretary  
& President (Legal)  
Pune: 28<sup>th</sup> May, 2022



# Notes to the Consolidated Financial Statements

## 1. Corporate Information

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges (i.e. BSE & NSE) in India. The registered office of the Company is located at 26/27, Mumbai-Pune Road, Pimpri, Pune 411018 (India). The Company is principally engaged in the manufacturing of Electricals Cables, Communication Cables & other electrical appliances

These Consolidated Financial Statements for the year end March 31, 2022 were approved for issue by the Board of Directors in accordance with their resolution dated May 28, 2022.

## 2. Summary of Significant Accounting Policies

### 2.1 Basis of preparation & presentation and statement of compliance:

These consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are presented in INR and all values are rounded to the nearest Crores in two digits, except where otherwise indicated.

### 2.2 Basis of Consolidation

2.2.1 The consolidated financial statements comprise the financial statements of the Company and its Joint Ventures & Associate as at disclosed in note 2.2.9

2.2.2 An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

2.2.3 A Joint Venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

2.2.4 The Company's investments in its associate and joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint ventures or an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate or joint ventures since the acquisition date. Goodwill relating to the associate or joint ventures is included in the carrying amount of the investment and is not tested for impairment individually.

2.2.5 The statement of profit and loss reflects the Company's share of the results of operations of the associate or joint ventures. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint ventures, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate or joint ventures are eliminated to the extent of the interest in the associate or joint ventures.

2.2.6 If an entity's share of losses of an associate or joint ventures equals or exceeds its interest in the associate or joint ventures (which includes any long term interest that, in substance, form part of the Company's net investment in the associate or joint ventures), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint ventures. If the associate or joint ventures subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

# Notes to the Consolidated Financial Statements

2.2.7 The aggregate of the Company's share of profit or loss of an associate and joint ventures is disclosed on the face of the statement of profit and loss. The financial statements of the associate or joint ventures are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

2.2.8 After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint ventures. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint ventures is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint ventures or and its carrying value, and then recognises the loss as 'Share of profit of a joint ventures and an associate' in the statement of profit or loss.

Upon loss of significant over the associate or joint ventures, the Company measures and recognises any retained investment at its fair value upon loss of significant influence over the associate or joint control over the joint ventures. Any difference between the carrying amount of the associate or joint ventures upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.2.9 Details of Associate and Joint Ventures at the end of the reporting period which are considered in the preparation of the consolidated financial statements

Name of Entity	Principal Activity	Nature	Place of Incorporation	Proportion of ownership interest as at 31 <sup>st</sup> March 2022
Finolex J-Power Systems Limited (formerly known as Finolex J-Power Systems Private Limited)	High Voltage Cables	Joint Venture	India	49%
Corning Finolex Optical Fiber Private Limited	Optical Fibers	Joint Venture	India	50%
Finolex Industries Limited	Pipes and Fittings	Associate	India	32.39%

## Other Significant Accounting Policies

### 2.3 Use of estimates and judgements

The preparation of these 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



# Notes to the Consolidated Financial Statements

reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.17.

### iii) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2.18.

## 2.5 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## 2.6 Revenue recognition

### Sale of goods

Revenue from the sale of goods is recognized at point in time when control of the goods is transferred to the customer, usually on delivery of the goods, customer acceptance and other indicators of transfer of control of goods to the customer. Revenue from sale of goods is measured at an amount that reflects the consideration ("transaction price") expected to receive in exchange for those goods.

### Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### Dividends

Revenue is recognized when the Company's right to receive the dividend is established, which is generally when shareholders approve the dividend.

## 2.7 Foreign Currencies

The Functional Currency of the company is in the Indian rupee. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realised gains and losses as well as exchange differences arising on translation (at year end exchange rates) of monetary assets and monetary liabilities outstanding at the end of the year are recognised in the statement of Profit and Loss.

Non-monetary assets and liabilities that all are measured in terms of historical cost in foreign currencies are not retranslated.

## 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

# Notes to the Consolidated Financial Statements

will be received. Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets. The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

## 2.9 Employee Benefits

### 2.9.1 Defined contribution plans

#### (a) Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

#### (b) Superannuation

Superannuation fund, which is defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

#### (c) Employees state insurance scheme (ESIC):

The company pays ESIC contribution to Employee State Insurance Corporation of India as per ESIC Act 1948. The Company has no further obligations other than its monthly contributions.

### 2.9.2 Defined benefits plans (Gratuity)

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

### 2.9.3 Compensated absences:

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of un-availed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

### 2.10 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.





# Notes to the Consolidated Financial Statements

## Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.24) Impairment of assets.

### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are

incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 2.11 Income Taxes

### Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted

# Notes to the Consolidated Financial Statements

or substantively enacted, at the reporting date in India where it generates taxable income, Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized.

## 2.12 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation commences when the assets are ready for their intended use. Freehold land and Assets held for sale are not depreciated.

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

The estimated useful lives in respect of Property, plant and equipment are mentioned below:

Asset Class	Useful Life Adopted (Years)	Useful Life as per Schedule –II (Years)
Plant & Machinery	10 to 25*	15
Solar Plant	25	NA
Buildings-Factory	30	30
Buildings-Others	60	60
Furniture & Fittings	10	10
Office Equipment	5	5
Computers & Peripherals	3 to 6	3 to 6
Vehicles	8	8
Dies & Moulds	6*	8

\*As evaluated by internal technical personnel

# Notes to the Consolidated Financial Statements

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, as appropriate.

## 2.13 Intangible Assets

Intangible assets acquired separately are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The amortization policy applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

Asset Class	Amortization
Computer Software	Over a period of 5 years

## 2.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurred in

connection with the borrowing of funds. Borrowing cost also includes 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 obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

## 2.18 Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial

# Notes to the Consolidated Financial Statements

liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

## 2.19 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### 2.19.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 2.19.2 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

### 2.19.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

### 2.19.4 Impairment of financial assets (other than financial assets at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life-time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. Also, refer note 12.1 on loss allowance on trade receivable.

## 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.



# Notes to the Consolidated Financial Statements

## 2.20.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognized in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

## 2.20.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

## 2.21 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

## 2.22 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 2.23 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered

for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 2.24 Impairment of assets

Assets are tested for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in used. For the purposes of assessing impairment, assets are grouped at the lower levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Nonfinancial assets other than goodwill that suffered an impairment are reviewed for possible reversals of the impairment at the end of each reporting period.

## 2.25 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment -The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its Consolidated financial statements.

# Notes to the Consolidated Financial Statements

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –The amendments specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would

be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its Consolidated financial statements.

# Notes to the Consolidated Financial Statements

## Note 3: Property, Plant and Equipment

(Rs. In Crore)

	Freehold Land	Lease hold Land	Buildings (Refer note 1)	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
<b>Cost</b>									
<b>Balance as at 1<sup>st</sup> April, 2021</b>	36.37	15.30	191.79	380.57	2.75	3.46	3.73	3.54	637.51
Additions	0.26	-	0.07	19.72	0.69	0.06	0.77	-	21.57
(Disposals)	-	-	-	(9.97)	-	-	(0.18)	(1.37)	(11.52)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>36.63</b>	<b>15.30</b>	<b>191.86</b>	<b>390.32</b>	<b>3.44</b>	<b>3.52</b>	<b>4.32</b>	<b>2.17</b>	<b>647.56</b>
<b>Accumulated Depreciation &amp; Impairment</b>									
<b>Balance as at 1<sup>st</sup> April, 2021</b>	-	1.01	40.37	202.06	1.42	2.53	2.21	1.98	251.58
Depreciation expense for the year	-	0.17	6.68	28.74	0.17	0.27	0.54	0.50	37.07
(Disposals)	-	-	-	(9.51)	-	-	(0.16)	(1.08)	(10.75)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>1.18</b>	<b>47.05</b>	<b>221.29</b>	<b>1.59</b>	<b>2.80</b>	<b>2.59</b>	<b>1.40</b>	<b>277.90</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>36.63</b>	<b>14.12</b>	<b>144.81</b>	<b>169.03</b>	<b>1.85</b>	<b>0.72</b>	<b>1.73</b>	<b>0.77</b>	<b>369.66</b>

(Rs. In Crore)

	Freehold Land	Lease hold Land	Buildings (Refer note 1)	Plant and equipment	Furniture & Fittings	Office Equipment	Computers, Peripherals	Vehicles	Total
<b>Cost</b>									
<b>Balance as at 1<sup>st</sup> April, 2020</b>	36.29	15.30	169.62	357.24	2.66	3.39	3.17	3.90	591.57
Additions	0.08	-	22.17	23.38	0.09	0.07	0.58	-	46.37
(Disposals)	-	-	-	(0.05)	-	-	(0.02)	(0.36)	(0.43)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>36.37</b>	<b>15.30</b>	<b>191.79</b>	<b>380.57</b>	<b>2.75</b>	<b>3.46</b>	<b>3.73</b>	<b>3.54</b>	<b>637.51</b>
<b>Accumulated Depreciation &amp; Impairment</b>									
<b>Balance as at 1<sup>st</sup> April, 2020</b>	-	0.85	33.72	173.45	1.24	2.23	1.63	1.69	214.81
Depreciation expense for the year	-	0.16	6.65	28.64	0.18	0.30	0.59	0.63	37.15
(Disposals)	-	-	-	(0.03)	-	-	(0.01)	(0.34)	(0.38)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>1.01</b>	<b>40.37</b>	<b>202.06</b>	<b>1.42</b>	<b>2.53</b>	<b>2.21</b>	<b>1.98</b>	<b>251.58</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2021</b>	<b>36.37</b>	<b>14.29</b>	<b>151.42</b>	<b>178.51</b>	<b>1.33</b>	<b>0.93</b>	<b>1.52</b>	<b>1.56</b>	<b>385.93</b>

### Notes:

- (1) Building include Rs. \* Crore being cost of ordinary shares in co-operative housing societies.
- (2) Title deeds of freehold land and building are held in the name of the company.
- (3) No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

\* Denotes amount less than Rs. 50,000



# Notes to the Consolidated Financial Statements

## 3.1 Capital-work-in progress (CWIP)

### (a) Capital-work-in progress (CWIP) ageing schedule for the year ended 31<sup>st</sup> March, 2022

(Rs. In Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	70.43	14.45	0.17	1.72	86.77
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>70.43</b>	<b>14.45</b>	<b>0.17</b>	<b>1.72</b>	<b>86.77</b>

### Capital-work-in progress (CWIP) ageing schedule for the year ended 31<sup>st</sup> March, 2021

(Rs. In Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	22.84	1.16	-	1.72	25.71
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>22.84</b>	<b>1.16</b>	<b>-</b>	<b>1.72</b>	<b>25.71</b>

### (b) Capital-work-in progress (CWIP), whose completion is overdue or has exceed its cost compared to its original plan as at 31<sup>st</sup> March, 2022.

(Rs. In Crore)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	10.23	-	-	-	<b>10.23</b>
Project 2	1.67	-	-	-	<b>1.67</b>
Project 3	0.05	-	-	-	<b>0.05</b>
<b>Total</b>	<b>11.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.95</b>

### Capital-work-in progress (CWIP), whose completion is overdue or has exceed its cost compared to its original plan as at 31<sup>st</sup> March, 2021

(Rs. In Crore)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	6.33	-	-	<b>6.33</b>
Project 2	-	1.67	-	-	<b>1.67</b>
Project 3	-	0.05	-	-	<b>0.05</b>
<b>Total</b>	<b>-</b>	<b>8.05</b>	<b>-</b>	<b>-</b>	<b>8.05</b>



# Notes to the Consolidated Financial Statements

## Note 4 : Intangible Assets

(Rs. In Crore)

	<b>Computer Software \$</b>
<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>1.58</b>
Additions	0.12
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.70</b>
<b>Accumulated Amortisation and Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>1.37</b>
Amortisation expenses for the year	0.06
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.43</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>0.27</b>
<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>1.54</b>
Additions	0.04
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1.58</b>
<b>Accumulated Amortisation and Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>1.09</b>
Amortisation expenses for the year	0.28
(Disposals)	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1.37</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2021</b>	<b>0.21</b>

### Note :

- 1) \$ Other than internally generated intangible assets

## Note 5: Right of use asset

(Rs. In Crore)

<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>10.20</b>
Addition	3.68
(Disposals)	(0.71)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>13.17</b>
<b>Accumulated Amortisation &amp; Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>1.91</b>
Amortisation expenses for the year	1.72
(Disposals)	(0.71)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>2.92</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2022</b>	<b>10.25</b>

# Notes to the Consolidated Financial Statements

(Rs. In Crore)

<b>Cost</b>	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>9.73</b>
Addition	0.98
(Disposals)	(0.51)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>10.20</b>
<b>Accumulated Amortisation &amp; Impairment</b>	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>0.41</b>
Amortisation expenses for the year	1.53
(Disposals)	(0.03)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1.91</b>
<b>Net Carrying Amount as at 31<sup>st</sup> March, 2021</b>	<b>8.29</b>

Set out below are the carrying amounts of lease liabilities movements during the year

(Rs. In Crore)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
<b>Balance at the beginning</b>	6.36	7.56
Additions during the year	3.68	0.98
Deduction during the year	-	(0.49)
Accretion of interest	0.93	0.73
Payments	(2.49)	(2.42)
<b>Balance as at the end</b>	<b>8.48</b>	<b>6.36</b>
Current	2.14	2.18
Non-current	6.34	4.18

The effective interest rate for lease liabilities is 9.05%

The following are the amounts recognised in the statement of profit and loss:

(Rs. In Crore)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Depreciation expense of right-of-use assets	1.72	1.52
Interest expense on lease liabilities	0.93	0.73
Expense relating to short-term leases	0.32	-
Expense relating to leases of low-value assets	-	-
<b>Total amount recognised in the statement of profit and loss</b>	<b>2.97</b>	<b>2.25</b>

**Note:**

The maturities of lease liabilities on an undiscounted basis are disclosed under Note no 34.



# Notes to the Consolidated Financial Statements

## Note 6 : Investment in Associate & Joint Ventures- Non-Current

(Rs. In Crore)

Investment in Associate & Joint Ventures		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Measured at cost			
<b>(i) Equity shares Quoted</b>			
200,962,985	Equity Shares of Rs. 10 each fully paid in Finolex Industries Limited (Previous Year 40,192,597)	1,033.65	773.59
<b>(ii) Equity shares Unquoted</b>			
220,500,000	Equity Shares of Rs.10 each fully paid in Finolex J-Power Systems Limited (formerly known as Finolex J- Power Systems Private Limited) (Previous Year 220,500,000)	77.70	91.02
-	Less: Provision for Impairment in value of Investments (Refer note 6.3)	(29.77)	(33.28)
1,750,000	Equity Shares of Rs.10 each fully paid in Corning Finolex Optical Fibre Private Limited (Previous Year 1,750,000) (Refer note 6.4)	13.81	13.92
<b>Total</b>		<b>1,095.39</b>	<b>845.25</b>

## Note 6.1 Summarised Financial Information

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>I Finolex Industries Limited</b>		
Non -Current Assets	2,299.41	2,305.03
Current Assets	3,045.96	1,988.85
Non-Current Liabilities	(218.71)	(218.76)
Current Liabilities	(1,198.85)	(936.16)
<b>Net Assets</b>	<b>3,927.81</b>	<b>3,138.96</b>
Total Income	4,729.55	3,533.82
Profit for the year	1,051.34	737.79
Other Comprehensive Income/(Expense) for the year	(14.31)	415.19
Total Comprehensive Income/(Expense) for the year	1,037.03	1,152.98
Dividends received from the Associate	80.39	Nil
<b>Reconciliation of the above mentioned summarised financial information to the carrying amount of interest in the Associate recognised in consolidated financial statements:</b>		
Net assets of the Associate	3,927.81	3,138.96
<b>Less : Unrealised gain in respect of investments held in the Company by the Associate</b>	<b>(736.55)</b>	<b>(750.60)</b>
<b>Total</b>	<b>3,191.26</b>	<b>2,388.36</b>
Proportion of ownership interest in the Associate	32.39%	32.39%
<b>Carrying amount of the Group's interest in the Associate</b>	<b>1,033.65</b>	<b>773.59</b>

# Notes to the Consolidated Financial Statements

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>II Finolex J-Power Systems Limited</b>		
Non -Current Assets	137.79	144.40
Current Assets	125.55	134.00
Non-Current Liabilities	(7.11)	(17.48)
Current Liabilities	(97.65)	(75.17)
<b>Net Assets</b>	<b>158.58</b>	<b>185.75</b>
Total Income	86.79	50.56
(Loss) for the year	(27.23)	(31.34)
Other Comprehensive Income/(Expense) for the year	0.06	0.17
Total Comprehensive Income/(Expense) for the year	(27.18)	(31.17)
Dividends received from the Joint Venture	Nil	Nil
<b>Reconciliation of the above mentioned summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:</b>		
Net assets of the Joint Venture	158.58	185.75
Proportion of ownership interest in the Joint Venture	49%	49%
<b>Group's interest in Joint Venture</b>	<b>77.70</b>	<b>91.02</b>
Less : Impairment (Refer Note 6.3)	(29.77)	(33.28)
<b>Carrying amount of the Group's interest in the Joint Venture</b>	<b>47.93</b>	<b>57.74</b>
<b>III Corning Finolex Optical Fibre Private Limited</b>		
Non -Current Assets	Nil	Nil
Current Assets	27.64	87.77
Non-Current Liabilities	Nil	Nil
Current Liabilities	(0.02)	(59.94)
<b>Net Assets</b>	<b>27.62</b>	<b>27.83</b>
Total Income	12.97	159.64
(Loss) for the year	(0.22)	(0.24)
Other Comprehensive Income/(Expense) for the year	Nil	Nil
Total Comprehensive Income/(Expense) for the year	(0.22)	(0.24)
Dividends received from the Joint Venture	Nil	Nil
<b>Reconciliation of the above mentioned summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:</b>		
Net assets of the Joint Venture	27.62	27.83
Proportion of ownership interest in the Joint Venture	50%	50%
<b>Carrying amount of the Group's interest in the Joint Venture</b>	<b>13.81</b>	<b>13.92</b>
Aggregate carrying value of Quoted Investment	1,033.65	773.59
Aggregate market value of Quoted Investment	3,110.91	2,560.27
Aggregate carrying value of Unquoted Investment	91.51	104.94
Aggregate value of impairment in value of assets	(29.77)	(33.28)
Aggregate carrying value of Unquoted Investment net of impairment	61.74	71.66

# Notes to the Consolidated Financial Statements

## Note 6.2 : Disclosure as per Ind-AS 27

Name of investees	The principal place of business and country of incorporation	Proportion of the ownership interest and proportion of the voting rights
<b>(I) Associate</b>		
Finolex Industries Limited	India	32.39%
<b>(II) Joint Ventures</b>		
Finolex J-Power Systems Limited	India	49.00%
Corning Finolex Optical Fibre Private Limited	India	50.00%

## Note 6.3 : Disclosure as per Ind-AS 36, on Impairment of Investments in Joint Venture

The Company's investment in Finolex J Power Systems Limited, (FJPS) is long term and strategic in nature and recognised and disclosed as investment in joint venture accounted for using equity method. FJPS is engaged in manufacturing and sale of extra high voltage power cables. The operations of FJPS 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 31<sup>st</sup> March 2022.

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 reversed impairment of Rs. 3.51 crores (previous year: recorded further impairment of Rs. 21.58 crores) leading to a total impairment Rs. 29.77 crores upto 31<sup>st</sup> March 2022.

### Key assumptions used for value in use to determine the recoverable value are:

- Discount rate - Weighted Average Cost of Capital (WACC) - 17% ( Previous year 18%)
- Terminal growth rate 4% ( Previous year 5%)

## Note 6.4: Corning Finolex Optical Fibre Private Limited: Discontinuation of JV Agreement

The Joint Venture partners of Corning Finolex Optical Fibre Private Limited ("Corning") in their extra ordinary general meeting held on 30<sup>th</sup> March, 2022 had approved the "Voluntary Liquidation" of Corning and appointed an insolvency professional duly registered under the Insolvency and Bankruptcy Code, 2016 as the "Liquidator" of the Corning. Corning is currently under liquidation and the financial statements of Corning has been prepared on the liquidation basis and not on going concern basis. Considering Corning is in process of liquidation and disposal of the same is other than through sale transaction and accordingly investment in Corning do not qualify as held for sale, since their carrying amounts will not be recovered principally through sale. Accordingly, no adjustment is being given in the financial statements of the Company for the year ended 31<sup>st</sup> March, 2022 for its investment in Corning.

## Note 7 : Other Investments - Non-Current

		(Rs. In Crore)	
		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>a)</b>	<b>Investments at fair value through Other Comprehensive Income (FVTOCI) (fully paid)</b>		
	<b>i) Equity shares- Quoted</b>		
61,000	Equity Shares of Rs. 2 each fully paid in Bharat Forge Limited (Previous Year 61,000)	4.28	3.64
358,500	Equity Shares of Rs. 10 each fully paid in IndusInd Bank Limited (Previous Year 358,500)	33.52	34.20

# Notes to the Consolidated Financial Statements

		(Rs. In Crore)	
		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
168,750	Equity Shares of Rs.5 each fully paid in BF Utilities Limited (Previous Year 168,750)	5.20	4.16
168,750	Equity Shares of Rs.5 each fully paid in BF Investment Limited (Previous Year 168,750)	4.59	4.67
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)	1.83	1.46
200,000	Equity Shares of Rs. 5 each fully paid in Kirloskar Ferrous Limited (Previous Year 200,000)	4.29	3.29
100	Equity Shares of Rs. 2 each fully paid in Nicco Corporation (Previous Year 100)	*	*
100	Equity Shares of Re. 1 each fully paid in Usha Martin Education & Solutions Limited (Previous Year 100)	*	*
100	Equity Shares of Rs. 10 each fully paid in Sterlite Power Transmission Limited (Previous Year 100)	*	*
<b>Total Equity shares - Quoted (i)</b>		<b>53.71</b>	<b>51.42</b>
<b>ii ) Equity shares Unquoted</b>			
1,000,000	Equity Shares of Rs. 10 each fully paid in Finolex Plasson Industries Pvt Limited (Previous Year 1,000,000)	20.00	30.67
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)	5.53	8.04
5,373,938	Equity Shares of Rs.10 each fully paid in Finolex Infrastructure Limited (Previous Year 5,373,938)	12.36	12.38
<b>Total Equity shares -Unquoted (ii)</b>		<b>37.89</b>	<b>51.09</b>
<b>Total FVTOCI Investments (i+ii)</b>		<b>91.60</b>	<b>102.51</b>
<b>b) Investments at fair value through Profit &amp; Loss (FVTPL)</b>			
	Investment in Fixed Maturity Plan (FMP) - Unquoted	-	114.35
<b>Total Investments at FVTPL</b>		<b>-</b>	<b>114.35</b>
<b>Total Other Investments 6=(a+b)</b>		<b>91.60</b>	<b>216.86</b>
Aggregate carrying value and Market Value of Quoted Investments		53.71	51.42
Aggregate carrying value of Unquoted Investments		37.89	165.44

\* Denotes amount less than Rs. 50,000

## Note 8 : Current Investments

		(Rs. In Crore)	
		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Investments at fair value through profit or loss (FVTPL)</b>			
	Investments in Mutual Funds /Current portion of Fixed Maturity Plan (FMP) - Unquoted	119.03	97.44
	Investments in Mutual Funds - Unquoted	708.29	411.56
<b>Total Current Investments</b>		<b>827.32</b>	<b>509.00</b>





# Notes to the Consolidated Financial Statements

## Note 9: Other Financial Assets

(Unsecured, considered good)

(Rs. In Crore)

	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Carried at amortised cost</b>				
(a) Fixed Deposit with Banks	-	-	920.81	700.00
(b) Fixed Deposit - Margin Money	-	-	0.08	0.30
(c) Deposits with others	-	-	100.00	50.00
(d) Interest accrued on Fixed Deposit	-	-	36.25	27.91
(e) Security Deposits	4.33	4.38	-	-
	<b>4.33</b>	<b>4.38</b>	<b>1,057.14</b>	<b>778.21</b>

## Note 10 : Other Non-Current Assets

(Unsecured, considered good)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Capital Advance		
Considered Good	0.53	16.75
Considered Doubtful	0.52	-
<b>Total</b>	1.05	16.75
Less: Allowances for doubtful	0.52	-
	0.53	16.75
(b) Balances with Government		
(i) Sales Tax Receivables	16.55	15.74
(ii) Excise Duty Receivables	1.77	2.19
(iii) Other Receivables	0.52	0.52
	<b>19.37</b>	<b>35.20</b>

## Note 11- Inventories

(Lower of cost and net realisable value unless stated)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Raw materials	99.87	127.30
(b) Work in progress	145.95	166.24
(c) Finished goods	350.05	416.95
(d) Stock in Trade (in respect of goods acquired for trading)	27.66	19.30
(e) Stores & Spares	27.69	23.65
(f) Scrap	1.89	1.96
<b>Total inventories</b>	<b>653.11</b>	<b>755.40</b>
Included above, goods-in-transit:		
Raw materials	17.29	13.22
<b>Total goods-in-transit</b>	<b>17.29</b>	<b>13.22</b>

# Notes to the Consolidated Financial Statements

## Note 12 : Trade Receivables - (Unsecured)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Considered good	177.15	176.55
Considered doubtful	41.74	16.24
<b>Total</b>	<b>218.89</b>	<b>192.79</b>
Less: Allowances for credit losses	41.74	16.24
	<b>177.15</b>	<b>176.55</b>

### Note 12.1

#### Trade Receivables :

The average credit period for the Company's receivables is in the range of 30 to 60 days in respect of institutional sales and upto 190 days in case of sales to government owned entities. No interest is charged on trade receivables. Trade receivables balance as at 31<sup>st</sup> March 2022 includes Rs. 65.82 crores (31<sup>st</sup> March 2021, Rs. 84.51 crores) due from Bharat Sanchar Nigam Ltd, Bharat Broadband Nigam Ltd and Telecommunication Consultants India Ltd, Rs. 52.40 crores (31<sup>st</sup> March 2021, Rs. 30.87 crores) due from Minda Corporation Ltd, D-Link India Limited and Logenix Services Private Limited which represents Company's large customers. Apart from the above there are no customers who individually represents more than 5% of the total balance of trade receivables.

#### Expected credit loss

For trade receivables, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the expected credit loss allowance:

(Rs. In Crore)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of the year	16.24	15.75
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	25.50	0.49
<b>Balance at the end of the year</b>	<b>41.74</b>	<b>16.24</b>

# Notes to the Consolidated Financial Statements

## 12.2 Trade Receivables Ageing for the year ended March 31, 2022

(Rs. In Crore)

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	148.86	28.02	0.32	3.97	2.37	<b>183.54</b>
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	35.35	<b>35.35</b>
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Subtotal</b>	<b>148.86</b>	<b>28.02</b>	<b>0.32</b>	<b>3.97</b>	<b>37.72</b>	<b>218.89</b>
Less: allowances for credit losses						<b>(41.74)</b>
<b>Total</b>						<b>177.15</b>

## Trade Receivables Ageing for the year ended March 31, 2021

(Rs. In Crore)

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	136.01	0.50	4.70	12.38	33.49	<b>187.08</b>
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	0.25	5.46	<b>5.71</b>
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Subtotal</b>	<b>136.01</b>	<b>0.50</b>	<b>4.70</b>	<b>12.63</b>	<b>38.95</b>	<b>192.79</b>
Less: allowances for credit losses						<b>(16.24)</b>
<b>Total</b>						<b>176.55</b>

## Note 13: Cash and Cash Equivalents

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(a) Balances with banks:</b>		
In Current Accounts	32.38	24.58
<b>(b) Cash on hand</b>	0.01	0.02
	<b>32.39</b>	<b>24.60</b>

# Notes to the Consolidated Financial Statements

## Note 14: Other Bank Balances

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) In Earmarked Accounts		
Unclaimed dividend	3.45	3.14
(b) Fixed Deposits with maturity greater than 3 months but less than 12 months	1.99	25.98
(c) Fixed Deposit - held as Margin Money	0.11	-
	<b>5.55</b>	<b>29.12</b>

## Note 15 : Other Current Assets

(Unsecured , considered good)

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Goods and Services Tax Receivable	18.77	25.42
(b) Government Grant Receivable	-	0.55
(c) Balances with Government authorities	0.28	0.28
(d) Other Advances		
Considered Good	24.98	43.56
Considered Doubtful	1.16	1.16
<b>Total</b>	<b>26.14</b>	<b>44.72</b>
Less: Allowances for doubtful advances	1.16	1.16
<b>Total Other Advances</b>	<b>24.98</b>	<b>43.56</b>
(e) Prepaid Expenses	0.57	0.69
	<b>44.60</b>	<b>70.50</b>

## Note 16 : Equity Share Capital

	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No of shares	(Rs. In Crore)	No of shares	(Rs. In Crore)
<b>I Authorised Share Capital</b>				
235,000,000 (Previous year 235,000,000) Equity shares of Rs. 2/-each	235,000,000	47.00	235,000,000	47.00
3,000,000 (Previous year 3,000,000) Unclassified shares of Rs. 10/- each	3,000,000	3.00	3,000,000	3.00
	<b>238,000,000</b>	<b>50.00</b>	<b>238,000,000</b>	<b>50.00</b>
<b>II Issued, Subscribed and Paid up Share Capital</b>				
Equity shares of Rs. 2 each issued, subscribed and fully paid	152,939,345	30.59	152,939,345	30.59

# Notes to the Consolidated Financial Statements

## (a) Reconciliation of Equity Shares at the beginning and at the end of the reporting period.

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No of shares	(Rs. In Crore)	No of shares	(Rs. In Crore)
Balance at the beginning of the year	152,939,345	30.59	152,939,345	30.59
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>152,939,345</b>	<b>30.59</b>	<b>152,939,345</b>	<b>30.59</b>

## (b) Terms/ rights attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

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

On 28<sup>th</sup> May, 2022, the Board of Directors of the company have proposed a final dividend of Rs. 6.00 per share in respect of the year ended 31<sup>st</sup> March, 2022 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of Rs. 91.76 crores.

## (c) Details of shareholders holding more than 5% Shares in the company

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No of shares	% Holding	No of shares	% Holding
Finolex Industries Limited	22,187,075	14.51	22,187,075	14.51
Orbit Electricals Pvt. Limited	46,956,120	30.70	46,956,120	30.70
Franklin Templeton Mutual Fund	#		10,031,928	6.56
DSP Small Cap Fund	#		8,539,093	5.58

# - Holding less than 5% during the year

## Note 16.1 : Shareholding of Promoters

Shares held by promoters at the end of the year		As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
Sr No.	Promoter Name	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
1	KATARA MUKESH DOLUMAL (HUF)	7,500	-	-	7,500	-	-
2	KATARA MUKESH DOLUMAL	23,500	0.02%	-	23,500	0.02%	-
3	ARUNA KATARA	2,812,950	1.84%	-	2,812,850	1.84%	-
4	SUNITA KISHANDAS CHHABRIA	1,163,400	0.76%	-	1,163,400	0.76%	-
5	PRAKASH PRALHAD CHHABRIA	831,850	0.54%	-	831,850	0.54%	-
6	PRIYA VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
7	VINI DEEPAK CHHABRIA	33,750	0.02%	-	33,750	0.02%	-
8	KISHANDAS PARASHRAM CHHABRIA	685,250	0.45%	-27.93%	950,750	0.62%	-

# Notes to the Consolidated Financial Statements

Shares held by promoters at the end of the year		As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
Sr No.	Promoter Name	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
9	DEEPAK KISHAN CHHABRIA	1,202,250	0.79%	28.34%	936,750	0.61%	-
10	PRALHAD PARSRAM CHHABRIA	-	-	-100.00%	100	-	-
11	VIJAY KISHANDAS CHHABRIA	539,250	0.35%	-	539,250	0.35%	-
12	RITU PRAKASH CHHABRIA	95,000	0.06%	-	95,000	0.06%	-
13	RISHI VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
14	KARAN VIJAY CHHABRIA	22,500	0.01%	-	22,500	0.01%	-
15	GAYATRI PRAKASH CHHABRIA	105,000	0.07%	-	105,000	0.07%	-
16	HANSIKA HIYA PRAKASH CHHABRIA	105,000	0.07%	-	105,000	0.07%	-
17	RADHIKA DEEPAK CHHABRIA	30,000	0.02%	-	30,000	0.02%	-
18	AMIT M KATARA	87,400	0.06%	-	87,400	0.06%	-
19	AMRITA MUKESH KATARA	85,400	0.06%	-	85,400	0.06%	-
20	ORBIT ELECTRICALS PRIVATE LIMITED	46,956,120	30.70%	-	46,956,120	30.70%	-
21	KATARA DENTAL PVT.LTD.	10,050	0.01%	-	10,050	0.01%	-

## Note 17 : Other Equity

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Securities Premium</b>	109.10	109.10
<b>(ii) Capital Reserve</b>	8.41	8.41
<b>(iii) General Reserve</b>	552.36	552.36
<b>(iv) Share buy back reserve</b>	5.52	5.52
<b>(v) Retained Earnings</b>		
Opening Balance	2,628.74	2,250.76
Add: Other Comprehensive Income/(Expenses) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	1.03	0.64
Profit for the year	599.14	461.46
Less: Payment of dividend	(84.12)	(84.12)
Dividend distribution tax	-	-
<b>Closing Balance</b>	<b>3,144.79</b>	<b>2,628.74</b>
<b>(vi) Equity Instruments through Other Comprehensive Income</b>		
Opening Balance	79.79	46.97
Add/(Less): Change in Fair Value of Equity Instrument through other Comprehensive Income	(10.91)	34.09
Add/(Less): Deferred Tax	2.41	(1.27)
<b>Closing Balance</b>	<b>71.29</b>	<b>79.79</b>
<b>Total</b>	<b>3,891.47</b>	<b>3,383.92</b>

# Notes to the Consolidated Financial Statements

## Nature and purpose :

### Securities Premium :

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

### Capital Reserve

The Company recognises the difference on purchase, sale, issue or cancellation of Company's own equity instruments to Capital Reserve. Capital Reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### General Reserve:

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

### Share buy back reserve

During the earlier years, the Company had bought back its own equity out of free reserves. Share buy back reserve (Capital Redemption Reserve) represents amount set aside in respect of nominal value of the shares bought back as per the Companies Act, 2013.

### Retained Earnings:

Retained Earnings are the profits of the Company earned till date net of appropriations.

### Equity Instruments through Other Comprehensive Income

This Reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings when those assets are disposed off.

## Note 18 :Borrowings

(Rs. In Crore)

	Non Current		Current	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Finance lease obligation	0.28	0.31	0.03	0.03
	<b>0.28</b>	<b>0.31</b>	<b>0.03</b>	<b>0.03</b>

### Note 18.1: Repayment Details of Loans

Finance lease obligation : Repayable over 78 Years, last installment in financial year 2096-97.

## Note 19 : Provisions

(Rs. In Crore)

	Non Current		Current	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Provision for Employee Benefits</b>				
Gratuity	-	1.19	2.07	3.69
Leave Encashment	9.98	10.53	3.01	3.16
	<b>9.98</b>	<b>11.72</b>	<b>5.08</b>	<b>6.85</b>



# Notes to the Consolidated Financial Statements

## Note 20 : Tax Expense and Deferred Tax Liability (net)

### Note 20.1 : Tax Expense

#### 1. Income Tax recognised in Statement of profit and loss

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Current Tax:</b>		
In respect of current year	127.92	112.63
	<b>127.92</b>	<b>112.63</b>
<b>Deferred tax:</b>		
In respect of current year	59.57	56.78
	<b>59.57</b>	<b>56.78</b>
<b>Total Income Tax expense recognised during the year</b>	<b>187.49</b>	<b>169.41</b>

#### 2. Income Tax recognised in Other Comprehensive Income

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Deferred tax on fair value changes on equity instruments at FVTOCI	2.41	(1.27)
Net (gain)/loss on remeasurements of defined benefit plans	(0.36)	(0.17)
<b>Total Income Tax expense recognised in other comprehensive income during the year</b>	<b>2.05</b>	<b>(1.44)</b>

#### 3. The Income Tax expenses for the year can be reconciled to the accounting profit as follows.

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Profit before tax and share of net profit of an associate and Joint ventures considered for tax working</b>	459.55	407.45
Income tax expenses calculated at 25.17% (Previous year 25.17 %)	115.67	102.56
Effect of income that is exempt from tax	(0.14)	(0.06)
Effect of items that are not deductible in determining taxable profit	1.90	9.04
Effect of tax on other items	4.58	(1.72)
Effect of Tax on undistributed profit	65.48	60.18
Effect of tax at differential tax rates	-	(0.59)
Income tax expenses recognised in statement of profit and loss	<b>187.49</b>	<b>169.41</b>

#### Note :

- The tax rate used for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 reconciliations above is the corporate tax rate of 25.17% respectively, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

# Notes to the Consolidated Financial Statements

## Note 20.2 : Deferred Tax Liability (net)

### 1. The following is the analysis of Deferred Tax Liability (net) presented in the Balance Sheet:

(Rs. In Crore)

Particulars	As at	As at
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Deferred tax assets	14.54	10.22
Deferred tax liabilities	(276.27)	(214.43)
<b>Total - Deferred tax Liabilities (net)</b>	<b>(261.73)</b>	<b>(204.21)</b>

### 2. The tax effect of significant timing differences that has resulted in deferred tax liabilities are given below:

(Rs. In Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2022			
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Closing balance
<b>Deferred Tax Assets in relation to</b>				
Employee Benefits	4.68	(0.53)	(0.36)	3.79
Allowance for Doubtful Debt	4.38	6.13	-	10.51
Others	1.16	(0.92)	-	0.24
<b>Total</b>	<b>10.22</b>	<b>4.68</b>	<b>(0.36)</b>	<b>14.54</b>
<b>Deferred Tax Liabilities in relation to</b>				
Property, Plant and Equipment	28.85	(0.35)	-	28.50
Undistributed profit of associate	170.11	65.48	-	235.59
Financial assets at fair value through OCI	7.42	-	(2.41)	5.01
Financial assets at fair value through Profit and loss	7.57	(0.83)	-	6.74
Lease liabilities	0.48	(0.05)	-	0.43
<b>Total</b>	<b>214.43</b>	<b>64.25</b>	<b>(2.41)</b>	<b>276.27</b>
<b>Deferred tax Liabilities (net)</b>	<b>(204.21)</b>	<b>(59.57)</b>	<b>2.05</b>	<b>(261.73)</b>

(Rs. In Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2021			
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Closing balance
<b>Deferred Tax Assets in relation to</b>				
Employee Benefits	4.84	0.01	(0.17)	4.68
Allowance for Doubtful Debt	3.96	0.42	-	4.38
Others	0.11	1.05	-	1.16
<b>Total</b>	<b>8.91</b>	<b>1.48</b>	<b>(0.17)</b>	<b>10.22</b>
<b>Deferred Tax Liabilities in relation to</b>				
Property, Plant and Equipment	30.85	(2.00)	-	28.85
Undistributed profit of associate	109.93	60.18	-	170.11
Financial assets at fair value through OCI	6.15	-	1.27	7.42
Financial assets at fair value through Profit and loss	7.53	0.04	-	7.57
Lease liabilities	0.44	0.04	-	0.48
<b>Total</b>	<b>154.90</b>	<b>58.26</b>	<b>1.27</b>	<b>214.43</b>
<b>Deferred tax Liabilities (net)</b>	<b>(145.99)</b>	<b>(56.78)</b>	<b>(1.44)</b>	<b>(204.21)</b>

# Notes to the Consolidated Financial Statements

## Note 21 : Trade Payables

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Total Outstanding Dues of micro enterprises and small enterprises	16.29	15.87
(b) Total Outstanding Dues of Creditors other than micro enterprises and small enterprises		
(i) Trade payables	144.46	133.81
(ii) Accrued Salaries and Benefits	29.30	26.35
	173.76	160.16
<b>Total</b>	<b>190.05</b>	<b>176.03</b>

### Note 21.1 : Dues to Micro enterprises and small enterprises

- (a) Outstanding to suppliers other than micro enterprises and small enterprises Rs. 173.76 crores (previous year Rs.160.16 crores)
- (b) Outstanding to micro enterprises and small enterprises Rs. 16.29 crores (previous year Rs. 15.87 crores) including interest.

(Rs. In Crore)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
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	16.15	15.77
(b) Interest due on above	0.14	0.10
	<b>16.29</b>	<b>15.87</b>

### Amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts paid to suppliers beyond the appointed day during each accounting year.

(a) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (7 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
b) Amount of interest due and payable for the period of delay in making payment (beyond the appointed day) but without adding the interest specified under the MSMED Act.	-	-
(c) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.14	0.10
(d) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006;	-	-

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



# Notes to the Consolidated Financial Statements

## Note 21.2 : Trade Payables Ageing Schedule

(Rs. In Crore)

Particulars	Trade Payable Ageing as on 31 <sup>st</sup> March, 2022				Total
	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	16.29	-	-	-	16.29
(ii) Others	90.29	1.12	0.35	2.08	93.84
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>106.58</b>	<b>1.12</b>	<b>0.35</b>	<b>2.08</b>	<b>110.13</b>
Accrued Expenses	-	-	-	-	79.92
<b>Total</b>	-	-	-	-	<b>190.05</b>

(Rs. In Crore)

Particulars	Trade Payable Ageing as on 31 <sup>st</sup> March, 2021				Total
	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	15.87	-	-	-	15.87
(ii) Others	76.25	0.43	1.35	1.38	79.41
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>92.12</b>	<b>0.43</b>	<b>1.35</b>	<b>1.38</b>	<b>95.28</b>
Accrued Expenses	-	-	-	-	80.75
<b>Total</b>	-	-	-	-	<b>176.03</b>

## Note 22 : Other Current Financial Liabilities

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Carried at amortised cost</b>		
(a) Unpaid Dividend	3.45	3.14
(b) Other Payables		
Deposits from Distributors	0.80	0.96
Other Liabilities	0.04	0.04
	<b>4.29</b>	<b>4.14</b>

# Notes to the Consolidated Financial Statements

## Note 23 : Other Current Liabilities

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Statutory Dues payable		
(i) Goods and Services Tax Payables	23.58	1.16
(ii) TDS Payables	2.39	1.24
(iii) Employee related dues payable	1.28	1.26
(b) Advance from customers	40.74	28.42
(c) Other payables	0.03	0.03
(d) Provision for impariments		
	<b>68.02</b>	<b>32.11</b>

## Note 24 : Revenue From Operations

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
(a) Sale of Products	3,698.57	2,722.15
(b) Other operating revenue-Sale of scrap	69.57	45.96
	<b>3,768.14</b>	<b>2,768.11</b>

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>(i) Sale of Products includes:</b>		
Sale of Manufactured products	3,575.27	2,620.15
Sale of Traded Goods	123.30	102.00
<b>Total</b>	<b>3,698.57</b>	<b>2,722.15</b>

### (ii) Disaggregation of the revenue information

The table below presents disaggregated revenue by geography and offerings for each of products.

#### Revenue from sale of products

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
A. Electrical cables	3,130.83	2,267.81
B. Communication cables	377.69	319.74
C. Copper rods	17.65	22.18
D. Others	172.40	112.42
	<b>3,698.57</b>	<b>2,722.15</b>
Sale of Scrap		
A. Electrical cables	62.38	42.17
B. Communication cables	2.06	1.73
C. Copper rods	1.17	0.86
D. Others	3.96	1.20
	<b>69.57</b>	<b>45.96</b>
	<b>3,768.14</b>	<b>2,768.11</b>



# Notes to the Consolidated Financial Statements

## Revenue by Geography

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
India	3,740.50	2,737.24
Outside India	27.64	30.87
	<b>3,768.14</b>	<b>2,768.11</b>

## Timing of revenue recognition

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Goods transferred at a point of time	3,768.14	2,768.11
Goods transferred over a period of time	-	-
	<b>3,768.14</b>	<b>2,768.11</b>

### (iii) Information about major customers

There are no major customers having revenue transactions exceeding 10% of the total revenue.

## Note 25 : Other Income

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
(a) Interest income on financial assets carried at amortised cost	46.10	51.61
(b) Dividend Income		
(i) Dividend from Others- Equity Investments Designated at FVTOCI	0.52	0.24
(c) Others		
(i) Net gain/(loss) on investments classified at FVTPL	20.78	21.38
(ii) Exchange gain/(loss) on translation of Assets and Liabilities	0.85	0.68
(iii) Other Income	3.17	3.08
	<b>71.42</b>	<b>76.99</b>

## Note 26 : Cost of material consumed

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Inventory at the beginning of the year	127.30	116.58
Add: Purchases	2,766.19	2,140.63
Less: Inventory at the end of the year	99.87	127.30
	<b>2,793.62</b>	<b>2,129.91</b>

# Notes to the Consolidated Financial Statements

## Note : 27 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Inventories at the end of the year (A)</b>		
Work-in-progress	145.95	166.24
Finished goods	350.05	416.95
Stock-in-Trade	27.66	19.30
	<b>523.66</b>	<b>602.49</b>
<b>Inventories at the beginning of the year (B)</b>		
Work-in-progress	166.24	131.02
Finished goods	416.95	297.34
Stock-in-Trade	19.30	19.42
	<b>602.49</b>	<b>447.78</b>
<b>(Increase)/Decrease in Inventories (B)-(A)</b>	<b>78.83</b>	<b>(154.71)</b>

## Note 28: Employee benefits expense

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
(a) Salaries, wages and bonus (refer note 28.1 below)	131.41	122.50
(b) Contribution to provident and other funds	5.90	5.49
(c) Gratuity expense	2.39	2.49
(d) Leave Encashment	1.99	4.14
(e) Staff welfare and other expenses	4.39	3.25
	<b>146.08</b>	<b>137.87</b>

### Note 28.1

Salaries, wages and bonus includes Rs. 9.92 crores (previous year Rs. 8.63 crores) paid/ payable to the executive director, during the year, subject to the below.

“The resolutions for the reappointment and remuneration of the executive directors were placed before the Annual General Meeting of the Company held on 25<sup>th</sup> September 2018. The Hon’ble High Court of Bombay had in respect of an appeal filed in respect of reappointment and remuneration of the executive directors, stated that the results of the voting shall be subject to the Order to be passed by the Hon’ble High Court of Bombay in this Appeal. The matter remains pending.

Total remuneration paid/payable to the executive directors for the period 1<sup>st</sup> July 2018 (being the date of proposed reappointment) upto 31<sup>st</sup> March 2022 is Rs. 38.90 crores (previous year Rs. 28.98 crores).





# Notes to the Consolidated Financial Statements

## Note 29 : Finance Costs

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Interest others	1.52	0.76
	<b>1.52</b>	<b>0.76</b>

## Note 30 : Depreciation and Amortization expenses

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Depreciation on Tangible assets (note 3)	37.07	37.15
Amortization of Intangible assets (note 4)	0.06	0.28
Amortization of Right of use (note 5)	1.72	1.53
	<b>38.85</b>	<b>38.96</b>

## Note 31 : Other Expenses

(Rs. In Crore)

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
(a) Consumption of stores and spares	25.29	20.44
(b) Power and fuel	46.36	43.52
(c) Freight and forwarding charges	48.69	46.88
(d) Rent	4.17	3.61
(e) Rates and taxes	0.93	8.21
(f) Insurance	5.51	4.98
(g) Repairs and maintenance -	-	-
(i) Plant and machinery	2.05	1.96
(ii) Buildings	4.42	0.44
(iii) Others	4.98	3.71
(h) CSR expenditure (Refer note 2 below)	8.53	9.77
(i) Advertising and sales promotion	9.51	13.77
(j) Travelling and conveyance	9.78	6.85
(k) Communication costs	0.50	0.71
(l) Legal and professional fees	6.58	7.53
(m) Non Executive Directors' sitting fees & Commission	0.85	0.82
(n) Payment to auditor (Refer note 1 below)	0.78	0.80
(o) Allowances for doubtful debts	25.50	0.49
(p) Allowances for doubtful advances	0.52	1.16
(q) Miscellaneous expenses	25.34	21.24
(r) Impairment of Financial Assets	(3.51)	11.70
(s) Net Loss on disposal of property, plant and equipment	0.50	0.03
	<b>227.28</b>	<b>208.62</b>

# Notes to the Consolidated Financial Statements

## Notes :

### 1. Payment to auditor (Exclusive of service tax & GST)

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Audit Fees	0.28	0.28
For other service (certifications, etc)	0.01	0.06
Fees for limited review	0.41	0.41
For reimbursement of expenses	0.03	-
For taxation matters	0.05	0.05
<b>Total</b>	<b>0.78</b>	<b>0.80</b>

### 2. Details of CSR expenditure

(Rs. In Crore)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Amount required to be spent as per section 135 of the Act	8.53	8.68
Amount of expenditure incurred	8.15	9.77
Shortfall at the end of the year	0.38	-
Total of previous years shortfall	-	-
Reason for shortfall	Refer Note 2.1 below	NA
Nature of CSR activities	Refer Note 2.2 below	
<b>Total Spent</b>	<b>8.15</b>	<b>9.77</b>
Amount spent during the year on:		
(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	8.15	9.77

2.1 The Company has deposited unspent amount in a separate unspent CSR account as per section 135(6) of the Companies Act, 2013.

2.2 Disaster management, Eradicating hunger, poverty and malnutrition, promoting education, promoting health care, Rural development projects.

## Note 32 : Contingent Liabilities and Commitments

### (a) Contingent Liabilities

#### I Claims against the company not acknowledged as debts

(Rs. In Crore)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Disputed Matters</b>		
(i) <b>The Company</b>		
(a) Excise (dispute mainly on account of issues of applicability, classification, etc. to certain goods)	37.04	37.04
(b) GST	0.24	0.20
(c) Customs	0.94	0.94



# Notes to the Consolidated Financial Statements

(Rs. In Crore)

Particulars	As at	As at
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(d) Sales Tax (dispute mainly on account of non submission of C, F and other forms and rates of tax)	138.05	135.67
(e) Entry Tax (dispute on account of applicability, etc.)	4.85	4.85
(f) Income Tax (Including Wealth Tax)		
wherein the Company is in Appeal	17.26	15.28
wherein the Department is in Appeal	10.33	10.56
(disputes relating to allowability of certain expenses, deductability, etc.)		
<b>(ii) Share of Associate</b>		
(a) Excise / Customs / Service Tax	22.85	29.61
(b) Sales Tax	0.68	1.49
(c) Income Tax (Including Wealth Tax)		
wherein the Company is in Appeal	1.26	1.52
wherein the Department is in Appeal	0.03	0.03
(d) Others	0.02	0.09
<b>(iii) Share of Joint Ventures</b>		
(a) Liquidated Damages	1.62	1.62
(b) Others	0.35	0.35
<b>II Other claims against the Company not acknowledged as debts</b>	0.28	0.28
<b>III Export Promotion Capital Goods (EPCG)</b>		
Share of Joint Venture	1.94	1.94
	<b>237.74</b>	<b>241.47</b>

## IV Gurantees

- (a) The Company has given the counter corporate guarantee to J-Power System Corporation (JPS), Joint venture Partner of Finolex J Power System Limited (FJPS), to the extent of 49% of Rs. 50 crores (upto maximum of Rs. 24.50 crores). Whereas, the JPS has given 100% corporate guarantee to the bankers of FJPS towards the credit facility of Rs. 50 crores taken by FJPS to meet its working capital requirements.

### Note:-

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

### (b) Commitments:

(Rs. In Crore)

Particulars	As at	As at
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>i Capital Commitments:</b>		
<b>Tangible Assets</b>		
(a) Estimated amount of contracts remaining to be executed on capital account net of advance and not provided for.	37.36	73.15
(b) Share of Joint Venture	0.37	-
(c) Share of Associate	16.03	7.71
<b>Intangible Assets</b>		
(a) Share of Joint Venture	0.01	0.05
<b>ii Other Commitment :</b>		

In respect of Finolex J Power Systems 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. 5.90 crores (31<sup>st</sup> March, 2021- Rs 5.49 crores) for provident fund contributions.

Contribution for superannuation funds Rs. Nil (31<sup>st</sup> March, 2021 - Rs Nil) 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 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Present value of obligations at the beginning of the year	28.16	26.07
Interest Cost	1.81	1.78
Current service cost	2.07	2.02
Benefits paid from the Fund	(1.77)	(1.23)
Actuarial (gain)/loss on obligations	(1.18)	(0.48)
Present Value of obligations as at end of the year	<b>29.09</b>	<b>28.16</b>
<b>Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	23.27	19.16
Expected return on plan assets	1.49	1.31
Contributions	3.76	3.85
Benefits paid	(1.77)	(1.23)
Return on Plan Assets, Excluding Interest Income	0.27	0.18
Fair value of plan asset at end of the year	27.02	23.27
Funded status	<b>93%</b>	<b>83%</b>
<b>Actuarial (gain)/loss on obligations :-</b>		
Due to change in Demographic Assumptions	0.03	-
Due to change in Financial Assumptions	(1.32)	0.87
Due to change in Experience	0.11	(1.35)
<b>Actuarial (gain)/Loss recognised in the year</b>	<b>(1.18)</b>	<b>(0.48)</b>



# Notes to the Consolidated Financial Statements

(Rs. In Crore)

Statement showing changes in Present Value of obligations	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Amounts to be recognised in the Balance Sheet</b>		
Present Value of obligations as at the end of the year	(29.09)	(28.16)
Fair value of plan assets as at the end of the year	27.02	23.27
Funded Status	(2.07)	(4.89)
Net Asset/(Liability) recognised in balance sheet	<b>(2.07)</b>	<b>(4.89)</b>
<b>Expenses recognised in statement of Profit &amp; Loss Account</b>		
Current Service Cost	2.07	2.02
Interest Cost	0.32	0.47
Expected return on plan assets	-	-
Net Actuarial(gain)/Loss recognised in the year	-	-
Expenses recognised in statement of Profit & Loss	<b>2.39</b>	<b>2.49</b>
<b>Expenses Recognised in Other Comprehensive Income</b>		
Actuarial (Gains)/Losses on obligation for the year [includes share of associate and joint ventures Rs. 0.06 crores (previous year Rs. (0.15) crores)]	(1.12)	(0.63)
Return on Plan Assets, Excluding Interest Income	(0.27)	(0.18)
Expenses recognised in Other Comprehensive Income	<b>(1.39)</b>	<b>(0.81)</b>
<b>Table showing administration of Plan Assets</b>		
Administered by Life Insurance Corporation	27.02	23.27
<b>Total</b>	<b>27.02</b>	<b>23.27</b>

Actuarial Assumptions:	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Discount Rate	6.98%	6.44%
Rate of return on assets	6.98%	6.44%
Salary escalation	8.00%	8.00%
Attrition rate (p.a)		
- For service 2 years & below	25.00%	25.00%
- For service 3 to 4 years	12.50%	12.50%
- For service 5 years & above	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate

(Rs. In Crore)

Particulars	As at 31 <sup>st</sup> March				
	2022	2021	2020	2019	2018
<b>Experience adjustments</b>					
On plan liability (gain)/loss	(1.18)	(0.48)	3.51	3.46	0.33
On plan asset (gain)/loss	(0.27)	(0.18)	0.09	(0.04)	(0.12)

As per actuarial valuation report, Expected employer's contribution in next year is Rs. 3.69 crores (previous year Rs. 3.79 crores)

# Notes to the Consolidated Financial Statements

## Effect on DBO on account of change in the assumed rates:

(Rs. In Crore)

DBO Rates Types Year	Discount Rate		Salary Escalation Rate		Withdrawal Rate	
	1%	1%	1%	1%	1%	1%
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 <sup>st</sup> March 2022	(2.19)	2.53	2.48	(2.19)	(0.19)	0.21
31 <sup>st</sup> March 2021	(2.19)	2.55	2.48	(2.18)	(0.28)	0.32

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)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Within 1 Year	2.99	2.97
Between 1-2 years	2.02	1.61
Between 2-3 years	2.11	2.19
Between 3-4 years	2.16	1.93
Between 4-5 years	1.87	1.98
Sum of 6-10 years	13.45	11.70
Sum of 11 years and above	34.72	32.81

### Risk exposure:

Through the defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

#### Asset Volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk plan assets have been deployed in high grade insurer managed funds.

#### Inflation rate risk:

Higher than expected increase in salary will increase the defined benefit obligation.

#### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straightforward and depends upon the combination of salary increase, discount rate and vesting criterion.



# Notes to the Consolidated Financial Statements

## Note 34 Financial Instruments

### 1. Fair value measurements

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2022 is as follows:

(Rs. In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents	-	-	32.39	32.39	32.39
Other balances with banks	-	-	5.55	5.55	5.55
Trade receivables	-	-	177.15	177.15	177.15
Investments <sup>#</sup>					
Equity and Others	-	91.60	-	91.60	91.60
Mutual Funds (includes FMP)	827.32	-	-	827.32	827.32
Other financial assets	-	-	1,061.47	1,061.47	1,061.47
<b>Total</b>	<b>827.32</b>	<b>91.60</b>	<b>1,276.56</b>	<b>2,195.48</b>	<b>2,195.48</b>
<b>Liabilities:</b>					
Trade payables	-	-	190.05	190.05	190.05
Borrowings	-	-	0.34	0.34	0.34
Lease liabilities	-	-	8.86	8.86	8.86
Other financial liabilities	-	-	3.87	3.87	3.87
<b>Total</b>	<b>-</b>	<b>-</b>	<b>203.12</b>	<b>203.12</b>	<b>203.12</b>

# Other than investments in associate and Joint Ventures accounted for using the equity method.

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2021 is as follows:

(Rs. In Crore)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents	-	-	24.60	24.60	24.60
Other balances with banks	-	-	29.12	29.12	29.12
Trade receivables	-	-	176.55	176.55	176.55
Investments <sup>#</sup>					
Equity and Others	-	102.51	-	102.51	102.51
Mutual Funds (includes FMP)	623.35	-	-	623.35	623.35
Other financial assets	-	-	782.59	782.59	782.59
<b>Total</b>	<b>623.35</b>	<b>102.51</b>	<b>1,012.86</b>	<b>1,738.72</b>	<b>1,738.72</b>
<b>Liabilities:</b>					
Trade payables	-	-	176.03	176.03	176.03
Borrowings	-	-	0.31	0.31	0.31
Lease liabilities	-	-	6.36	6.36	6.36
Other financial liabilities	-	-	4.17	4.17	4.17
<b>Total</b>	<b>-</b>	<b>-</b>	<b>186.87</b>	<b>186.87</b>	<b>186.87</b>

# Other than investments in associate and Joint Ventures accounted for using the equity method.



# Notes to the Consolidated Financial Statements

## 1.2. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities and mutual funds (includes FMP) that have quoted price.
- Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) such as derivative financial instruments. The Company does not have any Level 2 instruments as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021
- 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)

Particulars	Fair value hierarchy as at 31 <sup>st</sup> March, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual Funds (includes FMP)	684.68	-	-	684.68
Other Debt Instruments	-	-	-	-
Equity Shares				
Quoted	64.35	-	-	64.35
Unquoted	-	-	-	-
<b>Total</b>	<b>749.03</b>	<b>-</b>	<b>-</b>	<b>749.03</b>

(Rs. In Crore)

Particulars	Fair value hierarchy as at 31 <sup>st</sup> March, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual Funds (includes FMP)	623.35	-	-	623.35
Equity Shares				
Quoted	51.42	-	-	51.42
Unquoted	-	-	51.09	51.09
<b>Total</b>	<b>674.77</b>	<b>-</b>	<b>51.09</b>	<b>725.86</b>

### Valuation technique(s) and key input(s):

- Level 1 The fair value of mutual funds (includes FMP) and quoted equity shares is based on net assets value (NAV) and quoted price.
- Level 2 The Company does not have any Level 2 instrument as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.
- 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 31 <sup>st</sup> March, 2022	Unlisted shares irrevocably designated as at FVTOCI
Opening balance	51.09
Total gain/(loss) in other comprehensive income	(13.20)
<b>Closing balance</b>	<b>37.89</b>

(Rs. In Crore)

For the year ended 31 <sup>st</sup> March, 2021	Unlisted shares irrevocably designated as at FVTOCI
Opening balance	46.44
Total gain/(loss) in other comprehensive income	4.65
<b>Closing balance</b>	<b>51.09</b>

All gains and losses included in other comprehensive income relate to unlisted shares held at the end of the reporting period and are reported under "Equity Instruments through Other Comprehensive Income".

The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 are as shown below:

### Description of significant unobservable inputs to valuation:

Particulars	Valuation techniques	Significant unobservable inputs	Sensitivity of the input to fair value
Investments in unquoted equity shares	Comparable Companies Multiples ("CCM") method under the Market Approach.	Adopted multiple, based on benchmark companies	Increase/(decrease) in discount to determine the multiple will impact the fair value of instrument. Higher the discount lower the fair value and vice-versa.  <b>Finolex Plasson Industries Private Limited:</b> Multiple: CY 5.50 (PY 4.58)  <b>SICOM India Limited:</b> Multiple: CY 0.70 (PY 1.10)

## 2. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

# Notes to the Consolidated Financial Statements

## The capital structure is as follows:

(Rs. In Crore)

Particulars	As at	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Total Equity	3,922.06	3,414.51
Total Borrowings	0.31	0.31
<b>Total capital (borrowings and equity)</b>	<b>3,922.37</b>	<b>3,414.82</b>
Equity as a percentage of total capital	99.99%	99.99%
Borrowing as a percentage of total capital	0.01%	0.01%

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding contingent considerations, if any).

(ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a cash surplus Company with cash and bank balances along with investment. The Company's investment is predominantly in liquid and short term mutual funds being far in excess of debt.

### 3. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

#### 3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

##### 3.1.1 Foreign currency risk management

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Euro against the respective functional currency of the company. The Company enters into derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposures.

#### i The carrying amounts of the Company's foreign currency denominated monetary liabilities/ assets at the end of the reporting period are as follows:

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Foreign Currency (In Crore)	(In Crore)	Foreign Currency (In Crore)	(In Crore)
<b>(a) Foreign Currency Liabilities</b>				
In USD	0.28	11.42	0.22	16.36
In EURO	*	0.03	*	0.04
<b>(b) Foreign Currency Asset</b>				
In USD	0.05 <sup>#</sup>	3.79	0.04 <sup>#</sup>	2.93

\* Denotes amount less than Rs./EURO 50,000

<sup>#</sup> Balance with Banks in foreign currency and trade receivables

# Notes to the Consolidated Financial Statements

## ii Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the market place.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

	As at 31 <sup>st</sup> March, 2022			As at 31 <sup>st</sup> March, 2021		
	Foreign Currency (Rs. In Crore)	Nominal Value (Rs. In Crore)	Fair Value (Rs. In Crore)	Foreign Currency (Rs In Crore)	Nominal Value (Rs In Crore)	Fair Value (Rs In Crore)
In USD Buy	0.09	6.64	*	-	-	-

\* Denotes amount less than Rs 50,000

## iii Foreign currency sensitivity analysis

For the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021, the impact of every rupee 1 depreciation / appreciation in the exchange rate between the Indian Rupee and U.S. Dollar on Profit before tax of the Company, given in below table.

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Rupee depreciate by INR 1 against USD (Rs. In Crore)	Rupee appreciate by INR 1 against USD (Rs. In Crore)	Rupee depreciate by INR 1 against USD (Rs. In Crore)	Rupee appreciate by INR 1 against USD (Rs. In Crore)
On Foreign Currency Liabilities (net) (Refer Note 2 below)	0.28	(0.28)	0.18	(0.18)

### Notes:

- +/- Gain/(Loss)
- 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 31<sup>st</sup> March 2022 and as at 31<sup>st</sup> March 2021, Company is not exposed to significant interest rate risk.

### 3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units (including FMP).

# Notes to the Consolidated Financial Statements

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial assets that potentially expose the Company to credit risks are listed below :

(Rs. In Crore)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Trade Receivables	177.15	176.55
Security deposit	4.33	4.38
<b>Total</b>	<b>181.48</b>	<b>180.93</b>

### 3.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The maturity profile of the financial liabilities are listed below:

#### Expected undiscounted contractual maturity for Financial Liabilities

(Rs. In Crore)

As at 31 <sup>st</sup> March, 2022	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
Borrowings	0.03	0.07	0.04	0.17	0.31	0.31
Trade Payables	190.05	-	-	-	190.05	190.05
Other Financial Liabilities	4.29	-	-	-	4.29	4.29
Lease Liabilities	2.24	4.57	1.57	3.75	12.13	8.48
<b>Total</b>	<b>196.61</b>	<b>4.64</b>	<b>1.61</b>	<b>3.92</b>	<b>206.78</b>	<b>203.13</b>

(Rs. In Crore)

As at 31 <sup>st</sup> March, 2021	Up to 1 year	1 to 3 years	3-5 years	Beyond 5 years	Total	Carrying Amount
Borrowings	0.03	0.08	0.04	0.19	0.34	0.34
Trade Payables	176.03	-	-	-	176.03	176.03
Other Financial Liabilities	4.14	-	-	-	4.14	4.14
Lease Liabilities	2.18	3.44	0.64	3.99	10.25	6.36
<b>Total</b>	<b>182.38</b>	<b>3.52</b>	<b>0.68</b>	<b>4.18</b>	<b>190.76</b>	<b>186.87</b>

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities up to the maturity of the instruments.

### 3.4 Financing Facilities

The Company has undrawn committed borrowing facilities of Rs. 200.00 crores (previous year Rs. 200.00 crores).

# Notes to the Consolidated Financial Statements

## Note 35: Related Party Disclosures

### Names of Related Parties :

Where transactions have taken place during the year and previous year/ balance outstanding.

(a) **Associate Company**

Finolex Industries Limited

(b) **Joint Venture Entities**

Finolex J- Power Systems Limited

Corning Finolex Optical Fibre Private Limited

(c) **Promoter/ Promoter Group Entities**

Orbit Electricals Private Limited

Finolex Infrastructure Limited

Finolex Plassson Industries Private Limited

Note : Excludes Finolex Industries Limited considered as an Associate company as above.

(d) **Employee Benefit Funds**

Finolex Cables Limited Employee's Group Gratuity and Life Assurance Scheme

Finolex Cables Limited Group Superannuation Scheme

(e) **Key Managerial Personnel**

Mr. Deepak. K. Chhabria	Executive Chairman and Promotor
Mr. Mahesh Viswanathan	Deputy Chief Executive Officer (DY CEO) & Chief Financial Officer (CFO)
Mr. R G D'Silva	Company Secretary & President (Legal)
Mr. Yatin Redkar	Executive Director - Operations (Upto 29 <sup>th</sup> September, 2020)
Mr. Sunil Upmanyu	Executive Director - Operations (w.e.f. 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2021)
Mr. Ratnakar Barve	Executive Director - Operations (w.e.f. 30 <sup>th</sup> September, 2021)

(f) **Relatives of Key Managerial Personnel: (Mr. Deepak. K. Chhabria)**

Mr. Kishandas P. Chhabria	Father
Mr. Vijay K. Chhabria	Brother
Mrs. Sunita K. Chhabria	Mother
Mrs. Vini D. Chhabria	Wife
Ms. Radhika D. Chhabria	Daughter

# Notes to the Consolidated Financial Statements

## (g) Non Executive/Independent Directors

Mr. Jayaram Rajasekara Reddy	Non-Executive Independent Director (upto 29 <sup>th</sup> September, 2020)
Mr. Joel Raphael Samuel	Non-Executive Director (upto 14 <sup>th</sup> August, 2020)
Mr. Shishir Lall	Non-Executive Director (upto 29 <sup>th</sup> September, 2020) (Earlier Non Executive Independent Director w.e.f 28 <sup>th</sup> September, 2017 to 14 <sup>th</sup> August, 2020)
Mrs. Kavita Upadhyay	Non-Executive Independent Woman Director (upto 29 <sup>th</sup> September, 2020)
Mr. Prasad Deshpande	Non-Executive Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2021)
Mr. P R Barpande	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2021)
Mr. Avinash S Khare	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2021)
Mrs. Firoza Kapadia	Non-Executive Independent Woman Director (w.e.f 30 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2021)
Mr. Nikhil Manohar Naik	Non-Executive Director (w.e.f 30 <sup>th</sup> September, 2021)
Mr. Zubin F. Billimoria	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2021)
Mr. Sriraman Raghuraman	Non-Executive Independent Director (w.e.f 30 <sup>th</sup> September, 2021)
Ms. Vanessa Singh	Non-Executive Independent Woman Director (w.e.f 30 <sup>th</sup> September, 2021)

## Note 35A: Transaction with the Related Parties

Particulars	Financial Year	Associate	Joint Venture Entities	Promoter / Promoter Group Entities	Enterprises controlled by Key Managerial Personnel	Employee Benefit Fund	Key Managerial Personnel & Non-Executive/ Independent Director (Refer note 1 below)	(Rs. In Crore)	
								Relatives of Key Managerial Personnel	
Investment	2021-22	-	-	-	-	-	-	-	-
	2020-21	-	24.50	-	-	-	-	-	-
Dividend Paid	2021-22	12.20	-	25.83	-	-	0.52	1.49	
	2020-21	12.20	-	25.83	-	-	0.52	1.49	
Dividend Received (Refer note 2 below)	2021-22	-	-	0.20	-	-	-	-	-
	2020-21	-	-	0.20	-	-	-	-	-
Rent Paid	2021-22	-	-	0.26	-	-	-	-	-
	2020-21	-	-	0.26	-	-	-	-	-
Rent Received	2021-22	-	0.22	0.06	-	-	-	-	-
	2020-21	-	0.22	0.06	-	-	-	-	-
Other Services Provided	2021-22	-	0.05	-	-	-	-	-	-
	2020-21	-	0.05	*	-	-	-	-	-
Purchase of Raw Material	2021-22	-	0.25	-	-	-	-	-	-
	2020-21	-	4.21	-	-	-	-	-	-
Sale of Material	2021-22	-	1.35	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-
Contribution to Fund	2021-22	-	-	-	-	3.74	-	-	-
	2020-21	-	-	-	-	3.80	-	-	-
Benefit paid to employees from Trust	2021-22	-	-	-	-	4.89	-	-	-
	2020-21	-	-	-	-	1.95	-	-	-



# Notes to the Consolidated Financial Statements

Particulars	(Rs. In Crore)							
	Financial Year	Associate	Joint Venture Entities	Promoter / Promoter Group Entities	Enterprises controlled by Key Managerial Personnel	Employee Benefit Fund	Key Managerial Personnel & Non-Executive/ Independent Director (Refer note 1 below)	Relatives of Key Managerial Personnel
Financial Support	2021-22	-	Refer note 4 below	-	-	-	-	-
	2020-21	-	Refer note 4 below	-	-	-	-	-
Managerial Remuneration (Refer note 5 below)	2021-22	-	-	-	-	-	15.80	-
	2020-21	-	-	-	-	-	14.10	-
Remuneration to Relative	2021-22	-	-	-	-	-	-	0.10
	2020-21	-	-	-	-	-	-	0.02
Amounts owed by related parties (Receivable)	2021-22	-	-	0.25	-	-	-	-
	2020-21	-	0.05	0.25	-	-	-	-
Amounts owed to related parties (Payable)	2021-22	-	-	-	-	2.07	10.53	0.01
	2020-21	-	4.97	-	-	4.89	8.69	*

\* Denotes amount less than Rs. 50,000

## Notes:

- Key managerial Personnel are entitled to post-employment benefits recognised as per IND-AS 19 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.
- Dividend received from Associate Rs. 80.39 crore (Previous year: Rs. Nil) has been eliminated in the Consolidated Financial Statements.
- All transactions with related parties have been done at arms length basis.
- In respect of Finolex J Power Systems 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.
- Details of Compensation of Key Managerial Personnel & Non-Executive/ Independent Director:

	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Short-term employee benefits	14.30	12.62
Post-employment benefits	-	-
Other long-term benefits	0.65	0.66
Commission and other benefits to non-executive/independent directors	0.85	0.82
<b>Total</b>	<b>15.80</b>	<b>14.10</b>

Payments made to the directors and other members of key managerial personnel are approved by the Nomination and Remuneration Committee.

# Notes to the Consolidated Financial Statements

## Note 36 : Segment Reporting

Operating segments are reported consistently with the internal reporting provided to the Executive Chairman, the highest decision-making executive who is responsible for allocating resources to and assessing the performance of the operating segments.

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

1. Electrical Cables
2. Communication Cables
3. Copper Rods
4. Others - Trading of Electrical and other goods

The above business segments have been identified considering

1. The nature of the product/services
2. The Related risks and returns
3. The Internal financial reporting systems

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

Particulars	(Rs. In Crore)	
	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Segment Revenue</b>		
A. Electrical cables	3,193.21	2,309.98
B. Communication cables	379.75	321.47
C. Copper rods	682.47	574.21
D. Others	176.36	113.62
<b>Total segment revenue</b>	<b>4,431.79</b>	<b>3,319.28</b>
Less : Inter segment revenue	(663.65)	(551.17)
<b>Net segment revenue</b>	<b>3,768.14</b>	<b>2,768.11</b>
<b>Segment Results</b>		
A. Electrical cables	404.98	340.59
B. Communication cables	(13.22)	8.37
C. Copper rods	2.58	1.10
D. Others	1.87	4.25
<b>Total segment results</b>	<b>396.21</b>	<b>354.31</b>
(Less) : Finance costs	(1.52)	(0.76)
Add /(Less) : unallocable income/(Loss) net of unallocable expenditure	64.86	53.90
Add /(Less) : Share of Profit of Associate & Joint Ventures accounted for using the equity method	327.08	223.42
<b>Profit before tax</b>	<b>786.63</b>	<b>630.87</b>
Income Taxes	187.49	169.41
<b>Profit for the year</b>	<b>599.14</b>	<b>461.46</b>



# Notes to the Consolidated Financial Statements

## OTHER INFORMATION

Particulars	(Rs. In Crore)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Segment Assets</b>		
A. Electrical cables	1,063.87	1,090.90
B. Communication cables	230.38	299.75
C. Copper rods	18.46	27.97
D. Others	52.80	43.55
Unallocable Assets	3,128.53	2,423.50
<b>Total Assets</b>	<b>4,494.04</b>	<b>3,885.67</b>
<b>Segment Liabilities</b>		
A. Electrical cables	223.47	175.04
B. Communication cables	26.75	25.67
C. Copper rods	15.25	17.41
D. Others	8.50	9.59
Unallocable Liabilities	298.01	243.45
<b>Total Liabilities</b>	<b>571.98</b>	<b>471.16</b>

### For the year ended 31<sup>st</sup> March, 2022

Particulars	(Rs. In Crore)		
	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extent allocable to the segment
A. Electrical cables	58.85	22.80	27.85
B. Communication cables	5.08	9.18	(1.33)
C. Copper rods	0.01	0.65	-
D. Others	3.12	6.22	-
<b>Total</b>	<b>67.06</b>	<b>38.85</b>	<b>26.52</b>

### For the year ended 31<sup>st</sup> March, 2021

Particulars	(Rs. In Crore)		
	Capital Expenditure	Depreciation	Non cash Expenditure other than Depreciation to the extent allocable to the segment
A. Electrical cables	42.09	29.09	1.88
B. Communication cables	2.73	5.71	(0.20)
C. Copper rods	-	0.72	-
D. Others	10.09	3.44	-
<b>Total</b>	<b>54.91</b>	<b>38.96</b>	<b>1.68</b>

## B. Secondary Segment information

The company's operations are mainly confined within India and as such there are no reportable geographical segments.

# Notes to the Consolidated Financial Statements

## Note 37 : Earnings Per Share (EPS)

	(Rs. In Crore)	
Basic earning per share	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Net Profit for the year attributable to the equity holders</b>	<b>599.14</b>	<b>461.46</b>
Weighted average number of Equity shares for basic EPS	152,939,345	152,939,345
Par value per share (in Rs.)	2.00	2.00
<b>Basic Earnings per share (in Rs.)</b>	<b>39.18</b>	<b>30.17</b>
<b>Diluted Earnings per share (in Rs.)</b>	<b>39.18</b>	<b>30.17</b>

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 results has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects to recover the carrying amounts of these assets. The Company will continue to closely monitor any material changes to future economic conditions.

## 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 Limited	71.00%	3,263.79	55.00%	404.61	62.00%	(7.41)	55.00%	397.20
Associate								
Finolex Industries Limited. *	27.00%	1,272.22	47.00%	340.53	38.00%	(4.64)	47.00%	335.89
Joint Ventures								
Finolex J Power Systems Limited	2.00%	77.70	-2%	(13.34)	0.00%	0.02	-2.00%	(13.32)
Corning Finolex Optic Fibre Private Limited	0.00%	13.81	0.00%	(0.11)	0.00%	-	0.00%	(0.11)
<b>Total</b>	<b>100%</b>	<b>4,627.52</b>	<b>100%</b>	<b>731.69</b>	<b>100%</b>	<b>(12.03)</b>	<b>100%</b>	<b>719.66</b>
Adjustments arising from consolidation		(705.46)		(132.55)		4.56		(127.99)
<b>Consolidated Net Assets/ Profit after tax</b>		<b>3,922.06</b>		<b>599.14</b>		<b>(7.47)</b>		<b>591.67</b>

\* includes fair value gain in respect of investments held in the Company by the Associate

# Notes to the Consolidated Financial Statements

## Note 40 (a) : Relationship with the struck off companies

(Rs. In Crore)

Name of struck off Company	Nature of transactions	Relationship with the Struck off company, if any, to be disclosed	Transactions during the year 31 <sup>st</sup> March 2022	Balance outstanding as at 31 <sup>st</sup> March 2022	Transaction during the year 31 <sup>st</sup> March 2021	Balance outstanding as at 31 <sup>st</sup> March 2021
UNITY CONTROLS PRIVATE LIMITED	Payables	Vendor	0.01	-	0.01	-

## Note 40 (b)

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such associate and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company or any of such associate and joint ventures (Ultimate Beneficiaries). The Company or any of such associate and joint ventures has not received any fund from any party(s) (Funding Party) with the understanding that the Company or any of such associate and joint ventures shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## Note 40 (c)

The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets of the Company. The Company has been regularly filling quarterly returns or statements, provisional/final containing, inter alia, amount of inventory and trade receivable with such banks and are in agreement with the unaudited books of account of the Company of the respective quarters.

## Note 41: 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

**Zubin F. Billimoria**

Director

**M. Viswanathan**

Chief Financial Officer

**R. G. D'Silva**

Company Secretary  
& President (Legal)

Pune: 28<sup>th</sup> May, 2022

# Notice

**NOTICE** is hereby given that the Fifty-Fourth Annual General Meeting of Members of Finolex Cables Limited will be held on Wednesday, September 28, 2022 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 31st March, 2022 and the reports of the Board of Directors' and Auditors' thereon.
2. To declare a dividend on equity shares for the financial year ended 31st March, 2022.
3. To appoint Auditors and fix their remuneration and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules 2014 and pursuant to the recommendations of the Audit Committee and of the Board of Directors of the Company (the "Board"), M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, [Firm Registration No. 117366W / W100018], be and are hereby appointed as Auditors of the Company to hold office from the conclusion of the Fifty-Fourth Annual General Meeting till the conclusion of the Fifty-Ninth Annual General Meeting of the Company to be held in the financial year 2027-28 at a remuneration of Rs 92 lakhs per annum plus applicable taxes and reimbursement of out-of-pocket and travelling expenses, etc., actually incurred by them in performance of their duties as Auditors of the Company with power to the Board to vary the terms including revision of the fees payable."

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 deemed necessary, relevant, usual, customary, proper and/or expedient, for implementing and giving effect to this resolution and for matters connected therewith or incidental thereto."

## 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 Zubin F Billimoria [DIN: 07144644], who was appointed as an Additional Director by the Board of Directors of the Company (the "Board") with effect from September 30, 2021 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 Sriraman Raghuraman [DIN: 00228061], who was appointed as an Additional Director by the Board of Directors of the Company (the "Board") with effect from September 30, 2021 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, Mrs Vanessa Singh [DIN: 09342022], who was appointed as an Additional Director by the Board of Directors of the Company (the "Board") with effect from September 30, 2021 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."

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, Mr Nikhil Manohar Naik [DIN: 00202779], who was appointed as an Additional Director by the Board of Directors of the Company (the "Board") with effect from September 30, 2021 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."

8. 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 Ratnakar Prakash Barve [DIN: 09341821], 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 30, 2021 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."

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

"RESOLVED THAT pursuant to the provisions of 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 Zubin F Billimoria [DIN: 07144644], 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 30, 2021 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 30, 2021.

RESOLVED FURTHER THAT all the actions taken by the Board with regard to appointment of Mr Zubin F Billimoria as an Independent Director for a term of five consecutive years with effect from September 30, 2021 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 a Special 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 Sriraman Raghuraman [DIN: 00228061], 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 30, 2021 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 30, 2021.

RESOLVED FURTHER THAT all the actions taken by the Board with regard to appointment of Mr Sriraman Raghuraman as an Independent Director for a term of five consecutive years with effect from September 30, 2021 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."

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

"RESOLVED THAT pursuant to the provisions of Sections 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 Vanessa Singh [DIN: 09342022], who was appointed as an Additional Director and an Independent Woman Director by the Board with effect from September 30, 2021 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 September 30, 2021.

RESOLVED FURTHER THAT all the actions taken by the Board with regard to appointment of Mrs Vanessa Singh as an Independent Woman Director of the Company with effect from September 30, 2021 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."

12. To ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023 (Financial Year 2022-23) 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 Rs. 6.00 Lakhs (Rupees Six Lakhs Only) plus taxes and out of pocket expenses, if any, chargeable extra on actual basis, to conduct cost audit of the cost records of the Company for the financial year ending March 31, 2023 (Financial Year 2022-23).

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."

13. 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 nonconvertible debentures (“NCDs”) on a private placement basis, in one or more series/tranches, aggregating up to an amount of Rs.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, utilization 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.”

By Order of the Board of Directors

**R.G. D'Silva**

Company Secretary &  
President (Legal)

Place: Pune  
Dated: 12<sup>th</sup> August, 2022

**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 massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 2/2022 dated May 05, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. 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. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Accordingly, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and Circular No. 2/2022 dated May 05, 2022 the Notice calling AGM and Annual Report 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company's Registrar and Transfer Agents i.e. KFin Technologies Limited/the Depositories. The Notice calling the AGM and Annual Report 2021-22 has been uploaded on the website of the Company at [www.finolex.com](http://www.finolex.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021 and Circular No. 2/2022 dated May 05, 2022.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 17<sup>th</sup> September, 2022 to Wednesday, 28<sup>th</sup> September, 2022 (both days inclusive) for the purpose of AGM and payment of Dividend to be declared.
10. The Board of Directors has recommended Dividend on equity shares at 300% i.e. Rs. 6 per equity share of Rs.2/- each fully paid up for the year ended March 31, 2022 that is proposed to be paid by October 27, 2022, subject to the approval of shareholders.
 

**Note:** In case an investor has bought any shares of the Company, such investors must ensure that the relevant shares are credited/ transferred to his/ their demat account before the 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.
11. 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 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](mailto:einward.ris@kfintech.com)/[investors@finolex.com](mailto:investors@finolex.com).
  - (B) Members holding shares in Demat form are requested to update their Electronic Bank Mandate through their Depository Participants.



12. In case the Company is unable to pay dividend to any Member(s) directly in their bank account through Electronic Clearing Services or any other means due to non-registration of Electronic Bank Mandate, the Company shall dispatch the dividend warrants/demand drafts to such Member(s) at the earliest subject to restrictions, if any, due to Covid-19 Pandemic.
13. Pursuant to the provisions of the Finance Act 2020, dividend income is 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 2022-23 does not exceed Rs. 5000/-.

A resident individual shareholder with PAN who is not liable to pay income tax is requested to submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax to the Company's RTA i.e. KFin Technologies Limited, 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 August 31, 2022. The Company has informed the shareholders earlier in this regard vide its letter dated July 27, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%, as applicable.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending to Company's RTA i.e. KFin Technologies Limited, 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 August 31, 2022.

Incomplete and/or unsigned forms and declarations will not be considered by the Company. All communications/queries in this respect should be addressed to the RTA i.e. KFin Technologies Limited, 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.

14. The Company's Registrar and Transfer Agents for its share registry work (Physical and Electronic) are KFin Technologies Limited, Karvy Selenium, Tower B, 6th Floor, Plot Nos.31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, Tel Nos. (40) 6716 1613 / 6716 1630.
15. 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.
16. Further the Members are requested to:
- i) intimate to their DP, changes if any, in their names, registered addresses, email address, telephone/mobile numbers, and/or changes in their bank account details, if the shares are held in dematerialized form.
  - ii) intimate to the RTA of the Company, changes if any, in their names, registered addresses, email address, telephone/mobile numbers, and/or changes in their bank account details, if the shares are held in physical form.
  - iii) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
  - iv) dematerialize their Physical Shares to Electronic Form (Demat), since in terms of Regulation 40 of 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 Limited, Hyderabad (Tel. No. 040 – 67161633/30) for assistance, if any, in this regard.
17. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account

details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available.

In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/ change in such bank account details and all such requests should be directly addressed well before the Book Closure period (which commences on September 17, 2022), to their respective DPs where their shares are held in dematerialized form.

18. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form who have not done so are requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account/s. Members holding shares in physical form must submit their PAN details to the RTA of the Company.
19. SEBI vide Circular dated November 3, 2021 and December 14, 2021 has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, e-mail address, mobile number, bank account details) and nomination details by holders of physical securities through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable). The said forms are available at Company's website - [www.finolex.com](http://www.finolex.com) under the 'Investors' section or on our RTA's website: <https://ris.kfintech.com/clientservices/ISC> and linking PAN with Aadhaar by March 31, 2022 or any other date as may be specified by the CBDT. In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. Folios wherein any of the above cited documents / details are not available, on or after April 1, 2023, shall be frozen as per the aforesaid circular. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002. Effective from January 1, 2022, any service requests/ complaints received from a Member holding physical securities will not be processed by the Registrar till the aforesaid details/documents are provided to the Registrar.

20. 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](http://www.iepf.gov.in) and sending the original documents mentioned in Form IEPF-5 duly signed to the Company along with Form IEPF- 5 for verification of claim.

Members who have not yet encashed their dividend warrant(s) pertaining to dividend for the financial year 2014-15 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 2014-15 should be claimed by the Members immediately else the same will be transferred to IEPF, as required.

21. Members holding shares in demat mode, who have not registered their email addresses are requested to urgently register their email addresses with their respective depository participants, and Members holding shares in physical mode are requested to update their email addresses with the RTA by emailing to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) immediately to receive copies of Annual Report in electronic mode.





22. Shareholders may send their questions in advance from their registered email addresses mentioning name demat account number/folio number, email id, mobile number at [investors@finolex.com](mailto:investors@finolex.com) latest by Saturday, September 17, 2022. Questions received by the Company by the said date only will be considered for suitable reply by the Company.

23. **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 begins on Sunday, September 25, 2022 at 9:00 A.M. and ends on Tuesday, September 27, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 21, 2022, may cast their vote electronically. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday September 21, 2022.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting during the AGM through electronic means. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of

the Notice and holding shares as of cut-off date, may obtain the login id and password by sending a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

Ms. Kanchan Aniruddha Limaye, (CP.No.17326) or failing her Mr. Mandar Shrikrishna Jog (CP. No. 9798), 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, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The Results of the e-voting will be declared along with the report of the Scrutinizer, within two working days of the conclusion of the AGM and shall be placed on the website of the Company [www.finolex.com](http://www.finolex.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately after the declaration of result by the Chairman or a person authorized by him in writing. Simultaneously the results shall also be forwarded to BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.

**How do I vote electronically using NSDL e-Voting system?**


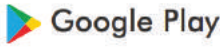


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>‘IDEAS’</b> section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDEAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/ideasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/ideasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> <ol style="list-style-type: none"> <li>1. Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> <li>2. <b>NSDL Mobile App is available on</b> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> </li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>





Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

#### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

#### B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

##### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- 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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.



## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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.) and who are otherwise not barred or restrained from voting are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kanchan@msjcs.com](mailto:kanchan@msjcs.com) and to [mandar@msjcs.com](mailto:mandar@msjcs.com) with a copy marked to the Company at [investors@finolex.com](mailto:investors@finolex.com) and to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost

care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavi@nsdl.co.in](mailto:pallavi@nsdl.co.in) or at telephone no. +91-22-24994545

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investors@finolex.com](mailto:investors@finolex.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors@finolex.com](mailto:investors@finolex.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required

to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance latest by September 17, 2022 mentioning their name demat account number/folio number, email id, mobile number at investors@finolex.com. The same will be replied by the company suitably.

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 17, 2022 or thereafter through video conference facility of NSDL.

**EXPLANATORY STATEMENT IN RESPECT ITEM NOS. 4 TO 13 OF SPECIAL BUSINESS OF THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item Nos.4 and 9**

Mr Zubin F Billimoria [DIN: 07144644] was appointed with effect from September 30, 2021 as an Additional Director and an Independent Director by the Board of Directors of the Company (the "Board") at its meeting held on September 24, 2021. 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 Zubin F Billimoria 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 Zubin F Billimoria as an Independent Director of the Company.

Mr Zubin F Billimoria [DIN: 07144644] is aged about 57 years, holds a Bachelor's degree in Commerce, is a Fellow Chartered Accountant and Associate Member of the Institute of Company Secretaries of India. He was earlier associated with M/s Deloitte Haskins & Sells, Chartered Accountants. He is now the Proprietor of ZFB & Associates, Chartered



Accountants, Mumbai. Mr Zubin F Billimoria has wide experience and exposure in Accounts, Taxation and Finance and holds requisite registration certificate with Independent Directors Databank of Indian Institute of Corporate Affairs, Manesar. He does not hold any equity shares in the Company.

The Company has received requisite declaration from Mr Zubin F Billimoria 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 Zubin F Billimoria 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 9 of the Notice.

The Board therefore recommends his appointment as a Director on the Board of Directors of the Company.

#### Item Nos.5 and 10

Mr Sriraman Raghuraman (DIN: 00228061) was appointed with effect from September 30, 2021 as an Additional Director and an Independent Director by the Board of Directors of the Company (the "Board") at its meeting held on September 24, 2021. 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 Sriraman Raghuraman 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 Sriraman Raghuraman as an Independent Director of the Company.

Mr Sriraman Raghuraman (DIN: 00228061) is aged 69 years, holds a Bachelor's Degree in Science and Law, is a fellow member of the Institute of Company Secretaries of India, Fellow Member of the Institute of Cost & Works Accountants of India, Post Graduate Diploma in Management from All India Institute of Management. He has extensive professional

experience of around 37 years and significant executive leadership accomplishments in corporate sector. Currently he is Director in various companies and is also acting as a Consultant for group company matters at Deepak Fertilizers and Petrochemicals Corporation Limited. He is presently Director on the Board of Priyank Mercantile Limited, Sandhya Commercial Limited and Performance Chemiserve Limited. He does not hold any equity shares in the Company.

The Company has received requisite declaration from Mr Sriraman Raghuraman 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 Sriraman Raghuraman 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 10 of the Notice.

The Board therefore recommends his appointment as a Director on the Board of Directors of the Company.

#### Item Nos.6 and 11

Mrs Vanessa Singh [DIN: 09342022] was appointed with effect from September 30, 2021 as an Additional Director and an Independent Woman Director by the Board of Directors of the Company (the "Board") at its meeting held on September 24, 2021. 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 Vanessa Singh holds office of Independent Director for a term of five consecutive years with effect from September 30, 2021. 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 Vanessa Singh as Director of the Company.

Ms Vanessa Singh is aged 34 years, holds a Bachelor's Degree in Law and Diploma in Human Rights and Law. She has an extensive work experience of over a decade in various civil, criminal, litigation and arbitration matters. Presently she is an Associate in the chamber of Mrs. Mrunalini Deshmukh,

Advocate assisting the senior before various Courts including Bombay High Court. She does not hold any equity shares in the Company.

The Company has received requisite declaration from Mrs Vanessa Singh 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 Vanessa Singh 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. 6 and 11 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 September 30, 2021.

#### Item No.7

Mr Nikhil Manohar Naik [DIN: 00202779] was appointed with effect from September 30, 2021 as an Additional Director by the Board of Directors of the Company (the "Board") at its meeting held on September 24, 2021. 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 Nikhil Manohar Naik 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 Nikhil Manohar Naik as Director of the Company.

Mr Nikhil Manohar Naik (DIN: 00202779) is aged about 60 years, holds a M. Sc in Shipping, Trade and Finance from Cass Business School, London. He has a very wide work experience of around 36 years. His competency areas includes Leadership-Strategic Management of people, businesses and Markets, analysis of financials, nurturing, advising management of businesses, building lasting customer relationships and

networking with External Agencies and Government. He is presently Nominee Director on the Board of Directors of following companies: of Essar Bulk Terminal Limited, Matix Fertilisers and Chemicals Limited, Hazira Cargo Terminals Limited, Salaya Bulk Terminals Limited, Essar Bulk Terminal Paradip Limited, Essar Vizag Terminals Limited, Essar Bulk Terminal (Salaya) Limited, Essar Ports Limited and IBROX Aviation and Trading Private Limited. He does not hold any equity shares in the Company.

Other than Mr Nikhil Manohar Naik 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. 7 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 No.8

Mr Ratnakar Prakash Barve [DIN: 0009341821], who was since long working in the Company as Assistant Vice President – Operations in charge of all the Companies units at Verna, Goa, was appointed by the Board of Directors of the Company (the "Board") at its meeting held on September 24, 2021 as an Additional Director designated as Executive Director – Operations with effect from September 30, 2021 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 Ratnakar Prakash Barve 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 Ratnakar Prakash Barve as Director of the Company.

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 Ratnakar Prakash Barve is aged 56 years, has a Bachelor's degree in Electronics & Telecommunication Engineering. He is also MBA in Operation's Management and is a certified Six Sigma Black Belt. He was appointed as an Additional Director by





the Board of Directors at its meeting held on September 24, 2021 with effect from September 30, 2021 and is liable to retire by rotation.

(b) Nature of his expertise in specific functional areas

Mr Ratnakar Prakash Barve has vast experience of 34 years in the manufacturing industry and projects. He started his career in 1987, in Goa Telecommunications & Systems Limited, manufacturing transmission equipments in collaboration with Indian Telephone Industries Bangalore. He then worked in Bharati Teletech Limited (manufacturing arm of Bharati Airtel Ltd,) since 1995, and was a part of First Transmission project of Airtel Ltd, in Installation & commissioning of STM1 network in Delhi. In 2002, he was promoted as a Plant Head before joining Finolex in 2009. He has extensive experience in Production, Projects & R&D departments. He has completed more than 12 years in Finolex Cables Limited, and is presently serving as Plant Head in the grade of Assistant Vice President (Operations), in charge of all the Companies Units at Verna, Goa.

(c) Disclosure of relationships between Directors inter se  
None of the Directors or Key Managerial Personnel or their relatives are related to Mr Ratnakar Prakash Barve.

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

Mr Ratnakar Prakash Barve is not a Director of any listed entities nor holds membership of any Committees of other companies.

(e) Shareholding in the Company

Mr Ratnakar Prakash Barve does not hold any shares in the Company.

The Board recommends his appointment 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 Ratnakar Prakash Barve, 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.8 of the Notice.

The existing terms and remuneration of Mr Ratnakar Prakash Barve on monthly basis is set out below:

Particulars	Amount (Rs)
Basic	1,16,000/-
House Rent Allowance	46,400/-
Education Allowance	5,000/-
Soft Furn Allowance	5,000/-
Goa Allowance	1,500/-
Canteen Allowance	130/-
Reimbursement of Driver Charges (upto)	15,000/-
Medical Allowance	9,667/-
LTA	9,667/-
Petrol Reimbursement (upto)	15,000/-

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.

**Item No.12**

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, 2023 (Financial Year 2022-23).

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.12 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.12 of the Notice.

**Item No.13**

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 53rd Annual General Meeting held on September 29, 2021, authorised the Board of Directors of the Company to offer or invite subscription for nonconvertible debentures in one or more tranches aggregating upto an amount of Rs.150 Crores (Rupees One Hundred Fifty Crores only) on private placement basis on such terms and conditions including security as the Board may, from time to time, decide in the said year. It may please be noted that considering the scenario of possible reduction in interest rates as then prevailing during the financial year 2021-22, the Company had not made any private placement of nonconvertible debentures pursuant to the authority accorded by the Members by the resolution passed at the 53rd Annual General Meeting held on September 29, 2021.

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.13 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.13 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.13 of the Notice.

By Order of the Board of Directors

**R.G. D'Silva**



Company Secretary &  
President (Legal)

Place: Pune  
Dated: 12<sup>th</sup> August, 2022

**Registered Office:**

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Email: Investors@finolex.com

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DELIGHT  
**Customer Care**  
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