



Change is customary



Growth is intentional



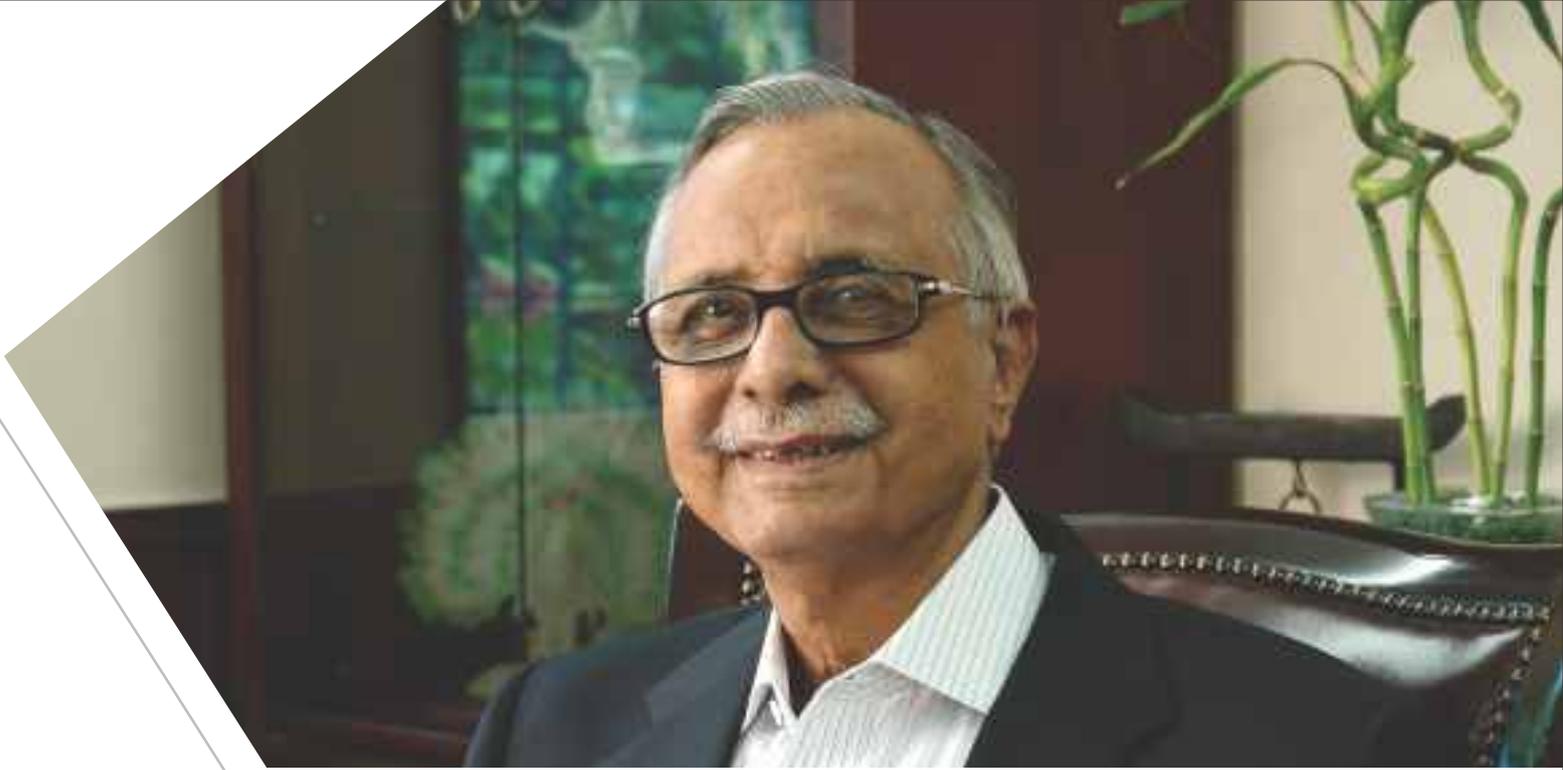


He, who is open to change, is open to opportunities. It's just the perception that determines opportunities from potential risks. Change is certain. The ability to look out for opportunities, in the season of change, sets the leader apart. However, those who are determined, tend to work on these opportunities and succeed.

We at Finolex since our inception, have been transforming ourselves to adapt and ride on the change. From modernizing Plants with state of the art technology to offering innovative solutions to Customers to our continual increasing reach. Over the years, Finolex has emerged as a very powerful brand only to be identified as a Company for the people and by the people. We embrace change as it comes. Consequently, we imbibe growth through Technology, Network and People.

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Chairman's Message

Dear Shareholders,

The year that went by has been one with tumultuous developments both within India as well as globally. While the Asian economy (barring Japan) continued to grow, the rest of the globe continues to be sluggish. The financial position of many of the European economies has caused quite some concern, as also the political turmoil in the Middle East. Rising commodity prices and inflationary trends in many countries including India have emerged as challenges in the quest for growth.

It is my belief, that despite the high levels of inflation, India continues to be rather well-positioned to achieve continued economic success and growth in this very challenging environment. The demand on infrastructure, urban development requirements, and measures promised by the government towards improving the rural economy as well as initiatives being taken by the government in ensuring financial inclusion at all levels will generate sufficient investment and propel growth.

Your Company is again well-placed to benefit from the opportunities that the Indian economy will continue to offer. The product offering from your Company is geared to meet the demands that a growing economy will create. Your Company places great emphasis on product quality and believes in using up-to-date and appropriate technology at all its facilities. Another area of focus for the coming period is in the expansion of network and reach, specifically in the North and North Eastern regions of the country, adding Distributors and Dealers to make further inroads in these markets. Your Company believes that people are its best assets and ambassadors, and continues to invest in talent enhancement.

As we embark on a new financial year, I look forward to your continued support and encouragement in taking your Company to greater heights.

With best wishes,

P. P. Chhabria
Chairman

Technology Growth

Over the years the Company has established its reputation as an innovative leader and quality manufacturer by continuously upgrading technology, modernising manufacturing facilities and maintaining highest standards of quality and services. Today, the name Finolex Cables has become synonymous with quality and enjoys overwhelming confidence of the customers.

We have always been committed towards fulfilling the needs of customers. Our manufacturing units are equipped with state-of-the-art machinery to manufacture high quality cables and offer complete and cost effective solutions to customers. While enhancing our capacities in Electrical and Data & Telecommunication cables, the Company has augmented its product portfolio by foraying into the manufacture of High Voltage Power Cables, Electrical



Switches and Compact Fluorescent Lamps (CFL's).

Finolex with the expertise of producing international standard low voltage Power Cables has extended its range to cover cables upto 66 kV class. 'Finopower' XLPE insulated Medium & High Voltage Power Cables, by virtue of having "Discharge Free" characteristics, offer longer life and reliability in performance.

Cables with round circular compacted conductor with very smooth surface finish are

manufactured on a CCV line with true triple extrusion and dry inert gas (Nitrogen) curing process. The extrusion line has on-line monitoring system for measuring and controlling insulation thickness and eccentricity of core throughout the length. Ultra-modern, clinically clean material handling plant ensures use of contamination free di-electric in the cable.



The Joint Venture with J-Power Systems Corporation (JPS) of Japan to offer complete turnkey solutions in Extra High Voltage (EHV) cable systems in India and abroad (upto 500 kV) will catapult Finolex to a higher league this year, with the technological capability in VCV (Vertical Continuous Vulcanising) line to produce high voltage XLPE insulated Power Cables. These EHV cables need to have very high quality and reliability standards since they are installed in the transmission network in urban areas where corridors for overhead lines are not available.

The JV, by the name Finolex J-Power Systems Pvt. Ltd., also offers complete services of turnkey installation of EHV cable systems along with the supply of compatible Power Cables Accessories (Jointing / Termination Kits). J-Power Systems Corporation itself is a 50:50 joint venture between **Hitachi Cables and Sumitomo Electric Industries, Japan** who are the world leaders in the EHV Cable Technology.

FARO's and FAD's we have not only strengthened our network but have also reached a high of success.

The company has created a pan India strong and dependable distribution network of Channel Partners, Dealers besides representatives appointed in the overseas market. Not only has the distribution network been built with an objective to serve the customer at his doorstep, the Company undertakes a periodical review for the upgrade and expansion of the systems. The domestic distribution network is supported by Branch Offices and Depots opened by the Company at a number of locations across the country.

Today, we have over 2500 Channel Partners and more than 20,000 Dealers through whom we service our customers. Motivation of our Channel Partners and Dealers has always been vital to us and towards this we have taken several initiatives to organize training programmes, tours and special family packages to various destinations.

A unique Channel Finance Program in association with leading banks is offered to our Channel Partners for enhancing their business and margins. Our 19 fully equipped Offices and Depots support us to move our products and services to our customers.



People Growth

India is a growing nation with a very high percentage of young and energetic force. The number of students graduating in engineering and science streams each year is colossal. Indian intellect is well appreciated in the IT spheres across the globe and the Indian talent has finally put the nation on the world map.

Finolex believes in nurturing, training and retaining this valuable resource which drives the organisation. Employees have always been the strength and we value them and have worked toward nurturing and strengthening this resource.



As representatives of one of the leading industrial houses, we are aware of and appreciate the very skill sets which fuel its growth & enable it to maintain the leading edge in a very competitive market.

The Finolex team has grown over the years and we have evaluated and enabled an infrastructure to provide the best of facilities to our employees. Our IT systems has been designed with the objective to provide enterprise wide SAP and zero defect on critical servers.

Our well knitted network with 19 Branch offices and 5 manufacturing hubs spread across the country have made us easily accessible to our customers and have boosted Company's growth in many folds.

We recognize the importance of a motivated and skilled human resource. We strive to create a challenging and enabling work environment that encourages entrepreneurial behaviour, innovation and the drive towards business excellence.



Board of Directors

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

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

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Directors' Report

To

The Members

Your Directors are pleased to present their 43rd Annual Report and Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS:

(Rs. in million)

	2011	2010
Income	20,616.822	16,428.259
Profit Before Interest, Depreciation, Exceptional Items and Tax	1,978.136	2,191.086
Less : Interest	174.124	168.954
Less : Depreciation	387.758	372.270
Profit Before Exceptional Items and Tax	1,416.254	1,649.862
Less : Exceptional Items	344.406	758.176
Profit Before Tax	1,071.848	891.686
Less : Provision for Taxation		
(a) Current Tax	212.766	217.412
(b) Deferred Tax	(8.710)	98.014
Profit After Tax	867.792	576.260
Add: Excess provision for dividend tax written back	0.353	-
Surplus brought forward and other adjustments	401.575	32.674
	1,269.720	608.934
APPROPRIATIONS		
Debentures Redemption Reserve	250.000	-
Proposed Dividend	107.058	91.764
Tax on Proposed Dividend	17.367	15.595
General Reserve	100.000	100.000
Surplus carried to Balance Sheet	795.295	401.575
	1,269.720	608.934

GENERAL ECONOMY

Backed by strong consumption, the domestic economy grew at a healthy pace, with expectations on the GDP growth to be around 8.5% – albeit with the shadow of high inflation looming large. With food prices continuing to rule high, and inflation becoming more generalized, it appears that the yearly inflation may well catch up with the GDP growth rate. With this background the RBI had to intervene on several occasions this year to hike its policy interest rates during the year. Positive news came in the form of improved agricultural performance as well as on the export front, with both sectors registering significant growth.

Both currency and commodity prices continued their volatile trend – while the Rupee weakened in the first nine months of the year, it rose sharply against the US Dollar in the last quarter and closed stronger than a year ago. Commodity prices on the other hand continued to firm up during the year and most metals reached their all time highs during the year. With political unrest in the Middle East, the pressure on both oil and other commodities is expected to continue and prices expected to remain firm.

Business recovery across the globe has been slower than expected – for yet another year, it has been for the most part an Asia show. The natural disaster suffered by Japan towards the end of the fiscal year, will of course have its business impact in the current year.



Finolex

Cables Limited

OPERATIONS

Against the backdrop mentioned above, during 2010-11 your Company saw significant growth in the top line with sales registering a 25% growth in value terms. This increase was most visible in Electrical Cables and Copper segments. In volume terms growth was significant – with star performances from product offering to the following customer sectors – power, automotive, agriculture, real estate and OEM.

As mentioned earlier, commodity prices such as in the case of Copper, have consistently increased during the year under review – keeping in mind the acute competition, need to reach additional market areas and expand market share, price adjustments in the selling prices were kept minimal and as was considered appropriate. This has resulted in lower margin levels as compared to earlier periods.

As a policy your Company had decided not to keep any uncovered exposures on account of foreign exchange – all its current purchases of raw materials from outside India are fully covered as soon as the import is finalized. However, foreign currency and interest rate protection measures taken in the earlier years, continued to produce negative results and an amount of Rs.344.406 million has been charged as an Exceptional Item to the Profit & Loss Account in the year 2010-11.

Income for the year under review was significantly higher at Rs.20,616.82 million (previous year Rs.16,428.26 million) representing a growth of 25% over the previous year. Following the robust growth achieved at the sales level, your Company has recorded a Net Profit of Rs.867.79 million as against a Net Profit of Rs. 576.20 million in the previous year.

Segmentally, while Electrical Cables contributed 65%, Communication Cables contributed 10% to the total sale of products. The Electrical Cables growth was led by the rebound in the Real Estate & Infrastructure sectors. In the Communication Cables segment, however, the delayed introduction of 3G services had its impact in terms of lower sales volumes. The level of investment in capital expenditure by Telecom service providers has been below the expectations at the commencement of the year under review. Your Company has in the meantime concentrated on network service providers and PSU units to ensure a healthy business continuity. Your Company continues to believe that the Communication Cables Segment would be a growth engine, contributing to both revenues and profits, once the air is cleared around the uncertainties mentioned above.

DIVIDEND

Considering the business situation, your Directors have pleasure in recommending a dividend on equity shares of 35%.The amount thereof per equity share will be Rs.0.70. The total dividend outgo (including dividend tax) will be Rs.124.42 million.

PROJECTS

The current status of the various projects undertaken by your Company is mentioned in the paragraphs below:

Compact Fluorescent Lamps (CFLs) Project, Urse near Pune

All three lines that were proposed under this project, are now fully operational and your Company now has an annual capacity of 30 million pieces to offer in the market. Additional channel partners have been roped in, new markets have been targeted for penetration and a substantial increase in staffing has now taken place. With the infrastructure now ready, your Company is poised to grow very aggressively in this business.

Urse Plant Projects

In view of the massive investments that are taking place within the country in the power and infrastructure sectors, your Company believes that the demand for power cables will grow substantially in the coming years. As announced in the previous year, the Company's project of enhancing its Power Cable capacity is progressing satisfactorily. Equipment to double the capacity is currently being installed and the enhanced capacity is expected to be available from the third quarter of the current financial year. The decision to combine and integrate the Low voltage and High voltage power cable plants at one location in Urse is providing the desired results of complementing each other and reducing costs.

Uttarakhand Project, Roorkee

During the year under review, this plant has emerged as the Company's major source of production of light duty electrical cables. With the plant operating at higher than 80% levels now, the effect on your Company's financials has been extremely positive since the profits from this unit would be 100% tax exempted for the next two years and for a further period of 5 years for 30% of the taxable profits. This is in addition to the Excise free status this unit would enjoy for the next 8 years.

Electrical Switches Project

During the year under review, progress was achieved in expanding the basic product range as well as accessories. Further, additional capacity has been created at your Company's manufacturing facility at Roorkee to take advantage of fiscal benefits.

Your Company is taking steps to expand market reach and create a better distribution network.

Finolex J-Power Systems Private Limited, Shirval near Pune

Your Company and its JV partner have during the year under review completed the full subscription to the equity of the JV as at 31st March 2011, your Company's investment in the JV stands at Rs.382.20 million.

Operations at the JV, which were expected to commence around the 3rd quarter of the year under review have been delayed primarily on account of construction delays. While the main factory building is now complete, the tower being constructed to house the main extrusion line being first of its kind in India is 85% complete. Machinery is under erection and testing and the plant is expected to now be operational in the current financial year.

Marketing JV with Corning Inc, USA

Your Company has entered into a Joint Venture Agreement with Corning of USA to market select telecommunication products. It is expected that the venture would become operational towards the end of this financial year.

NEW PRODUCTS

With the continuous increase of Copper prices which nearly touched USD 10,000 per ton on the LME your Company has developed products with "Copper Clad Aluminium Conductors" for certain applications, to soften the rising cost impact of copper. Such products have proven to provide customers with similar performance levels.

EXPORTS

Due to the depressed market situation for your Company's product lines overseas, FOB value of exports for the year was Rs. 393.66 million (lower than the previous year's export value of Rs. 582.80 million).

FINANCE

Your Company's short term debt programs continue to enjoy the highest ratings from CRISIL. Since the last few years these have been accorded the P1+ rating. The Company also holds AA/Stable rating for its Rs.1000 million long term non convertible debentures program.

During the year under review, the Company redeemed non convertible debentures of Rs. 500 million upon their maturity. The Company accessed the debt market with another issue of non convertible debentures of an equal amount of Rs. 500 million with a maturity period of five years. The newly issued debentures have since been listed on the National Stock Exchange of India Limited.

The Company follows a balanced policy to manage liquidity and borrowing. Despite the increase in value of operations, owing to tight controls on the working capital cycles, your Company has managed to contain financial expenses to the minimum required levels. The Company has been able to meet its financial commitments in a timely manner.

IFRS

As was reported last year, your Company has progressed with its plans to ensure that its accounts are drawn up in compliance with the International Financial Reporting Standards (IFRS). While the Government of India notified the new standards, the dates by which such standards would become mandatory have not been specified. Regardless, the Company is progressing with the changes that are required within the Company's ERP systems to ensure compliance with the revised standards.

SUPERBRAND STATUS

Your Company continues to hold the "Consumer Superbrand" status since many years now. The Company is the only Indian cable company to have achieved this enviable distinction.

FIXED DEPOSITS

No new fixed deposits have been accepted during the year under review. As on 1st April, 2010, there were unclaimed deposits of Rs.23,000 with interest accrued thereon till the original expiry date. The said unclaimed deposits, after the expiry of the prescribed period of seven years have since been transferred to the Investor Education and Protection Fund.



Finolex

Cables Limited

EMPLOYEES

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

Industrial relations continued to be cordial during the year.

The Company had 1,484 permanent employees on its roll as on 31st March, 2011 (previous year 1,383 permanent employees as on 31st March, 2010).

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY

The focus during the year under review has been in the field of education. The Company continues to support Finolex Academy of Management & Technology which offers engineering courses at Ratnagiri that is affiliated to Mumbai University. International Institute of Information Technology or I²IT as it is known is also patronized by the Company. I²IT offers post graduate MS and MBA courses with various specializations in Advanced Information Technology.

The Company discharges its duties as a responsible corporate citizen and accords importance to legal compliances. It also handsomely contributes to the exchequer.

While all the older plants are environment compliant and hold ISO14001 (Environment Management System) certification, your Company is preparing for its newest plant at Uttarkhand to be similarly certified.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the Profit and Loss Account for the year ended 31st March, 2011;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

PARTICULARS OF EMPLOYEES

Information as required under the provisions of Section 217(2A) of the Companies Act, 1956 (the Act) and the rules framed there under forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders, excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder desirous of obtaining a copy of the said statement may write to the Company Secretary & Vice President (Legal) at the Registered Office of the Company.

LISTING OF SECURITIES

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

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DIRECTORS

Mr. M L Jain, Assistant Managing Director & Chief Operating Officer, retired from the services of the Company, after completing his term of office on 31st October, 2010. The Board of Directors at its meeting held on 23rd October, 2010 recorded its appreciation for the valuable contribution made by Mr. M L Jain during his tenure of service with the Company.

At its meeting held on 23rd October, 2010, the Board elevated Mr. Mahesh Viswanathan, Chief Financial Officer of the Company as an Additional Director on the Board, and designated him as Director – Finance & Chief Financial Officer of the Company. He holds office of Additional Director till conclusion of the ensuing Annual General Meeting of the Company. Further at its meeting held on 3rd May, 2011, the Board has recommended his reappointment to the shareholders as a Director of the Company which is reflected in the Notice for the said meeting.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. P G Pawar, Mr. A J Engineer and Mr. B G Deshmukh retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment. The Board of Directors recommends their reappointment as Directors of the Company.

AUDITORS

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

ACKNOWLEDGEMENT

Your Directors are grateful to the Central and State Governments, Statutory Authorities, Local Bodies, Banks and Financial Institutions for their cooperation and support. Your Directors warmly acknowledge the faith and confidence reposed in the Company by its channel partners, dealers, customers and Real Estate Organisations in supporting its business activities and growth. Your Directors express their gratitude to the other business associates of the Company for their unstinting support. Your Directors value the commitment of the employees towards the Company and appreciate their valuable contributions for the progress and growth of the Company. Last but not the least your Directors are thankful to the Members for extending the trust and confidence shown.

For and on behalf of the Board of Directors

Pune,
Dated : 3rd May 2011

P. P. Chhabria
Chairman



Annexure to Directors' Report

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

A. Conservation of Energy :

- a) Energy Conservation measures:
 - i) Process water and hydraulic pumps are replaced with lower capacity motors to reduce losses/wastage.
 - ii) Optimization of use of heating and compressed air to reduce operation of vaporizers/compressors.
 - iii) Installation of energy efficient LED / CFL lamps in factory offices and low roof areas of the shop floor.
 - iv) Energy Efficient Metal Halide light fittings provided in shop floor in place of 250W HPML lamps.
 - v) Auto control switch-off provided to high capacity motors to ensure shut down during interruptions.
 - vi) RTPFC panels are installed in different locations of the plant for improvement of power factor and reduction of harmonics.
 - vii) Solenoid valves are installed on pneumatic lines of air wipers to reduce wastage of compressed air.
 - viii) Improved preventive maintenance of machines to reduce energy loss.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

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

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

Not applicable.

B. Technology Absorption :

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

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

1. Specific areas in which the Company is pursuing R & D efforts:
 - (a) Following new cables have been designed, developed and type approvals obtained/successfully launched in the market :
 - (i) REACH RoHS Compliance – Copper multi core flexible cables.
 - (ii) Indigenous development and usage of colour master batches for Housegard electric wires.
 - (iii) Optic Fibre Cable with 144 fibres developed with cost effective design.
 - (iv) Copper clad steel products developed as alternative to pure copper cables.
 - (v) RoHS compliant lead free cables for automotive use.
 - (vi) TV-VCR cords developed and launched.
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 cost effective Mini Optical Fibre Cable.
 - To develop cross-linkable HFFR cables for high temperature working.
 - To develop Rubber based 3 Core Flat and Flexible cables
 - To develop CAT7 LAN cables with higher bandwidth
 - To develop cost effective FTTH Cables.

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

Technology Absorption, Adaptation and Innovation :

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
 - (a) New Eddy current based digital control surface flaw detection unit is installed in place of old analog system.
 - (b) Original mill roll profiles of two mill – stands have been modified for obtaining better copper rod surface finish and properties.
 - (c) Debottlenecking project on BM30 extrusion line to increase productivity with flexibility to run different products.
 - (d) Continuous efforts are going on for further developing, improving and upgrading all types of cables.

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

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

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

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

C. Foreign Exchange Earnings and Outgo :

Your Company's strong focus to improve earnings from its business in the international markets has largely helped to blunt the impact of the recessionary trend prevailing in the overseas markets post global meltdown scenario. Building on its key strengths of strong and diversified manufacturing background of over five decades, in-house R&D facilities, access to and availability of latest technologies and its products conforming to international standards the Company offers tailor made cable solutions to meet the varied needs of its international customers. Your Company has been vigorously pursuing new and old markets for increasing exports of its standard products as well as new products developed and is well poised to seize opportunities that are presented in the highly competitive export markets.

- i) Earnings by way of Exports : Rs. 393.655 million
- ii) Outgo by way of Imports : Rs. 949.766 million

For and on behalf of the Board of Directors

Pune,
Dated : 3rd May 2011

P. P. Chhabria
Chairman



Management Discussion and Analysis

1. BUSINESS OF THE COMPANY:

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

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

Besides, the Company also manufactures PVC Sheets for various applications like roofing, signage and interiors, which business the Company intends to cease from in the near term. Further, the Company has over the last few years, expanded its product range to include Electrical Switches and Compact Fluorescent Lamps (CFLs). These items, however, account for less than 5% of the Company's turnover and are hence reported as "Others" in the Segment Results.

1.1 Main Segments:

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

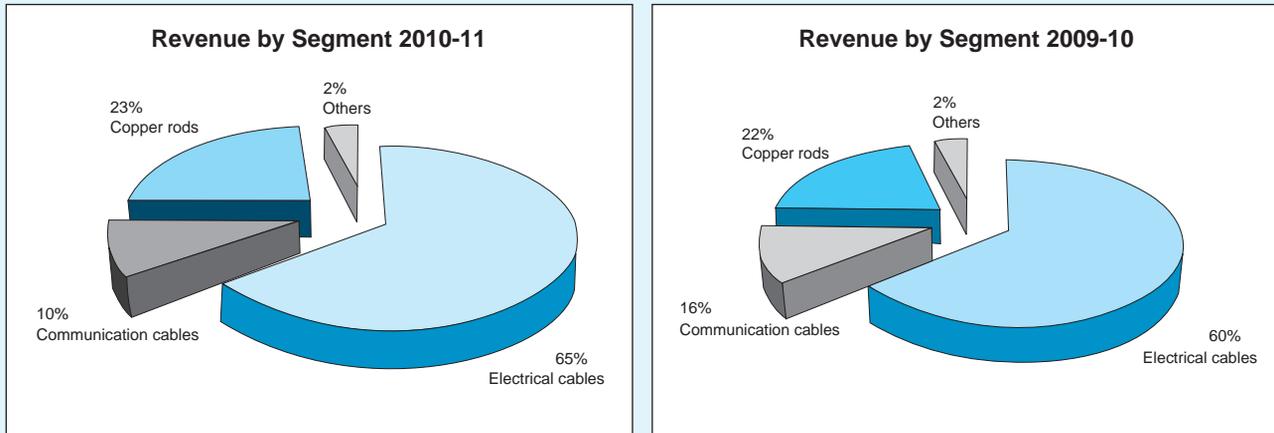
Group	Products Covered	Application
Electrical Cables	1100 V PVC insulated cables	Electrification of residential, commercial and industrial establishments, electrical panel wiring and consumer electrical goods.
	Motor winding PVC insulated cables and 3 core flat cables	Submersible pumps and electrical motors.
	Automotive/battery cables	Wiring harness for automobile industry and battery cables for various applications
	UPS cables	For providing power from the UPS to the computer/appliances in the networking environment.
	Heavy duty, underground, low voltage, power and control cables	Connection to the user point from main supply of power.
	Heavy duty, underground, high voltage, power cables	Intra-city power distribution network
	Communication Cables	Jelly filled telephone cables (JFTCs)
Local area network (LAN) cables		Indoor and outdoor networking, voice and data transmission, broadband usage.
PE insulated telephone cables (Switchboard cables)		Telephone instrument connections to EPABX.
Coaxial cables		Cable TV network solutions, microwave communications, mobile towers.
Optic fibre		Principal raw material for optic fibre cables.
Optic fibre cables		For use in networks requiring high speed transfer of large bandwidth due to voice, image and data transmission.
Copper Rods	V-SAT cables	For connecting V-SAT dish to base station.
	CCC rods of 8 mm diameter	Raw material for manufacture of copper based cables.
Electrical Switches	Premium & classic switches, sockets, regulators, etc.	Domestic lighting, hotels, shops, offices, corridors.
Lamps	Retrofit & non-retrofit CFL lamps as well as T5 Tube Lights and Fittings.	Domestic lighting, hotels, shops, offices, corridors.
PVC Sheets	PVC corrugated sheets, foam sheets and rigid sheets	Industrial roofing, wall cladding, signage boards, partition boards, exhibition display boards and false roofing.

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

1.2 Revenue Break up (inclusive of Excise Duty):

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



2. REVIEW OF OPERATIONS:

• Production:

- Electrical Cables at 1,241.83 TCKM (thousand core kilometers) as compared to 1,152.01 TCKM in the previous year.
- Metal based communication Cables at 634.61 TCKM as compared to 516.17 TCKM in the previous year.
- Optical Fibre Cables at 37,116.78 KM as compared to 35,348.75 KM in the previous year.
- Optic Fibre at 779,736 fibre kilometers as compared to 867,911 fibre kilometers in the previous year.

• Sales:

- Electrical Cables (including Excise Duty) at Rs.14,074 million as compared to Rs 11,093 million in the previous year.
- All Communication cables (including Excise Duty) at Rs. 2,042 million as compared to Rs.1,907 million in the previous year.
- Copper Rods (net of interdivisional transfers and including Excise Duty) at Rs.5,106 million as compared to Rs.3,615 million in the previous year.
- Exports were lower at Rs. 394 million as against Rs. 583 million of the earlier year.
- The income from operations (including excise duty) was Rs.21,864 million for the year under review as compared to Rs.17,266 million for the earlier year.
- Looking at possible synergies, the Company had shifted the Low voltage power cables facilities from Pimpri to Urse towards the end of the previous financial year. Cost synergies are now clearly visible, with better people and machine utilizations as well as improved coordination with the marketing team.
- There has been a delay in the commencement of operations at the Joint Venture with J-Power Systems Corp of Japan. This is primarily owing to construction related delays. Machine erection is now under way and the plant is expected to be operational in the current financial year.
- All three lines of the CFL facility are now operational and the full capacity of 30 million pieces of lamps per year is available. During the year, significant work has been done on adding new channel partners, improving the reach of the distribution network, increasing manpower dedicated to this product line as well as ironing out product related issues. Additional focus is being provided to improve on cost parameters to become even more competitive in the market.



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- The Roorkee facility is now operating at near 80% capacity. The plant now produces the full range of Light Duty Electrical Cables meant for multiple applications.
- For more details on the operations, a reference may please be made to the financial statements.

3. KEY STRENGTHS:

- One of India's leading cable manufacturers.
- Has the widest range of cable products in both segments and is recognized as a "Total Cable Solutions" Company capable of designing cable solutions for every need.
- Acknowledged as a leader in technology with a strong emphasis on quality
- Has the widest distribution network, which is being further expanded
- Backward integrated in respect of its major materials – CCC Rods, PVC compounds and FRP rods which allow the Company a certain technical superiority over its competitor while providing a cost advantage as well.
- A strong brand image and value – for long it has been the only cable company to hold the Super Brand status; the brand has also enabled the Company to market its products in overseas markets.
- Expanded into product segments that are adjacent to the electrical cable market i.e. CFLs and electrical switches – this move has brought additional market reach at minimal cost expansion.

4. GROWTH DRIVERS:

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

Product quality

Continuous product improvement

Introduction of new products through in-house developments

Creating customer preferences

Competitive pricing and extremely competitive cost structure

Dynamic approach to situations

Strong and dependable distribution channel spread all over the Country.

5. BUSINESS ENVIRONMENT:

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

5.1 Electrical Cables:

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

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

Performance:

For the year under review, the electrical cables registered sales (inclusive of excise duty) of Rs.14,074 million against Rs.11,093 million of the previous year.

Outlook:

Electrical cables are the main focus area of business for the Company. It accounted for 65% of total sales for the year under review. Growth during the year under review was driven by the improvement shown by the power, real estate sector, automobile industry and infrastructure sectors. Further general economic improvement witnessed during the year also reflected in the volume improvement across all applications which the Company's products cater to. The long term out look for this sector remains positive.

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

5.2 Communication Cables:

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

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

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

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

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

Performance:

The communication cables segment (including optic fibre) recorded sales of Rs.2,042 million for the year under review against Rs.1,907 million for the earlier year. The delayed introduction of 3G services has dampened the environment to a certain extent. The level of capital expenditure by Telecom service providers has been below expectations as a consequence of which there has been negligible growth during the year under review. While care has been taken to improve margins by selling products with higher value addition and thereby protect profitability, your Company also focused on network service providers and PSU units to keep the revenue momentum going. On the other hand there was no supply of JFTC to prime users in the country such as BSNL/MTNL since no tenders were floated/finalized by them. Consequently this segment has shown a marginal growth this year.

Outlook:

With the advent of 3G services over the past few months, the country is poised to witness a spurt in demand for high end data and communication services and with the impetus from the Government in providing better and faster internet access to rural India, your Company believes that demand for communication products will be robust for the foreseeable future. The economic



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development requires inter-alia, a strong, dependable and sustainable communication network. The Company's communication cables meet with the requirement of local as well as international standards and therefore, find ready acceptance with domestic customers as well as in the exports market. The outlook here, is positive.

The risks of competition and price movements are also applicable to the business of communication cables. The varying global demand-supply equation of optic fibre and resultant price movement thereof; availability of preforms and price thereof and delay/slow-down in investment into networks by telecom companies/service provider and other relevant entities due to global slow-down pose risk to the business of communication cables. The Company has increased its supplier base to reduce the risk of dependence on a single source; further price contracts are negotiated on yearly basis with the intent of evening out volatility in prices.

5.3 Copper Rods:

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

Performance:

During the year under review, the CCC rods division recorded a production volume of 33,496 metric tones as against 35,844 metric tones for the earlier year. The sales were Rs.13,815 million (previous year Rs.9,986 million) of which Rs.5,106 million were sales to third parties (previous year Rs.3,615 million) and balance was inter-divisional transfers. The volatility which had been observed in copper prices in the earlier period continued during the year under review. The monthly average LME copper price (CSP) varied between a high of USD 10,000 per metric tonne to a low of USD 6,900 per metric tonne.

Outlook:

The copper rod production is mainly for in-house consumption. The copper requirements of the joint venture with J-Power Systems Corp. of Japan will also be partially met from the Company's copper set up, once the joint venture commences production. Accordingly the utilization of capacity at copper rod plant is expected to improve in coming years.

5.4 Electrical Switches and CFLs:

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

On its part to contain the effects of global warming, the Government is promoting use of CFLs. Keeping in mind the expected growth in CFL demand the Company has been expanding the CFL manufacturing capacities.

5.5 PVC Sheets:

The Company manufactures both corrugated and rigid PVC Sheets which are used in roofing, partition, exhibition, wall cladding, display board and signage applications as well as in the manufacture of tanks for chemical industry and handling systems for corrosive chemicals.

Performance:

During the year under review, the PVC Sheets division recorded production volume at 1,353 metric tonnes as against 1,357 metric tonnes for the earlier year. The sales (inclusive of excise duty) were Rs.154 million, as against Rs.141 million, for the earlier year.

Outlook:

The business of PVC sheets is not growing as expected due to availability of cheaper substitutes (though not recommended) like asbestos sheet, corrugated metal sheets, etc. Further with changes in technology the business has not been generating adequate returns. Your Company has decided to gradually withdraw from this line of activity.

5.6 Summary:

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

6. RISK MANAGEMENT DOCUMENT:

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

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

7. INTERNAL CONTROL SYSTEM:

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

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

The system further provides for policies which are documented clearly together with authorization and approval procedures. To the extent applicable these are also inbuilt into the Company's ERP system. Further, there exists a system of internal audit. The internal audit is conducted, based on a pre approved plan under the guidance and advice of the Audit Committee comprising of independent directors. Such audit is conducted in respect of all the locations that the Company operates out of as well as in respect of the various functions. The internal audit thus plays an important role as it conducts audit of all key business areas as per a pre drawn and approved audit plan. Reports from the internal audit team are reviewed every quarter by the Audit Committee for noting and approving corrective actions that may result from the conduct of such audits. The Audit Committee met 9 times during the year under review.



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Financial summary for ten years

(Rs. in million)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
PROFIT AND LOSS ACCOUNT DATA										
Gross Revenue ++	6,750	5,189	5,689	6,701	8,899	12,055	16,270	15,525	17,507	22,123
Materials and manufacturing cost (including excise duty)	4,876	3,682	4,132	5,191	6,855	9,557	13,068	12,429	13,573	18,032
Employee cost	261	251	292	254	326	355	497	533	592	647
Administration & selling expenses	502	493	461	520	660	750	1,033	2,152	1,891	1,793
Extra ordinary Items	—	—	37	—	—	—	—	—	—	—
Depreciation	222	235	263	259	313	264	265	388	372	388
Interest and finance charges	164	246	178	106	128	159	204	324	187	191
Profit before tax	725	282	326	371	617	970	1,203	(301)	892	1,072
Taxation	65	35	30	63	113	280	314	54	315	204
Profit after tax	660	247	296	308	504	690	889	(355)	576	868
Dividend (including tax on dividend distribution if applicable)	230	104	138	157	209	251	268	36	107	124
BALANCE SHEET DATA										
Share capital	343	306	306	306	306	306	306	306	306	306
Reserves	5,526	4,923	5,080	4,702	5,055	5,495	6,109	5,656	6,125	6,869
Net worth	5,869	5,229	5,386	5,008	5,361	5,801	6,415	5,962	6,431	7,175
Loan Funds	1,223	2,036	1,880	1,321	2,343	2,653	2,876	2,959	2,751	2,601
Deferred Tax (Net)	213	285	295	184	213	208	175	221	319	310
Total Liabilities	7,305	7,550	7,561	6,513	7,917	8,662	9,466	9,142	9,501	10,086
Gross Block	4,211	4,596	4,777	4,126	4,753	5,807	6,773	8,022	8,313	8,563
Net Block	2,872	3,074	3,006	2,118	2,288	3,079	3,784	4,557	4,476	4,340
Investments	2,012	2,318	3,067	2,491	2,722	2,833	3,168	3,141	2,802	2,452
Net current assets	2,421	2,144	1,488	1,904	2,907	2,750	2,514	1,444	2,223	3,294
Micellaneous Expenditure (to the extent not written off or adjusted)	—	14	—	—	—	—	—	—	—	—
Total Assets	7,305	7,550	7,561	6,513	7,917	8,662	9,466	9,142	9,501	10,086
KEY RATIOS										
Growth in Revenue (%)	7.5	(23.1)	9.6	17.8	32.8	35.5	35.0	(4.6)	12.8	26.4
PAT to Revenue (%)	9.8	4.8	5.2	4.6	5.7	5.7	5.5	(2.3)	3.3	3.9
Return on Net Worth (%)	11.2	4.7	5.5	6.2	9.4	11.9	13.9	(6.0)	9.0	12.1
Earnings per Share Rupees (for face value of Rs.2/- each)	3.8	1.6	1.9	2.0	3.3	4.5	5.8	(2.3)	3.8	5.7
Asset Turns (Revenue to Total Assets)	0.9	0.7	0.8	1.0	1.0	1.4	1.7	1.7	1.8	2.2
Return on Capital Employed (%)	12.3	6.2	6.5	6.7	10.1	13.5	15.4	(0.01)	11.38	12.72
Debt to Equity Ratio	0.2	0.4	0.4	0.3	0.4	0.5	0.4	0.5	0.4	0.4
Dividend (incl. Dividend Tax) Distribution to PAT(%)	34.8	41.9	46.7	51.0	41.5	36.4	30.1	(10.1)	18.6	14.3

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

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

2. BOARD OF DIRECTORS:

2.1 Constitution of the Board:

- The Composition of the Board of Directors with reference to number of executive and non-executive Directors, meets the requirement of Code of Corporate Governance.
- Out of Eleven Directors, there are two promoter executive Directors namely Mr. P. P. Chhabria, Chairman and Mr. D. K. Chhabria, Managing Director and one non-promoter executive Director namely Mr. Mahesh Viswanathan designated as "Director - Finance and Chief Financial Officer". Mr. M. L. Jain erstwhile Assistant Managing Director and Chief Operating Officer completed his tenure of office and retired from the said post with effect from close of business hours of the Company on 31st October 2010. Mr. Mahesh Viswanathan was appointed as Additional Director of the Company by the Board with effect from 1st November, 2010 designated as Director Finance and Chief Financial Officer.
- There are eight independent non-executive Directors, namely Dr. H. S. Vachha, Mr. B. G. Deshmukh, Mr. Atul C. Choksey, Mr. Sanjay K Asher, Mr. P. G. Pawar, Mr. S.B. (Ravi) Pandit, Mr. P. R. Rathi and Mr. A. J. Engineer.

2.2 Meetings:

Board meetings are held at least four times during the year coinciding with the presentation of each quarterly financial results. During the last Financial Year four Board Meetings were held i.e. on 30th April, 2010, 9th August, 2010, 23rd October, 2010 and 8th February 2011.

The meetings were attended as follows:

- Mr. P.P. Chhabria, Mr. D.K. Chhabria, Dr. H.S. Vachha and Mr. B.G. Deshmukh attended all four meetings.
- Mr. Sanjay K. Asher, Mr. P.G. Pawar, Mr. P.R. Rathi, Mr. A.J. Engineer and Mr. M.L. Jain (retired with effect from close of business hours of the Company on 31st October 2010) attended three meetings.
- Mr. Atul C. Choksey attended two meetings.
- Mr. S.B. (Ravi) Pandit and Mr. Mahesh Viswanathan (who was appointed as Additional Director with effect from 1st November, 2010) attended one meeting.

All Directors attended last Annual General Meeting on 9th August, 2010 except for Mr. P.R. Rathi and Mr. Mahesh Viswanathan (who was appointed as Additional Director with effect from 1st November, 2010).



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2.3 Remuneration to Executive Directors :

Particulars	Chairman Mr. P.P. Chhabria	Managing Director Mr. D.K. Chhabria	Erstwhile Assistant Managing Director and Chief Operating Officer Mr. M.L. Jain (retired wef from close of business hours of the Company on 31 st October 2010)	Director - Finance and Chief Financial Officer Mr. Mahesh Viswanathan (Appointed wef 1st November, 2010)
Salary and Allowances	6,000,000	6,000,000	1,827,000	1,760,000
Contribution to Provident and Superannuation Funds	1,620,000	1,620,000	142,800	317,250
Other Perquisites	5,999,952	5,999,978	1,713,360	305,536
Commission / Incentive	21,000,000	21,000,000	--	1,125,000
Total	34,619,952	34,619,978	3,683,160	3,507,786

Notes:

- 1) There was no scheme of "Employee Stock Options" during the year.
- 2) The above does not include contributions to group superannuation and gratuity funds as the contributions/ benefits are on group basis.
- 3) In all the cases, the service contract is for a period of five years from the date of appointment/reappointment. Notice period/severance fees applicable are 180 days for Mr. P.P. Chhabria and Mr. D.K. Chhabria and 90 days in case of Mr. M. Viswanathan.
- 4) Performance is evaluated by the Remuneration Committee which, inter alia, considers and recommends payment of commission/incentive based on the performance of the Company and contemporary practices in Industry. The recommendations of the Committee are further considered by the Board and a collective decision taken without participation of interested Directors.

2.4 Remuneration to Non Executive Directors :

Name of Non-Executive Director	Sitting Fees (Rs.)	Commission (Rs.)	Total (Rs.)	Shareholding (in Nos. of shares) of Non-Executive Directors in the Company
Dr. H.S. Vachha	195,000	200,000	395,000	-
Mr. B.G. Deshmukh	90,000	100,000	190,000	-
Mr. Atul C. Choksey	30,000	100,000	130,000	-
Mr. Sanjay K. Asher	270,000	100,000	370,000	12,395
Mr. P. G. Pawar	240,000	100,000	340,000	-
Mr. S.B. (Ravi) Pandit	15,000	100,000	115,000	-
Mr. P.R. Rathi	225,000	100,000	325,000	-
Mr. A.J. Engineer	45,000	100,000	145,000	-
Total	1,110,000	900,000	2,010,000	12,395

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

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2.5 The details of other Directorship and Committee membership :

	No. of Companies		Committee positions held
	Directorship in Public Companies	Other Companies	
Mr. P.P. Chhabria	3	9	2 (Chairman of two)
Dr. H.S. Vachha	6	1	5 (Chairman of four)
Mr. B.G. Deshmukh	2	3	1 (Chairman of one)
Mr. Atul C. Choksey	8	1	-
Mr. Sanjay K. Asher	14	19	8 (Chairman five)
Mr. P.G. Pawar	5	12	1
Mr. D.K. Chhabria	1	8	-
Mr. S.B. (Ravi) Pandit	3	-	2 (Chairman of one)
Mr. P.R. Rathi	10	10	5 (Chairman of one)
Mr. A.J. Engineer	6	-	3
Mr. Mahesh Viswanathan*	-	1	-

* Mr. Mahesh Viswanathan appointed as Additional Director on the Board designated as "Director - Finance & Chief Financial Officer" with effect from 1st November, 2010.

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

2.6 Information placed before the Board of Directors :

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

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

3. AUDIT COMMITTEE:

The Audit Committee which was formed in February 1997, presently comprises of four independent non-executive Directors, namely Dr. H.S. Vachha (Chairman of the Committee), Mr. Sanjay K. Asher, Mr. P.R. Rathi (Alternate Chairman) and Mr. P.G. Pawar (co-opted by Board at its meeting held on 30th April, 2010).



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

The brief terms of reference of the Audit Committee include-

- 1) Review of the Company's financial reporting process and financial statements,
- 2) Review of accounting and financial policies and practices,
- 3) Review of internal control and internal audit systems,
- 4) Discussion with Internal Auditors and Statutory Auditors on any significant findings and follow-up thereon,
- 5) Reviewing the Company's financial and risk management policies, including foreign exchange related risks,
- 6) To investigate any activity within its terms of reference,
- 7) To seek information from any employee,
- 8) To obtain outside legal or other professional advice,
- 9) To secure attendance of outsiders with relevant expertise, if it considers necessary,
- 10) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements is correct, sufficient and credible,
- 11) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees,
- 12) Approval of payment to statutory auditors for any other services rendered by the statutory auditors,
- 13) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956,
 - b) Changes, if any, in accounting policies and practices and reasons for the same,
 - c) Major accounting entries involving estimates based on the exercise of judgment by management,
 - d) Significant adjustments made in the financial statements arising out of audit findings,
 - e) Compliance with listing and other legal requirements relating to financial statements,
 - f) Disclosure of any related party transactions,
 - g) Qualifications, if any, in the draft audit report,
- 14) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval,
- 15) Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems,
- 16) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit,
- 17) Discussion with internal auditors any significant findings and follow up there on,
- 18) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board,
- 19) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern,
- 20) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors,
- 21) The Audit Committee shall mandatorily review the following information:
 - a) Management discussion and analysis of financial condition and results of operations,
 - b) Statement of significant related party transactions (as defined by the Audit Committee),
 - c) Management letters/ letters of internal control weaknesses issued by the Statutory Auditors,
 - d) Internal audit reports relating to internal control weaknesses, and
 - e) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The Committee has met nine times during the financial year ended 31st March 2011, as against the minimum requirement of four meetings i.e. on 30th April, 2010, 17th July, 2010 (two separate meetings), 8th August, 2010, 14th September, 2010, 23rd October, 2010, 11th December, 2010, 8th February, 2011 and 18th March, 2011. Dr. H.S. Vachha attended nine meetings, Mr. Sanjay K. Asher

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attended eight meetings, Mr. P.R. Rathi attended seven meetings and Mr. P.G. Pawar attended six meetings. The date of the meeting of the Committee held for considering finalization of accounts for the year ended 31st March, 2011 was 3rd May, 2011.

4. REMUNERATION COMMITTEE:

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

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

The Committee comprises of four independent and non-executive Directors namely Mr. B.G. Deshmukh (Chairman of the Committee), Mr. Sanjay K. Asher, Mr. P.G. Pawar and Mr. P.R. Rathi.

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

The Committee has met on 30th April, 2010 and 23rd October, 2010 during the financial year ended 31st March 2011. Mr. B.G. Deshmukh and Mr. P.R. Rathi attended two meetings, Mr. Sanjay K. Asher and Mr. P.G. Pawar attended one meeting each.

5. SHAREHOLDERS' COMMITTEE:

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

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

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

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

Four Complaints were received and replied to the satisfaction of shareholders during the year. No complaint was outstanding as on 31st March 2011.

6. GENERAL BODY MEETINGS:

Location and time for last three Annual General Meetings:

Year	Location	Date	Time	Whether any special resolution passed therein
2007-08	Acharya Atre Rangmandir, Sant Tukarnagar, Pimpri, Pune 411 018	30th July, 2008	11.30 a.m.	Yes
2008-09	Acharya Atre Rangmandir, Sant Tukarnagar, Pimpri, Pune 411 018	26th August, 2009	11.30 a.m.	Yes
2009-10	Acharya Atre Rangmandir, Sant Tukarnagar, Pimpri, Pune 411 018	9th August, 2010	11.00 a.m.	Yes *

*(a) Special resolution pursuant to the provision of Section 31, Section 268 and other applicable provisions of the Companies Act, 1956 (the "Act") and the Rules framed under the Act as may be applicable for alteration of Article 121, 131, 141, 142, 143, 148 and 159 of the Articles of Association relating to appointment and remuneration of Executive Chairman, Managing Director and Executive Director and demarcation of the roles and responsibilities of the persons holding the said positions in the Company was passed in the Annual General Meeting held on 9th August, 2010.



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

7. DISCLOSURES:

- (a) Disclosures regarding materially significant related party transactions :
For details please refer Schedule 15 (Note No. 9) of Notes forming part of the Accounts.
- (b) There were no instances of non-compliance or penalty, strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets, during the last three years.
- (c) The Company has complied with the mandatory requirements of corporate governance Clause 49 of the Listing Agreements with the Stock Exchanges.
- (d) The non-mandatory requirements have not been adopted as a formal policy except for Remuneration Committee as set out in item 4 above.

8. MEANS OF COMMUNICATIONS:

The quarterly results of the Company are published in leading newspaper viz, normally Business Standard (all editions) and Sakal (Pune edition) and also displayed on the corporate website (<http://www.finolex.com>) along with official news releases. The corporate presentation last prepared by the Company was uploaded on its website and was also informed to the stock exchange for taking the same on record. Management provides detailed analysis of Company's operations, which forms a part of the Annual Report.

9. SHAREHOLDER INFORMATION:

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

10. CODE OF CONDUCT:

The Board had laid down a code of conduct for all Board members and senior management of the Company. The Code of Conduct has been hosted on the website (<http://www.finolex.com>) of the Company.

Declaration:

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

Place: Pune

Date: 3rd May, 2011

Sd/-

D K Chhabria

Managing Director

Auditors' Certificate on Corporate Governance

To the Members of
FINOLEX CABLES LIMITED

We have examined the compliance of conditions of corporate governance by Finolex Cables Limited (the Company) for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing Agreements (as modified from time to time) entered into with NSE of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

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

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated we state that no investor grievance is pending for a period exceeding one month against the Company as certified by Registrar and Transfer Agents of the Company, in the above mentioned Listing Agreements.

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

For B. K. Khare & Co.

Chartered Accountants

Sd/-

Santosh Parab

Partner

Place : Pune

Dated : 3rd May, 2011

Membership No. 047942

Firm Registration No.105102W

Shareholder Information

Registered Office

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

Annual General Meeting

The Forty Third Annual General Meeting ("AGM") of the Company will be held on Monday, 8th August, 2011 at 11.00 a.m. at Acharya Atre Rangmandir, Sant Tukaramnagar, Pimpri, Pune- 411 018.

Financial Calendar (Tentative):

- (a) Annual General Meeting : 8th August, 2011
- (b) Results for quarter ending 30th June, 2011 : Second week of August, 2011
- (c) Results for quarter ending 30th September, 2011 : Second week of November, 2011
- (d) Results for quarter ending 31st December, 2011 : Second week of February, 2012
- (e) Results for quarter ending 31st March, 2012 : Last week of May, 2012

Dates of Book Closure

The Company's Transfer Books will be closed from Saturday, 23rd July, 2011 to Monday, 8th August, 2011 (both days inclusive) for purpose of AGM and for payment of Dividend for the year ended 31st March, 2011.

Dividend Payment

The Board of Directors of the Company at its meeting held on 3rd May, 2011 recommended payment of Dividend @ 35% (i.e. Rs.0.70 per share) for the year ended 31st March, 2011. The payment of dividend is to be approved by the shareholders at the AGM and as on the date is exempt from income-tax in the hands of shareholders. The aforesaid Dividend, if declared at the AGM, will be paid on or before 6th September, 2011 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, 22nd July, 2011).

Stock Exchange Listing

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

Stock Code

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

Payment of Listing Fees

Annual Listing Fee for the year 2011-12 as applicable has been paid to the said Stock Exchanges and Annual Maintenance Fees for the Calendar year 2011 has been paid by the Company to the Luxembourg Stock Exchange in respect of the GDRs listed thereon.



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Stock Market Data

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

(Source: BSE and NSE Website)

Period	NSE			BSE		
	High (Rs.)	Low (Rs.)	Volume Shares traded (Nos.)	High (Rs.)	Low (Rs.)	Volume Shares traded (Nos.)
April 10	59.55	51.60	5,722,142	59.80	51.80	3,634,725
May 10	56.10	45.20	2,559,962	57.05	45.75	1,518,747
June 10	53.00	46.75	2,701,282	53.00	46.85	1,784,983
July 10	58.90	50.50	6,774,224	58.50	50.25	3,880,460
August 10	63.30	56.00	8,752,550	63.50	56.05	5,711,363
September 10	64.80	56.55	5,865,949	64.45	56.00	3,869,171
October 10	66.75	49.00	8,784,357	66.70	57.75	5,572,648
November 10	63.80	51.15	3,340,482	64.00	52.00	2,095,466
December 10	56.90	50.00	1,440,325	56.80	50.00	954,914
January 11	55.20	47.00	2,013,923	55.10	47.20	1,121,222
February 11	49.60	42.60	1,055,430	49.50	42.55	866,274
March 11	54.00	44.00	2,367,004	50.15	44.15	1,021,994
Total			51,377,630			32,031,967

Shareholding Pattern as on 31st March, 2011

Category	No. of shares held	Percentage Shareholding
A. Promoters Shareholding		
1. Promoters*		
- Indian Promoters	53,721,077	35.13
- Foreign Promoters	NIL	NIL
2. Persons acting in Concert	NIL	NIL
Sub Total	53,721,077	35.13
B. Non-Promoters Shareholding		
3. Institutional Investors		
a. Mutual Funds and UTI	6,273,468	4.10
b. Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	11,442,840	7.48
c. FIs	2,803,681	1.83
Sub Total	20,519,989	13.41
4. OTHERS		
a. Private Corporate Bodies**	25,615,218	16.75
b. Indian Public	46,221,102	30.22
c. NRIs/ OCBs	775,534	0.51
d. Any others (Custodian for GDRs)	6,086,425	3.98
Sub Total	78,698,279	51.46
Grand Total	152,939,345	100.00

* The promoters have confirmed to the Board of Directors that they have not pledged with any party / bank any of their shares held in the Company as at 31st March 2011.

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

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Entities comprising "Group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997:

Akash Tatva Investments Pvt. Ltd., Coated Fabrics Pvt. Ltd., Corrugated Box Industries (India) Pvt. Ltd., Devita Investments Pvt. Ltd., Fino Communication Equipments Pvt. Ltd., Finolib Chemicals Pvt. Ltd., Hi-Tech Poly Coatings Pvt. Ltd., K P Investments Pvt. Ltd., Katara Dental Pvt. Ltd., Magnum Machines Pvt. Ltd., Majesty Investments Pvt. Ltd., Mohini Investments Pvt. Ltd., Orbit Electricals Pvt. Ltd., Pratibha Xero-Graphic Impressions Pvt. Ltd., VKC Investments Pvt. Ltd. Amit M Katara (Minor), Amrita M Katara (Minor), Aruna M Katara, Deepak K Chhabria, Gayatri P Chhabria, Hansika - Hiya P Chhabria, Karan Vijay Chhabria, Kishan P Chhabria, Mukesh D Katara, Prakash P Chhabria, Pralhad Parsram Chhabria, Priya Vijay Chhabria, Radhika Deepak Chhabria, Rishi Vijay Chhabria, Ritu P Chhabria, Sunita K Chhabria, Vijay K Chhabria, Vini D Chhabria,

Distribution by Size of Shareholding as on 31st March, 2011

No. of Equity Shares held	No. of shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-5000	49,407	98.16	24,013,250	15.70
5001-10000	494	0.98	3,647,345	2.39
10001 & above	434	0.86	125,278,750	81.91
Grand Total	50,335	100.00	152,939,345	100.00

Registrar and Transfer Agents

The Company has taken requisite steps and centralized at a single point its share registry works for shares held in physical as well as electronic form. The Company has effective from 1st January, 2011 changed its Share Registrar and Transfer Agent from Finolex Industries Limited, P-14, Rajiv Gandhi Infotech Park, MIDC Hinjewadi, Pune – 411 057 to **M/s. Sharepro Sevices (India) Pvt. Ltd., 3, Chintamani Apartments, Lane No.13, Off. V.G. Kale Path, 824/D, Bhandarkar Road, Pune – 411 004** who are holding Registrars to an issue and Share Transfer Agent Category I Registration No. INR000001476 issued by Securities and Exchange Board of India ("SEBI").

Share Transfer System

Share Transfer requests received in physical form are registered within 30 days from date of receipt and Demat requests are normally confirmed within an average of 15 days from the date of receipt.

Statistics of shareholders - 2009- 2011

31st March	No. of shareholders
2009	42,351
2010	44,077
2011	50,335

Corporate Benefits to Investors

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

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

b) Dividend declared during previous 10 years:

Financial Year	Date of Declaration	Face Value of Equity Shares (Rs.)	Dividend Rate	
			Percentage (%)	Amount (Rs. per share)
2009-10	9 th August, 2010	2*	30	0.60*
2008-09	26 th August, 2009	2*	10	0.20*
2007-08	30 th July, 2008	2*	75	1.50*
2006-07	29 th June, 2007	2*	70	1.40*
2005-06	27 th June, 2006	10	60	6.00
2004-05	5 th July, 2005	10	45	4.50
2003-04	18 th June, 2004	10	40	4.00
2002-03	12 th June, 2003	10	30	3.00
2001-02	31 st July, 2002	10	75	7.50
2000-01	31 st July, 2001	10	75	7.50

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



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Dematerialisation of Shares

The Company's equity shares are included in the list of Companies whose scrips have been mandated by SEBI for settlement only in dematerialized form by all institutions and all investors. The Company had signed agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to offer depository services to its shareholders. As on 31st March, 2011, 96.75% (i.e NSDL: 91.49% and CDSL: 5.26%) of the equity share capital of the Company has been dematerialized.

Outstanding GDRs/ DRs/ Warrants, etc.

There are no outstanding GDRs/ DRs/ Warrants or any convertible instruments as on 31st March, 2011.

Plant Locations:

Pimpri (Electrical Cables)

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

Optic Fibre Division

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

Switches Division

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

Goa (Electrical & Communication Cables)

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

Goa (CCC Rod)

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

HVPC Urse, Pune

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

Urse (Electrical & Communication Cables)

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

Lighting Division (CFL)

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

Sheets Division

Gat No. 399, Village Urse
Taluka Maval
Dist-Pune-410 506
Telephone: (02114) 237035/36
Facsimile: (02114) 237041
Email:BR_Kambale@finolex.com

Goa (Communication Cables)

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

Roorkee

Plot Nos. K-1& K-2 AIS Industrial Estate
Latherdeva Hoon, Mangolur, Roorkee
Taluka Haridwar,
Uttarakhand- 247665
Telephone: (01332) 224069
Telefax: (01332) 224068
Email: pravin_ahire@finolex.com

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Investor Correspondence:

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

Any query relating to shares and requests for transactions such as transfers, transmissions, nomination facilities, issue of duplicate share certificates, change of address pertaining to physical shares and non-receipt of dividends/Annual Reports, as also regarding dematerialization of shares may please be taken up with the Company or its Share Transfer Agent:

(A) Company:

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

Contact Persons:

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

(B) Share Transfer Agent:

M/s. Sharepro Services (India) Pvt. Ltd.
3, Chintamani Apartments, Lane No.13,
Off. V.G. Kale Path,
24/D, Bhandarkar Road,
Pune – 411 004
Telephone: (020) 2566 2855
Facsimile: (020) 2566 2855
Email: sharepropune@vsnl.net

Contact Person:

Mr. Milind Saraf - Manager

Shareholder information On-line:

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

Nomination facility:

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

Members Contact Email Address:

The Government in its concern for the environment has, as part of its green initiative, vide Circular No.17/2011 dated 21st April, 2011 issued by the Ministry of Corporate Affairs, permitted Companies to serve requisite documents through electronic mode on their shareholders. Members are requested to support this worthy cause and inform the Company their personal email addresses and changes, if any, therein from time to time in the format provided at Page No. 79 of this Annual Report as also under Investors' section (Blank Forms) of the Company's website <http://www.finolex.com>. This will also facilitate expeditious communication.

ECS Facility / Bank Mandate / Details:

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

- (a) Shareholders holding shares in physical form are requested to furnish their Bank account number with the name of the Bank/Branch, its address (with 9 digit MICR Code) and quoting their folio number, etc so that the Bank account details are available for payment of dividend by ECS / can be printed on the dividend warrants.
- (b) Shareholders holding shares in dematerialized form may please immediately inform changes, if any, in their Bank account details (with 9 digit MICR Code) to their **Depository Participant (DP)** to enable the correct Bank account details to be made available to the Company by the DP for ECS / printing on the dividend warrants.

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



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Auditors' Report

To the Members of Finolex Cables Limited.

We have audited the attached Balance Sheet of Finolex Cables Limited as at 31st March 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - a) We have 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 appears from our examination of the books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and the Notes thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2011
 - ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For B. K. Khare & Co.
Chartered Accountants

Santosh Parab
Partner

Place : Pune
Dated : 3rd May, 2011

Membership No. 047942
Firm Registration No.105102W

Annexure to the Auditors' Report

Referred to in paragraph 1 of our Report of even date:

- i.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The Company is still in the process of completing the reconciliation of Physical Inventory of Fixed Assets with book records.
 - c) During the year, Company has not disposed of any substantial/major part of fixed assets.
- ii.
 - a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- iii.
 - a) According to the information and explanations given to us and on the basis of our examination Company has granted a loan to the following party covered in the Register maintained under Section 301 of the Companies Act, 1956;

Name of the Party	Relationship	Maximum Amount (Rs.Million)	Outstanding as on 31/3/2011 (Rs.Million)
Finolex Infrastructure Ltd.	Associate Company	39.60	39.60

- b) According to the information and explanations given to us, and as represented by the Company, the rate of interest and other terms and conditions of loan granted to the above party are not prima facie prejudicial to the interest of the Company.
 - c) According to the information and explanations given to us, Company has been regular in receipt of interest to whom the loan is granted.
 - d) According to the information and explanations given to us, there is no overdue amount of loan granted from the parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, no continuing failure to correct major weakness has been noticed in the internal controls.
- v. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956,
 - a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements have been entered in the register required to be maintained under Section 301.
 - b) According to the information and explanations given to us and excluding certain transactions of purchase of goods and material of special nature for which alternate quotations are not available, in our opinion, the contracts or arrangements have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and Rules there under are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.



Finolex

Cables Limited

- viii. We have broadly reviewed the books of account maintained by the Company relating to the manufacture of cables, conductors and compact florescent lamps pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues with the appropriate authorities during the year.
- b) According to the records of the Company and information and explanations given to us, dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and cess which have not been deposited on account of disputes and the forum where dispute is pending as under:

Name of Statue	Nature of Dues	Amount (Rs.in Million)	Period to which amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax demand	4.60	F.Y.1991-92	High Court
	Sales Tax demand	21.83	F.Y.1992-93	Appellate Tribunal
	Sales Tax demand	24.36	F.Y.1993-94	Dy. Commissioner (Appeals)
	Sales Tax demand	0.08	F.Y.1999-00	Appellate Tribunal
	Sales Tax demand	0.56	F.Y.2001-02	Dy. Commissioner (Appeals)
	Sales Tax demand	4.95	F.Y.2002-03	Jt. Commissioner (Appeals)
	Sales Tax demand	2.20	F.Y.2002-03	Asst.Comm (Appeals)
	Sales Tax demand	2.61	F.Y.2003-04	Jt. Commissioner (Appeals)
	Sales Tax demand	3.16	F.Y.2003-04	Dy. Commissioner
	Sales Tax demand	12.24	F.Y.2003-04	Appellate Tribunal
	Sales Tax demand	6.56	F.Y.2004-05	Dy. Commissioner
	Sales Tax demand	11.46	F.Y.2004-05	Asst.Comm (Appeals)
	Sales Tax demand	31.18	F.Y.2005-06	Asst.Comm (Appeals)
	Sales Tax demand	345.55	F.Y.2006-07	Asst.Comm (Appeals)

- x. The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during current and the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
- xiv. (a) Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper record of the transactions and contracts of dealing in shares and securities and that timely entries have been made in these records.
- (b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanation given to us, the shares and securities have been held by the Company in its own name.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks and financial institutions.
- xvi. To the best of our knowledge and belief and according to the information and explanation given to us, proceeds from term loans availed/debentures issued by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.

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- xvii.** According to the Cash Flow Statement and records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- xviii.** The Company has not made any preferential allotment to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.
- xix.** According to the information and explanations given to us and the records examined by us, security or charge has been created in respect of the debentures issued.
- xx.** The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- xxi.** To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

For B. K. Khare & Co.
Chartered Accountants

Santosh Parab
Partner

Membership No. 047942
Firm Registration No.105102W

Place : Pune
Dated : 3rd May, 2011



Finolex

Cables Limited

Balance Sheet

as at 31st March, 2011

	Schedule	2011	2010
(Rs. in million)			
Sources of Funds			
Shareholders' Funds :			
Share Capital	1	305.879	305.879
Reserves & Surplus	2	6,868.915	6,125.195
		<u>7,174.794</u>	<u>6,431.074</u>
Loan Funds :			
Secured Loans	3	2,439.892	2,465.690
Unsecured Loans	4	160.564	285.491
		<u>2,600.456</u>	<u>2,751.181</u>
Deferred Tax Credit (Net)			
		310.426	319.136
Refer Note 5 - Schedule 15		<u>10,085.676</u>	<u>9,501.391</u>
Application of Funds			
Fixed Assets :			
Gross Block (including Capital WIP)	5	8,563.247	8,312.839
Less : Depreciation		4,223.671	3,837.020
Net Block		<u>4,339.576</u>	<u>4,475.819</u>
Investments			
	6	2,451.532	2,802.746
Current Assets, Loans & Advances :			
	7		
Inventories		2,808.420	2,209.498
Sundry Debtors		1,293.351	710.471
Cash & Bank Balances		212.846	371.621
Loans & Advances		1,046.263	857.220
		<u>5,360.880</u>	<u>4,148.810</u>
Less: Current Liabilities and Provisions :			
	8		
Liabilities		1,897.862	1,780.410
Provisions		168.450	145.574
		<u>2,066.312</u>	<u>1,925.984</u>
Net Current Assets			
		<u>3,294.568</u>	<u>2,222.826</u>
		<u>10,085.676</u>	<u>9,501.391</u>
Notes	15		

As per our report of even date

For B. K. KHARE & COMPANY
Chartered Accountants

SANTOSH PARAB
Partner
Membership No. 47942
Firm Registration No. 105102W

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

P. P. Chhabria
Chairman
Dr. H. S. Vachha
B. G. Deshmukh
S. K. Asher
P. G. Pawar
P. R. Rathi
A. J. Engineer

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

Pune: 3rd May, 2011

Pune: 3rd May, 2011

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Profit and Loss Account for the year ended 31st March, 2011

	Schedule	2011	2010
(Rs. in million)			
Income :			
Income from Operations	9	21,863.618	17,265.954
Less : Excise Duty		1,506.098	1,078.798
		20,357.520	16,187.156
Other Income	10	259.302	241.103
		20,616.822	16,428.259
Expenditure :			
Materials & Manufacturing	11	16,525.715	12,494.466
Personnel Expenses	12	647.407	592.256
Other Expenses	13	1,792.796	1,890.711
Finance Charges	14	191.298	186.870
Depreciation		387.758	372.270
		19,544.974	15,536.573
Profit Before Tax		1,071.848	891.686
Less : Provision for Taxation			
- Current Tax (includes prior years Rs. 2.195 millions)		212.766	217.412
- Deferred Tax (Net)		(8.710)	98.014
Profit After Tax		867.792	576.260
Add : Excess Provision for dividend tax written back		0.353	-
		868.145	576.260
Add : Surplus brought forward		401.575	32.674
Balance Available for Appropriation		1,269.720	608.934
Appropriations			
Debenture Redemption Reserve		250.000	-
Proposed Dividend		107.058	91.764
Tax on Proposed Dividend		17.367	15.595
General Reserve		100.000	100.000
		474.425	207.359
Surplus Carried to Balance Sheet		795.295	401.575
Earnings Per Share			
Basic & Diluted (face value Rs.2 each)		5.67	3.77
Profit after Tax available for equity shareholders		867.792	576.260
No. of Shares used in computing Earnings per Share (Basic Diluted)		152,939,345	152,939,345
Notes	15		

As per our report of even date

For B. K. KHARE & COMPANY
Chartered Accountants

SANTOSH PARAB
Partner
Membership No. 47942
Firm Registration No. 105102W

R.G.D'SILVA
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A. J. Engineer

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

Pune: 3rd May, 2011

Pune: 3rd May, 2011



Cash Flow for the year ended 31st March, 2011

	(Rs. in million)	
	2011	2010
A. Cash Flow from Operating Activities		
Net profit Before Tax	1,071.848	891.686
Adjustments for :		
Depreciation (Net)	387.758	372.270
Provision for Short Term Compensated Absences	4.095	1.686
Income from Investments	(0.116)	(0.244)
Dividend Income	(135.624)	(42.498)
Interest Income	(22.369)	(20.858)
Loss / (Profit) on : Sale of Fixed Assets	0.331	(0.042)
Loss / (Profit) on : Sale of Investments	(22.122)	(119.173)
Loss / (Profit) on : Forex Transactions	342.776	737.273
Interest Cost	174.124	168.954
Diminution / (increase) in value of Investments	2.524	(20.748)
	<u>731.377</u>	<u>1,076.620</u>
Operating Profit before Working Capital Changes	<u>1,803.225</u>	<u>1,968.306</u>
Adjustments for Working Capital Changes :		
Trade and Other Receivable	(654.609)	62.770
Inventories	(598.922)	(773.541)
Trade Payable	118.830	138.806
	<u>(1,134.701)</u>	<u>(571.965)</u>
Cash generated from Operations	<u>668.524</u>	1,396.341
Tax refund / (Paid)	(330.080)	(407.197)
Net Cash Flow from Operating Activities	<u>338.444</u>	<u>989.144</u>
B. Cash Flow from Investing Activities		
Income from Investments	0.116	0.244
Dividend Income	135.624	42.498
Interest Income	22.369	20.858
Inflow from / (Additions to) Investments	1.399	120.678
Investment in Associate and / or Joint Venture Company	(114.869)	(107.700)
Diminution / (increase) in value of Investments	(2.524)	20.748
Purchase of fixed assets/ Capital Expenditure (Net)	(291.996)	(291.039)
Net Cash Flow from Investing Activities	<u>(249.881)</u>	<u>(193.713)</u>
C. Cash Flow from Financing Activities		
Proceeds from External Commercial Borrowings (Net of Exchange Gain)	(3.044)	305.400
Short Term Acceptances movement	(107.531)	(487.467)
(Loss) / Profit on : Forex Transactions	(342.776)	(737.273)
Dividend & dividend tax paid	(106.669)	(35.786)
Interest Cost	(174.124)	(168.954)
Net Cash Flow from Financing Activities	<u>(734.144)</u>	<u>(1,124.080)</u>
Total (A) + (B) + (C)	<u>(645.581)</u>	<u>(328.649)</u>

Cash Flow for the year ended 31st March, 2011

	2011	2010
(Rs. in million)		
D. Increase / (Decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents		
Opening Balance	1,203.169	1,531.818
Closing Balance	557.588	1,203.169
Net Increase / (Decrease) in Cash and Cash Equivalents	(645.581)	(328.649)

Notes :

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

As per our report of even date

For B. K. KHARE & COMPANY
Chartered Accountants

SANTOSH PARAB
Partner
Membership No. 47942
Firm Registration No. 105102W

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

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P. R. Rathi
A. J. Engineer

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

Pune: 3rd May, 2011

Pune: 3rd May, 2011



Finolex

Cables Limited

Schedules forming part of the Balance Sheet

	(Rs. in million)	
	2011	2010
Schedule 1 - Share Capital		
Authorised		
235,000,000 Equity Shares of Rs. 2/- each	470.000	470.000
15,000,000 Unclassified Shares of Rs. 2/- each	30.000	30.000
	500.000	500.000
Issued & Subscribed		
152,939,345 Equity Shares of Rs. 2/- each fully paid. (Of the above, 146,065,520 Equity Shares are issued as fully paid up bonus shares by capitalisation of Reserves)	305.879	305.879
	305.879	305.879
Schedule 2 - Reserves & Surplus		
Capital Reserve		
as per last Balance Sheet	84.079	84.079
	84.079	84.079
Share Capital Buyback Reserve		
as per last Balance Sheet	55.183	55.183
	55.183	55.183
Share Premium		
as per last Balance Sheet	1,090.955	1,090.955
	1,090.955	1,090.955
Debenture Redemption Reserve		
as per last Balance Sheet	250.000	250.000
Add : Transferred from Profit & Loss Account	250.000	-
	500.000	250.000
Less : Transferred to General Reserve	250.000	-
	250.000	250.000
General Reserve		
as per last Balance Sheet	4,243.403	4,143.403
Add : Transferred from Debenture Redemption Reserve	250.000	-
Add : Transferred from Profit & Loss Account	100.000	100.000
	4,593.403	4,243.403
Surplus in Profit & Loss Account	795.295	401.575
	5,388.698	4,644.978
	6,868.915	6,125.195

Schedules forming part of the Balance Sheet

	(Rs. in million)	
	2011	2010
Schedule 3 - Secured Loans		
Term Loans:		
Long Term Loans:		
Non-Convertible Debentures		
7.60% L-Series	-	500.000
9.10% M-Series	500.000	-
External Commercial Borrowings	1,783.806	1,827.000
	<u>2,283.806</u>	<u>2,327.000</u>
Amount repayable within one year Rs. 1337.856 million (Previous Year Rs. 500.000 million)		
Short Term Loans from Banks:		
Packing Credit	156.083	138.690
Other Working Capital Borrowings	0.003	-
	<u>156.086</u>	<u>138.690</u>
	<u>2,439.892</u>	<u>2,465.690</u>

Notes: Particulars	Redemption condition	Tenor	Amount (Rs. in million)	Repayment schedule
a) External Commercial Borrowing	At par	5 years	1337.856	Lumpsum on 27th March, 2012
b) External Commercial Borrowing	At par	5 years	445.950	3 equal installments on 6th Jan 2013, 6th Jan 2014 and 6th Jan 2015
c) Debenture – M Series	At par	5 years	500.000	Lumpsum on 24th August, 2015

Security

- | | | |
|----------------------------------|------|---|
| a) External Commercial Borrowing | (i) | First pari-passu charge on all the immovable / movable fixed properties of the company, both present and future, save and except properties to be excluded as agreed to by the lenders. |
| b) External Commercial Borrowing | (ii) | Hypothecation of movable fixed assets located at CFL, HVPC plant pari-passu with ECB (i) holders |
| c) Debentures M Series | | First pari-passu charge on the immovable properties of JFTC Goa Division and premises situated at Ahmedabad and Hyderabad. |
| d) Short Term Loans from Banks | | Hypothecation of inventories and book debts. |

Schedule 4 - Unsecured Loans

Acceptances (Short Term)- Banks	135.767	261.698
Deferred Sales Tax Loan *	24.797	23.793
	<u>160.564</u>	<u>285.491</u>

*Amount repayable within one year Rs. 0.393 million (Previous Year Rs. NIL)



Finolex

Cables Limited

Schedules forming part of the Balance Sheet

Schedule 5 - Fixed Assets

(Rs. in million)

Description	Gross Block			Depreciation			Net Block			
	Balance as at 01.04.2010	Additions #	Deductions/ Adjustments	Gross Block as at 31.03.2011	Balance as at 01.04.2010	Dep. For the year	Deductions	Total Depreciation 31.03.2011	Balance as at 31.03.2011	Balance as at 31.03.2010
Land	108.195	-	-	108.195	-	-	-	-	108.195	108.195
Lease Hold Land	160.977	-	0.034	160.942	6.004	1.644	-	7.648	153.294	154.973
Buildings	1,789.694	27.375	0.053	1,817.016	348.721	54.864	0.050	403.535	1,413.481	1,440.973
Plant & Machinery # / **	5,505.238	187.518	0.178	5,692.578	3,128.247	315.212	0.179	3,443.280	2,249.298	2,376.991
Furniture, Fittings & Office Equipment	159.366	15.698	-	175.064	104.691	6.359	-	111.050	64.014	54.675
Computers, Peripherals & ERP System	92.384	2.721	-	95.105	73.062	4.286	-	77.348	17.757	19.322
Vehicles	49.171	-	1.359	47.812	23.095	3.807	0.878	26.024	21.788	26.076
Dies & Moulds	19.349	0.727	-	20.076	14.051	1.582	-	15.633	4.443	5.298
Exchange Fluctuation	11.909	-	-	11.909	11.309	0.004	-	11.313	0.596	0.600
Intangible Assets	128.266	-	-	128.266	127.840	-	-	127.840	0.426	0.426
Total	8,024.549	234.039	1.624	8,256.963	3,837.020	387.758	1.107	4,223.671	4,033.292	4,187.529
Capital Work In Progress including Capital Advances	288.290	-	-	306.284	-	-	-	-	306.284	288.290
Total	8,312.839	234.039	1.624	8,563.247	3,837.020	387.758	1.107	4,223.671	4,339.576	4,475.819
Previous Year *	7,620.923	423.037	19.411	8,024.549	3,464.789	372.270	0.039	3,837.020	4,187.529	-
Previous Year Capital Work-In-Progress	-	-	-	288.290	-	-	-	-	288.290	-
Previous Year Total	7,620.923	423.037	19.411	8,312.839	3,464.789	372.270	0.039	3,837.020	4,475.819	-

* During the previous year, the Government of State of Andhra Pradesh has reclaimed back the land at Settigunta Village, A.P. admeasuring 43.92 acres. This land was allotted free of cost in the last financial year.

** Additions are net of Capital Subsidy of Rs.3.000 million (Previous year Rs. Nil) received from Government of Uttaranchal at Roorkee plant.

Includes borrowing cost capitalised during the year Rs.1.570 million (Previous year Rs. 0.816 million).

Includes assets of Rs. 67.573 million (net of Impairment Loss) pertaining to Optic Fibre division on which depreciation has not been charged since the said assets are not put to use.

Schedules forming part of the Balance Sheet

		(Rs in million)	
		2011	2010
Schedule 6 - Investments			
Non Trade Long Term (At Cost)			
Quoted Investments (Listed)			
30,500	Equity Shares of Rs. 2 each fully paid in Bharat Forge Limited (Previous Year 30,500)	0.505	0.505
40,192,597	Equity Shares of Rs. 10 each fully paid in Finolex Industries Limited (Previous Year 40,192,597)	1,518.530	1,518.530
358,500	Equity Shares of Rs. 10 each fully paid in IndusInd Bank Limited (Previous Year 358,500)	3.585	3.585
Aggregate Market Value of Quoted Investments Rs. 3,605.874 million (Previous Year Rs.2,689.469 million)		<u>1,522.620</u>	<u>1,522.620</u>
Unquoted Investments			
6,100,000	Equity Shares of Rs. 10 each fully paid in I2IT Pvt. Limited (Previous Year 6,100,000)	61.000	61.000
1,000,000	Equity Shares of Rs. 10 each fully paid in Finolex Plasson Industries Limited (Previous Year 1,000,000)	10.011	10.011
3,350	Equity Shares of Rs. 10 each fully paid in Promain Limited (Previous Year 3,350)	0.041	0.041
967,700	Equity Shares of Rs. 10 each fully paid in SICOM Limited (Previous Year 967,700)	77.803	77.803
1,000	Equity Shares of Rs. 10 each fully paid in The Saraswat Co-op Bank Limited (Previous Year 1,000)	0.010	0.010
3,661,833	Equity Shares of Rs.10 each fully paid in Finolex Infrastructure Limited (Previous Year 1,974,975)	36.618	19.749
Investments in Joint Venture Company			
38,220,000	Equity Shares of Rs.10 each fully paid in Finolex J-Power Systems Pvt. Limited (Previous Year 28,420,000)	382.200	284.200
		<u>567.683</u>	<u>452.814</u>
Current Investments			
(Valued at lower of cost and fair value)			
Quoted Invesments			
-	Equity Shares of Rs. 10 each fully paid in Bank of Rajasthan Limited (Previous Year 6,000)	-	0.155
168,750	Equity Shares of Rs.5 each fully paid in BF Utilities Limited (Previous Year 168,750)	0.844	0.844
168,750	Equity Shares of Rs.5 each fully paid in BF Investment Limited (Previous Year 168,750)	0.000	0.000



Finolex

Cables Limited

Schedules forming part of the Balance Sheet

		(Rs in million)	
		2011	2010
Schedule 6 - Investments (Cont.)			
100	Equity Shares of Rs.10 each fully paid in Birla Ericsson Optical Limited (Previous Year 100)	0.001	0.001
100	Equity Shares of Rs. 10 each fully paid in Delton Cables Limited (Previous Year 100)	0.001	0.001
57	Equity Shares of Re. 1 each fully paid in Dish TV India Limited (Previous Year 57)	0.000	0.000
4,421	Equity Shares of Rs. 10 each fully paid in ICICI Bank Limited (Previous Year 3,150)	0.615	0.460
200,000	Equity Shares of Rs. 10 each fully paid in Kirloskar Ferrous Limited (Previous Year 200,000)	4.660	6.210
100,000	Equity Warrants in Kirloskar Ferrous Limited (Previous Year 100,000)	0.000	0.000
100	Equity Shares of Rs. 10 each fully paid in Nicco Corporation (Previous Year 100)	0.000	0.000
525	Equity Shares of Rs. 10 each fully paid in KEC International Limited (Previous Year Nil)	0.030	-
-	Equity Shares of Rs. 10 each fully paid in RPG Cables Limited (Previous Year 2,100)	-	0.030
500	Equity Shares of Rs. 10 each fully paid in Sterlite Technologies Limited (Previous Year 500)	0.003	0.003
100	Equity Shares of Rs. 10 each fully paid in Uniflex Cables Limited (Previous Year 100)	0.001	0.001
100	Equity Shares of Rs. 10 each fully paid in Usha Martin Education & Solutions Limited (Previous Year 100)	0.000	0.000
500	Equity Shares of Re. 1 each fully paid in Usha Martin Limited (Previous Year 500)	0.003	0.003
100	Equity Shares of Rs. 10 each fully paid in Vindhya Telelinks Limited (Previous Year 100)	0.002	0.002
50	Equity shares of Rs. 10 each fully paid in Wire & Wireless India Limited (Previous Year 50)	0.000	0.000
218	Equity Shares of Rs. 10 each fully paid in ZEE Entertainment Enterprises Limited (Previous Year 100)	0.014	0.014
45	Equity Shares of Rs. 10 each fully paid in ZEE News Limited (Previous Year 45)	0.000	0.000
27	Equity Shares of Rs. 10 each fully paid in ZEE Learn Limited (Previous Year Nil)	0.000	-
-	Units of Rs.10 each of Bharati Axa Liquid Fund-Institutional - Growth (Previous Year 10,617)	-	11.700

Schedules forming part of the Balance Sheet

		(Rs in million)	
		2011	2010
Schedule 6 - Investments (Cont.)			
695,189	Units of Rs 10 each of Birla Sun Life Cash Plus-Institutional Premium-Growth (Previous Year Nil)	10.900	-
1,131,112	Units of Rs 10 each of Birla Sun Life Savings Fund Institutional-Growth (Previous Year 5,927,261)	21.000	103.531
1,530,831	Units of Rs 10 each of Birla Sun Life Cash Manager-Institutional Premium-Growth (Previous Year Nil)	25.000	-
2,326,091	Units of Rs 10 each of BNP Overnight-Institutional Premium-Growth (Previous Year Nil)	35.000	-
	– Units of Rs. 10 each of Canara Robeco Treasury Advantage Retail Growth Fund (Previous Year 3,311,951)	-	50.007
	– Units of Rs. 100 each of Canara Robeco Treasury Advantage Super Institutional -Growth (Previous Year 5,215,053)	-	72.007
7,416	Units of Rs 10 each of DSP Blackrock Liquidity Fund-Institutional Plan-Growth (Previous Year Nil)	10.320	-
884,069	Units of Rs. 10 each of Fidelity Cash Fund-Institutional Growth (Previous Year Nil)	11.800	-
	– Units of Rs. 10 each of Fortis Money Plus Institutional - Growth (Previous Year 6,005,262)	-	82.638
	– Units of Rs.10 each of HDFC Cash Management Fund - Treasury Advantage Plan-Wholesale - Growth (Previous Year 2,477,296)	-	50.008
315,975	Units of Rs. 10 each of HDFC Liquid Fund Premium Plus Plan- Growth (Previous Year Nil)	6.188	-
	– Units of Rs. 100 each of ICICI Prudential Flexible Income Plan Premium -Growth (Previous Year 411,664)	-	70.448
3,357,282	Units of Rs. 10 each of IDFC Cash Fund -Super Institutional Plan C - Growth (Previous Year Nil)	40.000	-
1,000,000	Units of Rs.10 each of JM Agri & Infra Fund - Dividend (Previous Year 1,000,000)	2.461	2.955
	– Units of Rs.10 each of JM Money Manager Fund Super Institutional- Growth (Previous Year 743,050)	-	96.130
	– Units of Rs.10 each of Kotak Quarterly Interval Plan Series 7- Dividend (Previous Year 5,000,000)	-	50.000
1,307,707	Units of Rs.10 each of L&T Liquid Institutional Plus-Cumulative (Previous Year NIL)	25.773	-
171,239	Units of Rs.10 each of Reliance Liquid Fund-Treasury Plan-Institutional Option-Growth Option-Growth Plan (Previous Year Nil)	4.080	-
1,035,209	Units of Rs.10 each of Reliance Liquidity Fund-Growth Option (Previous Year Nil)	15.282	-



Schedules forming part of the Balance Sheet

	(Rs in million)	
	2011	2010
Schedule 6 - Investments (Cont.)		
– Units of Rs. 100 each of Reliance Money Manager Fund-Institutional Option-Growth Plan (Previous Year 52,206)	-	65.514
– Units of Rs. 100 each of Reliance Quarterly Fund - Series III-Institutional Dividend Plan (Previous Year 4,998,401)	-	50.000
1,621,786 Units of Rs.10 each of SBI Premier Liquid Fund-Super Institutional-Growth (Previous Year Nil)	25.000	-
– Units of Rs. 10 each of Sundaram Equity Multiplier Fund - Growth (Previous Year 959,506)	-	9.595
1,000,000 Units of Rs.10 each of Sundaram Select Thematic Funds Energy Opportunities Fund - Dividend (Previous Year 1,000,000)	7.851	8.330
1,695,391 Units of Rs.10 each of Sundaram Money Fund - Super Institutional -Growth (Previous Year Nil)	35.000	-
9,116 Units of Rs.10 each of Tata Liquid Super High Inv. Fund-Appreciation (Previous Year 89,994)	16.500	93.762
37,001 Units of Rs.10 each of Templeton India Treasury Management Account-Super Institutional Plan-Growth (Previous Year Nil)	53.900	-
6,817 Units of Rs.10 each of UTI Treasury Advantage Fund-Institutional Plan-Growth (Previous Year Nil)	9.000	-
[Aggregate Market Value of Current Quoted Investments Rs.511.327 million (Previous Year Rs. 974.768 million)]	361.229	824.347
Unquoted Investments		
– Pass through Certificate of Rs. 10,000,000/- each of Old Palasia RMBS Trust Series - I; Trustee - IDBI Bank Limited (Previous Year 1)	-	2.965
	0.000	2.965
	2,451.532	2,802.746
Aggregate Value of – Quoted Investments		
Book Value	1,883.849	
Market Value	4,117.201	
– Unquoted Investments		
Book Value	567.683	

Schedules forming part of the Balance Sheet

Details of Purchase & Sale of Shares/ Units during the year 2010-11

Asset description	No.of Shares / Units
Kotak Liquid (Institutional Premium) – Growth	5,305,152.36
Reliance Liquidity Fund-Growth Option	64,444,136.54
JM High Liquidity Fund-Super Institutional Plan – Growth	45,998,593.83
UTI Liquid Cash Plan Institutional-Growth Option	436,050.69
Sundaram Money Fund Super Institutional-Growth	28,508,827.88
ICICI Prudential Institutional Liquid Super Institutional – Growth	640,858.14
Birla Sun Life Cash Manager-Institutional Plan – Growth	5,160,666.60
SBI Premier Liquid Fund-Institutional – Growth	1,513,120.58
HSBC Cash Fund-Institutional Plus – Growth	6,950,499.25
Reliance Liquid Fund-Treasury Plan-Institutional Option – Growth Plan	17,323,187.68
Fidelity Cash Fund (Super Institutional) – Growth	29,806,330.90
SBI Premier Liquid Fund-Super Institutional – Growth	12,967,733.82
HDFC Liquid Fund-Premium Plus Plan – Growth	84,148,067.37
Bharti AXA Liquid Fund-Institutional – Growth Plan	16,894.66
Fortis Overnight Institutional Plus-Growth	3,222,402.43
Canara Robeco Liquid Super Institutional – Growth Fund	29,442,432.33
Religare Liquid Fund-Institutional Growth	19,051,611.16
Reliance Money Manager Fund Institutional – Growth	512,491.69
DSP BlackRock Money Manager Fund-Instl – Growth	87,465.18
HSBC Ultra Short Term Bond Fund-Institutional Plus Growth	3,845,026.56
Templeton India Treasury Management Account Super Institutional Plan – Growth	133,827.21
Sundaram Ultra Short Term Fund Super Institutional – Growth	24,542,438.19
UTI Treasury Advantage Fund-Institutional – Growth	182,556.88
DSP BlackRock Liquidity Fund-Institutional Plan – Growth	126,941.80
ICICI Prudential Flexible Income Plan Premium – Growth	508,877.06
Tata Liquid Super High Inv. Fund-Appreciation	266,389.32
Tata Floater Fund – Growth	2,063,191.46
Canara Robeco Treasury Advantage Super Institutional – Growth	11,948,462.49
JM Money Manager Fund Super Plus Plan – Growth	16,426,940.88
Religare Ultra Short Term Fund-Institutional – Growth	16,262,031.93
Fortis Money Plus Institutional – Growth	3,266,678.33



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Cables Limited

Schedules forming part of the Balance Sheet

Asset description	No.of Shares / Units
Birla Sun Life Savings Fund Institutional – Growth	55,442,688.44
HDFC Cash Management Fund-Treasury Advantage Plan Wholesale – Growth	37,871,765.59
Templeton India Ultra Short Bond Fund Institutional Plan – Growth	12,419,109.60
Axis Liquid Fund-Institutional Growth	188,692.34
Tata Treasury Manager Super High Investment Plan – Growth	233,734.07
IDFC Cash Fund-Super Institutional Plan C – Growth	8,533,996.90
Axis Treasury Advantage Fund Institutional – Growth	59,716.43
Birla Sun Life Cash Plus Institutional Premium – Growth	170,074,492.68
Religare Liquid Fund Super Institutional – Growth	8,262,639.12
L&T Liquid Institutional Plus-Cumulative	32,910,965.17
L&T Freedom Income Short Term Plan Institutional – Growth	2,298,136.20
DSP BlackRock Floating Rate Fund-Regular Plan – Growth	656,003.64
SBI-SHF-Ultra Short Term Fund Institutional – Growth	9,440,503.40
IDFC Money Manager Fund-Treasury Plan A – Growth	242,555.07
Tata Fixed Income Portfolio Fund Scheme A2 Institutional-Monthly Dividend	2,499,750.03
Reliance Monthly Interval Fund-Series I -Institutional-Dividend Plan	1,753,061.73
Kotak Quarterly Interval Plan Series1-Dividend	10,001,485.44
UTI Fixed Income Interval Fund-Monthly Interval Plan Series-1-Institutional Dividend Plan-Payout	5,000,000.00
Reliance Monthly Interval Fund-Series II-Institutional Dividend Plan	4,999,100.16
Birla Sunlife Interval Income Fund-Institutional-Quarterly-Series 1-Dividend Payout	10,000,000.00
Fortis Fixed Term Fund-Series 18 C Dividend Plan	15,000,000.00
UTI Short Term Income Fund Institutional-Income Option-Payout	24,530,361.63
Sundaram Money Fund Super Institutional – Growth	34,066,829.51
BNP Paribas Overnight Institutional – Growth	13,304,210.61
Sundaram Ultra Short Term Fund Super Institutional – Growth	6,975,195.06
Reliance Liquid Fund-Cash Plan-Growth Option-Growth Plan	11,504,502.01

Schedules forming part of the Balance Sheet

	(Rs. in million)	
	2011	2010
Schedule 7 - Current Assets, Loans and Advances		
(A) Current Assets		
Inventories		
Stores and Spares	114.500	113.102
Raw Materials	339.493	384.042
Semi finished Goods	822.829	547.594
Finished Goods	1,476.953	1,116.525
Packing Materials	31.867	25.258
Scrap	3.883	2.289
Goods for Trading	18.895	20.688
	2,808.420	2,209.498
Sundry Debtors		
Unsecured, considered good, unless stated otherwise		
Outstanding for a period exceeding six months	115.161	106.659
Considered Doubtful	25.237	17.561
Less : Provision	25.237	17.561
	115.161	106.659
Other Debts	1,178.190	603.812
	1,293.351	710.471
Cash & Bank Balances		
Cash on hand	1.746	1.510
Balances with Scheduled Banks in :		
- Current Accounts	211.075	267.779
- Fixed Deposit Accounts	0.025	102.332
	211.100	370.111
	212.846	371.621
	4,314.617	3,291.590
(B) Loans & Advances		
Balances with Customs, Excise etc.	22.923	17.267
Advances recoverable in cash or in kind or for value to be received	333.495	267.422
Include Rs. 39.600 million (Previous year Rs. 28.400 million) to associate company, Finolex Infrastructure Ltd.		
Maximum amount outstanding during the year Rs. 39.600 million (Previous year Rs. 33.500 million)		
Advance Income Tax (Net of provision)	689.845	572.531
	1,046.263	857.220
	5,360.880	4,148.810



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Schedules forming part of the Balance Sheet

	(Rs. in million)	
	2011	2010
Schedule 8 - Current Liabilities and Provisions		
(A) Current Liabilities		
Sundry Creditors (Refer Note No. 6)	516.987	532.796
Other Liabilities	1,308.897	1,165.899
Deposits from Distributors	10.112	4.030
Deposits from Customers / Others	53.708	61.911
Interest accrued but not due	0.657	8.587
Unclaimed Fixed Deposits	-	0.023
Unclaimed Dividend *	7.501	7.164
	1,897.862	1,780.410
(B) Provisions		
Proposed Dividend	107.058	91.764
Tax on Proposed Dividend	17.367	15.595
Provision for Short term compensated absences	37.940	33.845
Provision for Gratuity	6.085	4.370
	168.450	145.574
	2,066.312	1,925.984

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

Schedules forming part of the Profit and Loss Account

	(Rs. in million)	
	2011	2010
Schedule 9 - Income from operations		
Sale of Products	21,552.771	16,955.949
Sale of Scrap	272.738	256.926
Sale Others	38.109	53.079
	21,863.618	17,265.954
Schedule 10 - Other Income		
Interest earned on		
- Investments	0.116	0.244
- Deposits	2.360	4.202
- Others	20.009	16.656
Dividend Received		
From Long Term Investments	123.254	41.670
From Current Investments	12.370	0.828
Profit on Sale of Assets	0.027	0.042
Profit on Sale of Investments (Net)	22.122	119.173
Miscellaneous Income	79.044	58.288
[Tax deducted at source Rs.1.123 million (Previous year Rs. 1.724 million)]		
	259.302	241.103
Schedule 11 - Materials and Manufacturing Expenses		
Materials Consumed		
Raw Materials *	16,391.453	12,436.050
Packing Materials	231.103	216.751
Stores & Spares	183.425	168.630
Add/(Less) : Decrease/(Increase) in stock of Finished, Semi-finished Goods & Scrap	(637.256)	(645.442)
Add/(Less) : Incremental/(Decremental) Excise Duty on Closing Stock of Finished Goods	27.492	34.954
	16,196.217	12,210.943
Manufacturing Expenses		
Processing Charges	2.258	1.069
Power & Fuel	332.371	291.107
	334.629	292.176
Less: Captive Consumption for Capitalisation	5.131	8.653
	16,525.715	12,494.466

* Includes cost of goods traded in Rs. 25.572 million (Previous year Rs. 18.847 million)



Schedules forming part of the Profit and Loss Account

	(Rs. in million)	
	2011	2010
Schedule 12 - Personnel Expenses		
Salaries, Wages, Bonus and Commission etc. (Refer Note No. 10, Schedule 15)	588.846	560.329
Contribution to Provident and other Funds	52.277	25.575
Workmen and Staff Welfare Expenses	2.957	2.842
Recruitment & Training Expenses	3.327	3.510
	647.407	592.256
Schedule 13 - Other Expenses		
Rent, Rates and Taxes	24.103	21.607
Insurance	8.198	7.299
Repairs & Maintenance:		
Building	10.600	6.932
Machinery	13.981	18.622
Other Assets	21.591	14.470
Directors' Sitting Fees	1.110	1.080
Auditors' Remuneration:		
Audit Fees	3.000	2.500
Tax Audit Fees	0.600	0.500
Other Services	0.900	0.800
Out of Pocket Expenses	0.099	0.099
Travelling and Conveyance	54.709	48.901
Communication Expenses	14.847	14.518
Selling & Distribution Expenses:		
Sales Incentives	825.743	636.613
Freight Outward (Net)	220.032	178.295
Advertisement, Publicity etc.	77.245	56.667
Miscellaneous Expenses	162.325	139.037
Provision for Doubtful debts	7.676	-
Amounts Written off	2.903	5.498
Losses on Foreign Exchange Transactions, including derivatives (Net)	342.776	737.273
Loss on Sale of Assets	0.358	-
	1,792.796	1,890.711
Schedule 14 - Finance Charges		
Interest:		
Fixed Period Loans	42.677	45.521
Others	131.447	123.433
Bank Charges	17.174	17.916
	191.298	186.870

Notes forming part of the Accounts

Schedule - 15

1. Significant Accounting Policies

i) Accounting Convention:

The financial statements are prepared under the historical cost convention, having due regard to fundamental accounting assumptions of going concern, consistency and accrual, in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.

ii) Fixed Assets:

- a) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Attributable finance costs and expenses of bringing the respective assets to working condition for their intended use are capitalised.
- b) Intangible Assets: Expenses incurred by the Company on acquisition, development or enhancement of intangible resources are recognised as intangible assets if these are identifiable, controlled by the Company and it is probable that future economic benefit attributable to the asset would flow to the enterprise. Intangible assets are amortised from the date when they are available for use over the best estimate of their useful life.
- c) Impairment: The carrying amount of cash generating units / assets is reviewed at balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognised whenever carrying amount exceeds the recoverable amount. Conversely, previously recognised losses are reversed when the estimated recoverable amount exceeds the carrying amount.
- d) Borrowing Costs that are directly attributable to the acquisition or production of a qualifying asset are capitalised as part of the cost of those assets. Other borrowing costs are recognised as expense in the period in which they are incurred.

iii) Depreciation:

Depreciation is provided on straight-line method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

iv) Investments:

Investments are classified as long-term and current. Investments classified as long term are stated at cost. Provision for diminution, if any, in the value of long-term investments is made to recognise a decline other than temporary in the fair value of investments. The fair value of a long-term investment is ascertained with reference to its market value, investee's assets and results and the expected cash flows from the investment as well as the strategic importance to the company. Investments classified as current are valued at lower of cost and fair value.

v) Valuation of Inventories:

All the inventories are valued at lower of cost or net realisable value. Cost of Raw Materials, Packing Materials, Stores and Spares is determined at weighted average cost. Finished goods and Semi Finished goods are valued at material cost, cost of conversion and excise wherever applicable. Scrap generated out of manufacturing process is valued at net realisable value except in case of sheets, optic fibre, CFL and Switch divisions where it is accounted for on sale.

vi) Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Assets and Liabilities denominated in foreign currency are translated at the year-end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Assets and Liabilities at the end of the year is recognised as income or expense, as the case may be. In accordance with the transitional provisions contained in The Companies (Accounting Standards) Amendment Rules 2009, and in conforming to the Accounting Standard 11 (AS 11), in respect of long term foreign currency loan taken for acquisition of assets, the exchange difference arising on reporting of said loan is adjusted to the cost of the assets.

The Company uses foreign exchange forward contracts and options to reduce the cost or to hedge its risks associated with foreign currency fluctuations to underlying transactions, for certain firm commitments or forecasted transactions. The difference between the forward rate and the exchange rate at the inception of the forward contract for underlying transaction is recognised as income or expense over the life of the contract. In respect of hedge contracts, for firm commitment or forecasted transactions,



Notes forming part of the Accounts

the attributable gain or loss is accrued and taken to profit and loss account on periodic settlement and/or completion of contract. Loss if any, in respect of outstanding derivatives at the balance sheet date is assessed by the management based on the principle of prudence and charged to profit and loss account of that period.

vii) Revenue Recognition:

- a) Sale of goods is recognised on despatches to customers which generally coincides with transfer of title, significant risk and rewards of ownership to customer and includes excise duty.
- b) Dividend income is accounted for when right to receive is established.
- c) Interest is recognised on time proportionate basis taking into account the amount outstanding and the rate applicable.
- d) Credits on account of Custom Duty and other benefits, which are due to be received with reasonable certainty, are accrued upon completion of exports.

viii) Employee Benefits:

- a) Defined Contribution Plan:

Contributions are made to approved Superannuation and Provident Fund.

- b) Defined Benefit Plan:

Company's liability towards gratuity is determined using the projected unit credit method which consider each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past Service Gratuity Liability is computed with reference to the service put in by each employee till the date of valuation as also the projected terminal salary at the time of exit. Actuarial gain or losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future Cash Flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

- c) Short Term Compensated Absences:

Liability on account of encashment of leave to employee is considered as short term compensated expense provided on actual.

ix) Taxation:

Income Tax expense comprises current tax and deferred tax charge or credit.

Deferred tax for timing difference between the book and tax profit for the year is accounted using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax assets arising from the timing difference are recognised to the extent that there is virtual certainty that sufficient future taxable income will be available.

x) Provisions and Contingent Liabilities:

- a) Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligation.
- b) Contingent liabilities are disclosed by way of note to the financial statements, after careful evaluation by the management of the facts and legal aspects of the matter involved.

2. Contingent Liabilities:

- a) Liability on account of Sales Bills discounted with Bank **Rs. Nil** (Previous Year Rs. 385.096 million).
- b) Disputed demands in appeal towards excise **Rs. 107.100 million** (Previous year Rs. 73.623 million), customs **Rs. 13.427 million** (Previous year 13.427 million) and sales tax **Rs. 471.343 million** (Previous year Rs. 453.491 million)
- c) i) Disputed Income Tax demands and matters in appellate proceedings **Rs. 439.420 million** (Excluding consequential interest or penalty), (Previous year Rs. 440.390 million).

Notes forming part of the Accounts

- ii) Appeals preferred by Income Tax Department against Appellate decisions in favour of the Company, wherein, should the ultimate decision be unfavourable to the Company, the liability is estimated to be **Rs. 570.130 million** (Previous year Rs. 538.290 million).
 - d) Guarantees given by Company's Bankers on behalf of the Company, towards performance and other matters, amounting to **Rs. 485.445 million** (Previous year Rs. 523.237 million), are secured by hypothecation of Stock in trade, Book Debts, Stores and Spares etc.
 - e) The Company has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme, of the Government of India, at concessional rates of duty on an understanding to fulfil quantified exports against which future obligation aggregates to **Rs. 791.948 million** (Previous year Rs.1,017.000 million) over a period of six / eight years from the date of license.
 - f) Amounts claimed by Banks in respect of derivative transactions which are under dispute not acknowledged as debt **Rs.138.690 million** (Previous year Rs. Nil).
3. Estimated amount of contracts remaining to be executed on capital account (net of advances paid), not provided for **Rs. 307.876 million** (Previous year. Rs. 187.750 million).
4. Pursuant to notification of 31st March 2009 issued by Ministry of Corporate Affairs, Government of India, in respect of changes to Accounting Standard 11 the Company had opted for capitalisation of exchange difference in respect of long term foreign currency loans taken for acquisition of assets . Accordingly, the exchange difference has been recalculated based on the exchange rate prevalent on 31.03.2011 and an amount of Rs. **40.150 million** has been decapitalised during the year 2010-11.

5. Taxation:

Deferred Tax:

The break-up of deferred tax assets and liabilities into major components at the year end is as below.

(Rs. in million)

Particulars of timing difference	Liabilities	Assets
Depreciation	332.294 (319.136)	NIL (NIL)
Income Tax Depreciation / Business Loss	NIL (NIL)	21.868 (NIL)
Total	332.294 (319.136)	21.868 (NIL)
Net Deferred Tax Liability	310.426 (319.136)	

Current Tax:

Provided in accordance with the provisions of the Income Tax Act 1961.

6. Sundry Creditors

- A) Outstanding to creditors other than Micro, Small & Medium Enterprise **Rs. 516.285 million** (Previous year: Rs. 530.547 million) (Interest Paid/Payable is Rs. Nil, Previous year: Rs. Nil)
- B) Outstanding to Micro, Small & Medium Enterprise: **Rs. 0.702 million** (Previous year: Rs.2.249 million)



Finolex

Cables Limited

Notes forming part of the Accounts

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

	Rs. in million Current Year	Rs. in million Previous Year
a) Principal amount due	0.045	1.764
b) Interest paid under MSMED Act, 2006	Nil	Nil
c) Interest due	0.306	0.523
d) Interest accrued and due	Nil	Nil
e) Interest due and payable till actual payment	0.306	0.523

7. Based on the periodic review, it is the Company's view that the Preform Manufacturing Facility which was impaired in 2004-05 continues to remain impaired. Consequently, the impairment loss of Rs 288.510 million (Gross) is being carried forward. No further addition have been made to the impairment provisions, since there is no significant change in status.

8. Investment in Joint Venture

- The name of the joint venture company : Finolex J-Power Systems Private Limited
- Ownership interest : 49%
- Country of Incorporation : India

On 13th December, 2007, the Company entered into a joint venture agreement with J- Power Systems Corporation of Japan, to offer complete turnkey solutions in extra high voltage (EHV) cable systems in India and abroad.

As on 31st March 2011, the Company has invested Rs. **382.200 million** in the shares of the joint venture.

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

a) List of Related Parties:

Associate Companies	Finolex Industries Limited Finprop Advisory Services Limited Corrugated Box Industries (India) Private Limited Finolex Plasson Industries Limited Finolex Infrastructure Limited
Joint Venture	Finolex J-Power Systems Private Limited

b) Key management Personnel and Relatives

Key Management Personnel

- Mr. P. P. Chhabria – Chairman
- Mr. D. K. Chhabria – Managing Director
- Mr. M. L. Jain – Asst. Managing Director and Chief Operating Officer (Upto 31st October, 2010)
- Mr. M. Viswanathan – Director - Finance & Chief Financial Officer

Relatives

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

Notes forming part of the Accounts

c) Transactions with Related Parties -Major Parties

(Rs in million)

Nature of Transactions	Associate Companies/ Joint Venture	Key Management Personnel & Relatives
Sales, Services and Other Income		
1 Sale of goods		
Finolex Industries Limited	2.996 (5.153)	--- (---)
Finolex-J Power Systems Private Limited	23.116 (0.110)	--- (---)
Others	1.982 (0.049)	--- (---)
2 Sale of other material / Services		
Finolex Industries Limited	--- (---)	--- (---)
Finolex J-Power Systems Pvt. Ltd.	2.624 (---)	--- (---)
3 Recoveries		
a) Finolex Industries Limited	0.758 (0.758)	--- (---)
b) Finolex J-Power Systems Pvt. Ltd.	0.330 (0.330)	--- (---)
c) Others	0.211 (---)	--- (---)
4 Dividend Received		
Finolex Industries Limited	120.577 (40.192)	--- (---)
Finolex Plasson Industries Limited	2.000 (1.000)	--- (---)
5 Interest Received		
Finolex Infrastructure Limited	2.305 (0.720)	--- (---)
Purchase of Material / Assets		
1 Purchase of Raw Material and Components		
Finolex Industries Limited	17.767 (16.808)	--- (---)
Others	--- (0.032)	--- (---)
2 Purchase of Fixed Assets		
Finolex Industries Limited	--- (0.198)	--- (---)
Others	0.298 (---)	--- (---)
3 Purchase of Investments		
a) Finolex - J.Power Systems Private Limited - Allotment	98.000 (88.200)	--- (---)
b) Finolex Infrastructure Limited - Allotment	16.869 (19.500)	--- (---)
Expenses		
1 Remuneration to Key Management Personnel	--- (---)	37.558 (45.323)



Notes forming part of the Accounts

Nature of Transactions	Associate Companies/ Joint Venture	Key Management Personnel & Relatives
2 Services		
Finprop Advisory Services Ltd.	9.927 (9.927)	--- (---)
3 Rent		
Corrugated Box Industries (India) Private Limited	3.309 (3.309)	--- (---)
Mr. K.P. Chhabria	---	0.044 (0.528)
Reimbursement of Expenses Paid		
4 Finolex Industries Limited	16.802 (16.241)	--- (---)
Finprop Advisory Services Ltd.	2.015 (1.402)	--- (---)
5 Dividend Paid		
Finolex Industries Limited	13.311 (4.437)	--- (---)
Amount Outstanding		
1 Creditors		
Finolex Industries Limited	38.655 (36.530)	--- (---)
Others	---	---
	(---)	(---)
2 Debtors		
Finolex Industries Limited	8.415 (12.377)	--- (---)
Others	0.540 (3.740)	--- (---)
3 Loans and Advances and Deposits		
Corrugated Box Industries (India) Pvt. Limited	3.000 (3.000)	--- (---)
Mr. K.P. Chhabria	---	5.000 (5.000)
Finolex Infrastructure Limited	39.600 (28.400)	--- (---)
Finolex Infrastructure Limited	---	---
	(---)	(---)
Others		
Refund of Deposit	---	---
Corrugated Box Industries (India) Private Limited	(0.550)	(---)
Interest Receivable		
Finolex Infrastructure Limited	---	---
	(0.476)	(---)

Notes forming part of the Accounts

10. Managerial Remuneration

Details of payments and provisions on account of remuneration to Chairman, Managing Director and Non Whole-Time Directors included in the Profit & Loss A/c :

	(Rs. in million)	
	2011	2010
(a) Computation of Net Profit in accordance with Sec. 198 of the Companies Act, 1956.		
Profit as per Profit & Loss Account (Before Tax)	1,071.848	891.686
Add : Directors' Remuneration	34.431	40.290
Directors' Commission	42.900	26.850
Directors' Sitting Fees	1.110	1.080
Depreciation	387.758	372.270
Devaluation of Investments	2.524	-
	468.723	440.490
	1,540.571	1,332.176
Less : Depreciation u/s 350 of the Companies Act, 1956	387.758	372.270
Revaluation of Investments	-	20.748
Profit on Sale of Assets (Net)	0.027	0.042
Profit / (Loss) on Sale of Investments (Net)	22.122	119.173
	409.907	512.233
Profit available for Distribution	1,130.664	819.943
Restricted to 10% for Wholetime Director & 1% for Non-Wholetime time Director	113.066	81.994
Commission as decided by the Board :		
Chairman & Managing Director	42.000	26.000
Non-Whole-time Directors	0.900	0.850
	42.900	26.850
(b) Details of payments and provisions on account of remuneration to the Chairman, Managing Director, Executive Director and non whole-time Directors included in the Profit and Loss Account :		
(i) Salary	16.712	18.732
(ii) Commission to :		
Chairman & Managing Director	42.000	26.000
Non Whole-time Directors	0.900	0.850
	42.900	26.850
(iii) Contribution to Funds	3.700	4.763
(iv) Other Perquisites	14.019	16.795
Paid	77.331	67.140

Note : Contribution to Gratuity Fund is made on global valuation and hence is not precisely ascertained.



Notes forming part of the Accounts

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

(Rs. in million)

Category	Amount	Amount
	Year ended 31.03.2011	Year ended 31.03.2010
Foreign Exchange Forwards/ Options	760.600	1,434.850
Interest Rate Swaps	891.900	3,536.890
Currency Swaps	1,783.800	1,796.000

B. The Company has entered into derivative transactions with an objective to hedge the financial risks associated with its business viz. foreign exchange and interest rate.

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

- (i) Borrowings grouped under secured loans equivalent to **Rs. 1,493.933 million** (Previous year Rs.1,347.000 million).
- (ii) Creditors for imports equivalent to **Rs. 65.588 million** (Previous year Rs. 97.435 million)
- (iii) Receivables equivalent to **Rs. 25.287 million**. (Previous year Rs. 23.194 million)

12. Capacities and Production :

Class of Goods	Unit	Installed Capacity	Production (Net)	Installed Capacity	Production (Net)
		31.03.2011	2010-2011	31.03.2010	2009-2010
1 Electrical cables	TCKM	2,467.97	1,241.83 #	2,135.97	1,152.01 #
2 Communication Cables					
Optic Fibre Cables	KM	58,000.00	37,116.78	58,000.00	35,348.75
Other Telecommunication Cables	TCKM	5,648.00	634.61	10,648.00	516.17
3 PVC Sheets and Accessories	MT	2,100.00	1,331.70	2,100.00	1,344.16
4 Fibre	KM	1,500,000.00	779,736.33 *	1,500,000.00	867,911.45 *
5 Polycoated FRP Rod	KM	24,000.00	19,268.48	24,000.00	22,491.91
6 Continuous Cast Copper Rods	MT	60,000.00	33,419.75 @	60,000.00	35,582.71 @

NOTES:

Installed capacities are certified by the Managing Director and relied upon by the Auditors.

- 1) # Equivalent tonnage **33,297 MT** (Previous year 32,669 MT)
- 2) * Includes captive consumption of **668,730 Kms** (Previous Year 486,685 Kms)
- 3) @Captive consumption of **21,906.538 MT** (Previous Year 20,726.556 MT) & Job Work done **0.00 MT** (Previous Year 4,836.880 MT)
5000 TCKM of JFTC capacity is interchangeable with 332 TCKM of Electrical cable capacity.

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13. Stock & Turnover

(Rs.in million)

Class of Goods	UNIT	Opening Stock		Closing Stock		Turnover	
		Quantity	Value (Rs)	Quantity	Value (Rs)	Quantity #	Value (Rs)
1 Electrical Cables	TCKM	71.00 (174.37)	824.128 (374.774)	80.04 (71.00)	1,232.398 (824.128)	1,232.78 (1,255.38)	14,073.760 (11,093.064)
2 Communication Cables							
Optic Fibre Cables	KM	3,026.94 (2,698.19)	78.644 (46.797)	4,111.170 (3026.94)	63.696 (78.644)	36,032.55 (35,020.00)	856.240 (933.687)
Other Communication Cables	TCKM	88.03 (103.81)	101.762 (69.557)	83.16 (88.03)	116.220 (101.762)	639.47 (531.96)	1,186.120 (827.250)
3 PVC Sheets and Accessories	MT	368.49 (381.67)	10.703 (12.347)	347.64 (368.49)	3.101 (10.703)	1,352.55 (1,357.34)	154.056 (141.373)
4 Fibre	KM	123,228.17 (48,545.54)	36.639 (16.158)	234,134.05 (123228.17)	74.040 (36.639)	668,830.45 ** (793,228.82) **	0.029 (145.857)
5 Continuous Cast Copper Rod	MT	91.46 (352.31)	37.048 (79.778)	15.27 (91.46)	7.831 (37.048)	33,495.95 & (35,843.55) &	5,105.962 (3,615.026)
6 Other Sales ***			90.568 (68.951)		73.707 (90.568)		487.451 (509.697)
7 Less - Excise Duty							1,506.098 (1,078.798)
			1,179.492 (668.362)		1,570.993 (1,179.492)		20,357.520 (16,187.156)

Includes captive consumption

** Includes captive consumption of **668,730 Kms** (Previous Year 486,685 Kms)

& Includes captive consumption of **21,906.538 MT** (Previous Year 20,726.556 MT) & Job Work done **0.00 MT** (Previous Year 4,836.880 MT)

*** Includes goods traded in **Rs.38.109 Million** (Previous Year Rs 30.652 million)

14. Raw Material Consumed:

(Rs.in million)

	2011		2010	
	QTY (MT)	Value (Rs. million)	QTY (MT)	Value (Rs. million)
Copper	33,689	13,701.822	31,440	9,904.357
Pvc	16,293	1,117.152	16,440	1,050.245
Polythene	2,920	259.427	2,942	239.773
Preform	20	142.878	23	168.223
Others		1,170.174		1,073.452
Total		16,391.453 #		12,436.050 #

includes Cost of Goods Traded **Rs. 25.572 million** (Previous Year Rs. 18.847 million).



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Cables Limited

Notes forming part of the Accounts

(Rs. in million)

	2011		2010	
15. CIF Value of Imports:				
Raw Material		895.495		1,377.346
Spares & Components		21.953		24.916
Capital Goods		32.318		233.031
		949.766		1,635.293
16. Consumption of Raw Material:				
Imported	5.94%	974.396	11.36%	1,412.610
Indigenous	94.06%	15,417.057	88.64%	11,023.440
Total	100%	16,391.453	100%	12,436.050
17. Consumption of Stores and Spares:				
Imported	10.67%	19.579	10.82%	18.253
Indigenous	89.33%	163.846	89.18%	150.377
Total	100%	183.425	100%	168.630
18. Expenditure in foreign Currency:				
Travelling		1.616		2.639
Interest		42.904		39.933
Foreign Bank Charges		2.354		2.316
Export Sales Commission		2.436		3.258
Professional Fees		23.624		4.054
Others		2.209		2.406
		75.143		54.606
19. Earnings in foreign Currency:				
FOB Value of Exports		393.655		582.803
20. Dividends Remitted in foreign Currency:				
Number of Share holders		1		1
Number of Shares held		6,136,425		6,143,425
Year to which dividend relates		Year ended		Year ended
Amount remitted (Net of tax deducted at source)		31/03/10		31/03/09
Rs. in million		3.681		1.228

21. Segment Reporting:

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

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

The above business segments have been identified considering

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

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

Notes forming part of the Accounts

22 A) Primary Segment Information for the year ended 31st March, 2011

(Rs in million)

	Period	Electrical Cables	Communication Cables	Copper Rod	Others	Other than Segments	Elimination	Total
REVENUE								
External	Current Year	14,294.049	2,102.703	5,137.399	329.467	-	-	21,863.618
	Previous Year	10,383.225	2,790.661	3,710.246	381.822	-	-	17,265.954
Inter - segment (Net of Excise)	Current Year	-	-	8,709.384	1,546.165	-	(10,255.549)	-
	Previous Year	-	-	6,370.581	1,826.619	-	(8,197.200)	-
Less : Excise Duty	Current Year	817.163	177.802	487.899	23.234	-	-	1,506.098
	Previous Year	558.883	200.423	297.211	22.282	-	-	1,078.798
Total Revenue	Current Year	13,476.886	1,924.901	13,358.884	1,852.398	-	(10,255.549)	20,357.520
	Previous Year	9,824.342	2,590.238	9,783.616	2,186.159	-	(8,197.200)	16,187.156
RESULT								
Segment Result	Current Year	1,708.752	311.530	15.500	(29.779)	-	-	2,006.003
	Previous Year	1,564.159	434.800	167.030	(27.659)	-	-	2,138.330
Other Unallocable income net of expenditure	Current Year	-	-	-	-	(760.031)	-	(760.031)
	Previous Year	-	-	-	-	(1,077.690)	-	(1,077.690)
Less								
Interest Expenses	Current Year	-	-	-	-	-	-	174.124
	Previous Year	-	-	-	-	-	-	168.954
Profit before Taxation	Current Year	-	-	-	-	-	-	1,071.848
	Previous Year	-	-	-	-	-	-	891.686
Less								
Provision for Taxation	Current Year	-	-	-	-	-	-	203.703
	Previous Year	-	-	-	-	-	-	315.426
Profit after Tax	Current Year	-	-	-	-	-	-	868.145
	Previous Year	-	-	-	-	-	-	576.260
OTHER INFORMATION								
Segment Assets	Current Year	5,391.747	2,282.441	474.115	863.657	3,140.028	-	12,151.988
	Previous Year	4,288.828	2,112.792	303.623	1,105.061	3,617.071	-	11,427.375
Segment Liabilities	Current Year	523.096	221.438	45.998	83.790	1,191.990	-	2,066.312
	Previous Year	397.239	195.691	28.122	102.353	1,202.579	-	1,925.984
Capital Expenditure	Current Year	195.890	(45.295) #	(0.671)	(4.536)	105.020 #	-	250.408
	Previous Year	140.083	16.251	4.306	94.352	36.050	-	291.042
Depreciation	Current Year	160.063	143.715	19.800	56.922	7.258	-	387.758
	Previous Year	155.586	151.015	19.400	39.400	6.869	-	372.270

After accounting for transfer of asset of Captive Power Plant Rs 91.299 million from 'Communication Cable segment' to 'Other than segment', previous year's figures not comparable.



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Cables Limited

Notes forming part of the Accounts

22. B) Secondary Segment Information (by Geographical Segment)

(Rs. in million)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
REVENUE (Net of Excise)		
Exports	399.800	592.433
Domestic	19,957.720	15,594.723
Total	20,357.520	16,187.156
Debtors		
Exports	25.287	23.194
Domestic	1,268.064	687.277
Total	1,293.351	710.471

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

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

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

Statement showing changes in Present Value of obligations

(Rs. in million)

	2011	2010
Present value of obligations at the beginning of the year	79.155	67.007
Interest Cost	6.324	5.345
Current service cost	6.573	6.399
Benefits paid	(8.597)	(3.512)
Actuarial (gain)/loss on obligations	5.031	3.916
P.V. of obligations as at end of year	88.486	79.155

Table showing changes in the fair value of plan assets

	2011	2010
Fair value of plan assets at the beginning of the year	74.785	50.242
Expected return on plan assets	7.252	5.343
Contributions	9.039	22.199
Benefits paid	(8.597)	(3.512)
Actuarial gain/(loss) on obligations	(0.079)	0.513
Fair value of plan asset at end of year	82.401	74.785
Funded status	6.085	(4.370)

Actuarial Gain/Loss recognised

	2011	2010
Actuarial gain/(Loss) for the year - obligation	(5.031)	(3.916)
Actuarial gain/(Loss) for the year - plan assets	(0.079)	0.513
Total gain/(Loss) for the year	(5.110)	3.403
Actuarial gain/(Loss) recognised in the year	(5.110)	3.403

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Amounts to be recognised in the Balance Sheet

	<u>2011</u>	<u>2010</u>
Present Value of obligations as at the end of the year	88.486	79.155
Fair value of plan assets as at the end of the year	82.401	74.785
Funded Status	(6.085)	(4.370)
Net Asset/(Liability) recognised in balance sheet	(6.085)	(4.370)

Expenses Recognised in statement of Profit & Loss Account

	<u>2011</u>	<u>2010</u>
Current Service Cost	6.573	6.399
Interest Cost	6.324	5.345
Expected return on plan assets	(7.252)	(5.343)
Net Actuarial(gain)/Loss recognised in the year	5.110	3.403
Expenses recognised in statement of Profit & Loss	10.754	9.804

Table showing fair value of plan assets

	<u>2011</u>	<u>2010</u>
Fair Value of plan assets at beginning of the year	74.785	50.242
Actual return on plan assets	7.174	5.856
Contributions	9.039	22.199
Benefits Paid	(8.597)	(3.512)
Fair Value of plan assets at the end of the year	82.401	74.785
Funded Status	(6.085)	(4.370)
Excess of actual over estimated return on Plan Assets	(0.079)	0.513

Actuarial Assumptions :

	Other than Copper Rod Division	Rod Division
Discounted Rate	8%	8.30%
Salary Escalation	7%	7.00%

24. Figures in respect of the previous year have been regrouped or rearranged wherever necessary to confirm to current year's classification.



Notes forming part of the Accounts

25. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (Information pursuant to Part IV of Schedule VI to the Companies Act, 1956)

I. Registration Details

Registration No.

Balance Sheet Date
 Date Month Year

State Code

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue

Right Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in thousands)

Sources of Funds
 Total Liabilities

Total Assets

Paid-up Capital

Reserves & Surplus

Deferred Tax Credit (Net)

Application of Funds
 Secured Loans

Unsecured Loans

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

IV. Performance of Company (Amount in thousands)

Turnover

Total Expenditure

+ / - Profit/Loss Before Tax

+ / - Profit/Loss After Tax

Earning per Share in Rs.
(For Face Value of Rs.2/- each)

Dividend rate %

Notes forming part of the Accounts

V. Generic Names of Three Principal Products / Services of Company (As per Monetary Terms)

Item Code No. (ITC Code) 8 5 4 4 4 9 1 9	Product Description JELLY FILLED TELEPHONE CABLES
Item Code No. (ITC Code) 8 5 4 4	Product Description ELECTRICAL CABLES - LIGHT DUTY
Item Code No. (ITC Code) 8 5 4 4	Product Description ELECTRICAL CABLES - HEAVY DUTY
Item Code No. (ITC Code) 9 0 0 1 1 0	Product Description FIBRE OPTIC CABLE
Item Code No. (ITC Code) 8 5 4 4 2 0	Product Description CO- AXIAL CABLES
Item Code No. (ITC Code) 8 5 4 4 5 9	Product Description LAN CABLES
Item Code No. (ITC Code) 3 9 2 0	Product Description PVC SHEETS
Item Code No. (ITC Code) 7 4 0 7 . 1 0	Product Description CONTINUOUS CAST COPPER RODS

As per our report of even date

For B. K. KHARE & COMPANY
Chartered Accountants

SANTOSH PARAB
Partner
Membership No. 47942
Firm Registration No. 105102W

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

P. P. Chhabria
Chairman
Dr. H. S. Vachha
B. G. Deshmukh
S. K. Asher
P. G. Pawar
P. R. Rathi
A. J. Engineer

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

Pune: 3rd May, 2011

Pune: 3rd May, 2011



Finolex

Cables Limited

NOTICE

NOTICE is hereby given that the Forty Third Annual General Meeting of Members of Finolex Cables Limited will be held on Monday, 8th August, 2011 at 11.00 a.m. at Acharya Atre Rangmandir, Sant Tukaramnagar, Pimpri, Pune 411018, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the financial year ended on that date and the reports of the Directors and Auditors.
2. To declare dividend for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. P.G. Pawar, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Adi J. Engineer, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. B.G. Deshmukh, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and, in this connection, to pass, with or without modifications, the following resolution as an Ordinary Resolution, provided that in the event of the provisions of Section 224A of the Companies Act, 1956 becoming applicable to the Company on the date of holding of this meeting the same will be proposed as a Special Resolution.

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

SPECIAL BUSINESS

7. To consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. Mahesh Viswanathan who was appointed an Additional Director by the Board of Directors of the Company (the “Board”) with effect from 1st November 2010 and who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956, (the “Act”) but who is eligible for reappointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Act from a member of the Company proposing his appointment as Director of the Company and who has consented, if appointed, to act as Director, be and is hereby appointed a Director of the Company.”

8. To consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) and subject to the limits prescribed under the Act, and also subject to such approvals as may be necessary, the Company hereby approves the appointment of Mr. Mahesh Viswanathan who was appointed as Additional Director by the Board of Directors of the Company (the “Board”) and designated as “Director – Finance & Chief Financial Officer”, for a period of five years with effect from 1st November 2010 upon terms and conditions as set out in the draft of the Agreement (placed before the meeting and initialed by the Chairman for the purpose of identification) to be entered into between the Company and Mr. Mahesh Viswanathan the terms of which Agreement is hereby specifically approved with liberty to the Board and/or the Chairman of the Board to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed to between the Board/the Chairman and Mr. Mahesh Viswanathan but so as not to exceed the limits specified in Scheduled XIII read with Sections 198, 309 and other applicable provisions, if any, of the Act or any amendments thereto or reenactments thereof.

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

By Order of the Board of Directors

R.G. D'SILVA

Company Secretary &
Vice President (Legal)

Place : Pune

Dated : 3rd May 2011

Registered Office:

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement setting out the material facts concerning the special business mentioned under item Nos. 7 & 8 of the Notice as required under Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 23rd July, 2011 to Monday, 8th August, 2011 (both days inclusive) for the purpose of Annual General Meeting (AGM) and payment of Dividend.
4. The Board of Directors in their meeting held on 3rd May, 2011 have recommended payment of Dividend of 35% (Rs. 0.70 per equity share) for the year 2010-2011. The payment of dividend is to be approved by the shareholders at the AGM. The aforesaid dividend, if declared at the AGM, will be paid on or before 6th September, 2011 to those members whose names appear in the Register of Members as on the date of the AGM. In respect of shares held in electronic form the dividend will be paid on the basis of beneficial ownership as per details to be received from the Depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) the same being as of close of their respective business hours on the date immediately preceding the aforesaid Book Closure period (i.e. as of Friday, 22nd July, 2011).
5. The members are requested to:
 - a) intimate to the Company (for shares held in physical form) and to their Depository Participant (DP) (for shares held in Dematerialised form) the changes, if any, in their registered address, ECS / Bank account number/ details, etc. at an early date;
 - b) quote ledger folio numbers/DP Identity and Client Identity Numbers in all their correspondence;
 - c) approach the Company for consolidation of folios, if shareholdings are under multiple folios;
 - d) direct all correspondence to the Company's Registered Office at 26/27, Mumbai-Pune Road, Pimpri, Pune 411018 for the attention of the Secretarial Department or to the Registrar and Transfer Agents of the Company at: M/s. Sharepro Services (India) Pvt. Ltd., 3, Chintamani Apartments, Lane No.13, Off. V.G. Kale Path, 24/D, Bhandarkar Road, Pune – 411 004;
 - e) get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
 - f) **bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;** and
 - g) intimate the Company/ your DP the Permanent Account Number (PAN) allotted by the Income Tax Authorities for incorporation in the records/TDS Certificates, as may be applicable;



Finolex

Cables Limited

6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company Secretary, so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the extent possible.
7. The Government in its concern for the environment has, as part of its green initiative, vide Circular No.17/2011 dated 21st April 2011 issued by the Ministry of Corporate Affairs, permitted companies to serve requisite documents through electronic mode on their shareholders. Members are requested to support this worthy cause and inform the Company their personal email addresses and changes, if any, therein from time to time in the format provided at page no. 79 of the Annual Report 2010-11 as also under Investors' Section (Blank Forms) of the Company's website <http://www.finolex.com>. This will also facilitate expeditious communication.
8. **The Securities and Exchange Board of India ("SEBI") has vide its circulars Ref. No.MRD/DoP/Cir-05/2009 dated 20th May 2009 and Ref. No. SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated 7th January, 2010 specified that for securities market transactions and off-market/private transactions involving transfer/transmission of shares, deletion of name of deceased shareholder(s) and transposition of names in respect of shares held in physical form of listed companies, it shall be mandatory for the transferee(s)/shareholder(s) to furnish copy of PAN card to the Company/Registrar and Transfer Agents (RTA) for registration of such transfer/transmission of shares or other requests, as aforesaid. All shareholder(s) desirous of lodging physical shares for any of the aforesaid should therefore invariably furnish copy of their PAN card at the time of lodging requests for such matters together with all requisite documents to the Company/RTA for necessary action, to avoid inconvenience.**
9. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrant for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, PMT Commercial Building, Deccan Gymkhana, Pune - 411004.

Further, pursuant to Section 205A of the Companies Act, 1956, the amount of dividends for the financial years ended 31st March, 1996 to 31st March 2003 each of which were remaining unpaid or unclaimed for a period of seven years have, from time to time, been transferred to the Investor Education and Protection Fund of the Central Government (the "Fund") by the Company upon expiry of the period prescribed in this regard. The dividends remaining unpaid or unclaimed for the financial year ended 31st March 2004 and thereafter shall similarly on expiry of the prescribed period of seven years also be transferred to the Fund.

The Company had individually informed the concerned Shareholders and those Shareholders who have still not encashed the Dividend Warrants for the financial year ended 31st March, 2004 (which is to be transferred to the Fund within one month from 24th July, 2011) or for any of the financial years subsequent thereto are therefore, requested to immediately forward the same to the Company for revalidation. **It may also please be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above, no claim shall lie against the Fund or the Company in respect of the individual amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of any such claims.**
10. In order to provide protection against fraudulent encashment of dividend warrants, shareholders are requested to furnish their Bank account number with the name of the Bank/Branch, its address and quoting their folio number, etc so that the Bank account details are available for payment of dividend by ECS / can be printed on the dividend warrants. Similarly, members holding shares in dematerialised form may please immediately inform changes, if any, in their Bank account details (with 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.**
11. All documents referred to in the accompanying Notice are open for inspection by Members at the Registered Office of the Company between 9.00 a.m. to 11.00 a.m. on any working day of the Company till 8th August, 2011.
12. Reappointment of Directors:
 - (a) At the ensuing Annual General Meeting, Mr. P.G. Pawar, Mr. Adi J. Engineer and Mr. B.G. Deshmukh, Directors retire by rotation and being eligible offer themselves for reappointment.

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

- (a) Mr. P.G. Pawar is aged 66 years and is a B.E. (BITS, Pilani). He is a Director of the Company since 9th September 1998. Mr. P.G. Pawar is the Managing Director of Sakal Papers Limited and has a number of years experience in chemical and engineering products and agriculture. He is also a Director in the following companies viz : P.P. Holdings Ltd., Bharat Forge Ltd. (also a member of its Audit Committee), Force Motors Ltd., Kirloskar Oil Engines Ltd., ASK Chemicals Foundry Solution India Pvt. Ltd., Bhimthadi Developers & Miners Pvt. Ltd., International Conventions India Pvt. Ltd., Karha Developers & Miners Pvt. Ltd., Karha Infrastructure P. Ltd., Panhala Investments Pvt. Ltd., Pasle Agro Farms Pvt. Ltd., Rajgadh Agro Farms Pvt. Ltd., Sakal Printers Pvt. Ltd., United Metachem Pvt. Ltd., United Risk Insurance Broking Company Pvt. Ltd., World Association of Newspapers. Mr. P.G. Pawar does not hold any shares in the Company as on 31st March, 2011.
- (b) Mr. Adi J. Engineer is aged 73 years and is a B.E. (Civil), FIE, AIIA and has considerable experience in Industry. Mr. Adi J. Engineer is a Director of the Company since 23rd October 2007. He is also a Director in the following companies viz : Chemical Terminal Trombay Ltd. (also a member of its Audit Committee), North Delhi Power Ltd., Tata BP Solar India Ltd. (also a member of its Audit Committee), Tata Projects Ltd., The Tata Power Co. Ltd. (also a member of its Audit Committee), The Associated Building Co. Ltd. Mr. Adi J. Engineer does not hold any shares in the Company as on 31st March, 2011.
- (c) Mr. B.G. Deshmukh is aged 82 years and is a B.Sc. (Hons.), M.A. (Econ.) and Ex-Cabinet Secretary, Government of India. Mr. B.G. Deshmukh is a Director of the Company since 22nd March, 1996 and has considerable experience in Industry. He is also a Director in the following companies viz : Siporex India Pvt. Ltd., Principal Trustee Co. Pvt. Ltd., Venkateshwara Hatcheries Pvt Ltd., Venky's (India) Ltd. (also a member of its Audit Committee) and Five Star Bulk Carriers Ltd., Mr. B.G. Deshmukh does not hold any shares in the Company as on 31st March, 2011.



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EXPLANATORY STATEMENT IN RESPECT OF ITEM NOS. 7 and 8 OF THE NOTICE PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item Nos. 7 & 8

Pursuant to the recommendation of the Remuneration Committee at its meeting held on 23rd October 2010, the Board of Directors of the Company at its meeting held on 23rd October 2010 appointed Mr. Mahesh Viswanathan, Director – Finance (i.e. the Chief Financial Officer of the Company) as an Additional Director on the Board and as a whole time Director designated as “Director – Finance & Chief Financial Officer” for a period of 5 years with effect from 1st November 2010 upon the terms and conditions including remuneration as set out in the draft of the Agreement to be entered into between the Company and Mr. Mahesh Viswanathan.

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

1. Mr. Mahesh Viswanathan is appointed as whole time Director of the Company designated as Director – Finance & Chief Financial Officer for a period of five years with effect from 1st November 2010.
2. Mr. Mahesh Viswanathan shall exercise and perform such powers and duties as the Board and/or the Chairman of the Company shall, from time to time, determine.
3. During his employment under this Agreement, the Director – Finance & Chief Financial Officer shall devote his whole time and attention to the business and affairs of the Company during the normal business hours of the Company and shall use his best endeavors to promote its interests and welfare.
4. The Company shall pay to the Director – Finance & Chief Financial Officer during the continuance of this Agreement in consideration of the performance of his duties remuneration and perquisites as follows:

A) Details of monthly remuneration:

Basic Salary	:	Rs.2,35,000/- per month
Soft Furnishing Allowance	:	Rs.5,000/- per month
Education Allowance	:	Rs.3,000/- per month
Others / Entertainment Allowance	:	Rs.15,000/- per month
Variable Sales Incentive	:	As determined by the Company from time to time

B) Other Benefits

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

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

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

- (b) Bonus and / or ex-gratia as per rules of the Company.
- (c) Reimbursement of full hospital and medical expenses incurred for self and dependent family members subject to a ceiling of one month's Basic Salary in a year as per the rules of the Company.
- (d) Benefit of any personal accident insurance scheme as per the rules of the Company.
- (e) Provision of a motor car for free use on Company's business with a limit of Rs.10,000/- per month. Use of car for personal purposes to be billed by the Company to the Director – Finance & Chief Financial Officer. Driver for the car shall be engaged by the Director – Finance & Chief Financial Officer and the salary of the

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driver fixed, from time to time, (presently Rs.7,500/- per month) will be reimbursed to the Director – Finance & Chief Financial Officer by the Company.

- (f) Free telephone facility at residence; long distance personal calls to be billed by the Company to the Director – Finance & Chief Financial Officer.
 - (g) Contribution to Provident Fund and Superannuation Fund as per the rules of the Company.
 - (h) Gratuity payable as per the rules of the Company.
 - (i) Leave travel assistance upto one month's basic salary, once in a year, as per the rules of the Company.
 - (j) Leave with full pay and allowances as per the rules applicable to senior executives of the Company.
 - (k) Encashment of leave, during and at the end of the tenure, as per the rules of the Company.
5. The Board and/or the Chairman of the Company may alter and vary the terms and conditions of appointment (including remuneration to be paid in the event of loss or inadequate profit in any financial year or otherwise) subject to the overall ceiling specified under Schedule XIII of the Act read with Sections 198, 309 and other applicable provisions, if any, of the Act, or any amendment thereto or reenactment thereof, in such manner as may be agreed between the Board or the Chairman and the Director – Finance & Chief Financial Officer .
 6. The Company shall reimburse entertainment or other business promotion expenses actually incurred by the Director – Finance & Chief Financial Officer in the course of legitimate business of the Company.
 7. The Director – Finance & Chief Financial Officer so long as he functions as such shall not be entitled to any sitting fees for attending meetings of the Board or any Committee thereof.
 8. Subject expressly to the provisions of Section 318 of the Act, the Company shall pay to the Director – Finance & Chief Financial Officer compensation for loss of office, or as consideration for retirement from office or in connection with such loss or retirement. The amount of such compensation shall be strictly in accordance with the provisions of Section 318(4) of the Act.
 9. The Director – Finance & Chief Financial Officer shall not so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
 10. During his employment under this Agreement the Director – Finance & Chief Financial Officer shall not directly or indirectly engage himself, in any employment, occupation or business without the previous sanction of the Board.
 11. The Director – Finance & Chief Financial Officer shall keep the secrets of the Company and its associate companies and shall not divulge any matters or things relating to the business or interests of the Company or its associate companies.
 12. If the Director – Finance & Chief Financial Officer shall at any time be prevented by ill health or accident from performing his duties hereunder, he shall inform the Company and supply it with such details as it may reasonably require.
 13. The Company shall forthwith determine the employment of the Director – Finance & Chief Financial Officer if he becomes insolvent or makes any composition or arrangement with his creditors or ceases to be a Director of the Company.
 14. In case the Director – Finance & Chief Financial Officer shall die during the course of his employment, the Company shall pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month.
 15. In either of the following events, namely, if the Director – Finance & Chief Financial Officer:
 - (a) is guilty of such inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties as Director – Finance & Chief Financial Officer or any breach of this Agreement as in the opinion of the Board renders his retirement from the office of Director – Finance & Chief Financial Officer desirable; or



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- (b) becomes disqualified to act as a Director for any reason other than an inadvertent breach of Section 283 of the Act or failure through inadvertence or oversight to secure leave of absence from meetings of Directors (in either of which latter events he may be reappointed as Director – Finance & Chief Financial Officer), the Company may by a notice in writing to the Director – Finance & Chief Financial Officer terminate his contract with immediate effect.
16. For purpose of leave accumulation, gratuity, provident fund, superannuation and other benefits, the services of the Director – Finance & Chief Financial Officer under this Agreement will be considered continuous services of the Company from the date of his joining the services of the Company on 15th October 2008 and termination of agreement followed by immediate renewal(s) of agreement, will not be considered as any break in service.
17. The appointment of Director – Finance & Chief Financial Officer is subject to the condition that if he ceases to be wholetime Director of the Company for any reason whatsoever, he shall forthwith vacate the office of Director of the Company also and shall extend his full cooperation to effectuate the said vacation of the office of Director of the Company.
18. The Company or Mr. Mahesh Viswanathan may determine the agreement by giving to the other Party not less than three months notice in writing in that behalf or an amount equal to three months salary with full allowances at rates prevailing at that time, under the provisions of the agreement.

The aforesaid draft of the Agreement to be entered into between the Company and Mr. Mahesh Viswanathan and the resolution passed by the Board on 23rd October 2010 is available for inspection by the Members of the Company at the Registered Office of the Company between 9.00 a.m. and 11.00 a.m. on any working day of the Company till 8th August, 2011.

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

Mr Mahesh Viswanathan is a Director on the Board of Finolex J-Power Systems Private Limited.

Mr. Mahesh Viswanathan is concerned or interested in resolutions 7 and 8 as they relate to his appointment and terms and conditions of his remuneration. None of the other Directors are concerned or interested in the said resolutions 7 and 8.

By Order of the Board of Directors

R.G. D'SILVA

Company Secretary &
Vice President (Legal)

Place : Pune

Dated : 3rd May 2011

Registered Office:

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

FINOLEX CABLES LIMITED

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

PROXY FORM

Folio No. : _____ No. of Shares _____

DP ID : _____

Client ID No. : _____

I/We, _____, of _____ in the district of _____ being

member(s) of the above named Company, hereby appoint _____

in the district of _____ or failing him/her _____

in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the

43rd Annual General Meeting of the Company to be held on Monday, 8th August, 2011 at 11.00 a.m. at Acharya Atre

Rangmandir, Sant Tukaramnagar, Pimpri, Pune - 411 018.

Signed this _____ day of _____ 2011.



(Pl. Sign across the stamp)

Signature _____

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

----- TEAR HERE -----

FINOLEX CABLES LIMITED

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

43rd ANNUAL GENERAL MEETING - 8th AUGUST, 2011.

ATTENDANCE SLIP

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

Folio No. : _____ No. of Shares _____

DP ID : _____

Client ID No. : _____

Name of the attending member (in block letters)

Name of the Proxy (in block letters)

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

I hereby record my presence at the 43rd Annual General Meeting held on 8th August, 2011 at 11.00 a.m. at Acharya Atre Rangmandir, Sant Tukaramnagar, Pimpri, Pune - 411 018.

Member's / Proxy's Signature

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

EMAIL MANDATE FORM

Date :

To,

★ Secretarial Department

Finolex Cables Limited

26/27 Mumbai - Pune Road,

Pimpri, Pune - 411 018

✘ (Name & Address of Depository Participant ("DP"))

.....

.....

.....

★ [For shares held in **physical form**]

✘ [For shares held in Demat form i.e. with NSDL/CDSL]

Dear Sir,

Sub.: **Green Initiative in Corporate Governance – Registration of my/our email address(es)**

Ref.: **Folio No.** _____ / **DP ID No.** _____ **Client ID No.** _____

I/We hereby give my/our consent to register the following email address(es) to receive documents such as, Notices calling Annual/Extraordinary General Meetings, Annual Reports comprising Balance Sheet, Profit & Loss Account, Cash Flow Statement, Directors' Report, Auditors' Report, etc, or to receive any other document prescribed under any law, through electronic mode at my/our following email address(es):

E-Mail Address(es) : (1)

(2)

Contact No(s) : STD Code Tel. No. Mobile No.....

Thanking you,

Yours faithfully

Signature of first shareholder

Signature of Second shareholder

Signature of Third shareholder

Name:

Name:

Name:

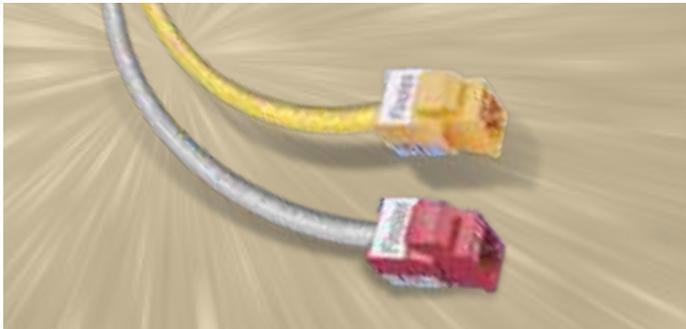
Please tick the applicable box and forward to correct address.

NOTES

A series of 25 horizontal dotted lines for writing notes.



Speed you can expect.



Speed that exceeds your expectations.

Presenting over 1 Gbps data transfer rate. The new range of Optinet Structured Cabling Systems. It offers you LAN cables, connectors and components for high speed and superior performance backed by decades of manufacturing expertise. This is not all. A network of certified installers and design engineers ensure that help is always close at hand. This means faster delivery and quicker network installations anywhere in India. In addition, you get a 25-year performance warranty. You couldn't have asked for more.



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Finoglow

Discover
TRUE COLOUR LIGHTING



NEW
Launched
T5 Tubes
& Luminaires

Eight Times Longer Life | 40% Extra Life* | Energy Saver

Eco Friendly | True Colour Lighting

*In comparison with ordinary CFLs

T5 Tubes manufactured at our state-of-the-art plant in Pune.

Regd. Office : **Finolex Cables Limited**, 26-27 Mumbai-Pune Road, Pimpri, Pune 411 018, India. **Tel** : 020-27475963. **Fax** : 020-27472239, 27470344.
Visit us at : www.finolex.com Email : sales@finolex.com