

Registered Office / Urse Plant
Finolex Industries Limited
Gat No. 399, Village Urse, Tal.-Maval,
Dist. Pune 410 506, Maharashtra, India
CIN L40108PN1981PLC024153

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FIL/SEC/DT/SEs/2019-20/098

23rd August, 2019

The Manager – Listing Department National Stock Exchange of India Limited 5, Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400051	The Manager – Listing Department BSE Limited Registered Office: Floor 25 P.J.Towers Dalal Street Mumbai 400 001
Scrip Code: Equity : FINPIPE	Scrip Code: Equity : 500940/FINOLEXIND

Sub : 38th Annual Report of the Company

Ref : Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In terms of the subject referred regulation, we enclose herewith 38th Annual Report of Finolex Industries Limited for the financial year 2018-19.

Further, we would like to inform that the Company has completed dispatch of the Notice of the 38th AGM (including attendance slip, proxy form and route map for reaching the AGM venue) and the Annual Report for the financial year 2018-19, to all its Members on 23rd August, 2019.

Please note that the said notice of the AGM and Annual Report of the Company for the Financial Year 2018-19, are also available on the website of the Company at www.finolexpipes.com.

You are requested to kindly take the same on your records.

Thanking you,

Yours truly,
For **Finolex Industries Limited**


Devang Trivedi
General Manager (Legal) &
Company Secretary



Encl: As above



Education



Healthcare



Spread Hope, Spread Happiness.

Finolex Industries Limited
38th Annual Report
2018-19



Sanitation



Skill Development



Social Welfare



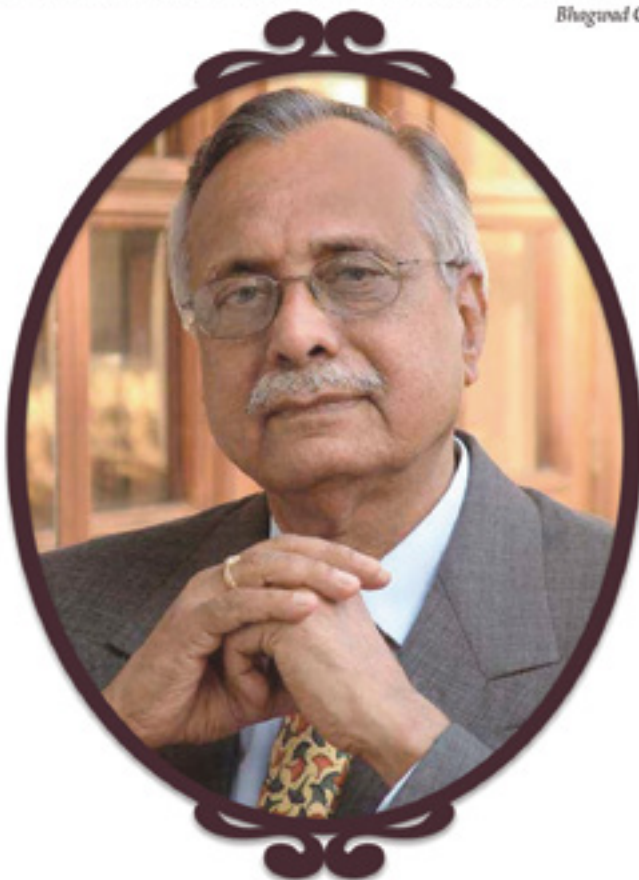
Water Conservation

देहिनोऽस्मिन् यथा देहे कौमारं यौवनं जरा । तथा देहान्तरप्राप्तिर्धीरस्तत्र न मुह्यति ॥

भगवद् गीता अ. २. १३

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

Bhagavad Gita, Ch. 2.13



Shri. Pralhad P. Chhabria

(12.03.1930 - 05.05.2016)

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

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"We need to go out and look for opportunities to help those less fortunate than ourselves, even if that service demands sacrifice. It is an unselfish will to serve should be our moto."
- Anonymous



Scan this code with a QR reader app on your smartphone or tablet and know more about us



www.finolexpipes.com

₹ **350** Cr.

Profit After Tax in 2018-19

₹ **3091** Cr.

Revenues in 2018-19

₹ **28.19** per share

Earnings per Share in 2018-19

Corporate Information

Board of Directors

Mr. Prakash P. Chhabria

Executive Chairman

Mr. Sanjay K. Asher

Independent Director

Mr. Kanaiyalal N. Atmaramani

*Independent Director
(upto December 31, 2018)*

Mrs. Ritu P. Chhabria

*Non-Executive &
Non-Independent Director*

Mrs. Kanchan U. Chitale

*Independent Director
(effective April 1, 2019)*

Mr. Dara N. Damania

Independent Director

Mr. Saurabh S. Dhanorkar

*Non-Executive &
Non-Independent Director*

Mr. Shrikrishna N. Inamdar

Independent Director

Mr. Prabhakar D. Karandikar

Independent Director

Mr. Sanjay S. Math

Managing Director

Dr. Sunil U. Pathak

Independent Director

Mr. Anil V. Whabi

Director – Finance

Mr. Devang B. Trivedi

Company Secretary

Audit Committee

Mr. Shrikrishna N. Inamdar
Chairman

Mr. Dara N. Damania

Mr. Prabhakar D. Karandikar

Dr. Sunil U. Pathak

Mr. Saurabh S. Dhanorkar

Corporate Social Responsibility Committee

Mr. Prakash P. Chhabria
Chairman

Mrs. Ritu P. Chhabria

Mr. Sanjay S. Math

Dr. Sunil U. Pathak

Mr. Saurabh S. Dhanorkar

Stakeholders' Relationship Committee

Mr. Dara N. Damania
Chairman

Mr. Prakash P. Chhabria

Mr. Shrikrishna N. Inamdar

Mr. Prabhakar D. Karandikar

Dr. Sunil U. Pathak

Mr. Saurabh S. Dhanorkar

Risk Management Committee

Mr. Prakash P. Chhabria
Chairman

Mr. Sanjay S. Math

Mr. Anil V. Whabi

Dr. Sunil U. Pathak

Mr. Saurabh S. Dhanorkar

Nomination and Remuneration Committee

Mr. Shrikrishna N. Inamdar
Chairman

Mr. Sanjay K. Asher

Mr. Dara N. Damania

Mr. Prabhakar D. Karandikar

Dr. Sunil U. Pathak

Mr. Saurabh S. Dhanorkar

Auditors

M/s. P. G. Bhagwat
Chartered Accountants, Pune

Solicitors & Advocates

Crawford Bayley & Co., Mumbai

Bankers

Bank of India
ICICI Bank Limited
Bank of Baroda
Citibank N.A.
Bank of Maharashtra
Corporation Bank

Corporate Office

D1/10, MIDC Chinchwad
Pune 411 019
Maharashtra, India
Tel. No.: 020-27408200/27408572
Fax No.: 020-27474444/27479000

Registered Office

Gat No. 399, Village Urse, Taluka Maval,
District Pune 410 506,
Maharashtra, India
Tel. No.: 02114-237251
Fax No.: 02114-237252

Registrar and Share Transfer Agent

Karvy Fintech Pvt. Ltd.
Karvy Selenium Tower B,
Plot No. 31 & 32,
Gachibowli Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, India.
Phone No.: 040-67162222
Extn Nos. 1583 & 1562
Fax No.: 040-23420814, 23001153
Toll Free: 1800 3454 4001
Email ID: einward.ris@karvy.com
Website: www.karvyfintech.com

Corporate Identity No. (CIN) : L40108PN1981PLC024153
Email : investors@finolexind.com
Website : www.finolexpipes.com

Quick Facts

38 years

Of robust organic growth

1323

Employee strength as on 31st March 2019

3

Manufacturing facilities: Pune, Ratnagiri and Masar

Zero

Long-term debt as on 31st March 2019

**CRISIL A1+/
IND A1+**

Maintained short-term credit rating- CRISIL/ India ratings

**CRISIL AA/
IND AA**

Maintained long-term credit rating- CRISIL/ India ratings

19.55%

EBITDA Margin

₹ 350 crore

Profit after tax in 2018-19

₹ 6071 crore

Market capitalization value as on 31st March 2019

Ten Year Financial Highlights (standalone)

(₹ in Lakhs)

	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
	IND AS	IND AS	IND AS	IND AS	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP
Revenue from operations (Excluding Excise duty)	309,132	273,779	260,236	248,191	247,615	245,303	214,482	209,978	197,773	145,493
EBITDA*	60,430	48,393	56,301	40,444	21,336	39,662	35,874	21,676	21,968	26,280
EBIT**	53,422	42,332	50,797	35,386	15,469	33,432	30,433	14,124	14,526	20,113
Profit before tax	53,562	43,883	51,696	37,327	8,078	24,186	19,016	9,674	11,495	17,397
Profit after tax	34,980	29,854	35,218	25,441	4,778	17,015	13,614	7,515	7,617	13,232
Dividend (including tax on dividend if applicable) [Proposed for FY 2018-19]	14,960	14,960	17,176	14,936	2,978	10,163	7,933	4,327	4,354	4,354
Balance Sheet Data										
Share capital	12,410	12,410	12,410	12,410	12,410	12,410	12,409	12,409	12,404	12,401
Net worth	252,842	276,457	229,139	156,985	78,740	78,969	72,116	66,211	62,031	58,768
Loan funds	9,056	10,071	9,418	11,171	58,706	65,592	71,063	101,244	73,458	83,351
Gross block	219,944	117,947	198,235	192,269	189,394	184,997	177,100	162,554	156,373	153,335
Capital Employed	168,142	147,262	133,024	111,332	96,626	100,932	84,123	82,346	77,944	116,826
Key Ratios										
EBITDA (%)	19.55%	17.68%	21.63%	16.30%	8.62%	16.17%	16.73%	10.32%	11.11%	18.06%
Return on capital employed (%)***	31.77%	28.75%	38.19%	31.78%	16.01%	33.12%	36.18%	17.15%	18.64%	17.22%
Earnings per share (₹)	28.19	24.06	28.38	20.50	3.85	13.71	10.97	6.06	6.14	10.67
Debt to equity	0.04	0.04	0.04	0.07	0.75	0.83	0.99	1.53	1.18	1.42
Dividend payout (%)	42.77%	50.11%	48.77%	58.71%	62.33%	59.73%	58.27%	57.57%	57.16%	32.90%
Interest coverage(times)	49.24	49.30	36.69	9.05	3.57	5.98	6.97	2.89	3.68	5.64
Book value per share (₹)	203.75	222.78	184.65	126.50	63.45	63.64	58.12	53.36	50.01	47.39
Market Capitalisation (₹)	607,137	818,719	718,450	451,893	352,059	237,022	119,007	62,358	108,367	81,051

* EBITDA - Earnings before interest, tax, depreciation & amortisation and exceptional items (excluding other income)

** EBIT - Earnings before interest, tax, and exceptional items (excluding other income)

*** Return on capital employed - EBIT / Capital employed

Chairman's Message



Dear Shareholders,

I am pleased to present before you the 38th annual report of your Company.

In a competitive business environment, your Company has delivered an improved performance for the year 2018-19. We continue to carry forward the values that form our foundation, as we move onwards and upwards.

While our industry faced challenges led by volatility in the price of PVC and softer demand growth in PVC Pipes & Fittings, Finolex reported a healthy double-digit growth of 12.91% in revenue from operations to ₹ 3,091 Crore. The bottom line registered a growth rate of 17.18% to ₹ 350 Crore with a healthy margin of 11.32%.

In the coming years, we believe there would be a robust growth in the pipes & fittings market considering the



In a competitive business environment, your Company has delivered an improved performance for the year 2018-19.

government's thrust on development. Programs including Pradhan Mantri Krishi Sinchai Yojana (Prime Minister Agriculture Irrigation Scheme), and increased allocation towards agricultural and allied activities, namely, irrigation facilities, building agri-market infrastructure and the introduction of the Kisan credit card to farmers, could lead to a rise in demand for agriculture pipes and fittings. In the non-agricultural segment, significant demand push from various initiatives including 'Housing for All 2020' and Smart City Mission, could see a rise in domestic pipes & fittings.

In the coming years, we propose to increase our capacities, broaden our dealer/retailer network and add new products to our portfolio. We remain focused on achieving growth and delivering quality products.

Mukul Madhav Foundation (MMF), our CSR Partner, continues to be an integral part of our CSR activities to help those who are less fortunate. Our focus areas include:

- Education
- Healthcare
- Sanitation
- Skill development
- Social Welfare
- Water conservation

I am delighted to inform you that your director and Managing Trustee of MMF Mrs. Ritu Prakash Chhabria, was felicitated with 'Pune Gaurav Puraskar' for her outstanding contribution to the society, at the hands of renowned Social Activist Smt. Medha tai Patkar in the presence of Dr. Neelam Gorhe, Dy. Speaker, Maharashtra Legislative Council. MMF has received an appreciation certificate from Vadodara District Collector, Gujarat for installation of rain water harvesting kit at Muval Primary School for the Government's Sujalam Sufalam Project.

The year that went by was a very successful one and all of this would not have been possible without the efforts and hard work of

our employees. At Finolex, employees are at the centre of everything we do, as a result we continuously ensure their well-being with regular training and development programs to enhance their skills and competencies.

I would like to express my appreciation to every Board member for their invaluable contribution. I would also like to thank the entire management team at Finolex for their commitment and passion, that has enabled us keep up pace and profits consistently.

In conclusion, I would like to appreciate our shareholders' continued support and shared belief of driving Finolex to be a market leader.

I look forward to another exciting year ahead.

Regards

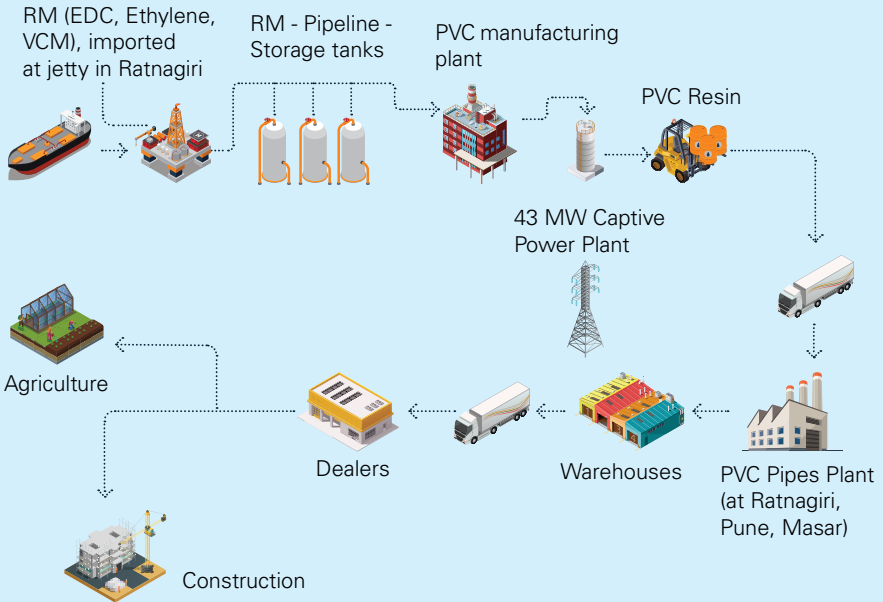
Prakash P. Chhabria
Executive Chairman

Our Value Creating Business Model

Inputs

- 1 Equity Capital and Reserves
- 2 Water, energy and land
- 3 Support of Vendors
- 4 A network of dealers, distributors and sub-dealers
- 5 Skills and expertise of our people
- 6 Community Support

Business process



Outputs

259,503

Total production of PVC Resin (in MT)

259,328

Total production of PVC Pipes & Fittings (in MT)

3,091

Total Revenue, excluding excise duties & other income (in ₹ crore)

134

Employee benefit expense (in ₹ crore)

852

Taxes and duties paid to the Government (in ₹ crore)

124*

Dividend Paid (in ₹ crore)

*excluding dividend distribution tax

Our strategy



Strategic framework

- Expanding Footprint
- Cash and carry model
- Branding
- Capacity Expansion

Our beneficiaries



Stakeholders

- Shareholders
- Customers
- Vendors
- Employees
- Community

Our reach



Distribution Network

- Dealers
- Warehouses
- Retail Outlets

Finolex at a glance

Finolex Industries Limited is India's largest manufacturer of PVC pipes & fittings and a leading producer of PVC resin.

We are the largest manufacturer of PVC pipes & fittings supported by our expansive network of more than 850 dealers and

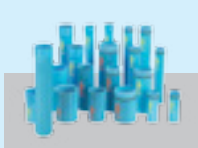
over 18,000 retail touch points. We cater to customers in the agricultural, construction and industrial segments across the country.

Our product portfolio

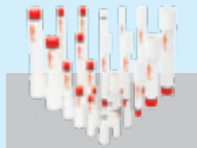
Agriculture



Agriculture Pipes & Fittings



Casing Pipes



Column Pipes



Solvent Cement & Lubricant

Non-agriculture



FlowGuard Plus
CPVC Pipes &
Fittings



Plumbing Pipes &
Fittings



Sewerage Pipes



SWR Pipes &
Fittings



Solvent Cement &
Lubricant

Our presence

10

Branch Offices

18000+

Retail Touch Points



850+

Dealers present in India

Awards



In December 2018, Mr. Prakash P. Chhabria, Chairman, Finolex Industries was felicitated by Shri Devendra Fadnavis, CM of Maharashtra, at an event organised by Navbharat Group for contributing to the growth and development of the state by mobilizing the philanthropic activities of Mukul Madhav Foundation. He was also awarded with the Most Respected Entrepreneur of the year 2018 by the Hurun report.



Brand Leadership award given to Finolex Industries at the "Pune Best Brand Awards in Real Estate Sector" by the "Global Real Estate Congress" in October 2018



Finolex Industries Limited received the Indywood CSR Excellence Award for "Best CSR practices in Speciality Healthcare" in December 2018. The award was given by Ms. Valeria V. Kolesnik, Head of Russian Cultural Ministry of Cinematography



Received Gujarat CSR Excellence Award for best Water conservation and Watershed projects at the hands of Shri Dharmendra Pradhan(Hon. Cabinet Minister of Petroleum and Natural Gas) and Shri Ganpatbhai Vasava(Hon. Minister for Tribal development, Tourism, Forest, Women and Child Welfare) in November 2018.

Branding Strategy

Branding activities during the year

Q1

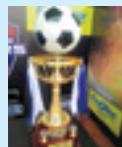
Networking with influencers and channel partners at the Arijit Singh concert in various cities like Pune, Mumbai, Ahmedabad, Gurugram and Chandigarh



IPL - 2018 - In order to build our relationship, influencers and channel partners were invited in various cities like Pune, Mumbai, Kolkata, Bengaluru, Indore, Hyderabad, Mohali, Delhi and Jaipur



Sakal Superstar Cup - Sponsorship at Celebrity Football Match in Balewadi Stadium, Pune



Participated in the Indian Plumbing Association Conference held in Goa



Q2

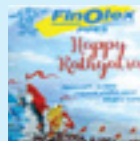
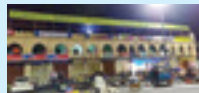
On the occasion of Ganesh Chaturthi various advertising campaigns took place within Maharashtra



Pandharpur Yatra - Bag distribution, Medical camp set up by Mukul Madhav Foundation, Hari-Paath distribution, Flex banners, LED Masking, Wall Painting in Pune



Venue branding on the occasion of Rath Yatra through Running banners, Pandals, T-shirts, Bags, Outdoor branding, Auto rickshaw branding in Jagannath Puri, Delhi, Punjab, Rajasthan, Chattisgarh, Gujarat



Participated at Agri Asia Exhibition at Gandhinagar, Gujarat

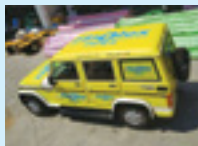


Q3

On the occasion of Durga Puja & Navratri various advertising campaigns took place within West Bengal and Gujarat



Retail Branding carried out across India for Channel Partners



Participation in Kisan Exhibition, Pune and Agri Intex Exhibition, Ludhiana



Sawai Gandharva sponsorship in Pune



Felicitation of Mr. Tajindar Pal Singh Toor, the Gold Medal winner in the Men's shot-put category at the Jakarta Asian Games 2018 and Ms. Mehuli Ghosh who won the silver medal in the women's 10 metre event at the Youth Olympic Games 2018 in Argentina



Q4

Finolex distributed 4,35,000 drawstring bags and sponsored food for the pilgrims through the Parmarth Niketan Foundation at Kumbh Mela held in Prayagraj



'Total Dhamaal' – Film Sponsorship and Plumber connect activity carried out pan-India



Participated in Décor Exhibition, Jaipur ; CREDAI Exhibition, Sangli ; ISH Exhibition, Mumbai



The 'Turn of A Wrist' advertisement published pan-India in all leading newspapers on 31st March 2019, with dealer contact details for business growth



Corporate Social Responsibility

A mission to improve well-being

At Finolex, we aim to be a responsible and sustainable company by contributing towards improving the quality of life of the people in and around our areas of operation. By operating responsibly, we meet the expectations of our stakeholders including customers, employees and society at large. Finolex's main focus areas include:



Education

We continued our support at all levels in the education field by our different initiatives. With focus on boosting government schools, we provided infrastructure facilities, clean drinking water facilities, toilets, organized extra-curricular activities, provided books and sports equipment and provided English teachers in and around schools near our factory premises in Maharashtra and Gujarat.



Celebration of Reading Inspiration Day



Inauguration of a multipurpose hall in Sri Ramakrishna Ashrama School at Angul, Orrisa

To further encourage students to attend school, we organized career guidance programs, Spell Bee competition, musical event, Republic Day celebration and Annual concerts.



Career guidance sessions conducted at schools

We supported 5 deserving students who were trained to become Radiologists. These students successfully completed their course, graduated and received their "Certificate in Radiologic Technologist" on 31st January 2019.



Graduation Ceremony of certification in Radiologic Technologist

Outcomes in 2018-19

230

Children provided with scholarships

₹ 40.37 lakh

Spent towards improvement in infrastructure of Municipal and Zilla Parishad Schools

196

Students provided with track suits

263

Students benefited from career guidance session

Healthcare

Caring for people and striving to achieve a healthier community is a priority for Finolex. We contribute towards a healthier community through various initiatives including providing financial assistance to patients, organizing free health camps, support healthcare and better hygienic practices in urban and rural centers. Through our CSR partner, Mukul Madhav Foundation (MMF), we have established association with many renowned hospitals across Maharashtra which enables us to serve our community even better.

Key highlights for 2018-19

Donation to Sassoon General Hospital

We extended our support to Sassoon General Hospital by donating medical equipment worth ₹ 2 crore. The equipment was donated on the occasion of the first anniversary of the Endoscopy Unit and the second anniversary of the NICU. Equipment given to the Endoscopy Unit includes: Endoscopy Ultra Sound along with head protection, thyroid shield, lead apron, protective eye gear, and OGD scope. We also donated equipment to the NICU including Criticool & AIEEG, Upgraded Central Air Pressure, additional 2 CPAP and ABG.



Endoscopy Unit

Geriatric Camp

In alignment with our vision to provide medical support to senior citizens of our society, we organized medical check-up camps by specialist doctors. This camp was organized in 4 PHCs (Primary Health Centers) in Satara. Specialist doctors from our network of hospitals travelled to screen patients with various ailments and refer them to the local PHC or to Pune for further treatment. Through this initiative we were able to make a remarkable difference in the well-being and health of senior citizens. We received tremendous support from the local authorities like the CEO, DHO and others at the Zilla Parishad of Satara.



Senior Citizens at the Geriatric Camp at Satara District

Continuing Medical Education (CME) At Ratnagiri

In extension to MMF's Mission Cerebral Palsy, we organized CME at Ratnagiri in collaboration with the Indian Medical Association, Ratnagiri. Many renowned doctors from Pune addressed fellow doctors on various topics with a focus on 'The importance of early diagnosis and on time referral to the concerned doctors, to help avoid further medical complications'.



Continuing Medical Education (CME) at Ratnagiri

Health Camp at Ratnagiri

To ensure medical assistance we organized free health camps at ZP and private school at Ratnagiri between 14th and 18th January 2019. This marked our 20th bi-annual camp since 2008.



Team conducted health camp at Ratnagiri

Training in Mental Health, UK

To make a positive difference to Mental Healthcare disease in India, we collaborated with a team of mental health specialists from UK, organising several training programs. The initiative was held in Pune for care givers, psychologist, teachers, Primary Healthcare physicians and other Mental Health professionals.



Health specialists from UK

Cancer Awareness

We undertook several initiatives to spread awareness about rising incidences of cancer disease in India and benefits of early detection. Around 76 women were screened at Finolex's women well-being clinic situated at Parkar Hospital, Ratnagiri.



A human chain in the shape of ribbon against cancer

Cervical Cancer Vaccination, Pune

In collaboration with Rotary Club, we held Cervical Cancer immunization camp at Venkateshwara school in Pune. Through this camp, we provided vaccination against human papillomavirus to 100 adolescent girls (above the age of 15 years). This initiative has proven to be very efficacious in preventing the development of moderate or severe cervical precancerous lesions associated with HPV-16 or 18.



Cervical Cancer immunization camp

Golden Hour Training

During the year under review, we provided Golden hour training to 862 trained ASHA and ANM workers to handle emergency situations during the first few hours of birth, along with other first – aid training. This training was provided after completion of the Mid- Wifery training in 20 PHCs in Satara district.

Mission Cerebral Palsy

In November 2018, we completed three years of Mission Cerebral Palsy (CP). Over the years, MMF has regularly conducted physiotherapy, speech therapy, nutrition assessment in the 6 Finolex Rehab Centers. We also conducted special monthly neurophysio therapy camps for 50 children on a regular basis at the Ratnagiri Rehab Centre. During the year under review, we organized Cerebral Palsy Assessment Camp at Patan in Satara. Around 81 patients benefited from this camp. Out of the total, 55 were detected with CP and the rest were differently-abled.



Distribution of Orthotics devices to children affected with CP

Outcomes in 2018-19

1149

Senior citizen benefitted over the past 10 months by our Geriatric camp

49

Cerebral Palsy surgeries have been successfully carried out at Sancheti Hospital

110

Patients provided with orthotics devices

16000+

Students benefitted from health camps in and around Pune and Ratnagiri

556

Women benefitted through subsidized mammography and colposcopy tests in Ratnagiri

120+

Children were provided with free cataract surgery

22

Cochlea implant surgeries were conducted

1256

Geriatric patients supported in camps

50

Geriatric cataract surgeries

₹ 1.35 Crore

Spent to fund complex medical treatment for the underprivileged

115

People attended the mental health training programme

449

Cataract surgeries supported

43

Students of New English Maratha Mandir School were given spectacles as a part of health camp referral

517

Staff and truck drivers benefited from eye camp organized at office premises at Urse and Chinchwad

42

Patients benefited from Neurophysiotherapy camp at Ratnagiri

556

Women benefited from Women's well-being camp at Walawalkar Hospital, Derwan, Ratnagiri

Sanitation

To improve the health and hygiene in our country, we undertook an initiative to construct toilets in Sonale, a tribal village in Palghar. As of December 2018, we completed the construction of 130 toilets equipped with solar lights. It is our aim to construct and handover 77 more soon. We even encouraged the residents of Sonale village to give back to the community



Toilet Inauguration at Palghar District

by contributing ₹ 2050/- per household. The money collected will be donated to the Sainik board, managed by the Central Government for the welfare of widows and families of soldiers who lost their lives in war. We have ascertained a need to provide a solar water pump at Vadawali, Palghar district to channelise water from the source for domestic use.



Solar Pump Inauguration at Palghar District

Outcomes in 2018-19

87

Toilet blocks built in Ratnagiri and Masar

₹ 43.28 lakh

Spent towards building toilet blocks in Ratnagiri and Masar

Skill Development

As our endeavor to make ladies capable to earn for their family and address their financial problem, we provide skill development training to them at our Skill Development centre. During the year under



Ladies at Skill Development Centre

review, ladies from Yashshri Self help group made 34 broomstick out of the fronds collected from Finolex factory and sold them in the open market. This created an entrepreneurship opportunity for the women.



Ladies from Yashshri Self help group

Outcomes in 2018-19

14

Women trained within 3 months of sewing classes at Gavasad Skill development center

55

Women trained at Skill development classes to make 'Finolex' bags for Kumbh Mela

Social Welfare

With our commitment to improve the well-being of underprivileged people, we proactively contributed towards community development initiatives. During the year, we undertook various social welfare programs, including mid-day meals distribution and sponsoring of social events like YUVA DADU (Marathon) and 43rd foundation day of All India Radio Ratnagiri, participated in Kumbh Mela, renovation of old age homes and installation of street lights.



Mid-day meal distribution in schools

Outcomes in 2018-19

1500

Helmets donated to Ahmednagar Police Force

₹ 20.60 lakh

Spent on generic areas 26 institutions in Pune and 1 in Ratnagiri

50

LED street lights installed at Pindappa Village, Masar

Water Conservation

Unavailability of clean water for various purposes including drinking, cleaning and irrigation has emerged as a major concern in India. To address this challenge, at Finolex we undertook various projects such as De-silting of dam & lakes, widening of water bodies and creating infrastructure for rain water harvesting. These projects were undertaken across many districts in India including Satara, Sangali, Pune, Ratnagiri, Solapur, Osmanabad and Palghar. The outcomes of our initiatives has led to increase in the overall water level of nearby places, thus helping to restore the ecological balance and conserve water.

During the year under review, we undertook two new initiatives namely:

- **Desilting of Khadakwasala dam:** It is a Public Private Partnership (PPP) where MMF has joined hands with the government and other corporates such as Praj Foundation, Cummins, Tata Motors and others to each sponsor a 1 km stretch of the river. Through this dam around 45 lakh people will be provided with clean drinking water. The project also caters to the farming needs from Pune to Sholapur (Baramati belt). As it is difficult to construct new dams in over populated cities like Pune / Sholapur, it is important to carry out a regular desilting process and plant trees around the existing water bodies.

- **Desilting of 4.5km of 2nd phase of Bendh Nala Rejuvenation work:** This project is undertaken in association with the Madha Welfare foundation, NAAM Foundation and ZP Sholapur at Sholapur. This project will help resolve the water scarcity and shortages in 32 villages which are home to 22,000 individuals. This is the only project in Maharashtra where 32 villages have come together to work towards a noble cause.

In the next few years both these projects will help the growing population, aid the agricultural needs of the community and the ecosystem.



Inauguration of Khadakwasala Dam project

Outcomes in 2018-19

₹ **145** lakh

Spent towards water conservation

61,947

Beneficiaries of the water conservation project

5000+

Trees planted in Maharashtra and Gujarat

Board of Directors



1 Mr. Sanjay K. Asher
Independent Director

2 Dr. Sunil U. Pathak
Independent Director

3 Mr. Dara N. Damania
Independent Director

4 Mr. Shrikrishna N. Inamdar
Independent Director

5 Mr. Prabhakar D. Karandikar
Independent Director

6 Mr. Saurabh S. Dhanorkar
*Non-Executive,
Non-Independent Director*

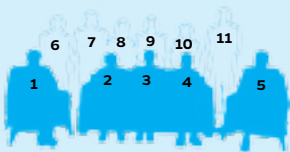
7 Mr. Sanjay S. Math
Managing Director

8 Mrs. Ritu P. Chhabria
*Non-Executive,
Non-Independent Director*

9 Mr. Prakash P. Chhabria
Executive Chairman

10 Kanchan U. Chitale
Independent Director

11 Mr. Anil V. Whabi
*Director – Finance &
Chief Financial Officer*

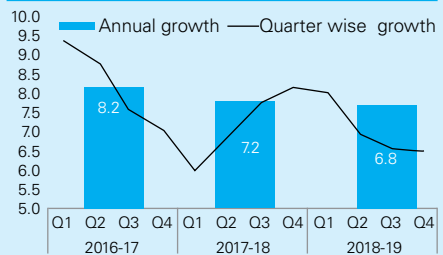


Management Discussion and Analysis

Indian economy

The Indian economy continues to be a fast growing major economy in the world. Despite a slight decline in the growth rate from 7.2% in FY 2017-18 to 6.8% in FY 2018-19, but is expected to continue the growth trajectory in FY 2019-20. The causes for slower growth in the FY 2018-19 have been attributable to a decline in private consumption, moderate increase in investments and muted exports. Various economic programs introduced by the government like Make in India, Skill India, Pradhan Mantri Awas Yojna (Prime Minister's housing scheme) and investment in infrastructure have helped to propel the economic development of the nation despite an otherwise sluggish economic outlook. The growth in industrial production increased to 7.7% in FY 2018-19 owing to robust growth in the manufacturing, construction and utilities sector. The agricultural activity, however, slowed down to 2.7%, the lowest reported figure in the last three years, owing to heavy floods in some parts and uneven monsoon in key agricultural areas. With better weather conditions, the agricultural activity is expected to increase in FY 2019-20.

The GDP growth rate is expected to revive to 7% in FY 2019-20. The revival will be supported by continued recovery of investments and robust consumption amidst a more steady stance of monetary policy and some expected impetus from the fiscal policy. The growth momentum will be further supported by revival of rural consumption, continued implementation of structural reforms and easing of infrastructure bottlenecks.



(Source: Ministry of Finance's monthly economic report)

Industry structure, developments and outlook

Finolex Industries Limited (FIL) is one of India's largest manufacturer of PVC pipes & fittings and a leading producer of PVC Resin. Its pipes and fittings are mainly used in the agriculture, construction and industrial segments. The Company operates in the following two areas:

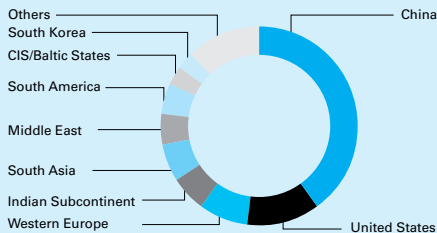
- PVC Resin
- PVC Pipes and Fittings

PVC Resin

PVC resin is derived from the polymerization of vinyl chloride and is the third largest polymer in terms of production and consumption. It is custom-made for utilization as a common plastic material in the agriculture and construction sector and is used in pipes and fittings, window frames and shutters, wires and cables and coating etc. It is also a preferred plastic material for application in flooring, films and sheets etc.

In India, approx. 73% of the total resin is consumed by pipe manufacturers. With the increase in demand for pipes, the consumption of PVC resin is estimated to grow at a consistent rate. A steady rise in demand and increase in imports has made India one of the most closely-tracked PVC markets in the world. Due to its high dependence on imports and favourable prospects in the downstream agriculture and construction sectors, the country is anticipated to emerge a leader in the global PVC trade. The import of PVC resin accounts for almost 60% of total domestic demand. The manufacturing capacity of domestic resin had been growing at a CAGR of 2.2% between CY 2010-2017 while the consumption requirement grew at a CAGR of 8.5% during the same period. (Source: ICIS, Plastic Pipe Industry Report by Systematix Group)

Global consumption of PVC - 2018



(Source: IHS Markit)

FIL established a resin manufacturing plant in Ratnagiri which is equipped with world renowned technology.

Highlights, FY 2019

272,000^{MT}
Manufacturing Capacity

259,503^{MT}
Production of PVC resin

188,622^{MT}
Captive Consumption

66,680^{MT}
Sales to external market

PVC Pipes and Fittings

Widely used for the purpose of irrigation, building and construction, water supply, sewage management etc., the growth of PVC pipes and fittings market is increasing due to rapid urbanization.

India's plastic pipe industry has grown at a CAGR of 9% from FY 2013 to FY 2018 and is estimated to reach a value of approx ₹ 318 billion in FY 2019-20. The demand for PVC pipes and fittings is likely to expand at a CAGR of 14.7% during FY 2018 to FY 2026. The primary growth drivers of this market in India are well supported by the government investments in irrigation, and housing & sanitation, through schemes such as Housing for All, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Pradhan Mantri Krishi Sinchayee Yojana (Prime Minister Agriculture Irrigation Scheme).

Further, the amplified demand for housing which is attributable to the ever increasing population as well as the rise in personal disposable income will also drive the overall growth of this segment. (Source: PR Newswire, Ken research)

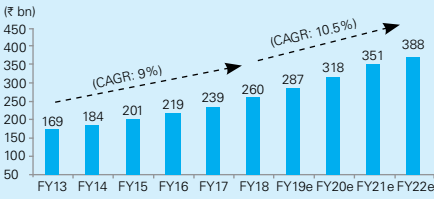
The company has its manufacturing plants in Pune, Ratnagiri and Masar, complete with modern and advanced equipment. In this segment, Finolex as a brand has a strong cognizance and recognition, as it delivers top of the line quality products to its customers across all verticals.

Highlights, FY 2019

370,000^{MT}
Manufacturing Capacity of Pipes and Fittings

262,858^{MT}
Quantity of Pipes and Fittings sold

Plastic pipe industry growth trends



E: Estimated

(Source: Systematix Institutional Research)

Agricultural segment

Agriculture Pipes and Fittings

- **PVC-U Selfit Pipes** - These pipes are self-socketed at one end and plain at the other, which allows them to fit snugly without the use of couplers. The robust solvent cement joint is durable and easy to install and thereby saves time and cost.
- **PVC-U Ringfit Pipes** - FIL was the first company to introduce these pipes in India. These pipes eliminate the need for solvent cement since the sealing ring ensures leak-proof joints and easy installation.

Casing Pipes

Casing pipes are used for providing protection to column pipes due to its extra toughness. The anti-corrosive property of PVC protects the casing and screen from chemicals found in soil and water. Casing Pipes are easy to install as the threaded ends ensure that the pipes can be screwed onto each other without the use of cement or adhesives.

Column Pipes

Column pipes are chemical and corrosion resistant, made from a proprietary lead

free compound and have a smooth interior surface reducing friction. These pipes are provided with square threads for coupling joints which help in positive locking and can withstand shocks, jerk loads and operational pressure.

Solvent Cement

Solvent cement is used for the purpose of joining two or more pipes and fittings. Finolex solvent cement is the preferred choice due to its superior quality to provide a strong and consistent joints. FIL markets solvent cement for various pipes and fittings used in agriculture, sanitation and plumbing applications.

Opportunities in agricultural segment

- The Government has approved a corpus of ₹ 5,000 crore for setting up a dedicated micro irrigation fund (MIF) under the National Bank for Agriculture and Rural Development (NABARD).
- Kisan Credit Cards will be given to farmers to help them meet their working capital needs. Small and marginal farmers are likely to benefit from this facility.
- Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) focuses on creation, repair and restoration of water sources, developing distribution networks, promoting efficient water conveyance through underground piping systems and drip irrigation and promoting farmer-oriented activities.

Non Agriculture Segment

1. ASTM Pipes and Fittings

Finolex ASTM plumbing pipes are a better alternative to traditional GI pipes.

They are a cost-effective option against GI pipes because of their non-corrosive nature and high durability. These pipes are most appropriate and economical solution for distributing potable water since they are lead-free, UV stabilized, light weight and easy for transportation and installation.

ASTM pipes are put to use in the following applications:

- Cold water plumbing applications in buildings.
- Piping systems for swimming pools.
- Pipes for hand pumps.
- Salt water lines.
- Water distributions mains.

2. FlowGuard Plus CPVC Pipes and Fittings

FlowGuard Plus CPVC pipes and fittings are considered to be ideal for carrying a continuous flow of hot and cold water over conventional materials. These pipes find utility in residential apartments, hospitals, swimming pools, manufacturing plants, hotels and resorts etc.

Features of FlowGuard Plus CPVC pipes:

- These pipes are non-corrosive and can be used for hot water applications upto 93 degree centigrade.
- FlowGuard pipes are UV stabilised and designed for shelf life of 50 years.
- These pipes are manufactured using lead free and environment friendly compounds.

3. SWR Pipes and Fittings

A permanent solution for sanitation and drainage systems, FIL's lightweight, convenient and cost-effective SWR pipes and fittings are used for soil, waste and rain water management. These pipes are free from scale formation, rusting, weathering and chemical action and have emerged as a better option in comparison to conventional drainage systems. They are available in two types of sockets-Selfit and with Integrated ring.

4. Sewerage Pipes

FIL's SDR series sewerage pipes are specially devised to control underground non-pressure applications like gravity drainage and sewer flow for transferring soil and waste discharge, surface water and industrial effluents.

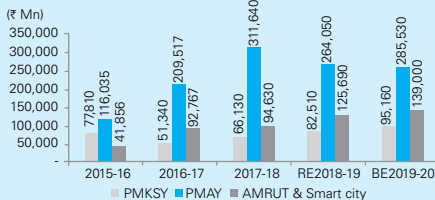
Opportunities in Non-agricultural segment

- Under the Pradhan Mantri Awas Yojna (Prime Minister Housing Scheme), the proposal entails completion of the construction of pucca houses by 2020 in both rural and urban areas.
- Swachh Bharat Mission (Gramin) has been truly beneficial. Sanitation coverage in rural India has increased and the Government is focused on covering a wider area.
- Atal Mission for Rejuvenation and Urban Transformation (AMRUT) aims at improving the standard of living of the urban population. The government has planned to invest ₹ 500 billion between FY 2016-20, with a total of 500 cities with a population above one lakh, have already been identified under this scheme. The

focus will be on availability of taps with assured water supply and sewerage connection in every house, developing greenery and promoting the use of public transport to reduce pollution.

- 'Affordable Housing for All 2020' aims at making homes available at an affordable price especially for low income group people.

Government Allocation in various schemes

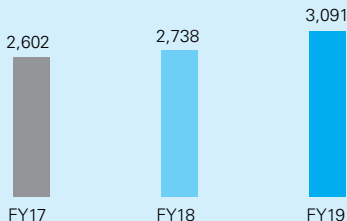


(Source: Budget, Systematix Institutional Research)

Financial Analysis

Revenue

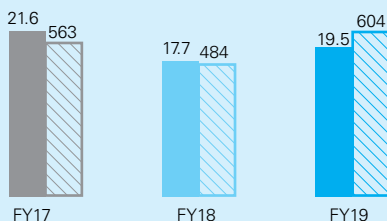
(in ₹ Crore)



3,091

Revenue in 2018-19 (in ₹ crore) excluding excise duty & other income

EBITDA Margin/EBITDA



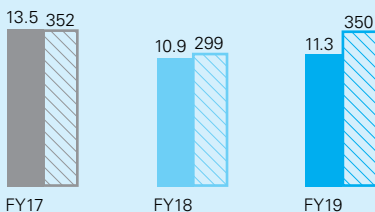
19.5

EBITDA Margin in 2018-19 (in %)

604

EBITDA in 2018-19 (in ₹ crore) excluding other income

PAT Margin / PAT



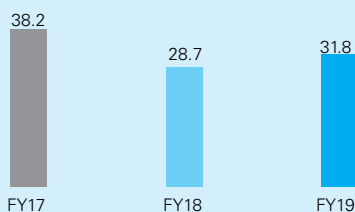
11.3

Net Profit Margin in 2018-19 (in %)

350

Net Profit in 2018-19 (in ₹ crore)

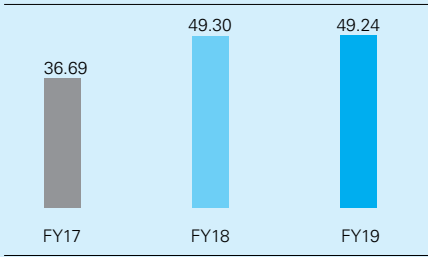
ROCE



31.8

ROCE in 2018-19 (in %)
ROCE = EBIT (excluding other income) / Operating Capital Employed

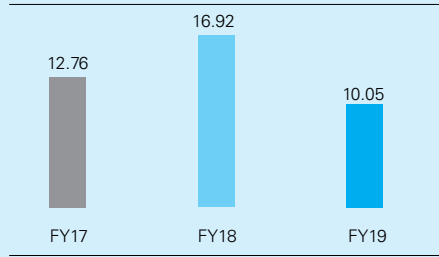
Interest Coverage Ratio



49.24

Interest Coverage Ratio in 2018-19

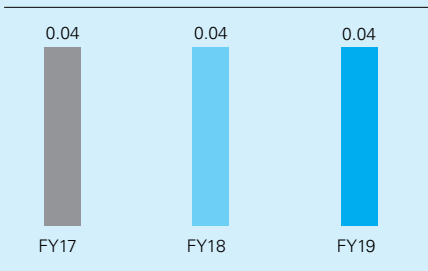
EV/EBITDA



10.05

EV/EBITDA in 2018-19 (times)

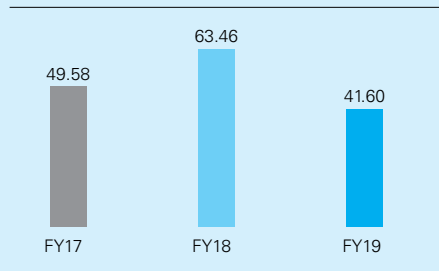
Debt-Equity Ratio (times)



0.04

Debt-Equity Ratio in 2018-19 (times)

Debtors' Turnover Ratio (times)

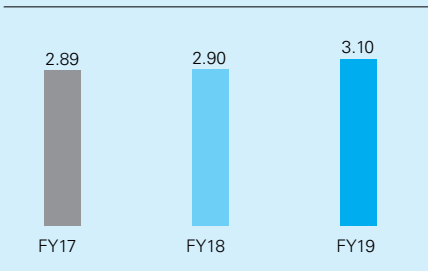


41.60

Debtors' Turnover Ratio in 2018-19 (times)

Reason for change compared to the previous financial year is due to credit period was given to customers for a part of business.

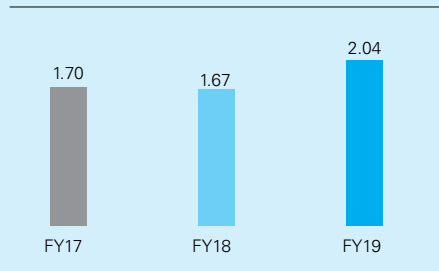
Inventory Turnover Ratio (times)



3.10

Inventory Turnover Ratio in 2018-19 (times)

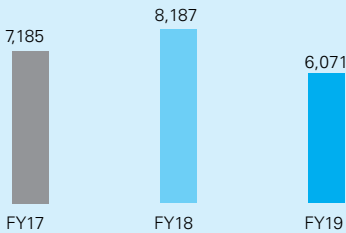
Current Ratio



2.04

Current Ratio in 2018-19

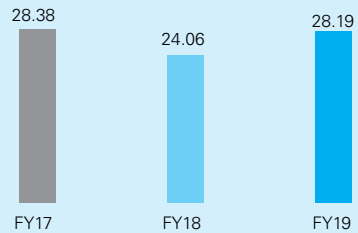
Market Capitalisation



6,071

Market Capitalisation as on
31st March, 2019 (in ₹ crore)

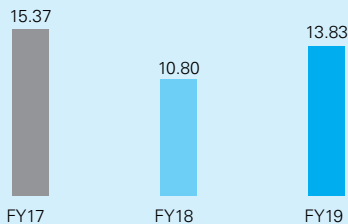
EPS



28.19

EPS in 2018-19 (in ₹ per share)

Return on Networkw (%)



13.83

Return on Networkw in 2018-19 (%)

Reason for change compared to the previous financial year is due to better margin.

Risk management

Industry Risk: A slowdown in demand for pipes might affect the business of your company.

Mitigation Strategy: Due to a large unmet requirement in the irrigation and housing sector for pipes, the company does not foresee a possibility of an imminent slowdown. About 70% of the Company's

pipes business comes from the agriculture sector, and 30% from the housing and construction sectors. The Government has introduced various initiatives in the agriculture sector. In the housing sector, the Government is focused on its scheme, Housing for All. The Company is thus poised to capitalize on these opportunities.

Price risk: A rise in the price of raw materials may result in the decline of profitability.

Mitigation Strategy: In the Pipes and fittings segment, the impact of PVC price fluctuations is passed onto the customer hence there is no significant impact on profitability. In the PVC resin segment, a rise in price of raw material may result in a temporary decline in profitability which tends to correct itself by a change in price due to a play of demand and supply over a period of time.

Geographic Risk: Failure to widen the horizon of the business and an inability to reach its customers and promote itself more efficiently can have a negative impact on growth.

Mitigation Strategy: To mitigate this risk, Company has set up 3 pipes plants - in Ratnagiri, Pune and Masar. It also has ~ 850 dealers and ~18000 retail touch points to reach its customers pan India.

Competition Risk: An increase in competition could hamper the market share of the company.

Mitigation Strategy: The Company is a prominent player in the segment. The Company has always focused on quality products, has very strong brand equity and provides prompt service to customers through its distribution network across India. This allows your Company to retain its lead in the market.

Foreign Exchange Risk: Risk due to unfavourable movements in the exchange rate.

Mitigation Strategy: Although Finolex is exposed to fluctuations in exchange rates, its revenues are linked to import parity pricing

of PVC resin that acts as a natural hedge. Thus, the Company does not need to hedge by way of forward contracts or options.

Transparency in sharing information

Transparency refers to sharing information and acting in an upfront and clear manner. Processes, instructions and information are directly accessible to those concerned, and enough information is provided to understand and monitor them. The Company believes in total transparency regarding the sharing of information about its business operations with all its stakeholders. The Company strives to provide the maximum possible information in the Management Discussion and Analysis which is a part of the Annual Report.

Internal Control Systems

The Company has positioned adequate internal control procedures, proportionate to the nature of business and size of operations for the smooth conduct of business. Internal audits are conducted at regular intervals at all the plants and cover key areas of operations. These audits are independent, objective and responsible for evaluating and improving the effectiveness of risk management, control and governance processes. An Audit Committee, consisting of four independent non-executive directors, monitors the performance of the internal audits. This is conducted on a periodical basis through audit plans, audit findings and the promptness of issue resolution through follow-ups.

Internal Financial Control

The Companies Act, 2013, has made significant changes in financial reporting requirements to bring it in line with international practices. The key requirements

are entity level controls and financial reporting prevention controls. The Company has in place all the required controls and framework to identify key processes and evaluate the efficiency of internal financial controls.

Human Resources

The success of the Company is driven by its people. A culture of continuous learning and advancement allows employees to grow personally and professionally. With a team of 1323 employees, the Company is committed towards the well-being and development of employees through several processes, such as performance and appraisal, learning management, talent management etc.

Cautionary statement

In this Annual Report, we may have disclosed information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral

- that we periodically make, may contain statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these statements will be realised, although we believe we have been prudent in these assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any statements, whether as a result of new information, future events or otherwise except as may be required by law.

Board of Directors' Report

To the Members,

Your directors have pleasure in presenting the Thirty-eighth annual report together with the audited financial statements (both standalone and consolidated) for the financial year ended 31st March, 2019.

State of the Company's affairs:

Financial Results

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Profit before depreciation & finance charges	64,586.70	50,925.18	65,871.67	52,467.01
Less: Finance charges	1,227.21	981.65	1,227.21	981.65
Profit before depreciation, exceptional items and taxation	63,359.49	49,943.53	64,644.46	51,485.36
Less: i. Depreciation	7,007.66	6,060.46	7,007.66	6,060.46
ii. Exceptional item	2,790.00	-	2,790.00	-
iii. Provision for taxation	18,581.63	14,028.59	18,121.86	14,791.54
Profit after depreciation, exceptional items and taxation	34,980.20	29,854.48	36,724.94	30,633.36
Add/(Less) :				
i. Retained earnings at the beginning of the year	121,234.63	108,643.55	124,290.58	110,981.30
ii. Re-measurement of defined benefit plans and income tax effect	(307.51)	(86.99)	(307.51)	(86.99)
iii. Share of Other Comprehensive Income (OCI) of Associate for the year	-	-	0.65	0.65
iv. Dividend	(12,409.54)	(14,270.97)	(12,409.54)	(14,270.97)
v. Tax on dividend	(2,550.82)	(2,905.44)	(2,574.75)	(2,966.77)
Retained earnings at the end of the year	140,946.96	121,234.63	145,724.37	124,290.58
Earning per equity share:				
Basic & Diluted (₹/share)	28.19	24.06	29.59	24.69

Operations

The operational performance is summarized below:

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations (see note 1)	309,132.23	283,140.60	309,132.23	283,140.60
Other Income	4,157.01	2,532.40	4,041.13	2,439.70
Total Income	313,289.24	285,673.00	313,173.36	285,580.30
Profit before tax	53,561.83	43,883.07	53,445.95	43,790.37
Share of profit of associate before tax	-	-	1,400.84	1,634.53
Profit after tax	34,980.20	29,854.48	36,724.94	30,633.36

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
PVC Resin				
Production – in MTs	259,503	262,844	259,503	262,844
Sale – in MTs (including inter divisional):	255,302	258,767	255,302	258,767
Sale – in ₹ Lakh (including inter divisional):	187,417.44	177,837.90	187,417.44	177,837.90
PVC Pipes and Fittings				
Production – in MTs	259,328	260,387	259,328	260,387
Sale – in MTs	262,858	252,036	262,858	252,036
Sale – in ₹ Lakh	257,480.10	232,883.72	257,480.10	232,883.72

Note 1: Revenue from operations includes excise duty collected for previous Quarters up to Quarter ended 30th June, 2017 as per guidelines prescribed in Ind As 18 “Revenue”. From 1st July, 2017, as per the said guidelines, Goods and Service Tax (GST) charged is excluded from Revenue from operation and to that extent the revenues are not comparable. Had the previously reported revenue shown net of excise duty, comparative revenue of the Company would have been as follows:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations (excluding excise duty)	309,132.23	273,778.80	309,132.23	273,778.80

During the financial year, 40,000 MT capacity was added to PVC pipes & fittings and with this addition, the total capacity of PVC pipes & fittings stands at 370,000 MT p.a. The sales volume for PVC pipes & fittings was 262,858 MT for the financial year ended 31st March, 2019 as against 252,036 MT for the financial year ended 31st March, 2018. Total standalone income from operations was at ₹ 313,289.24 lakh for financial year ended 31st March, 2019 against ₹ 285,673.00 lakh for the financial year ended 31st March, 2018. Profit after tax was at ₹ 34,980.20 lakhs for the financial year ended 31st March, 2019 as against ₹ 29,854.48 lakh for the financial year ended 31st March, 2018.

Dividend

Your directors have recommended dividend on equity shares @ 100 % (₹ 10 per equity share). The dividend on equity shares including corporate dividend tax, if approved by the Members, will absorb ₹ 14960.36 lakh. As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy which has been uploaded on the Company’s website <https://www.finolexpipes.com/investors/policies-code-of-conduct/> and is also enclosed as Annexure 1.

Transfer to Reserves

During the year, amount transferred to General Reserve was ₹ Nil (previous year ₹ Nil). Thus, the total comprehensive Income for the year of ₹ (8,654.12) lakh was transferred to Reserves and Surplus of Balance Sheet.

Deposits

The Company had no unpaid /unclaimed deposit(s) as on 31st March, 2019.

During the year, the Company has not accepted any deposits described under Chapter V of the Companies Act, 2013.

Management discussion and analysis

Pursuant to Regulation 34 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a management discussion and analysis report forms part of this annual report.

Consolidation of financial statements

As at the end of the financial year, your Company does not have any subsidiary company. However, it does have two associate companies namely Finolex Plasjon Industries Private Limited and Pawas Port Limited.

The consolidated financial statements as prepared pursuant to the provisions of Section 129 of the Companies Act, 2013 (the "Act") and Schedule III of the Act, are annexed and form part of this annual report.

Revision in financial statements

There has been no revision in the financial statements of the Company during the financial year 2018 – 2019.

Subsidiary and Associate Companies

In terms of Section 129(3) of the Companies Act, 2013, a statement containing salient

features of the financial statements of the associate or joint venture companies in Form AOC-1, is annexed and forms part of this annual report.

Pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014, the performance and financial position of the associate or joint venture companies is included in the consolidated financial statement which is annexed and forms part of this annual report.

During the financial year 2018-19, there is no change in associate companies of the Company.

The Company has formulated the policy on material subsidiaries in alignment with the provisions of Regulation 16 (i) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required under Regulation 46 (2) (h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Material Subsidiary Policy has been uploaded on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>.

Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the related party disclosures as specified in Para A of Schedule V are given below:

Sr. No.	In the accounts of	Disclosure of amounts at the year end and the maximum amount of loans/advances/investments outstanding during the year	
1.	Holding Company	<ul style="list-style-type: none">Loans and advances in the nature of loans to subsidiary by name and amount.Loans and advances in the nature of loans to associates by name and amount.Loan and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	No Holding Company.
2.	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.	No Subsidiary Company
3.	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	No Holding Company

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, your directors, on the basis of information and documents made available to them, confirm that:

- a) in the preparation of the annual financial statements for the year ended on 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that period;
- c) the directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate governance

A separate report on corporate governance in the compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with compliance certificate dated 25th May, 2019 obtained from M/s. SVD & Associates, Practicing Company Secretaries, is annexed and forms part of this annual report.

Material changes and commitments

Your directors confirm that there are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

Contracts or arrangements with related parties

The particulars of related party transactions are stated in the note no. 37 in the financial statements, Annexures 3, 4 and 6 of this report.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business of the Company. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict of interest with the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013, in Form AOC-2, is not applicable.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for its approval on a quarterly basis.

The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for the purpose of identifying and monitoring such transactions.

The Related Party Transactions Policy of the Company approved by the Board of Directors of the Company (the "Board") is uploaded on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>.

Risk management

During the financial year 2014-2015, your directors had constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of this report.

The Company has a robust risk management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level

as also separately for business segments. Risk management forms an integral part of the business planning and forecasting. The key business risks identified by the Company and its mitigation plans are included in the management discussion and analysis report.

Internal financial controls

Pursuant to Rule 8 (5) (viii) of the Companies (Accounts) Rules, 2014, the details in respect of adequacy of internal financial controls with reference to the financial statements are given below:

The Company has in place adequate internal control procedures, proportionate to the nature of the business and the size of operations, for smooth conduct of business. The systems are implemented for safeguarding the assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The scope and authority of the internal auditors are defined by the Audit Committee from time to time. To maintain its objectivity and independence, the internal auditors M/s. Sharp and Tannan report their observations to the Audit Committee of the Board. The internal auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of the internal auditors, process owners undertake corrective action in their respective areas which then strengthens the controls. Audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Directors and Key Managerial Personnel:

The Board of your Company is duly constituted with a proper balance of executive, non-executive and independent directors.

Pursuant to Section 149 (1) and 161 of the Companies Act, 2013 read with Rule 8 (5) (iii) of the Companies (Accounts) Rules, 2014, the details relating to directors and key managerial personnel who were appointed or have resigned are reported as under:

Resignation of Director

Mr. Kanaiyalal N. Atmaramani (DIN: 00129768), Non-Executive Independent Director of the Company has resigned from the directorship of the Company with effect from 1st January, 2019 due to personal reason including age related health issues and there are no other material reasons other than those provided.

Re-appointment of Director

Mrs. Ritu P. Chhabria (DIN:00062144), Non-Executive & Non-Independent Director retires by rotation as Director at the ensuing annual general meeting and being eligible, offers herself for re-appointment. The Board recommends her re-appointment.

Appointment of Director

The Board of Directors has co-opted Mrs. Kanchan U. Chitale (DIN: 00007267) as an Additional Director and also as Non-Executive Independent Woman Director for a term of 5 years effective 1st April, 2019. Mrs. Kanchan U. Chitale holds office of an additional director up to the date of the ensuing annual general meeting of the Company. A notice has been received proposing Mrs. Kanchan U. Chitale as an Independent Woman Director of the Company. The Board recommends her appointment.

Independent Directors

The Members of the Company at the 33rd Annual General Meeting of the Company held on 20th September, 2014, inter alia, appointed 6 (six) Non-Executive Independent Directors of the Company, namely Mr. Sanjay K. Asher, Mr. Kanaiyalal N. Atmaramani, Mr. Dara N. Damania, Mr. Shrikrishna N. Inamdar, Mr. Prabhakar D. Karandikar and Dr. Sunil U. Pathak, for a term of 5 (five) consecutive years with effect from 20th September, 2014. The said term of these directors expires on 19th September, 2019 and they have not offered their candidature for re-appointment by shareholders in the forthcoming annual general meeting. Mr. Kanaiyalal N. Atmaramani has tendered his resignation from the directorship of the Company with effect from 1st January, 2019.

The Board places on record its deep sense of gratitude and appreciation for immense contribution, strategic guidance provided during their tenure as independent directors of the Company.

Key Managerial Personnel (KMP)

During the financial year 2018-19, there was no change in KMP of the Company. As on date of this report Mr. Sanjay S. Math, Managing Director, Mr. Anil V. Whabi, Director – Finance & Chief Financial Officer and Mr. Devang B. Trivedi, Company Secretary are KMP of the Company.

Training and familiarization programme for directors

In compliance of the Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the familiarization programme for independent directors with

an aim to provide them with an insight into their roles, rights, responsibilities within the Company, the nature of the business of the Company and the business model of the Company.

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices.

Periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the Company, the global business environment, business strategy and various risks involved.

The updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly presented to the Directors.

The details of the familiarization programme for independent directors are available on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>.

Policy on directors' appointment and remuneration

The Company's Nomination and Remuneration Committee is governed by its terms of reference. The Company's Nomination and Remuneration Policy includes directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other details which are furnished in [Annexure 2](#).

The Company's Nomination and Remuneration Policy is also available on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>.

Annual performance evaluation of the Board, its committees and individual directors

The Company has devised a nomination and remuneration policy for performance evaluation of independent, non-executive and executive directors. The basis for this evaluation include fulfillment of the independence criteria, independence from the management, qualification, positive attributes, area of expertise and the number of directorships & memberships held in various committees of other companies.

The Board of Directors has carried out an annual evaluation of its own performance, its committees and the directors individually as per the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration of directors and key managerial personnel

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of directors and key managerial personnel are furnished in [Annexure 3](#).

Particulars of employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are furnished in [Annexure 4](#).

Auditors and Auditors' Report:

Statutory Auditors

Pursuant to Section 139 of the Companies

Act, 2013 and the Rules made thereunder, M/s. P. G. Bhagwat, Chartered Accountants, Pune were appointed as the statutory auditors of the Company in the thirty sixth Annual General Meeting (AGM) of the Company held on 11th August, 2017 for a period of five (5) consecutive years until the conclusion of the 41st AGM to be held in the year 2022 on such remuneration as shall be decided by the Board of Directors.

The statutory auditors have issued a certificate of eligibility pursuant to Section 141 of the Companies Act, 2013 and they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Cost Auditors

The Board at its meeting held on 25th May, 2019 has, on recommendation of the Audit Committee, appointed M/s. S. R. Bhargave & Co. as cost auditors to conduct an audit of cost accounting records of the Company for the financial year ending 31st March, 2020. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rules made thereunder, the ratification by the Members is necessary for the payment of remuneration to cost auditors. Your directors recommend the same.

The Cost Audit Report for the financial year 2017-18, issued by M/s S. R. Bhargave & Co, Cost Auditors, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs on 5th September, 2018.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed

M/s. SVD & Associates, Practicing Company Secretaries, Pune to undertake the secretarial audit of the Company for the financial year 2018-19. The secretarial audit report for the financial year 2018-19, is enclosed herewith as Annexure 5.

There is no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor in the said Secretarial Audit Report.

The Company has complied with all applicable secretarial standards.

Disclosures:

Your directors are pleased to furnish the following details which are required to be reported by the Company in the Director's Report pursuant to Section 134(3), (a) to (q) of the Companies Act, 2013:

Number of meetings of the Board

During the year under review, seven meetings of the Board of Directors were held. The details of the meetings are provided in the corporate governance report.

Committees of directors

The details of the committee of the directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, are described in the corporate governance report.

Audit committee

The Audit Committee has been duly constituted as required under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The required details pertaining to the composition of the Audit Committee, pursuant to Section 177 (8) of the Companies

Act, 2013, are given in the corporate governance report. There are no instances of the Board not having accepted the recommendation of the Audit Committee during the financial year 2018-19.

Extract of annual return

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the extract of annual return in the prescribed format MGT-9, is enclosed herewith as [Annexure 6](#).

Vigil mechanism / Whistle blower policy

The Company has established a vigil mechanism known as the Whistle Blower Policy (the "WBP") pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to report genuine concerns to the Chairman of the Audit Committee. The WBP provides adequate safeguards against victimization of persons who use such mechanism and ensures direct access to the Chairman of the Audit Committee. The details of the WBP are explained in the corporate governance report and also posted on the Company's website.

The Company affirms that no director or employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

Sexual harassment policy

The Company has in place a policy for prevention of sexual harassment of its employees at the workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaints' Committee has been constituted by the Company to redress any complaints

received regarding sexual harassment. Your directors state that during the year under review, there was no complaint received / case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Insider trading

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information (UPSI), the Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Code of Fair Disclosure').

The Insider Trading Code is intended to prevent the misuse of UPSI by insiders and connected persons and ensure that the Directors and designated persons of the Company and their immediate relatives shall not derive any benefit or assist others to derive any benefit from having access to and possession of such UPSI about the Company which is not in the public domain, that is to say, insider information.

The Code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the needs and interest of all the stakeholders.

Particulars of loans, guarantees or investments

The details, as applicable, of loans given, investments made or guarantees given pursuant to Section 186 of the Companies Act, 2013, are disclosed in note no. 4 to the financial statements for the financial year 2018-2019.

It is clarified that the Company has no loans/ advances and investments in its own shares.

Significant and material orders passed by the regulators or courts or tribunals

Pursuant to Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014, it is reported that no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company and the Company's operations in future.

Employee stock option scheme

During the year under review, your directors confirm that no shares were issued by the Company under the subsisting Finolex Industries Limited –Employee Stock Option Scheme Plan (ESOP) of the Company.

Sweat equity shares and equity shares with differential voting rights

Your directors confirm that neither sweat equity shares nor equity shares with differential voting rights have been issued by the Company during the year under review.

The conservation of energy, technology absorption, foreign exchange earnings and outgo

Your Company is committed to achieve the highest standards of environmental excellence by adopting environmentally sustainable and effective operating systems and processes. Your Company has put in place the internationally acclaimed Environment Management System under ISO 14001 certification at Ratnagiri. Your Company, is in compliance with all applicable environmental regulations in respect of air, water, noise, hazardous waste, e-waste

etc. to mitigate the potential environmental impact on society.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given under Section 134(3) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed herewith as Annexure 7.

Details in respect of fraud reported by Auditors

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee, Board and/or Central Government under 143(12) of the Companies Act, 2013 and rules framed thereunder.

Business Responsibility Report:

Business Responsibility Report for the year ended 31st March, 2019 as stipulated under Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed herewith as Annexure 8.

Corporate Social Responsibility:

The Board has constituted Corporate Social Responsibility (CSR) Committee and also framed the corporate social responsibility policy pursuant to Section 135 of the Companies Act, 2013. The details of the CSR Committee are given in the corporate governance report.

The corporate social responsibility policy of the Company can be viewed on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>.

As a responsible corporate citizen, your Company conducts CSR activities in education, healthcare, sanitation, skill developments, social welfare and water conservation with its CSR partner, Mukul Madhav Foundation (“MMF”). Your Company has been actively contributing to the social and economic development of the underprivileged in and around your Company’s plants situated at Ratnagiri and Urse in the state of Maharashtra and at Masar in the state of Gujarat.

The CSR activities carried out by your Company through MMF is headed by Mrs. Ritu P. Chhabria, Managing Trustee of Mukul Madhav Foundation, a driving force in accomplishing the activities on day-to-day basis.

During the financial year 2018-19, your Company in association with MMF has incurred expenditure on various CSR activities aggregating ₹ 924.07 lakh against the mandatory CSR expenses of ₹ 859.18 lakh.

The detailed report on the CSR activities is enclosed herewith as [Annexure 9](#).

Cautionary statement

Statements in the Board of Directors’ Report and the Management Discussion & Analysis describing the Company’s objectives, expectations or forecasts may be within the meaning of applicable securities laws and regulations. Actual results may

differ materially from those expressed in the statement. Important factors that could influence the Company’s operations include global and domestic demand and supply conditions affecting the selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Acknowledgements

Your directors take this opportunity to place on record their sense of gratitude to the banks, financial institutions, central and state government departments and local authorities for their guidance and support. Your directors are also grateful to the customers, suppliers and business associates of the Company for their continued co-operation and support. Your directors express their deep appreciation for the commitment, dedication and hard work put in by the employees at all levels. Lastly, your directors are grateful for the confidence and faith shown in them by the shareholders of the Company.

For and on behalf of the Board of Directors

10th August, 2019
Pune

Prakash P. Chhabria
Executive Chairman
DIN :00016017

Annexure-1 to the Directors' Report

Dividend Distribution Policy

Purpose, Objectives:

The Securities and Exchange Board of India ("SEBI") vide its Notification dated June 17, 2016 published in the Gazette of India on July 08, 2016 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), by inserting Regulation 43A relating to dividend distribution policy which inter alia provides that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

Finolex Industries Limited (the "Company") has formulated this dividend distribution policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This dividend distribution policy

- (i) aims to ensure that the Company makes a rational decision with regard to the amount to be distributed to the shareholders as dividend after retaining sufficient funds for the Company's growth, to meet its long-term objective and other purposes; and
- (ii) lays down various parameters which shall be considered by the Board of Directors of the Company before making a recommendation for declaration of dividend to its shareholders.

Policy:

The Board of Directors of the Company (the "Board") at its meeting held on 4th

February, 2017 has approved and adopted the dividend distribution policy [this "Policy"] of the Company.

The Policy of the Company, effective from 4th February, 2017 is as under:

A. Circumstances under which the shareholders of the Company may or may not expect dividend:

The shareholders of the Company may expect dividend only if the Company is having sufficient profits and free reserves with surplus cash after providing all expenses, depreciation etc. and complying all other statutory requirements of the Companies Act, 2013.

The shareholders of the Company may not expect dividend in the following circumstances, which are inclusive but not limited, subject to the discretion of the Board:

- i. Proposed expansion plans requiring higher capital allocation;
- ii. Business restructuring such as acquisitions, amalgamation, merger, joint ventures, manufacture of new products etc., all of which require significant capital outflow;
- iii. Possibilities of alternate usage of cash, such as requirement of higher working capital for the purpose of business of the Company;
- iv. Non-availability of surplus funds, after providing for expenses, depreciation and complying with

statutory requirements under the Companies Act, 2013 (the "Act") and the relevant rules made thereunder;

- v. Proposal for buy-back of securities;
- vi. Loss or inadequacy of profits;
- vii. Operating Profit Margin; and
- viii. Sales Growth.

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business.

The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The Company has been consistently paying out dividends to its shareholders and can be reasonably expected to continue declaring in future as well, unless the profits of the Company are insufficient or adversely impacted by any of the factors mentioned under paragraphs A, B and C of this Policy.

B. The financial parameters that shall be considered while declaring dividend:

The Board shall consider the following financial parameters which are inclusive but not limited for the purpose of recommending the declaration of dividend:

- i. Current year's net operating profit and profits for any previous financial year available for distribution of dividend as per the applicable provisions of the law;
- ii. Capital expenditure and working capital requirements;

- iii. Financial commitments w.r.t. the outstanding borrowings and interest thereon;
- iv. Financial requirement for business expansion and/or diversification, acquisition etc. of new businesses;
- v. Provisioning for financial implications arising out of unforeseen events and/or contingencies; and
- vi. Past dividend trend.

C. Internal and external factors that shall be considered for declaration of dividend:

The Board shall consider the following internal factors which are inclusive but not limited for the purpose of recommending the declaration of dividend:

- i. Operating cash flow of the Company;
- ii. Profit earned during the year;
- iii. Profit available for distribution;
- iv. Earnings Per Share (EPS);
- v. Working capital requirements;
- vi. Capital expenditure requirement;
- vii. Business expansion and growth;
- viii. Likelihood of crystallization of contingent liabilities, if any;
- ix. Additional investment in subsidiaries or associates of the company;
- x. Upgradation of technology and physical infrastructure;
- xi. Creation of contingency fund;
- xii. Acquisition of brands and business;
- xiii. Cost of Borrowing;

- xiv. Past dividend payout ratio / trends;
- xv. Repayment need for clearing debt;
- xvi. Investment opportunities available; and
- xvii. Contingency Fund.

The Board shall consider the following external factors which are inclusive but not limited for the purpose of recommendation/declaration of dividend:

- i. Economic environment;
- ii. Capital markets;
- iii. Relevant international economic trends;
- iv. Statutory provisions and guidelines;
- v. Dividend payout ratio of competitors;
- vi. Government policies;
- vii. Contractual restrictions / Restrictions in Debt covenants;
- viii. Nature of Company's business affected by cyclical economic conditions; and
- ix. Market behavior.

D. Policy as to how the retained earnings shall be utilized:

The Board may retain its earnings in order to make better use of available funds and deliver sustainable value to the shareholders.

The retained earnings will be utilised for:

- (i) Capital expenditure;
- (ii) Building up free reserves;
- (iii) Unforeseen requirements;

- (iv) Long-term strategic requirements; and
- (v) Revenue short falls

The decision of utilization of the retained earnings of the Company shall be based on the following factors as may be applicable:

- Market expansion plan;
- Product expansion plan;
- Increase in production capacity;
- Modernisation plan;
- Diversification of business;
- Long-term strategic plans;
- Replacement of capital assets;
- Where the cost of debt is expensive;
- Entry into joint ventures
- Other such criteria as the Board may deem fit.

E Parameters that shall be adopted with regard to various classes of shares:

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividend as may be declared by the Company. Presently, the issued share capital of the Company comprises of only one class of equity shares of ₹10 each which rank pari passu with respect to all their rights. In case the Company decides to issue any other class(es) of shares in future, it shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

F General:

- i. Pursuant to the provisions of section 123 of the Act, the Articles of

Association of the Company and this Policy, the Board shall recommend the final dividend which shall be declared by the shareholders of the Company at the annual general meeting of the Company. The Board may also, from time to time, in its discretion, declare interim dividend.

- ii. The Company shall ensure compliance with the provisions of the Act and rules framed thereunder, the Listing Regulations and other applicable laws with respect to the declaration and payment of dividend.
- iii. Due regard shall be given to the restrictions or covenants contained in any agreement entered into with the lenders of the Company or any other financial covenant as may be specified under any

other arrangement or agreement impacting the Company or to which the Company is a party, before recommending or distributing dividend to the shareholders.

G Disclosure:

This Policy shall be disclosed by the Company in its annual report and on its website.

H Review:

The Board reserves the right to review, modify, amend or change any or all clauses of this Policy in accordance with the provisions of the Act, relevant rules framed thereunder, the Listing Regulations, other applicable legislations governing dividends and the Articles of Association of the Company, as in force, and as amended, from time to time.

Annexure-2 to the Directors' Report

Nomination and Remuneration Policy

1. Preamble

1.1 Finolex Industries Limited (the 'Company') recognizes the importance of attracting, retaining and motivating personnel of high caliber and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company. For the purpose of attaining these ends, the Company has constituted a Nomination and Remuneration Committee which is entrusted with the task of devising a transparent reasonable and fair policy of remuneration for its directors, key managerial personnel and other employees.

1.2 The Companies Act, 2013 vide Section 178, the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, makes it mandatory for the Board of Directors of every listed company to constitute a Nomination and Remuneration Committee.

1.3 The objective of the Nomination and Remuneration Committee is to assist the Board of Directors of the Company and its controlled entities in fulfilling its responsibilities to shareholders by :

1.3.1. Considering the requirement of skill sets on the Board, eminent people having an independent standing

in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision.

1.3.2. ensuring that the Board of Directors is comprised of individuals who are best able to discharge the responsibilities of directors in consonance with the Companies Act, 2013 and the norms of corporate governance; and

1.3.3. ensuring that the nomination processes and remuneration policies are equitable and transparent.

1.4 The responsibilities of the Committee include :

1.4.1 formulating a criteria for determining qualifications, positive attributes and independence of a director;

1.4.2 recommending to the Board of Directors a policy or recommendation, relating to the appointment and remuneration for the directors, key managerial personnel and all remuneration, in whatever form, payable to Senior Management;

1.4.3 formulating a criteria/recommendation and manner for effective evaluation

of performance of independent directors, Board of Directors and its committee(s). On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director;

1.4.4 devising a policy/ recommendation on Board diversity; and

1.4.5 identifying persons who are qualified to become directors and who may be appointed as part of the 'senior management' or core management team of the Company in accordance with the criteria laid down, and recommend to the Board of Directors the appointment and removal of such personnel.

1.5 This Nomination and Remuneration Policy has been formulated with a view to :

1.5.1 Consider selection, appointment of directors including independent directors, key managerial personnel and Senior Management in compliance of the provisions of the Companies Act, 2013 and Listing Regulations and devise a transparent system of determining the appropriate level of remuneration throughout all levels of employees and teams in the Company;

1.5.2 encourage personnel to perform to their highest level;

1.5.3 provide consistency in remuneration throughout the Company; and

1.5.4 offer incentives on the premise of aligning the performance of the business with the performance of key employees and teams within the Company.

1.6 The Nomination and Remuneration Policy elucidates the types of remuneration to be offered by the Company and factors to be considered by the Board of Directors of the Company, Nomination and Remuneration Committee and management of the Company.

2. Definitions

Some of the key terms used in the Nomination and Remuneration Policy are as under:

2.1 'Board' means the Board of Directors of Finolex Industries Limited or the Company.

2.2 'Committee' means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with section 178 of the Companies Act, 2013.

2.3 'Director' means a director appointed on the Board of the Company including executive; non-executive; and independent directors.

2.4 'Employee' means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.

2.5 'Key managerial personnel' includes managing director, or chief executive officer or manager and in their absence, a whole-time director; company secretary; and chief financial officer.

2.6 'Member' means a director of the Company appointed as member of the Committee.

2.7 'Nomination and Remuneration Policy' shall mean the policy of remuneration

of directors, key managerial personnel and other employees of the Company formulated by the Nomination and Remuneration Committee.

- 2.8 'Senior Management' means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management who are one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer.

3. Nomination and Remuneration Committee

- 3.1 The Committee shall be formed by the Board of the Company. It shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors. The Board of the Company shall nominate directors as members of the Committee from time to time.
- 3.2 The Chairman of the Committee shall be an independent director but shall not be the Chairperson of the Company. He shall be present at the Annual General Meeting, to answer the shareholders' queries and may determine as to who should answer the queries.
- 3.3 The presently nominated members of the Committee are nominated by the Board of Director. The Board will nominate Directors on the Committee, from time to time.
- 3.4 In respect of the policy on Board Diversity, the Committee shall ensure

that the Board has requisite number of independent, executive and other category of Directors as prescribed in the Companies Act, 2013, Rules made thereunder and Listing Regulations including amendments, as may be applicable from time to time.

4. Letter of Engagement or Contract of Employment

- 4.1 Non-executive directors shall enter into a letter of engagement with the Company, the terms and conditions of which shall be approved by the Board. The letter of engagement shall set forth the terms and conditions of the engagement, the performance expectations for the position, the remuneration package, the availability of the latter being contingent upon fulfillment of certain expectations of the Company measured by benchmarks of performance.
- 4.2 Executive directors, key managerial personnel and senior management employees shall enter into a contract/employment contract or acceptance of appointment/ increment letter ("contract of employment") with the Company clearly setting out the terms and conditions of the remuneration package for such person. The contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.
- 4.3 The Committee and the Board must approve the contracts of employment for the senior management and directors.

4.4 The Board shall disclose the terms and conditions of any contract of employment in accordance with the law and the employment rules, as applicable from time to time.

5. Remuneration Structure

5.1 Remuneration to Executive Directors, Key Managerial Personnel and Senior Management

The Board shall, in consultation with the Committee approve and finalize the forms of remuneration to be offered to executive and non executive directors, key managerial personnel, senior management and other employees. The remuneration package shall be composed of amounts that are fixed and variable and the endeavor of the Board and the Committee shall be to strike a balance between the fixed and variable components and thereby promote sustainable value for the Company and its shareholders over time.

5.1.1 Fixed Remuneration

The contract of employment entered into by the executive directors, key managerial personnel and senior management employees with the Company shall demarcate a fixed gross annual salary or base salary payable to the employee. The fixed remuneration or salary shall be determined according to complexities of the position and role of the employee, the relevant laws and regulations, conditions prevalent in the labour market and the scale of the business relating to the position. The fixed remuneration will reflect the

core performance requirements and expectations of the Company.

5.1.2 Performance based remuneration or incentive or Ex-gratia bonus based payments

The performance or incentive or Ex-gratia bonus based payments shall form part of the variable component of the salary payable to the employee. In addition to the fixed remuneration, the Company shall implement a system of bonuses and incentives reflecting short and long term performance objectives appropriate to the working of the Company and designed to lay emphasis on the direct relationship between performance and remuneration. Performance based remuneration shall be proportionate to and contingent upon the attainment of specific performance targets by employees in the Company. Incentive-based payments take into account factors such as performance of the employee, his conduct, responsibilities, position and role and shall be calculated as a percentage of the fixed remuneration.

5.1.3 Severance Fees or Termination Benefits

Each contract of employment entered into by the executive directors, key managerial personnel and senior management employees with the Company shall demarcate in advance the entitlement to payment upon termination of employment for each employee or shall part of employee's service contract or appointment letter. Making of such payments shall be approved by the Board and the

Committee and shall be in consonance with the Nomination and Remuneration Policy of the Company.

5.1.4 Employee Benefits

The Company shall comply with all legal and industrial obligations in determining the benefits available with employees, namely short-term benefits such as salaries, social security contributions, bonuses, post-employment benefits such as gratuity, other long-term employee benefits.

5.2 Remuneration to Non-Executive Directors

The Nomination and Remuneration Committee and/ or Board of Directors shall carry out performance review of each of the Director at least once a year. According to the performance of each Director, the Company shall pay remuneration to non-executive directors in such a manner so as to attract and maintain high quality members on the Board. Non-executive directors shall receive a fixed remuneration, for their service. Non-executive directors shall not be entitled to any performance based incentives, bonus payments or retirement benefits. Board of Directors shall be authorized to decide any other mode of remuneration, as may be agreed upon by resolution passed by the Board at the meeting.

6. Disclosure

6.1 The Nomination and Remuneration Policy shall be disclosed in the Board's report of the Company prepared in accordance with sub-section (3) of

section 134 of the Companies Act, 2013.

6.2 Payments to non-executive directors shall be either disclosed in the Annual Report of the Company and/ or put up on the website of the Company and reference drawn thereto in the Annual Report as per mandatory requirement or decided by the Key Managerial person from time to time. Further, the number of shares and convertible instruments held by non-executive directors shall be disclosed by the Company in its Annual Report.

6.3 With regard to payment of remuneration, the section on the corporate governance of the Annual Report of the Company shall contain the following disclosures, namely :

6.3.1 All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;

6.3.2 Details of fixed component and performance linked incentives, along with the performance criteria;

6.3.3 Service contracts, notice period, severance fees; and

6.3.4 Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable.

7. Review and Implementation

7.1 The Key Managerial Person shall conduct an evaluation of performance

for all employees on an annual basis to monitor and review, and if necessary, revise the appropriateness of each remuneration package.

- 7.2 The remuneration package payable to the employees of the Company shall be approved by the Committee or Board, as may be applicable from time to time.
- 7.3 The Committee shall be responsible for monitoring the implementation of the policy, conducting a review of the

same from time to time and advising the Board on the mode of revision of the policy such as inclusion of long-term incentives that would contribute towards creating a sustainable value for shareholders of the Company. Any amendment in the Act, Rules will be applicable from the date of the notification. This policy will be deemed to be amended from such date. Chairman of the Committee shall be authorised to amend the policy from time to time.

Annexure-3 to the Directors' Report

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i) The percentage increase in remuneration of each director, chief financial officer, company secretary or manager, if any, in the financial year 2018-19, the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial year 2018-19 in ₹	Percentage increase/ (decrease) in remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to the median/ remuneration of employees (times)
1	Mr. Prakash P. Chhabria Executive Chairman	10,33,70,960	8%	205.04
2	Mr. Sanjay K. Asher Non- Executive Director	15,01,250	7%	2.98
3	Mr. Kanaiyalal N. Atmaramani Non- Executive Director (upto 31/12/2018)	11,81,250	(15%)	2.34
4	Mrs. Ritu P. Chhabria Non- Executive Director	15,41,250	13%	3.06
5	Mr. Dara N. Damania Non- Executive Director	16,61,250	5%	3.30
6	Mr. Saurabh S. Dhanorkar Non- Executive Director	17,81,250	12%	3.53
7	Mr. Shrikrishna N. Inamdar Non- Executive Director	20,15,000	3%	4.00
8	Mr. Prabhakar D. Karandikar Non- Executive Director	19,01,250	7%	3.77
9	Mr. Sanjay S. Math Managing Director (KMP)	2,52,92,081	3%	50.17
10	Dr. Sunil U. Pathak Non- Executive Director	19,61,250	5%	3.89
11	Mr. Anil V. Whabi Director - Finance & CFO (KMP)	1,92,75,273	9%	38.23
12	Mr. Devang B. Trivedi Company Secretary (KMP)	29,29,012	Not Applicable*	5.81

* Not Applicable since remuneration was paid for the part of the previous year

- ii) The percentage increase in the median remuneration of employees for the financial year was 0.83%.
- iii) There were 1323 permanent employees on the rolls of the Company as on 31st March, 2019.
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2018-19 was 13.81%, whereas the increase in the managerial remuneration for the same financial year was 7.14%.
- v) It is hereby affirmed that the remuneration paid to the Directors is as per the Nomination and Remuneration Policy of the Company for directors and key managerial personnel.

Annexure-4 to the Directors' Report

Information as per Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Designation	Qualification(s)	Age (yrs.)	Total Experience	Date of Commencement of Employment	Gross remuneration 2018-19 ₹	Last employment held	% of equity shares held	Whether Employee is relative of any director if yes, give name of such director
1	Mr. Prakash P. Chhabria	Executive Chairman	B. Sc. (Intl. Business) USA	56	34	13.03.1992	10,33,70,960	Finolex Cables Limited	0.138	Mrs. Ritu P. Chhabria
2	Mr. Sanjay S. Math	Managing Director	B.E. (Chem.), DMS	63	44	13.12.2011	2,52,92,081	I. G. Petrochemicals Ltd.	0.002	No
3	Mr. Anil V. Whabi	Director – Finance	B. Sc., ACA	59	35	11.08.2014	1,92,75,273	Kotkar Energy Dynamics Pvt. Ltd.	0	No
4	Mr. Dinesh Patel	Chief Information Officer	B.Sc, MSM	47	24	07.11.2015	1,03,29,573	JSW Steel Ltd.	0	No
5	Mr. Nitin G. Kulkarni	President – Sales & Marketing	B.Com, MBA- Marketing	52	31	19.12.2014	81,32,441	HSIL Ltd.	0	No
6	Mr. Jayanta Sinha	Vice President – Sales & Marketing	B.Sc, MBA- Marketing	52	25	01.09.2014	65,46,649	Elder Pharmaceuticals Ltd.	0	No
7	Mr. Shreedatta Albur	Vice President (VCM-O&U)	B.E. (Chem)	56	27	01.01.2018	60,01,162	Reliance Industries Ltd.	0	No
8	Mr. Arun H. Sonawane	President-Operation Pipes & Fittings	DME, DIBM, DBM	64	40	21.09.2012	56,30,287	Jain Irrigation Systems Ltd.	0	No
9	Mr. S. S. Mulye	Vice President-PVC (O&M)	B.E.-MECH	58	37	01.10.1991	48,26,856	Gharada Chemicals Ltd.	0	No
10	Mr. Venkat Ravi	Vice President-Port Facility	B.Sc., B. Tech (Chem)	59	36	24.06.1991	40,85,904	NOCIL Ltd.	0	No

Note:

The nature of employment of Directors mentioned as per Sr. No. 1 to 3, is contractual while for other employees, it is permanent. During the financial year 2018-19, no employee has received remuneration in excess of Managing Director/Whole time Directors.

Annexure-5 to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Finolex Industries Limited
Gat No. 399, Village Urse,
Taluka Maval, Pune-410506

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company

for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the Company during the Audit Period);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the Company during the Audit Period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit Period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and circular guidelines made thereunder (applicable to the Company as the in-house investor services of the Company, registered with SEBI as a category II Share Transfer Agent, providing share registration and related services till 2nd August, 2018 and thereafter the services are handled by RTA);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016 (not applicable to the Company during the Audit Period); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable to the Company during the Audit Period).
- vi. We further report that having regard to the compliance system prevailing in the Company and on examination of

the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- ii. The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to agenda are circulated with shorter period of less than seven days, all the Directors including Independent

Directors have consented to the shorter period of circulation of the same.

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

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

We further report that during the audit period, there are no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner

Place: Pune

Date: 25th May, 2019

FCS No: 1321

C P No: 965

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

'Annexure A'

To,
The Members,
Finolex Industries Limited
Gat No. 399, Village Urse,
Taluka Maval, Dist. Pune-410506

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No: 1321
C P No: 965

Place: Pune
Date: 25th May, 2019

Annexure-6 to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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

I REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L40108PN1981PLC024153
ii)	Registration Date	:	28th March, 1981
iii)	Name of the Company	:	Finolex Industries Limited
iv)	Category / Sub-Category of the Company	:	Public Limited Company
v)	Address of the Registered office and contact details	:	Gat No.399, Village Urse, Taluka Maval, Dist. Pune 410 506, Maharashtra State. Tel No.02114-237251 Fax No.02114-237252 E-mail: investors@finolexind.com
vi)	Whether listed company	Yes / No	: Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakarmguda, Serilingampally Mandal, Hyderabad - 500 032, India Tel No. 040-67162222, Extn Nos. 1583 & 1562 E-mail : einward.ris@karvy.com Website : www.karvyfintech.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	PVC	20131	16.71%
2	PVC PIPES & FITTINGS	22209	83.29%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	FINOLEX PLASSON INDUSTRIES PRIVATE LIMITED Plot No 399 Urse Tal-Maval Dist-Pune, 410506 Maharashtra	U41000PN1992PTC067896	Associate	46.35	2(i)
2	PAWAS PORT LIMITED D 1/10, MIDC, Chinchwad, Pune 411 019, Maharashtra	U45203PN2007PLC130990	Associate	49.99	2(i)

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. on 1st April, 2018				No. of Shares held at the end of the year i.e. on 31st March, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1376249	0	1376249	1.11	1376249	0	1376249	1.11	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	63737448	0	63737448	51.36	63737448	0	63737448	51.36	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	65113697	0	65113697	52.47	65113697	0	65113697	52.47	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	65113697	0	65113697	52.47	65113697	0	65113697	52.47	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	10591075	8878	10599953	8.54	13000918	9678	13010596	10.48	1.94
b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
c) Alternate Investment Funds	218427	0	218427	0.18	127774	0	127774	0.10	-0.07
d) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) FIs	5408714	700	5409414	4.36	2900430	400	2900830	2.34	-2.02
f) Banks / FI	61583	3251	64834	0.05	48127	3151	51278	0.04	-0.01
g) Insurance Companies	0	400	400	0.00	0	0	0	0.00	0.00
h) Provident Funds/Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
j) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
k) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	16279799	13229	16293028	13.13	16077249	13229	16090478	12.97	-0.16
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5500831	48877	5549708	4.47	6636248	47427	6683675	5.39	0.91
ii) Overseas	0	400	400	0.00	0	400	400	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	17528614	4355991	21884605	17.64	14892684	7382300	22274984	17.95	0.31
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12640519	20500	12661019	10.20	11900833	0	11900833	9.59	-0.61
c) Others (specify)									
Clearing member	17675	0	17675	0.01	43743	0	43743	0.04	0.02
NRI	1263645	200307	1463952	1.18	1343042	194303	1537345	1.24	0.06
Limited Liability Partnership	665321	0	665321	0.54	0	0	0	0.00	-0.54
Trustees	1000	0	1000	0.00	1000	0	1000	0.00	0.00
Finolex Industries Limited Employees Welfare Trust	0	432600	432600	0.35	0	432600	432600	0.35	0.00
Director or Director's Relatives	11581	0	11581	0.01	11581	0	11581	0.01	0.00
NBFCs Registered with RBI	0	0	0	0.00	4195	0	4195	0.00	0.00
Foreign Nationals	795	0	795	0.00	850	0	850	0.00	0.00
Sub-total (B)(2):-	37629981	5058675	42688656	34.40	34834176	8057030	42891206	34.56	0.16
Total Public Shareholding (B)=(B)(1)+(B)(2)	53909780	5071904	58981684	47.53	50911425	8070259	58981684	47.53	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	119023477	5071904	124095381	100.00	116025122	8070259	124095381	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Name of Shareholder	Shareholding at the beginning of the year i.e.1st April, 2018			Shareholding at the end of the year i.e. 31st March, 2019			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	AMIT KATARA	18782	0.02	0.00	18782	0.02	0.00	0.00
2	AMIT KATARA	950	0.00	0.00	950	0.00	0.00	0.00
3	AMRITA KATARA	22125	0.02	0.00	22125	0.02	0.00	0.00
4	AMRITA MUKESH KATARA	950	0.00	0.00	950	0.00	0.00	0.00
5	AMIT KATARA	5400	0.00	0.00	5400	0.00	0.00	0.00
6	KATARA AMRITA MUKESH	3500	0.00	0.00	3500	0.00	0.00	0.00
7	KATARA ARUNA MUKESH	146720	0.12	0.00	146720	0.12	0.00	0.00
8	KATARA ARUNA MUKESH	111000	0.09	0.00	111000	0.09	0.00	0.00
9	KATARA MUKESH DOLUMAL	23030	0.02	0.01	23030	0.02	0.01	0.00
10	KATARA MUKESH DOLUMAL (HUF)	3500	0.00	0.00	3500	0.00	0.00	0.00
11	AMIT KATARA	15500	0.01	0.00	15500	0.01	0.00	0.00
12	AMRITA KATARA	15500	0.01	0.00	15500	0.01	0.00	0.00
13	DEEPAK KISHAN CHHABRIA	80921	0.07	0.00	80921	0.07	0.00	0.00
14	KAVITA SANJAY RAHEJA	37002	0.03	0.00	37002	0.03	0.00	0.00
15	KAVITA SANJAY RAHEJA	55877	0.05	0.00	55877	0.05	0.00	0.00
16	KISHAN PARSRAM CHHABRIA	170542	0.14	0.00	170542	0.14	0.00	0.00
17	PRIYA VIJAY CHHABRIA	60200	0.05	0.00	60200	0.05	0.00	0.00
18	RISHI VIJAY CHHABRIA	1350	0.00	0.00	1350	0.00	0.00	0.00
19	SUNITA KISHAN CHHABRIA	153592	0.12	0.00	153592	0.12	0.00	0.00
20	VIJAY KISHAN CHHABRIA	106350	0.09	0.00	106350	0.09	0.00	0.00
21	VINI DEEPAK CHHABRIA	26400	0.02	0.00	26400	0.02	0.00	0.00
22	GAYATRI PRAKASH CHHABRIA	74825	0.06	0.00	74825	0.06	0.00	0.00
23	HANSIKA HIYA PRAKASH CHHABRIA	66975	0.05	0.00	66975	0.05	0.00	0.00
24	PRAKASH PRALHAD CHHABRIA	170749	0.14	0.00	170749	0.14	0.00	0.00
25	PRALHAD PARSRAM CHHABRIA	59	0.00	0.00	59	0.00	0.00	0.00
26	RITU PRAKASH CHHABRIA	4450	0.00	0.00	4450	0.00	0.00	0.00
27	ORBIT ELECTRICALS PRIVATE LIMITED	23330901	18.80	0.00	23330901	18.80	0.00	0.00
28	KATARA DENTAL PVT.LTD.	213950	0.17	0.00	213950	0.17	0.00	0.00
29	FINOLEX CABLES LIMITED	40192597	32.39	0.00	40192597	32.39	0.00	0.00
	At the end of the year (or on the date of separation, if separated during the year)	65113697	52.47	0.01	65113697	52.47	0.01	0.00

(iii) Change in Promoters' Shareholding (please specify if there is no change)

SI No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning / end of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1		65113697	52.47					
2	Datewise increase/ decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonds/sweat equity etc.)	No change in shareholding during the year						
3	At the end of the year						65113697	52.47

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters)

SI No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No of Shares at the beginning / end of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	ANUJ ANANTRAI SHETH	3844000	3.10	1-Apr-18		No change		
		3844000	3.10	31-Mar-19			3844000	3.10
2	FRANKLIN TEMPLETON MUTUAL FUND	2782743	2.24	1-Apr-18			2782743	2.24
				28-Sep-18	177510	Transfer	2960253	2.39
				5-Oct-18	9312	Transfer	2969565	2.39
				12-Oct-18	213178	Transfer	3182743	2.56
				25-Jan-19	16500	Transfer	3199243	2.58
				1-Feb-19	143735	Transfer	3342978	2.69
				8-Feb-19	9522	Transfer	3352500	2.70
				15-Feb-19	125000	Transfer	3477500	2.80
				22-Feb-19	325149	Transfer	3802649	3.06
				31-Mar-19			3802649	3.06
3	HDFC TRUSTEE COMPANY LIMITED	220322	0.18	1-Apr-18			220322	0.18
				19-Oct-18	443000	Transfer	663322	0.53
				26-Oct-18	1216200	Transfer	1879522	1.51
				2-Nov-18	200500	Transfer	2080022	1.68
				16-Nov-18	20500	Transfer	2100522	1.69
				23-Nov-18	79900	Transfer	2180422	1.76
				30-Nov-18	47500	Transfer	2227922	1.80
				7-Dec-18	334900	Transfer	2562822	2.07
				14-Dec-18	294050	Transfer	2856872	2.30
				28-Dec-18	2700	Transfer	2859572	2.30
				4-Jan-19	900	Transfer	2860472	2.31
		11-Jan-19	4200	Transfer	2864672	2.31		
		18-Jan-19	80800	Transfer	2945472	2.37		
		31-Mar-19			2945472	2.37		

SI No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No of Shares at the beginning / end of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	DSP BLACKROCK EQUITY & BOND FUND	4242876	3.42	1-Apr-18			4242876	3.42
				6-Apr-18	-154178	Transfer	4088698	3.29
				13-Apr-18	-43622	Transfer	4045076	3.26
				20-Apr-18	-15315	Transfer	4029761	3.25
				27-Apr-18	-51370	Transfer	3978391	3.21
				11-May-18	-2716	Transfer	3975675	3.20
				7-Sep-18	-1322	Transfer	3974353	3.20
				14-Sep-18	-17739	Transfer	3956614	3.19
				21-Sep-18	-13850	Transfer	3942764	3.18
				28-Sep-18	-93300	Transfer	3849464	3.10
				12-Oct-18	-37472	Transfer	3811992	3.07
				19-Oct-18	-228947	Transfer	3583045	2.89
				26-Oct-18	-1015162	Transfer	2567883	2.07
				31-Mar-19			2567883	2.07
5	L&T MUTUAL FUND TRUSTEE LIMITED	2567883	2.07	1-Apr-18			506123	0.41
		506123	0.41	6-Apr-18	203722	Transfer	709845	0.57
				13-Apr-18	24896	Transfer	734741	0.59
				20-Apr-18	24459	Transfer	759200	0.61
				25-May-18	365917	Transfer	1125117	0.91
				1-Jun-18	132456	Transfer	1257573	1.01
				8-Jun-18	5120	Transfer	1262693	1.02
				15-Jun-18	5758	Transfer	1268451	1.02
				22-Jun-18	3913	Transfer	1272364	1.03
				29-Jun-18	36836	Transfer	1309200	1.05
				20-Jul-18	299874	Transfer	1609074	1.30
				10-Aug-18	200000	Transfer	1809074	1.46
				28-Sep-18	32612	Transfer	1841686	1.48
				5-Oct-18	19549	Transfer	1861235	1.50
				12-Oct-18	98365	Transfer	1959600	1.58
				14-Dec-18	-260168	Transfer	1699432	1.37
				22-Feb-19	4393	Transfer	1703825	1.37
				1-Mar-19	20785	Transfer	1724610	1.39
				8-Mar-19	3123	Transfer	1727733	1.39
				15-Mar-19	79491	Transfer	1807224	1.46
		22-Mar-19	11079	Transfer	1818303	1.47		
		29-Mar-19	3281	Transfer	1821584	1.47		
		31-Mar-19			1821584	1.47		
6	HITEN ANANTRAI SHETH	1500000	1.21	1-Apr-18		No Change		
		1500000	1.21	31-Mar-19			1500000	1.21
7	GAGANDEEP CREDIT CAPITALS PVT LTD	1389500	1.12	1-Apr-18		No change		
		1389500	1.12	31-Mar-19			1389500	1.12
8	FINOLUX AUTO PRIVATE LIMITED	1184658	0.95	1-Apr-18		No change		
		1184658	0.95	31-Mar-19			1184658	0.95
9	TATA MUTUAL FUND	0	0.00	1-Apr-18			0	0.00
				15-Jun-18	500000	Transfer	500000	0.40
				22-Jun-18	222000	Transfer	722000	0.58
				6-Jul-18	243000	Transfer	965000	0.78
				13-Jul-18	260000	Transfer	1225000	0.99
				14-Dec-18	200000	Transfer	1425000	1.15
				14-Dec-18	-243000	Transfer	1182000	0.95
				31-Mar-19			1182000	0.95
10	ZAFAR AHMADULLAH	704732	0.57	1-Apr-18			704732	0.57
		704732	0.57	31-Mar-19			704732	0.57
11	HSBC GLOBAL INVESTMENT FUNDS	706382	0.57	1-Apr-18			706382	0.57
				1-Feb-19	-102827	Transfer	603555	0.49
12	SBI EMERGING BUSINESS FUND	603555	0.49	31-Mar-19			603555	0.49
		900000	0.73	1-Apr-18			900000	0.73
				18-May-18	-900000	Transfer	0	
		31-Mar-19			0	0.00		

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

SI No.	Name of Director/ KMP	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No of Shares at the beginning / end of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Prakash P Chhabria Executive Chairman	170749	0.138	1-Apr-18	0	No		
		170749	0.138	31-Mar-19	0	transaction	170749	0.138
2	Mr. Sanjay K. Asher Independent Director	0	0	1-Apr-18	0	No shares	0	0
		0	0	31-Mar-19	0	held	0	0
3	Mr. Kanaiyalal N. Atmaramani Independent Director (ceased w.e.f. 1st Janaury, 2019)	0	0	1-Apr-18	0	No shares	0	0
		0	0	31-Mar-19	0	held	0	0
4	Mrs. Ritu P Chhabria Non-Executive, Non- Independent Director	4450	0.004	1-Apr-18	0	No		
		4450	0.004	31-Mar-19	0	transaction	4450	0.004
5	Mr. Dara N. Damania Independent Director	900	0.001	1-Apr-18	0	No		
		900	0.001	31-Mar-19	0	transaction	900	0.001
6	Mr. Saurabh S. Dhanorkar Non-Executive, Non- Independent Director	5381	0.004	1-Apr-18	0	No		
		5381	0.004	31-Mar-19	0	transaction	5381	0.004
7	Mr. Shrikrishna N. Inamdar Independent Director	2000	0.002	1-Apr-18	0	No		
		2000	0.002	31-Mar-19	0	transaction	2000	0.002
8	Mr. Prabhakar D. Karandikar Independent Director	0	0	1-Apr-18	0	No shares	0	0
		0	0	31-Mar-19	0	held	0	0
9	Mr. Sanjay S. Math Managing Director	3000	0.002	1-Apr-18	0	No		
		3000	0.002	31-Mar-19	0	transaction	3000	0.002
10	Dr. Sunil U. Pathak Independent Director	300	0.000	1-Apr-18	0	No		
		300	0.000	31-Mar-19	0	transaction	300	0.000
11	Mrs. Kanchan U. Chitale Independent Director (w.e.f 1st April, 2019)	0	0	1-Apr-18	0	No shares	0	0
		0	0	31-Mar-19	0	held	0	0
12	Mr. Anil V. Whabi Director - Finance & CFO (KMP)	0	0	1-Apr-18	0	No shares	0	0
		0	0	31-Mar-19	0	held	0	0
13	Mr. Devang B. Trivedi General Manager (Legal) and Company Secretary (KMP)	0	0	1-Apr-18	0	No shares	0	0
		0	0	31-Mar-19	0	held	0	0

V INDEBTEDNESS

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

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,311.34	4,759.44	-	10,070.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.87	3.41	-	11.28
Total (i+ii+iii)	5,319.21	4,762.85	-	10,082.06
Change in Indebtedness during the financial year				
• Addition	39,320.89	1,073.02	-	40,393.91
• Reduction	(36,605.78)	(4,762.85)	-	(41,368.63)
Net Change	2,715.11	(3,689.83)	-	(974.72)
Indebtedness at the end of the financial year				
i) Principal Amount	7,987.45	1,068.63	-	9,056.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	46.87	4.39	-	51.26
Total (i+ii+iii)	8,034.32	1,073.02	-	9,107.34

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹

Sr. No.	Particulars of Remuneration	Mr. Prakash P. Chhabria	Mr. Sanjay S. Math	Mr. Anil V. Whabi	Total Amount
		Executive Chairman	Managing Director	Director - Finance	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,563,333	11,518,911	11,462,937	47,545,181
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	878,800	39,600	39,600	958,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	71,400,000	12,600,000	6,300,000	90,300,000
	- as % of profit	1.34%	0.24%	0.12%	1.70%
	- others, specify	—	—	—	—
5	Others, please specify- Retirement benefits	6,528,827	1,133,570	1,472,736	9,135,133
	Total (A)	103,370,960	25,292,081	19,275,273	147,938,314
	Ceiling as per the Act: ₹ 5326.15 lakh - being 10% of the net profit of the Company as per Section 198 of the Companies Act, 2013.				

B. Remuneration to other directors:

₹

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount
		Mr. Sanjay K. Asher	Mr. Kanaiyalal N. Atmaramani	Mrs. Ritu P. Chhabria	Mr. Dara N. Damania	Mr. Shrikrishna N. Inamdar	Mr. Prabhakar D. Karandikar	Dr. Sunil U. Pathak	Mr. Saurabh S. Dhanorkar		
1	Independent Directors										
	• Fee for attending board / committee meetings (I)	320,000	—	—	480,000	440,000	720,000	780,000	—	—	2,740,000
	• Commission	1,181,250	1,181,250	—	1,181,250	1,575,000	1,181,250	1,181,250	—	—	7,481,250
	• Others, please specify	—	—	—	—	—	—	—	—	—	—
	Total (1)	1,501,250	1,181,250	—	1,661,250	2,015,000	1,901,250	1,961,250	—	—	10,221,250
2	Other Non-Executive Directors										
	• Fee for attending board / committee meetings (II)	—	—	360,000	—	—	—	—	600,000	—	960,000
	• Commission	—	—	1,181,250	—	—	—	—	1,181,250	—	2,362,500
	• Others, please specify- Retirement benefits	—	—	—	—	—	—	—	—	—	—
	Total (2)	—	—	1,541,250	—	—	—	—	1,781,250	—	3,322,500
	Total (B)=(1+2)	1,501,250	1,181,250	1,541,250	1,661,250	2,015,000	1,901,250	1,961,250	1,781,250	—	13,543,750
3	Total Remuneration to other Directors (1+2+II)	1,181,250	1,181,250	1,181,250	1,181,250	1,575,000	1,181,250	1,181,250	1,181,250	—	9,843,750
4	Total Managerial Remuneration (A+B3)										157,782,064
	Overall Ceiling as per the Act	Ceiling as per the Act: ₹ 5858.77 lakh - being 11% of the net profit of the Company as per Section 198 of the Companies Act, 2013.									

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/Whole-Time Directors:

₹

Sr. no.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Devang Trivedi	Total
		Company Secretary	
1	Gross salary		
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,647,512	2,647,512
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—
c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—
2	Stock Option	—	—
3	Sweat Equity	—	—
4	Commission	—	—
	- as % of profit	—	—
	- others, specify	—	—
5	Others, please specify Retirement benefits	281,500	281,500
	Total	2,929,012	2,929,012

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No instances of penalties/Punishment/Compounding of offence or Other officers in default

₹

Type	Section of the Companies Act		Brief Description	Details of Penalty / Punishment/ Compounding fees imposed				Authority [RD / NCLT/ Court	Appeal made, if any (give Details)	
A. Company										
Penalty	-	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-	-
B. Directors										
Penalty	-	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-	-
C. Other Officers in default										
Penalty	-	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-	-

Annexure-7 to the Directors' Report

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

[Pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of energy

a) Energy Conservation measures taken:

- Total number of 1270 old Lighting fixtures of HPMV and HPSV type were replaced with new LED lighting fixtures in street lights, high bay and high mast lights and flood lights thereby saving 760 MWh units annually.
- All 4 fan blades each of both fans of finned tube air cooled condenser in cracker quench overhead system were changed from aluminum to FRP thereby saving power of the motor by 3 kW per hour per fan.
- Existing 44 numbers of vacuum pumps were converted with VFD drives to save energy up to 35 kW per hour.
- Installed pre-heater of 10.8 kW on 2 extrusion lines for pre heating crushed material before extrusion. Extrusion line production is increased from 5.5T to 8T/Day accordingly 0.071kWh/kg energy saved.
- Optimized power consumption by reducing mixer cycle time 13 minute to 11 minute of 1200 Ltr. mixer. Mixer cycle time reduced by adjusting the angle of deflector

and by increasing frequency of HM motor up to 53 HZ which resulted into energy conservation up to 0.013 kWh/Kg.

- Tipping blower and RV continuously run even in tipping hopper empty condition. Installed low level switch to stop the blower and RV in hopper empty condition to conserve up to 0.012 kWh/Kg of power.
- Cooling tower aluminum blade replaced to FRP blade resulting in energy conservation up to 26,729 kWh per year.
- Modified extension downstream enhanced from single line to dual line (c to c 960 mm). By this enhancing production from 12 MT to 16 MT accordingly energy saving up to 0.109 kWh/Kg.

b) Additional investments proposals if any, being planned for reduction in consumption of energy:

- It is proposed to resize power plant condenser cooling water pump impeller to save approx. 66 kW per hour per pump due to a high turn down operation of the power plant. This will be commissioned in September, 2019.
- In VCM plant, for remaining three finned tube air cooled

condensers in quench overhead and in EDC distillation columns, the blades of all 8 fans will be changed from aluminium to FRP

Impact of the measures at a) and b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- Resulted in reduction in consumption of energy and cost of production of goods.

B. Technology absorption

Research and Development (R&D)

Specific areas in which R&D efforts have been put in by company are:

- Improvement in power plant turbine condenser tube life: A dummy condenser installed in sea cooling water circuit for corrosion monitoring purpose which is frequently inspected so as to take necessary steps in sea cooling water treatment and avoid main condenser fouling.
- A new pressure filter installed at main sea water cooling tower feed line to improve turbidity of sea water in condenser cooling service from 2 ppm to less than 1 ppm.
- Cooling water tower efficiency improvement: At ethylene storage tank terminal, the wooden structure cross flow cooling tower was replaced with pultruded FRP structure counter-flow cooling tower for better efficiency and increased lifetime.
- Biological Oxygen Demand (BOD) Improvement for effluent treatment process: To improve treated effluent

quality with respect to BOD and dissolved oxygen, measures taken such as surface mixers in equalization tank, multi graded filter for polishing of effluent at clarifier outlet, installation of surface aerators in treated water storage tank which resulted in BOD improvement from 30 to 15 ppm and dissolved oxygen improvement from 3 to 6 ppm, effluent so treated is fully used for gardening of trees in factory premises.

- Soil Preservation: Hill cutting and soil stabilization work carried out at Chemical unloading jetty to tank farm import pipeline and coal jetty area to protect the hydrocarbon import pipelines from the effect of land slide.

1. Benefits derived as a result of the above R&D

- Improvement in reaction efficiencies
- Improvement in on stream time
- Conservation of base material
- Environmental protection and effluent quality improvement

2. Future plans

- An integrated management system (IMS) of quality, environment management and occupational health system is under implementation for certification of all three standards viz. quality, environment management and occupational health system.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a.	The details of technology imported	No technology imported during last three years.
b.	The year of import	
c.	Whether the technology has been fully absorbed	
d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	

4. The expenditure incurred on Research and Development

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

C. Foreign exchange earnings and Outgo:

The Foreign Exchange earnings and outgo during the financial year 2018-19 was as under:

Foreign Exchange earnings ₹ Nil

Foreign Exchange outgo ₹ 1,23,009.82 Lakh

Annexure-8 to the Directors' Report

Business Responsibility Report 2018-19

[Pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")]

Introduction:

Finolex Industries Limited (FIL) has adopted a stakeholder centric sustainability framework to strategically drive its sustainability initiatives. The disclosures made in this report provide transparent and relevant information on FIL's efforts and performance against the nine principles of Business Responsibility. Adopting best practices, FIL also makes detailed disclosures on its sustainability initiatives and performance through its Sustainability Report.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L40108PN1981PLC024153
2.	Name of the Company	FINOLEX INDUSTRIES LIMITED
3.	Registered address	Gat No.399, Village Urse, Taluka Maval, District Pune 410 506 Maharashtra State, India.
4.	Website	www.finolexpipes.com
5.	Email id	investors@finolexind.com
6.	Financial year reported	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 20131-PVC 22209-PVC Pipes & Fittings
8.	Three key products/ services of the Company (as in balance sheet)	<ul style="list-style-type: none">• PVC• PVC Pipes & Fittings
9(i).	Number of international locations	Nil
9(ii).	Number of National locations	3 manufacturing units in India at Ratnagiri and Pune in Maharashtra State and Masar in Gujarat State
10.	Markets served by the Company – Local/State/National/International	National: Pan India

Section B: Financial Details of the Company

1.	Paid up capital (₹ Lakh)	12,409.54
2.	Total turnover (₹ Lakh)	3,09,132.23
3.	Total profit after taxes (₹ Lakh)	34,980.20
4.	Total Spending of Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Budget: ₹ 859.18 Lakh i.e. 2% (based on average net profits of last 3 financial years computed as per Section 198 of the Companies Act, 2013). Actual: ₹ 924.07 Lakh
5.	List of CSR activities in which expenditure in above 4 has been incurred	The major areas in which CSR expenditure has been incurred include on: Education, Health Care, Sanitation, Skill Developments, Social Welfare and Water Conservation.

Section C: Other details

1.	Does the Company have any Subsidiary Company / Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business participating in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D (1) : Business Responsibility Information

1.a.	Director responsible for implementation of BR policies, Director Identification Number (DIN)	01874086
	Director responsible for implementation of BR policies (Name)	Mr. Sanjay S. Math
	Director responsible for implementation of BR policies (Designation)	Managing Director
1.b.	BR Head (DIN, if applicable)	01874086
	BR Head (Name)	Mr. Sanjay S. Math
	BR Head (Designation)	Managing Director
	BR Head (Telephone number)	+91-2352-0238027-30
	BR Head (email id)	investors@finolexind.com

Section D (2): BR Information- Principle-wise (as per NVGs)

Principle 1

Policy on Ethics, Transparency and Accountability

Principle 2

Policy for providing goods and services that are safe, and contribute to sustainability throughout their life cycle

Principle 3

HR Policies for promoting the wellbeing of all employees

Principle 4

Protection of all stakeholders

Principle 5

Respect and Promotion of Human Rights

Principle 6

Safety Health and Environment Policy

Principle 7

Business when engaged in influencing public and regulatory policy should do so in responsible manner.

Principle 8

Policy on Corporate Social Responsibility

Principle 9

Provide value to the customers and consumers in a responsible manner

Section D (2) (a): BR Information- Principle-wise (as per NVGs) BR Policy/Policies Details of Compliance (Reply in Yes/No)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for Principal wise index?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Does the policy conform to any national /international standards? If yes, specify?	Yes	Yes Bureau of Indian standards (BIS)	Yes	Yes This policy conforms to guidelines of Companies Act, 2013	Yes	Yes	Yes	Yes	Yes
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ Appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Indicate the link for the policy to be viewed online?	<p>The following policies are available on FIL's website. www.finolexpipes.com</p> <ul style="list-style-type: none"> • Policy on Sexual Harassment of Women at the Workplace • Whistle Blower Policy • Corporate Social Responsibility Policy • Nomination and Remuneration Policy • Related Party Transactions Policy • Policy on Board Diversity • Policy on Material Subsidiaries • Policy for determining materiality disclosures • Policy for preservation of documents • Code of Fair Disclosure and Conduct • Code of Conduct for Directors and Senior Management • Safety, Health and Environment Policy • Dividend Distribution Policy <p>The remaining policies being internal documents are only available to the respective stakeholders.</p>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Does the company have an in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The respective departments (functional) heads are responsible for effective implementation of the policies. The Compliance/ Legal Department provides guidance in the adherence to implementation of the policies as and when required.								

Section D (2)(b): If the answer to the question at serial number 1 against any principle is 'No', please explain why : (Tick up to 2 options) Not applicable

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on the specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have the financial/manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within the next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Other reasons (Please specify)	-	-	-	-	-	-	-	-	-

Section D (3): Governance related to Business Responsibility (BR)

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3- 6 months, Annually, More than 1 year	BR updation and upgradation is a continuous process. The management reviews and monitors the performance of the BR. The Board of Directors reviews the BR once a year.
b.	Does the Company publish a BR or a Sustainability Report? Is there a hyperlink to view the report? How frequently it is published?	BR Report Frequency: Annual BRR for the year 2018-19 is available at FIL's website : www.finolexpipes.com

Section E: Principle-Wise Performance

Principle No.	Description	Reported
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs /Others?	Yes.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage were satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company received complaints from 102 investors during the year 2018-19. There were no complaints pending from the investors at the beginning of the year 2018-19. All 102 complaints received during the year were redressed satisfactorily.

Principle No.	Description	Reported
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. (A) PVC (B) PVC Pipes and Fittings	The Company is constantly taking efforts to achieve high standards towards environment and social concerns. Manufacturing process and end use of the products are environment friendly and comply with applicable environment norms. Social & Environmental risks have been addressed in the risk register while implementing integrated management system (QMS, EMS & OHSMS).
2.2	For each product, provide the following details in respect of resource used (energy, water, raw material etc.) per unit of product(optional): Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? Has reduction during usage by consumers (energy, water) been achieved since the previous year?	The production processes of the Company are cost effective and use the scarce resources economically. Over past years, resource consumption is optimized to best levels. Currently targets are set and resource consumption is monitored strictly against targets. More than 50% of the effluent is recycled back to process.
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs were sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes. The PVC production of the Company is mainly captively consumed. The Company has taken various steps to minimize transportation cost. The Company continuously exercises and practices the recycling and reusing of waste. Nearly 100% of inputs are sourced sustainably, losses are kept to minimum.
2.4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes. The Company has a policy of procuring goods and services from nearby suitable sources of supply. The Company ensures that it engages local villagers and small businesses around its plants in a variety of productive employment, especially through hiring vehicles, handling material, housekeeping and waste-handling contracts.
2.5	Does the company have a mechanism to recycle products and waste? If yes what percentage of recycled products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes. The Company has successfully achieved its goal for zero discharge of its treated effluent, by recycling close to 50% back in the system and by using the remaining for irrigation of tree plantation within the plant premises. The pipes and fittings manufacturing plants do not generate any effluents and are free from pollution.
3.1	Please indicate the Total number of employees	There were 1323 permanent employees on the rolls of the Company as on 31st March, 2019.
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	2365
3.3	Please indicate the number of permanent women employees	There were 28 permanent women employees on the Company's payroll as on 31st March, 2019.
3.4	Please indicate the number of permanent employees with disabilities	NIL
3.5	Do you have an employee association that is recognized by the management	Yes. <ul style="list-style-type: none"> • Finolex Kamgar Sanghatana for Ratnagiri plant • Finolex Pipes Employees Union for Urse plant

Principle No.	Description	Reported	
3.6	What percentage of your permanent employees are members of this recognized employee association?	15.64%	
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	NIL	
	No. Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	1 Child labour/forced labour/involuntary labour	NIL	NIL
	2 Sexual harassment	NIL	NIL
	3 Discriminatory employment	NIL	NIL
3.8	What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?	As a part of process safety management, all employees are covered under training. The training is a continuous process.	
(a)	Permanent Employees	94 %	
(b)	Permanent Woman Employees	100 %	
(c)	Casual/Temporary/Contractual Employees	100 %	
(d)	Employees with Disabilities	NIL	
4.1	Has the Company mapped its internal and external stakeholders? Yes / No	Yes	
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	All the stakeholders are important to the Company. It has internal processes to balance their expectations.	
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. The Company has undertaken various projects in the following areas: drives to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making safe drinking water available, promoting education, including vocational skills so that women can be better equipped to work towards being financial independent.	
5.1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	All aspects of human rights are included in the Company's policy. The Company encourages the sharing of process and product innovations and extending it to benefit the industry and key members of its value chain.	
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company received complaints from 102 investors during the year 2018-19. There were no complaints pending from the investors at the beginning of the year 2018-19. All 102 complaints received during the year were redressed satisfactorily.	
6.1	Does the policy related to Principle 6 cover only the company or does it extend to the Group / Joint Ventures/Suppliers/ Contractors/ NGOs/others.	The Company's environment, health and safety (EHS) policy covers the entire Company.	

Principle No.	Description	Reported
6.2	Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for the webpage etc.	Yes. The Company is compliant with applicable pollution norms. The company takes initiative in tree plantation, energy conservation and water conservation including effluent recycling and rain water harvesting.
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes. The Ratnagiri plant has been assessed for quantitative risk and has prepared an on-site disaster management plan which is practiced regularly. Aspect and impact study of products and services has been done during implementation of Integrated Management System.
6.4	Does the company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company strives to minimize the impact of its operations and ensures in uses of natural resources in a responsible manner. An example is by replacing approx. 1000 HPMV and HPSV lighting by LED fixtures, the company save approx. 620 MW annually.
6.5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give a hyperlink for web page etc.	The Company is committed to preserving the environment. The Company has taken up many projects for energy conservation, successfully implemented a project for converting canteen waste to manure etc.
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The return/ reports are submitted to the authorities from time to time.
6.7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	None
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company is member of the following chambers: 1. Mahratta Chamber of Commerce, Industries and Agriculture 2. Indo-American Chamber of Commerce 3. Indo-German Chamber of Commerce 4. Indian Merchants' Chamber 5. Federation of Indian Chamber of Commerce and Industry.
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No.

Principle No.	Description	Reported
8.1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.	The Company has undertaken various projects in the following areas: drives to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education including vocation skills especially among children and women promoting women empowerment to better equip to work and to be financially independent and measures for reducing inequalities faced by socially and economically backward groups and rural development.
8.2	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	The programmes/projects undertaken by the Company itself and also in association with its CSR partner viz. Mukul Madhav Foundation.
8.3	Have you done any impact assessment of your initiative?	The Company has process of reviewing its CSR initiatives through internal arrangement and guidance of CSR committee and its CSR partner Mukul Madhav Foundation.
8.4	What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.	During the financial year 2018-19 the Company has spent ₹ 924.07 lakhs mainly in the area of Education, Health Care, Sanitation, Skill Developments, Social Welfare and Water Conservation.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, The Company through its CSR partner Mukul Madhav foundation (MMF) continues to support initiatives to provide medical care needs necessary for children and villagers. Multiple interactions are held with communities through village meetings, meetings with local administration and officials from the respective departments to understand the primary necessities. The Company encourages regular feedback from the beneficiaries to continuously improve facilities and specialized services in locations where there is a demand.
9.1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	No major complaints/cases are pending at the end of the financial year.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Yes. All mandatory information as per local laws is displayed on the product along with additional information on the usage of the product.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti- competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No.
9.4	Did your Company carry out any consumer survey/consumer satisfaction trends?	Yes. The customer satisfaction survey is carried out by the Company from time to time.

Annexure - 9 to the Director's Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee.	Please refer Directors Report and web link mentioned therein
2	Average net profit of the Company for last three financial years (₹ in Lakh)	42,959.00
3	Prescribed CSR expenditure (i.e. two percent of the amount mentioned in item 2 above) (₹ in Lakh)	859.18
4	Details of CSR spend during the financial year (₹ in Lakh):	
	Total amount spent for the financial year	924.07
	Amount unspent, if any	-
	Manner in which the amount spent during the financial year	

Details of Amount Spent on CSR Activities During the financial year 2018-19

Sr. No.	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the state and district where projects or programs undertaken	Name/ details of the implementing agency	CSR project/Name of Activity	Budget for the F.Y. 2018-19	Actual Expenditure for F.Y. 2018-19
					₹ in Lakh	

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water

1	(i)	Pune	Mukul Madhav Foundation	Expenses towards medical equipment, construction of 3rd waiting area & equipment for NICU, Digestive Centres, Ophthalmic unit at Sassoon General Hospital	174.10	181.32
2	(i)	Pune, Mumbai, Ratnagiri, Kolkatta, Chennai, Bangalore, Vellore	Mukul Madhav Foundation	Financial assistance to patients at various hospitals, medical treatment to underprivileged and expenses for health awareness programmes	105.60	138.08
3	(i)	Pune, Satara , Ratnagiri	Mukul Madhav Foundation	Expenses towards medical camps at various schools and hospitals	44.22	30.22
4	(i)	Pune, Ratnagiri	Mukul Madhav Foundation	Supply of grocery to old age home, handicap students, supply of food to students from economically backward society appearing for competitive exam and distributing food on streets	38.52	38.52

Sr. No.	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the state and district where projects or programs undertaken	Name/ details of the implementing agency	CSR project/Name of Activity	Budget for the F.Y. 2018-19	Actual Expenditure for F.Y. 2018-19
					₹ in Lakh	
5	(i)	Satara, Ratnagiri, Palghar, Masar	Mukul Madhav Foundation	Financial assistance for sanitation facilities (toilets)	35.07	25.90
6	(i)	Pune, Jharkhand	Mukul Madhav Foundation	Expenses towards cataract surgeries at :		
				1. H. V. Desai Hospital	11.20	11.20
				2 Bharati Hospital	11.73	11.73
				3. Navjeevan Medicare Foundation	4.40	4.40
				Expenses towards sticks for blind men	0.73	0.73
7	(i)	Pune	Mukul Madhav Foundation	Expenses towards Semi Auto Bio Chemistry Analyzer and Physiotherapy equipment to Army Widow Welfare Association	5.00	3.35
8	(i)	Kerala	Mukul Madhav Foundation	Assistance to Kerala Flood Relief by distribution of Buckets and Mugs, Clothes, Mats and Vessels, etc.	8.99	8.99
9	(i)	Pune	Mukul Madhav Foundation	Expenses of maintenance of Sonali Ward at KEM hospital and NICU at Sassoon General Hospital	9.60	7.05
10	(i)	Pune	Mukul Madhav Foundation	Awareness programs for Cancer patients at Prashanti Cancer Care Mission	5.00	5.00
11	(i)	Pune	Mukul Madhav Foundation	Expenses for water tanker supply, Waingani and other repairs and Aquaguard RO water systems	16.30	26.83
12	(i)	Pune	Mukul Madhav Foundation	Expenses towards cervical cancer vaccination to 100 women	3.50	3.50
13	(i)	Pune	Mukul Madhav Foundation	Donation of 5 Fowler Beds at KEM Hospital	2.86	2.86
				Sub Total under (i)	476.82	499.68

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects

14	(ii)	Pune, Ratnagiri	Mukul Madhav Foundation	Financial Assistance to poor & deserving students at various schools & institutes and expenses at various skill development centres for imparting training	54.57	108.18
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Sr. No.	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the state and district where projects or programs undertaken	Name/ details of the implementing agency	CSR project/Name of Activity	Budget for the F.Y. 2018-19	Actual Expenditure for F.Y. 2018-19
					₹ in Lakh	
15	(ii)	Pune, Ratnagiri, Wadgaon Anand, Masar	Mukul Madhav Foundation	Expenses for providing and maintaining infrastructure at Mukul Madhav Vidyalaya, Wadgaon Anand School and ZP school	141.73	73.52
16	(ii)	Orrissa	Mukul Madhav Foundation	Financial assistance to the students of Udayan Institute for food, medical and education	2.00	1.68
17	(ii)	Panchgani, Mahabaleshwar, Dehradun	Mukul Madhav Foundation	Expenses towards remuneration to English teachers	16.00	7.84
18	(ii)	Pune	Mukul Madhav Foundation	Financial assistance for School van facility for pick up and drop of students - Fame Pre Primary School	3.30	3.30
19	(ii)	Satara	Mukul Madhav Foundation	Expenses towards Golden Hour Training at Wai in 4 PHC for ASHA and ANM workers in Mid Wifery Training,	6.50	2.44
				Sub Total under (ii)	224.10	196.96

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups

20	(iii)	Orrissa, Pune	Mukul Madhav Foundation	Expenses for providing and maintaining Infrastructure at:		
				1. Ramkrishna Ashram for girls (orphans) Hostel	5.15	5.15
				2. Abhalmaya and Devtaru Old Age Homes	14.00	12.85
21	(iii)	Pune	Mukul Madhav Foundation	Distribution of blankets, chadders, towels to newly married handicapped couples	0.20	0.20
22	(iii)	Pune	Mukul Madhav Foundation	Providing and maintaining Infrastructure expenses at NAB Lions Home for Elderly Blind	2.00	2.00
23	(iii)	Solapur, Pune	Mukul Madhav Foundation	Expenses towards construction of sheds for Warkaries	45.00	17.99
				Sub Total under (iii)	66.35	38.19

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water

24	(iv)	Pune, Solapur, Sangli, Ratnagiri, Masar	Mukul Madhav Foundation	Expenses towards rain water harvesting, cleaning of river and water reservoir, enhancing water storage capacity, water supply and conservation project and for other utility services	195.86	156.91
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Sr. No.	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the state and district where projects or programs undertaken	Name/ details of the implementing agency	CSR project/Name of Activity	Budget for the F.Y. 2018-19	Actual Expenditure for F.Y. 2018-19
					₹ in Lakh	
25	(iv)	Pune	Mukul Madhav Foundation	Expenses towards purchase of trees for Plantation and Horticulture	14.35	14.35
26	(iv)	Delhi	Mukul Madhav Foundation	Expenses towards Animal Welfare Movement	1.00	1.00
27	(iv)	Ratnagiri	Mukul Madhav Foundation	Expenses for cleanliness drive	1.50	1.06
				Sub Total under (iv)	212.71	173.32
(vii) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports						
28	(vii)	Urse	Mukul Madhav Foundation	Donation for Financial Assistance to a disabled girl to climb Antarctica	8.34	8.34
29	(vii)	Pune, Rajasthan	Mukul Madhav Foundation	Financial Assistance for: Skating , power lifting, softball league, Rifle association, Marathon (Yuva Daud) and Lokmat Marathon	7.68	5.98
				Sub Total under (vii)	16.02	14.32
(x) Rural development projects						
30	(x)	Solapur	Mukul Madhav Foundation	Expenses for Cycle donation to 100 school going girls from different schools	4.00	1.60
				Sub Total under (x)	4.00	1.60
				Grand Total (i)+(ii)+(iii)+(iv)+(vii)+(x)	1,000.00	924.07

Responsibility Statement

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

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

Sanjay S. Math

Managing Director
DIN : 01874086
Member, CSR Committee

Prakash P. Chhabria

Executive Chairman
DIN : 00016017
Chairman, CSR Committee

Place : Pune

Date : 25th May, 2019

Corporate Governance

Practicing Company Secretary's Certificate

To,
The Members of Finolex Industries Limited

We have examined the compliance of conditions of Corporate Governance by Finolex Industries Limited (hereinafter referred "the Company"), for the year ended on 31st March, 2019 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No: 1321
CP No: 965

Place: Pune
Date: 10th August, 2019

Compliance report for the year 2018-2019

1. Company's philosophy on code of governance:

The Company is committed and always strives to achieve optimum performance at all levels by adhering to corporate governance practices, such as:

- Fair and transparent business practices
- Effective management control by Board
- An optimum combination of promoter, executive, independent and women directors on the Board
- Accountability for performance
- Monitoring of executive performance by the Board
- Compliance of laws
- Transparent and timely disclosure of financial management information and performance

The Company believes that adherence to high standards of corporate governance is essential for sustained corporate growth.

2. Board of Directors ("the Board"):

Composition and category of directors

The Board of your Company is comprised of 11 directors. Three executive directors, one woman non-executive and non-independent director, one non-executive and non-independent director, one woman non-executive independent director and five non-executive independent directors.

In the category of the executive directors, your Board consists of Mr. Prakash P. Chhabria, Executive Chairman from the promoter group of the Company,

Mr. Sanjay S. Math, Managing Director and Mr. Anil V. Whabi, Director – Finance & CFO.

Mrs. Ritu P. Chhabria is woman (non-executive and non-independent) director and from the promoter group.

Mr. Saurabh S. Dhanorkar is non-executive and non-independent director.

As on date of this Report, the Board is represented by six non-executive independent directors namely Mr. Sanjay K. Asher, Mr. Dara N. Damania, Mr. Shrikrishna N. Inamdar, Mr. Prabhakar D. Karandikar, Dr. Sunil U. Pathak and Mrs. Kanchan U. Chitale who was appointed as an additional (woman non-executive independent) director with effect from 1st April, 2019.

The term of Independent Directors namely, Mr. Sanjay K. Asher, Mr. Dara N. Damania, Mr. Shrikrishna N. Inamdar, Mr. Prabhakar D. Karandikar and Dr. Sunil U. Pathak expires on 19th September, 2019 and they have not offered their candidature for re-appointment by the shareholders in the forthcoming annual general meeting. The Board places on record its deep sense of gratitude and appreciation for immense contribution, strategic guidance provided during their tenure as Independent Director.

The details of the directors' attendance at the meetings of the Board, other committees of the Board, annual general meeting held during the financial year 2018-2019, committee positions held in the various committees of the Company and directorships and committee positions held by the directors in other companies are given hereinafter in Table 1.

Table 1

Name of Director	Mr. Prakash P. Chhabria	Mr. Sanjay K. Asher *	Mr. Kamalraj N. Atmaramani	Mrs. Ritu P. Chhabria	Mr. Dara N. Damania *	Mr. Saurabh S. Dhanoorkar	Mr. Shikishma N. Inamdar *	Mr. Prabhakar D. Karandikar *	Mr. Sanjay S. Math	Dr. Sunil U. Pathak *	Mr. Anil V. Whabi	Mrs. Kanchan U. Chitale
Category	Executive Chairman (Whole-time Director)	Independent Director	Independent Director (upto 31.12.2018)	Non-Independent Director	Independent Director	Independent Non-Executive Director	Independent Director	Independent Director	Managing Director (Whole-time Director)	Independent Director	Director - Finance (Whole-time Director)	Independent Director (w.e.f. 01.04.2019)
Board Meetings attendance during the year 2018-2019												
Attendance	7	0	7	7	6	6	6	7	7	7	7	NA
Attendance at Thirty seventh Annual General Meeting held on 19th September, 2019												
AGM attended	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA
Committee Positions held in Finolex Industries Limited and attendance during the financial year 2018-19												
Audit Committee												
Membership	Not Member	Not Member	Member	Member	Member	Member	Member	Member	Not Member	Member	Not Member	Not Member
Attendance	NA	0	NA	NA	4	3	4	4	NA	4	NA	NA
Stakeholders' Relationship Committee												
Membership	Member	Not Member	Member	Not Member	Member	Member	Member	Member	Not Member	Member	Not Member	Not Member
Attendance	4	NA	0	NA	4	3	4	4	NA	4	NA	NA
Nomination and Remuneration Committee												
Membership	Not Member	Member	Member	Not Member	Member	Member	Member	Member	Not Member	Member	Not Member	Not Member
Attendance	NA	2	0	NA	2	2	2	2	NA	2	NA	NA
Corporate Social Responsibility Committee												
Membership	Member	Not Member	Not Member	Member	Not Member	Member	Not Member	Not Member	Member	Member	Not Member	Not Member
Attendance	4	NA	NA	4	NA	3	NA	NA	4	4	NA	NA
Risk Management Committee												
Membership	Member	Not Member	Not Member	Not Member	Not Member	Member	Not Member	Not Member	Member	Member	Member	Not Member
Attendance												
No meeting was held during the financial year 2018-2019												
Finance Committee												
Membership	Member	Member	Not Member	Not Member	Not Member	Member	Not Member	Not Member	Member	Member	Member	Not Member
Attendance												
No meeting was held during the financial year 2018-2019												
Share Transfer Committee												
Membership	Member	Not Member	Not Member	Not Member	Not Member	Member	Not Member	Member	Member	Member	Member	Not Member
Attendance	30	NA	NA	NA	NA	7	NA	12	5	11	33	NA

Table 1

Name of Director	Mr. Prakash P. Chhabria	Mr. Sanjay K. Asher *	Mr. Kamalajal N. Atmaramani	Mrs. Ritu P. Chhabria	Mr. Darsa N. Damania *	Mr. Saurabh S. Dhanorkar	Mr. Shrikrishna N. Inamdar *	Mr. Prabhakar D. Karandikar *	Mr. Sanjay S. Math	Dr. Sunil U. Patilak *	Mr. Anil V. Whabi	Mrs. Kanchan U. Chitale
Category	Executive Chairman (Whole-time Director)	Independent Director	Independent Director (upto 31.12.2018)	Non-Independent Non-Executive Director	Independent Director	Non-Independent Non-Executive Director	Independent Director	Independent Director	Managing Director (Whole-time Director)	Independent Director	Director - Finance (Whole-time Director)	Independent Director (w.e.f. 01.04.2019)
Chairman	1	Nil	NA	Nil	Nil	Nil	Nil	2	Nil	Nil	Nil	Nil
Director	6	17	NA	1	4	1	3	8	Nil	1	1	9
Directorships in other listed companies (category)	Nil	<ul style="list-style-type: none"> Ashok Leyland Ltd. (Independent Director) Balkrishna Industries Ltd. (Independent Director) Deepak Nitrite Ltd. (Independent Director) Sudarshan Chemicals Industries Ltd. (Independent Director) Trihovandas Bhimji Zaveri Ltd. (Independent Director) 	Nil	Nil	<ul style="list-style-type: none"> KSB Limited (Independent Director) Sanghvi Movers Ltd. (Independent Director) Sudarshan Chemicals Industries Ltd. (Independent Director) 	<ul style="list-style-type: none"> Sudarshan Chemicals Industries Ltd. (Independent Director) 	<ul style="list-style-type: none"> Shriram Asset Management Company Ltd. (Independent Director - Chairman) Shriram EPC Ltd. (Independent Director - Chairman) 	<ul style="list-style-type: none"> IndusInd Bank Ltd. (Independent Director) GOCL Corporation Ltd. (Independent Director) Gulf Oil Lubricants India Ltd. (Independent Director) 				
Directorships in other companies												
Chairman	Nil	3	NA	Nil	1	Nil	1	1	Nil	Nil	Nil	5
Member	Nil	6	NA	Nil	6	Nil	1	2	Nil	Nil	Nil	8
No. of shares held in the Company (₹10/- each)	170749	Nil	Nil	4450	900	5381	2000	Nil	3000	300	Nil	Nil
Committee position in other companies												

Notes:

- * Outside directorships include directorships in public and private limited companies.
- * None of the Independent Directors on the Board are serving as an Independent Director in more than seven listed companies.
- * Mr. Kanaiyalal N. Atmaramani, Independent Director of the Company has resigned from the directorship with effect from 1st January, 2019.
- * Mrs. Kanchan U. Chitale has been appointed as non-executive and independent woman director with effect from 1st April, 2019.
- * The necessary disclosures regarding Committee positions have been made by all the Directors. As required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure includes membership/chairmanship of audit committee and stakeholder relationship committee (listed and unlisted public companies).
- * The composition of the Board of Directors is in accordance with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- * # The term of Independent Directors namely, Mr. Sanjay K. Asher, Mr. Dara N. Damania, Mr. Shrikrishna N. Inamdar, Mr. Prabhakar D. Karandikar and Dr. Sunil U. Pathak expires on 19th September, 2019 and they have not offered their candidature for re-appointment by shareholders in the forthcoming annual general meeting.

No. of Board Meetings held during the year

During 2018-2019, the Board of Directors met 7 (seven) times viz. 23rd May, 2018, 11th August, 2018, 8th September, 2018, 22nd September, 2018, 29th September, 2018, 29th October, 2018 and 9th February, 2019. The time gap between two meetings was not more than 120 days.

Disclosure of relationships between directors inter-se

None of the directors are relatives of each other except Mr. Prakash P. Chhabria, Executive Chairman and Mrs. Ritu P.

Chhabria, Woman non-executive and non-independent director who are related to each other as husband and wife.

No. of shares and convertible instruments held by non-executive directors

The Company does not have any convertible instruments.

The details of shares held by the executive and non-executive directors are given in Table 1.

Web link where details of familiarization programmes imparted to independent directors is disclosed on the Company's website

<https://www.finolexpipes.com/investors/policies-code-of-conduct/>

Board Membership Criteria

The Board has approved a Policy on Board Diversity and the Company inducts eminent individuals from diverse fields as director on its Board. The Board members possess expertise and insights in sectors/area relevant to the Company and have ability to contribute to the Company's growth.

The list of core skills/expertise/competencies identified by the Board is as under:

1. Qualification, expertise and professional experience of the Directors in their respective fields;
2. Financial Literacy;
3. Leadership;
4. Board service and governance; and
5. Regulatory, administration and legal.

Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013 and Regulations 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has taken on

records the declaration and confirmation submitted by the independent directors after undertaking due assessment of the veracity of the same. All the independent directors fulfill the conditions of independence and are independent of the management.

Resignation of Independent Director

Mr. Kanaiyalal N. Atmaramani, Non-Executive Independent Director of the Company has resigned from the directorship of the Company with effect from 1st January, 2019 due to personal reason including age related health issues and there are no other material reasons other than above.

Audit Committee:

Composition

- At present, the Audit Committee (the "Committee") consisted 4 (four) independent directors viz. Mr. Shrikrishna N. Inamdar (Chairman of the Committee), Mr. Dara N. Damania, Mr. Prabhakar D. Karandikar, Dr. Sunil U. Pathak and 1 (one) non-independent and non-executive director viz. Mr. Saurabh S. Dhanorkar.
- All members of the Audit Committee are financially literate and have accounting or related financial management expertise.
- Required information for review was placed before the Audit Committee meetings held during the year.

Meetings and attendance during the year

During the year 2018-19, the Audit Committee met 4 (four) times viz. 23rd May, 2018, 11th August, 2018, 29th October, 2018 and 9th February, 2019.

The details of the Directors' attendance at the Audit Committee meetings during the year are given in Table 1.

Mr. Devang Trivedi, Company Secretary of the Company acts as secretary to the committee.

Brief description of terms of reference

The terms of reference of Audit Committee are comprised of all requirements pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said terms of reference have been modified by the Board at its meeting held on 9th February, 2019 to align it with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The modified terms of reference are as under:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence, performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Investigate into any matter the Board

has referred. For this purpose, it will have the power to obtain professional advice from external sources, and have full access to the information contained in the records of the Company.

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing, with the management, the quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgement by the management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified Opinion(s) in the draft audit report.
- Reviewing, with the management, the statement of uses / application of funds

raised through a public issue, rights issue or preferential issue etc., reviewing the statement of funds utilized for the purposes other than those stated in the offer document/prospectus / notice, reviewing the report submitted by the monitoring agency and monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- Reviewing with the management, the performance of statutory and internal auditors, the adequacy of the internal control systems.
- 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 the internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- 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.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividend) and creditors.
- To review the functioning of the Whistle Blower mechanism.

- Approval of appointment of the Chief Financial Officer (the “CFO”) (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
- Reviewing the utilization of loans and/ or advance from/investment by the Company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advance/ investments;
- 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), submitted by management;
 - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. internal audit reports relating to internal control weaknesses;
 - e. the appointment, removal and terms of remuneration of the chief internal auditor; and
- Carrying out any other function as may be delegated to it by the Board.

Nomination and Remuneration Committee

Composition

The Committee presently comprises 6 (six)

directors, 5 (five) of them are independent, namely Mr. Shrikrishna N. Inamdar (Chairman of the Committee), Mr. Sanjay K. Asher, Mr. Dara N. Damania, Mr. Prabhakar D. Karandikar and Dr. Sunil U. Pathak and 1 (one) non-independent director namely Mr. Saurabh S. Dhanorkar.

Brief description of terms of reference

The terms of reference of Nomination and Remuneration Committee cover all the areas mentioned in Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The objective of the Nomination and Remuneration Committee is to assist the Board of the Company and its controlled entities in fulfilling its responsibilities to members.

Terms of reference have been modified by the Board at its meeting held on 9th February, 2019 to align it with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The modified terms of reference are as under:

- Considering the skill sets required by the Board, and to ensure that such people contribute to the decisions and policies that will eventually define the company. The Committee also considers qualifications, positive attributes, areas of expertise and the number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee’s recommendation and takes appropriate decision.
- Ensuring that the Board of Directors is comprised of individuals who are the best able to discharge the responsibilities

of the Directors in consonance with the Companies Act, 2013 and the norms of corporate governance; and

- Ensuring that the nomination process and remuneration policies are equitable and transparent.
- The responsibilities of the Committee include:
 - formulating a criteria for determining qualifications, positive attributes and independence of a Director, and recommending to the Board a policy relating to the appointment and remuneration for the Directors, key managerial personnel and other employees;
 - formulating a criteria and manner for effective evaluation of performance of Independent Directors, Board and its committees and review its implementation and compliance;
 - devising a policy that ensures the Board consist of diverse individuals;
 - identifying persons who are qualified to become Directors and who may be appointed as part of the 'senior management' of the Company in accordance with the criteria laid down, and recommend to the Board the appointment and removal of such personnel;
 - recommending extension or continuation of the term of appointment of the Independent Directors based on evaluation of their performance; and
 - recommending to the Board, all remuneration, in whatever form, payable to senior management.

Meetings and attendance during the year

During the year, two meetings of the Nomination and Remuneration Committee were held on 23rd May, 2018 and 9th February, 2019. The attendance details are given in Table 1.

Nomination and Remuneration Policy

The nomination and remuneration policy of the Company on recommendation by the Nomination and Remuneration Committee was approved by the Board and the same is in place. The said policy is given on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>. The remuneration of the Directors for the year 2018-19, is based on the said policy.

In accordance with the nomination and remuneration policy of the Company, the evaluation of Independent Director has been carried out by the entire Board based on the performance of the respective director as well as fulfillment of the independence criteria by them.

Remuneration of Directors

None of the non-executive directors have any pecuniary relationship or transaction vis-à-vis the Company. Mr. Prakash P. Chhabria, Executive Chairman and Mrs. Ritu P. Chhabria, non-executive and non-independent Director are related to each other as husband and wife.

Criteria of making payment to non-executive directors

The criteria of making payment to non-executive directors is given on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>

Details of remuneration to the executive directors for the financial year 2018-2019, are given below:

Particulars	Mr. Prakash P. Chhabria, Executive Chairman (₹)	Mr. Sanjay S. Math, Managing Director (₹)	Mr. Anil V. Whabi, Director-Finance (₹)
Salary and Allowance	2,73,09,732	1,09,42,574	1,16,13,812
Contribution of PF	15,69,600	5,89,116	4,59,702
Superannuation/ Special allowance	0	0	0
Gratuity fund	4,75,635	1,78,522	1,38,732
Performance incentive/Bonus	26,15,993	9,81,869	7,63,027
Total	3,19,70,960	1,26,92,081	1,29,75,273
Commission	7,14,00,000	1,26,00,000	63,00,000
Notice period	6 months	3 months	3 months
Service Contract	Five years	Five years	Five years
Severance Fees	Not Applicable	Not Applicable	Not Applicable

The details of remuneration to the non-executive directors for the financial year 2018-19 and number of shares held by them are given below:

Sr. No.	Name	Remuneration (₹ in lakh)		No. of Shares held
		Commission	Sitting fees	
1	Mr. Sanjay K. Asher	11.81	3.20	Nil
2	Mr. Kanaiyalal N. Atmaramani	11.81	0.00	Nil
3	Mrs. Ritu P. Chhabria	11.81	3.60	4450
4	Mr. Dara N. Damania	11.81	4.80	900
5	Mr. Saurabh S. Dhanorkar	11.81	6.00	5381
6	Mr. Shrikrishna N. Inamdar	15.75	4.40	2,000
7	Mr. Prabhakar D. Karandikar	11.81	7.20	Nil
8	Dr. Sunil U. Pathak	11.81	7.80	300

The non-executive directors do not receive any remuneration from the Company except for the sitting fees and commission as approved by the Board from time to time. All independent directors are experts in their respective fields and their services are beneficial to the Company.

No stock options were issued during the financial year 2018-2019.

Stakeholders' Relationship Committee

Composition

The constitution of the Stakeholders' Relationship Committee in terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as under:

It comprises of 6 (six) members out of which 4 (four) are independent directors viz. Mr. Dara N. Damania (Appointed as Chairman of the Committee w.e.f. 9th February, 2019), Mr. Shrikrishna N. Inamdar, Mr. Prabhakar D. Karandikar and Dr. Sunil U. Pathak. The other two members are Mr. Prakash P. Chhabria, the Executive Chairman of the Company and Mr. Saurabh S. Dhanorkar (non-executive & non-independent director). Mr. Kanaiyalal N. Atmaramani who was the Chairman of the Committee has resigned from the directorship with effect from 1st January, 2019 and consequently ceased to be chairman of the committee.

Mr. Devang Trivedi, Company Secretary is the compliance officer of the Company.

Brief description of terms of reference

The terms of reference of Stakeholders' Relationship Committee are comprised of all requirements pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said terms of reference have been modified by the Board at its meeting held on 9th February, 2019 to align it with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The modified terms of reference are as under:

- To resolve grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared

dividends, issue of new/duplicate certificates, general meetings etc.;

- To review and note certificate received from Practising Company Secretary in compliance of Regulation 40 (9) to (11) or any other applicable regulation(s) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- To review and note the status of Investor Complaints;
- To review and note the status of unclaimed dividends;
- To review measures taken for effective exercise of voting rights by Shareholders;
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To review various measure and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company; and
- To take necessary action on the matters delegated by the Board from time to time.

During 2018-19, four (4) meetings of the Stakeholders' Relationship Committee were held viz. 23rd May, 2018, 11th August, 2018, 29th October, 2018 and 9th February, 2019. The attendance for the same is given in Table 1.

Details of shareholders' complaints during 2018-2019

No. of complaints received	No. of complaints resolved to the satisfaction of complainants	No. of complaints not resolved to the satisfaction of complainants	No. of pending complaints at the end of financial year i.e. on 31st March, 2019
102	102	NIL	NIL

Risk Management Committee

Composition

The Board at its meeting held on 26th July, 2014 has constituted the Risk Management Committee (RMC). The Committee at present, comprises of 5 (five) directors viz. Mr. Prakash P. Chhabria (Chairman of the Committee), Mr. Sanjay S. Math, Mr. Anil V. Whabi, Mr. Saurabh S. Dhanorkar and Dr. Sunil U. Pathak.

Brief description of terms of reference

The terms of reference of Risk Management Committee are in accordance with the Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said terms of reference have been modified by the Board at its meeting held on 9th February, 2019 to align it with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The modified terms of reference are as under:

- To review the risk management plan and policy at its meeting and inform the Board about the risk assessment and minimization procedure.
- To monitor and review the risk management plan, cyber security and such other functions as may be delegated by the Board to the RMC and/or the Chairman and/or Managing

Director as may be necessary for effective implementation of the Risk Management Plan/Policy; and

- To take necessary actions on the matters delegated by the Board from time to time.

Meeting and Attendance

No meeting of the Risk Management Committee was held during the year 2018-19.

The Audit Committee, however, periodically reviews the risk identification and its mitigation.

Corporate Social Responsibility ("CSR") Committee

Composition

The Company has constituted the CSR Committee as required under Section 135 of the Companies Act, 2013.

The CSR Committee consists of 5 (five) directors viz. Mr. Prakash P. Chhabria (Chairman of the Committee), Mrs. Ritu P. Chhabria, Mr. Sanjay S. Math, Dr. Sunil U. Pathak and Mr. Saurabh S. Dhanorkar.

Meetings and attendance during the year

During the year 2018-19, the CSR Committee met four times i.e. on 23rd May, 2018, 11th August, 2018, 29th October, 2018 and 9th February, 2019.

The details of attendance of CSR meetings by the Directors during the year is given in Table 1.

Brief description of terms of reference

Terms of reference of the Corporate Social Responsibility Committee are as follows:

- a) Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (the "Act") as amended.
- b) Recommend the amount of expenditure to be incurred on the activities referred to in above.
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d) Monitor and ensure that the surplus arising out of CSR projects or programs or activities shall not form part of the business profits of a Company.
- e) Ensure that all the income generated by way of CSR activities is credited back to the CSR corpus.
- f) Review and comply with the requirements of the provisions of the Act and rules made under and periodical disclosure requirements.

Share Transfer Committee

Composition

The Committee comprised of 6 (six) directors viz. Mr. Prakash P. Chhabria (Chairman of the Committee), Mr. Prabhakar D. Karandikar, Dr. Sunil U. Pathak, Mr. Sanjay S. Math, Mr. Anil V. Whabi and Mr. Saurabh S. Dhanorkar.

Brief description of terms of reference

- Consider and approve the transfer and transmission of securities i.e. shares, debentures and other security documents;
- Consider and approve issue of duplicate share certificates;
- Consider and approve split, consolidation of share/debenture certificates and issue fresh share certificates and debenture certificates;
- Consider any other assignment as directed by the Board;
- Consider and approve dematerialization and rematerialization of securities; and
- To take necessary actions on the matters delegated by the Board from time to time.

During the year 2018-19, 34 (Thirty Four) meetings of the Share Transfer Committee were held. The details of attendance of the Share Transfer Committee meetings by the Directors during the year is given in Table 1.

Finance Committee

Composition

The Finance Committee consists of 6 (six) directors viz. Mr. Prakash P. Chhabria (Chairman of the Committee), Mr. Sanjay K. Asher, Dr. Sunil U. Pathak, Mr. Sanjay S. Math, Mr. Anil V. Whabi and Mr. Saurabh S. Dhanorkar.

Brief description of terms of reference

- To consider and review various financial proposals for the financial investments, borrowings and give recommendations to the Audit Committee/Board; and

- To take necessary actions on matters delegated by the Board from time to time.

Meetings and Attendance

No meeting of the Finance Committee was held during the year 2018-2019.

Independent Directors' Meeting

The Independent Directors had a meeting on 9th February, 2019 without the attendance of the Non-Independent Directors and the members of the Management. All the Independent Directors were present at the meeting. At the said Meeting, Independent Directors –

- Reviewed the performance of the Non-Independent Directors and the Board as a whole.
- Reviewed the performance of the Chairperson of the Company, taking into account the views of the Managing Director and Executive Directors.
- Assessed the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Code of Conduct and Ethics

The Company's Code of Conduct provides guidelines to be followed by all members of the Board of Directors and Senior Management to ensure the highest standards of professional conduct. Members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct and

Ethics for the year ended 31st March, 2019 on behalf of themselves and to the best of their knowledge and also on behalf of all the employees reporting to them. The said Code can be viewed on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>

A declaration signed by the Managing Director of the Company to this effect is given below:

Declaration regarding compliance with the Company's Code of Conduct by the Board members and Senior Management Personnel

As required under Regulation 34(3) read with Para D of the Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Company has adopted a Code of Conduct and Ethics for all Board Members and Senior Management of the Company. The Code is available on the Company's website.

I further declare that the Company has in respect of the financial year ended 31st March, 2019, received from all the Board Members and Senior Management Personnel of the Company, an affirmation of compliance with the Code, as applicable to them.

For Finolex Industries Limited

Sanjay S. Math

Place: Pune

Managing Director

Date: 10th August, 2019

DIN:01874086

Equity Shares lying in the Suspense Account

In compliance with Para F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information relating to the equity shares lying in the suspense account of the Company, confirms that no shares of the Company are lying in the Suspense Account.

Related Party Disclosures

In terms of Para A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Related Party Disclosure is given in note no. 37 of notes to accounts.

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interest of the Company. The Company does not have any subsidiary but has associate companies. Transactions with related parties entered into by the Company are in the normal course of business and at an arm's length basis. The details of the transactions are periodically placed before the Audit Committee for review and approval. Members may refer to the notes to the accounts for details of related party transactions.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, and the Rules framed thereunder

including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Related Party Transactions policy has been placed on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>

Dividend Distribution Policy

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company has formulated a Dividend Distribution Policy which has been uploaded on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>

Disclosures relating to:

1) Accounting Treatment

The Company has complied with all applicable Accounting Standards in the preparation of financial statements pursuant to Schedule III of the Companies Act, 2013. There are no audit qualifications in the Company's financial statements for the year under review.

2) Compliance with Regulations of capital market

The Company has complied with the requirements of the Regulatory Authorities on Capital Markets. There are no instances of non-compliance by the Company on any matters related to capital markets. No penalty or strictures have been imposed on the Company by the Regulatory Authorities or any statutory authority, on any matter related to capital markets, during last three years.

3) Whistle Blower Policy

In line with the best Corporate Governance practices, the Company has put in place a system through which the Directors and employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics without fear of reprisal. The Company has put in place a process by which employees have direct access to the Audit Committee Chairperson.

The Whistle-blower Policy has been displayed on the Company's notice board and is also uploaded on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>.

4) Managing Director and Chief Financial Officer's certificate

The Managing Director and Chief Financial Officer have furnished a compliance certificate to the Board of Directors under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5) Policy for determining 'material' subsidiaries

Pursuant to Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on material subsidiaries. The policy is available on the Company's website <https://www.finolexpipes.com/investors/policies-code-of-conduct/>

6) Disclosure of commodity price risks and commodity hedging activities

For the pipes and PVC industry, the prices and costs are linked to and are dependent on:

- a. same underlying commodity (crude oil) and
- b. demand supply for each component in the value chain.

Due to strong interdependence, any major change in the price of one input or output, affects the price of the rest of the components in the value chain, albeit with a short time lag. Due to this, margins are only temporarily affected whether positively or negatively, until the price reaches an equilibrium. Generally, over a period of time, the impact of this price movement gets compensated, and results in normal margins. The commodity price movements are a temporary risk which can result in margin risk but do not pose a material risk to financial health of the Company. Hence, Company does not resort to any commodity hedging. Further, though hedges are available and actively traded for underlying commodity (crude oil) but the price of all inputs are not linearly related to price of crude and hedges on all inputs are not easily available.

Exposure of the Company to commodity and commodity risks faced by the Company throughout the year:

- a. Total exposure of the Company to commodities and intermediates ₹311,975 Lakh
- b. Exposure of the Company to major commodities and intermediates:

Commodity Name/ Intermediate Name	Exposure in ₹Lakhs towards the particular commodity	Exposure in Quantity (MT) terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
EDC	23,673	88,539	NIL	NIL	NIL	NIL	NIL
Ethylene	27,555	34,115	NIL	NIL	NIL	NIL	NIL
VCM	56,008	1,01,632	NIL	NIL	NIL	NIL	NIL
PVC	1,87,417	2,55,358	NIL	NIL	NIL	NIL	NIL

- c. Commodity risks faced by the Company during the year and how they have been managed - The Company is affected by the volatility of prices of certain commodity chemicals (Ethylene and PVC) and intermediates (EDC and VCM). Its operating activities involve the ongoing purchase of Vinyl Chloride Monomer ('VCM'), Ethylene and Ethylene Dichloride ('EDC'), all being petrochemical products for manufacturing of PVC and pipes & fittings and therefore require a continuous supply of these materials. Prices of PVC manufactured by the Company are monitored by company management and are adjusted to respond to change in import parity price of PVC in Indian market. Market price of input and output, generally get adjusted over a period of time. Accordingly, the company is exposed to the variation in prices over short term period.

Foreign exchange risk and hedging:

PVC pricing is on import parity and import parity value of sales of the Company exceeds the USD payables on a six monthly rolling basis due to which a natural hedge exists and hence the Company does not generally need to resort to hedging by way of forward contracts, options, etc.

7) Compliance or otherwise of any requirement of the Corporate Governance Report

The Company has complied with the requirements of Corporate Governance and has made disclosures to the extent required and applicable to it, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These are listed below:

- The discretionary requirements of modified opinion(s) in the audit report, separate posts of the Chairperson and the Chief Executive Officer, reporting of the internal auditor directly to the Audit Committee of Part E of Schedule II have been adopted.
- Sub-paras 2 to 10 of Para C of Schedule V;
- Regulations 17 to 27; and
- Regulation 46(2) (b) to (j)

8) Practicing Company Secretary's Corporate Governance Certificate

The Company has obtained a certificate from M/s. SVD & Associates, Practicing Company Secretaries confirming compliance of the conditions of Corporate Governance as stipulated in Para E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Certificate is annexed to this Report.

9) General body meetings:

a) The location and time where last three annual general meetings were held

Year	2015- 2016	2016- 2017	2017- 2018
Date of AGM	11/8/2016	11/8/2017	29/09/2018
Time	10.00 a.m.	11.00 a.m.	11.00 a.m.
Place of AGM	Kirloskar Institute of Advanced Management Studies, Gat No.356 & 357, Near Tata Foundry Maval Village, Dhamane, Taluka Maval, District Pune 410 506.	Kirloskar Institute of Advanced Management Studies, Gat No.356 & 357, Near Tata Foundry Maval Village, Dhamane, Taluka Maval, District Pune 410 506.	Kirloskar Institute of Advanced Management Studies, Gat No.356 & 357, Near Tata Foundry Maval Village, Dhamane, Taluka Maval, District Pune 410 506.

b) The details of special resolutions passed in the previous three annual general meetings

Date of AGM	Item of special resolution
11.8.2016	To accord consent to the Board for making offers or invitations to subscribe to secured Non-convertible Debentures on private placement basis in one or more tranches during a period of one year from the date of passing the resolution with in the overall borrowing limits of the Company.
11.8.2017	To accord consent to the Board for issuing offer(s) or invitation(s) to subscribe to secured Non-Convertible Debentures ("NCDs") for a sum not exceeding ₹ 2,50,00,00,000/- (Rupees Two Hundred Fifty Crores Only) on a private placement basis in one or more tranches during a period of one year from the date of passing of this resolution within the overall borrowing limits of the Company, as approved by the members, from time to time.
11.8.2017	To accord consent to the Board for payment of commission to the directors other than managing director or whole time director of the company not exceeding one percent of the net profit of the Company calculated under provisions Section 198 of the Companies Act, 2013 with a cap of ₹ 2,00,00,000/- (Rupees Two Crore Only) for each financial year commencing from 1st April, 2016.
29.9.2018	To accord consent to continue the appointment of Mr. Dara N. Damania (DIN: 00403834) as an Independent Director of the Company on attaining age of more than 75 years.

All resolutions were passed by requisite majority.

c) Any Special resolution passed last year through postal ballot – details of voting pattern

No special resolution was passed during the year under review through postal ballot.

d) Person who conducted the postal ballot – details of voting pattern

No postal ballot conducted during the year under review.

e) Whether any special resolution is proposed to be conducted through postal ballot:

No special resolution is proposed through postal ballot.

f) Procedure for postal ballot

No special resolution is proposed through postal ballot.

Means of communication:

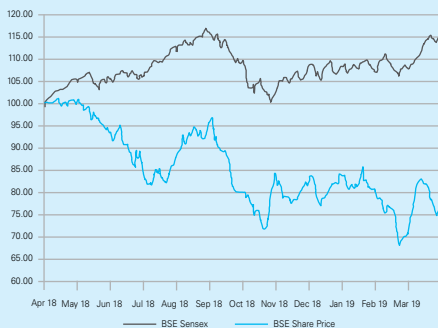
- The quarterly results were published during the year under review in Financial Express and Loksatta i.e. leading national and regional newspapers.
- The quarterly results are uploaded on the Company's website www.finolexpipes.com and also available on the websites of the stock exchanges i.e. BSE and NSE.
- The official news releases of the Company are displayed on the BSE and NSE websites.
- Presentations made to institutional investors or analysts are available on the Company's website.
- The Management Discussion and Analysis Report is forming part of Annual Report.

10. General shareholder information:

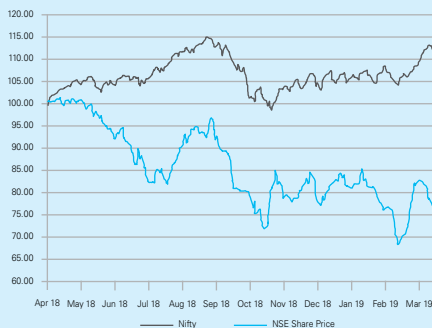
A	Annual general meeting date, time and venue	Date: 19th September, 2019 Time: 11.00 a.m. Venue: Kirkoskar Institute of Advanced Management Studies, Gat No. 356 & 357, Near Tata Foundry Maval, Village Dhamane, Taluka Maval, District Pune 410 506.	
B	Financial year	Announcement of quarterly results of 2019-20 & annual general meeting	Quarterly results by 14th August, 2019, 14th November, 2019, 14th February, 2020 and 30th May, 2020 and annual general meeting by end of September, 2020.
C	Dividend Payment date	30th September, 2019	

D	Book closure period	From 14th September, 2019 to 19th September, 2019 (both days inclusive)					
E	The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of the listing fees	Equity Shares	Equity Shares				
		National Stock Exchange of India Limited 5, Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400051	BSE Limited Registered Office: Floor 25 P.J.Towers Dalal Street Mumbai 400 001				
		The Company has paid all due listing fees.					
F	Stock Code:	NSE : Equity- FINPIPE BSE: Equity- 500940/FINOLEXIND					
G	Market Price data of Equity Shares- High, low during each month in last financial year 2018-2019	Month	NSE		BSE		
			High ₹	Low ₹	High ₹	Low ₹	
		Apr-18	668.40	649.35	666.00	649.35	
		May-18	665.30	612.20	665.00	613.15	
		Jun-18	641.00	556.20	644.90	552.00	
		Jul-18	584.00	532.20	584.75	530.00	
		Aug-18	645.35	571.00	712.90	569.15	
		Sep-18	638.80	515.50	643.00	517.00	
		Oct-18	579.80	460.20	580.00	463.40	
		Nov-18	564.90	504.05	560.00	504.40	
		Dec-18	563.00	500.25	560.90	500.05	
		Jan-19	569.90	512.00	569.75	510.00	
Feb-19	518.00	437.00	539.00	440.00			
Mar-19	550.85	470.00	553.00	474.00			
H	Performance in comparison with broad based indices such as BSE Sensex, CRISIL Index etc.						

Stock Performance



Stock Performance



I	In case the securities are suspended from trading, the directors report shall explain the reasons thereof.	Not Applicable
J	Registrar to an issue and share transfer agent	Karvy Fintech Pvt. Ltd. (RTA) Registered with SEBI Registration no. INR000000221 Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India.
K	Share transfer system	The share transfer committee attends to share transfer formalities normally thrice in a month. Demat requests are confirmed within 21 days from the date of receipt of request, if found in order.

L	Distribution of shareholding	Category	Total Investors	% of total B	Total Shares	% of total D
		A	B	C	D	E
		Below 5000	120482	94.91	15997959	12.89
		Between 5001 and 10000	4274	3.37	3121328	2.52
		Between 10001 and 20000	1291	1.02	1845951	1.49
		Between 20001 and 30000	306	0.24	771734	0.62
		Between 30001 and 40000	134	0.10	477621	0.38
		Between 40001 and 50000	90	0.07	425622	0.34
		Between 50001 and 100000	150	0.12	1091724	0.88
		Above 100001	221	0.17	100363442	80.88
		Total	126948	100.00	124095381	100.00
M	Dematerialization of shares and liquidity	Depository/ Physical		No. of shares		% of total shares
		NSDL		64457260		51.94
		CDSL		51567862		41.56
		Physical		8070259		6.50
		Total		124095381		100.00
Shares are regularly traded on BSE and NSE.						

N	Outstanding GDR, ADR or warrants or convertible instruments, conversion date and likely impact on equity	No such issue made by the Company.
O	Commodity price risk or foreign exchange risk and hedging activities	The details are included in this report under point no. 6.
P	Plant locations	<ul style="list-style-type: none"> • <u>PVC & PVC Pipes Plant:</u> Ranpar – Pawas Road District Ratnagiri 415 616 Maharashtra • <u>PVC Pipes and Fittings Plants:</u> <ol style="list-style-type: none"> 1. Gat No.399, Urse, Taluka Maval, District – Pune 410 506, Maharashtra 2. D 1/10 MIDC, Chinchwad, Pune 411019 Maharashtra • <u>PVC Pipes Plant:</u> Village Masar, Taluka Padra, District Vadodara 391 421, Gujarat
Q	Address for investor correspondence	Karvy Fintech Private Limited, Unit : Finolex Industries Limited, Corporate Registry, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India.
R	List of all credit ratings obtained by the Company	<ul style="list-style-type: none"> • <u>Short term - CRISIL / INDIA Ratings</u> CRISIL A1+ / IND A1+ • <u>Long term - CRISIL / INDIA Ratings</u> CRISIL AA / IND AA • During the year under review, there is no revision in credit rating.

11. Other disclosures:

	Disclosure required	
A	Disclosures on materially significant related party transactions that may have potential conflict with the interests of the listed entity at large	No such transactions

	Disclosure required	
B	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years	No such cases
C	Details of establishment of vigil mechanism/whistle blower policy, and affirmation that no personnel has been denied access to the audit committee	Vigil mechanism/whistle blower policy is in place. No personnel have been denied access to the Audit Committee.
D	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	<p>The Company has complied with the applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>The Company has adopted following non-mandatory requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <ol style="list-style-type: none"> The Company has an Executive Chairman. During 2018-19, there was no audit qualification in the Auditors' Report on the Company's Financial Statement. The Chairman and Managing Director of the Company are different persons. The internal auditor is a permanent invitee to the audit committee and regularly attends the meetings of the Audit Committee.
E	Web link where policy for determining 'material' subsidiaries is disclosed	https://www.finolexpipes.com/investors/policies-code-of-conduct/
F	Web link where policy on dealing with related party transactions is disclosed	https://www.finolexpipes.com/investors/policies-code-of-conduct/
G	Disclosure of commodity price risks and commodity hedging activities	The details are included in this report under point no. 6.
H	Details of utilization of funds raised through preferential allotment or qualified institutions placement.	The Company has not raised any funds through preferential allotment or qualified institutions placement during 2018-19.
I	Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.	A certificate from a company secretary in practice dated 25th May, 2019 is included in this report.

Disclosure required										
J	Where the Board had not accepted any recommendation of any committee of the Board which is mandatory required, in the relevant financial year.	There are no such instances where the Board had not accepted any recommendation of any committee of the Board during the financial year 2018-19.								
K	Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	The Company does not have any subsidiary company. Total fees for all services paid to the statutory auditors are given in note no. 33 of notes to accounts under heading Auditors' Remuneration.								
L	Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.	Details of complaints during the year 2018-19: <table border="1"> <thead> <tr> <th>Particulars</th> <th>Number of Complaints</th> </tr> </thead> <tbody> <tr> <td>Number of complaints filed during the financial year</td> <td>Nil</td> </tr> <tr> <td>Number of complaints disposed of during the financial year</td> <td>Nil</td> </tr> <tr> <td>Number of complaints pending as on end of the financial year</td> <td>Nil</td> </tr> </tbody> </table>	Particulars	Number of Complaints	Number of complaints filed during the financial year	Nil	Number of complaints disposed of during the financial year	Nil	Number of complaints pending as on end of the financial year	Nil
Particulars	Number of Complaints									
Number of complaints filed during the financial year	Nil									
Number of complaints disposed of during the financial year	Nil									
Number of complaints pending as on end of the financial year	Nil									

12. Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Nil

Practicing Company Secretary's Certificate

Non-Disqualification of Directors

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

To,
The Members
Finolex Industries Limited
Regd. office
Gat No. 399, Village Urse, Taluka Maval,
Dist. Pune-410506

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Finolex Industries Limited** having CIN - L40108PN1981PLC024153 and having registered office at Gat No. 399, Village Urse, Taluka Maval, Dist. Pune-410506 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Prakash P. Chhabria	00016017	13/03/1992
2	Mr. Sanjay K. Asher*	00008221	04/02/2012
3	Mrs. Ritu P. Chhabria	00062144	21/03/2015
4	Mrs. Kanchan U. Chitale	00007267	01/04/2019
5	Mr. Dara N. Damania*	00403834	29/07/2011
6	Mr. Saurabh S. Dhanorkar	00011322	11/08/2017
7	Mr. Shrikrishna N. Inamdar*	00025180	22/03/1989
8	Mr. Prabhakar D. Karandikar*	02142050	27/06/2009
9	Mr. Sanjay S. Math	01874086	04/02/2012
10	Dr. Sunil U. Pathak*	00049315	21/10/2008
11	Mr. Anil V. Whabi	00142052	26/08/2016

* The term of Independent Directors namely Mr. Sanjay K. Asher, Mr. Dara N. Damania, Mr. Shrikrishna N. Inamdar, Mr. Prabhakar D. Karandikar and Dr. Sunil U. Pathak expires on 19th September, 2019 and they have not offered their candidature for re-appointment by the shareholders in the forthcoming annual general meeting.

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

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No: 1321
CP No: 965

Place: Pune
Date: 10th August, 2019

Independent Auditors' Report

To the Members of FINOLEX INDUSTRIES LIMITED

Report on the Audit of the Standalone Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the Standalone Ind AS Financial Statements of Finolex Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information hereinafter referred to as "the Standalone Ind AS Financial Statements".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

a. Valuation of inventory

At the balance sheet date the value of inventory amounted to ₹ 620,47.13 lakhs representing 24.54% of total equity and 18.95% of total assets. Inventories have been considered key audit matter due to the size of the balance, nature of the product, price volatility of raw material and finished product, process of manufacture and management judgements involved. Refer note 2.13 to the Standalone Ind AS Financial Statements for accounting policy for valuation of inventories.

Principle Audit Procedures

- i. We have evaluated the design of internal controls relating to the process of inventory recording and valuation.
- ii. We have conducted physical verification of inventory on a sample basis at the year-end in order to test the assertion of existence
- iii. We have conducted analysis of net realisable value (NRV) and cost of inventory on a sample basis in order to ascertain that inventory is carried at lower of NRV and Cost.
- iv. We have evaluated on a test check basis the process followed by the management to identify non-moving, slow moving, obsolete inventory and we have evaluated on a test check basis the appropriateness of the estimates for impairment (if any) accounted for on such inventory.
- v. We have conducted cut off procedures on a test check basis to ensure completeness of inventory recorded in the books of account.
- vi. We have tested on a sample basis compliance of the cost formulae as specified in the accounting policy adopted by the company.

b. Valuation of investments

At the balance sheet date, the value of current and non-current investments amounted to ₹ 1303,03.11 lakhs representing 51.54% of total equity and 39.80% of the total assets. The net loss on fair valuation of investments amounted to ₹ 404,29.73 in the total comprehensive income. Investments have been considered as key audit matter due to the size of the balance, various recognition and subsequent measurement principles. Refer note 2.12 and 2.20 to the Standalone

Ind AS Financial Statements for its accounting policy.

Principle Audit Procedures

- i. We have obtained independent external confirmations of all material current investments in order to test the assertion of existence, accuracy, valuation and completeness.
- ii. We have independently evaluated the fair values of listed and quoted non-current investments.
- iii. We have evaluated the fair value of unquoted non-current investments adopted by the management.
- iv. We have evaluated the process of the management to identify impairment (if any) for the investments measured at amortised cost.
- v. We have assessed the compliance of the recognition and subsequent measurement principles as specified in the accounting policy adopted by the company.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Standalone Ind AS Financial Statements and our Auditors' Report thereon. Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude, that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the

Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms

of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (as amended).
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

- (g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 38.2 to the Standalone Ind AS Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **M/s P.G.Bhagwat**
Chartered Accountants
Firm's Registration Number: 101118W

Abhijeet Bhagwat
Partner
Membership Number: 136835

Pune
May 25, 2019

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are being physically verified by the management at regular intervals based on the programme of verification which in our opinion is reasonable. Part of the major fixed assets has been verified by the management in the current year and discrepancies noticed on such physical verification were not material and the same have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted by the management during the current year. In our opinion, the interval of such verification is reasonable. Discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act in the current year. Accordingly, clause (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanation provided to us, there are no loans, guarantees and security given by the Company, to Directors, covered under the provisions of section 185 of the Act. According to the information and explanations provided to us, provisions of section 186 of the Act have been complied with respect to loans, guarantees, investment and security.
- (v) According to information and explanation provided to us, the Company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, are not applicable to it. According to information and explanation provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (l) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate and complete.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and any other statutory dues with the appropriate authorities.

According to the information and explanation provided to us, no undisputed amounts payable in respect of statutory dues were in arrears as at March 31, 2019, for a period more than six months from the date they became payable.

are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax value added tax or cess which have not been deposited on account of any dispute except those mentioned below:

(b) According to the information and explanation provided to us, there

Name of the Statute	Nature of Dues	Amount (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs Duty	2,115.71 12.60	2012-13, 2013-14 2018-19	CESTAT Commissioner
Central Excise Act, 1944	Excise Duty	4,708.09 8.81	1996-97, 2000-16 2001-02	CESTAT High Court
Finance Act, 1994	Service Tax	411.70 211.28 4.12 24.50 174.72 315.64	December 2005 to December 2007 2008-09 to 2015-16 2013-14 October 2016 to June 2017 2012-13 to 2017-18 April to June 2017	Deputy Commissioner CESTAT Assistant Commissioner Appeals Assistant Commissioner Appeals Commissioner High Court

(viii) Based on our audit procedures and according to the information and explanation provided to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government. The Company did not have debenture holders.

(ix) According to information and explanation provided to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) in the current year. The Company does not have any term loans in the current year. Accordingly,

clause 3 (ix) of the Order for reporting on application of money raised is not applicable to the Company.

(x) Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported to us during the year.

(xi) According to the information and explanation provided to us, the managerial remuneration has been

paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and accordingly, clause (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanation provided to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanation provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanation provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **M/s P.G.Bhagwat**

Chartered Accountants

Firm's Registration Number: 101118W

Abhijeet Bhagwat

Partner

Membership Number: 136835

Pune

May 25, 2019

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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

We have audited the internal financial controls over financial reporting of Finolex Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of

collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s P.G.Bhagwat**
Chartered Accountants
Firm's Registration Number: 101118W

Abhijeet Bhagwat
Partner
Membership Number: 136835

Pune
May 25, 2019

Standalone Balance Sheet

as at March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No	March 31, 2019	March 31, 2018
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	94,893.27	88,167.49
(b) Capital work-in-progress	3.1	9,024.86	9,034.10
(c) Intangible assets	3.2	195.54	256.53
(d) Financial assets			
i) Investments	4	1,07,693.75	1,48,964.70
ii) Loans	5	1.31	4.56
iii) Other financial asset	6	1,436.42	2,188.96
(e) Tax assets (net)		3,305.18	5,246.30
(f) Other non-current assets	7	5,484.76	9,586.06
Total non-current assets		2,22,035.09	2,63,448.70
2 Current assets			
(a) Inventories	8	62,047.13	61,155.40
(b) Financial assets			
i) Investments	9	22,609.36	6,559.20
ii) Trade receivables	10	7,430.62	4,313.93
iii) Cash and cash equivalents	11.1	757.64	681.73
iv) Other bank balances	11.2	2,152.40	1,660.93
v) Loans	12	31.19	21.40
vi) Other financial assets	13	6,079.79	4,217.98
(c) Other current assets	14	4,237.27	3,273.93
Total current assets		1,05,345.40	81,884.50
Non-current assets held for sale	15	-	119.24
Total assets		327,380.49	345,452.44
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	16	12,409.54	12,409.54
(b) Other equity	17	2,40,432.85	2,64,047.33
Total equity		2,52,842.39	2,76,456.87
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
i) Other financial liabilities	18	34.39	32.39
(b) Provisions	19.1	2,058.23	1,343.48
(c) Deferred tax liabilities (net)	25	15,132.80	12,068.49
(d) Government grants	20	5,767.46	6,444.50
Total non-current liabilities		22,992.88	19,888.86
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	21	9,056.09	10,070.78
ii) Trade payables	22		
a) total outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 43)		219.34	59.67
b) total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		28,160.44	24,987.74
iii) Other financial liabilities	23	8,940.46	7,024.52
(b) Other current liabilities	24	4,305.09	3,973.25
(c) Provisions	19.2	240.12	142.60
(d) Current tax liability (net)		-	2,219.15
(e) Government grants	20	623.68	629.00
Total current liabilities		51,545.22	49,106.71
Total liabilities		74,538.10	68,995.57
Total equity and liabilities		3,27,380.49	3,45,452.44
Corporate information	1		
Significant accounting policies	2		
Other notes	3 to 45		

Notes to accounts form an integral part of the financial statements

As per our report of even date

For **FINOLEX INDUSTRIES LIMITED**

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

Abhijeet Bhagwat

Partner
M.No. 136835

Anil V. Whabi

Director - Finance & CFO
DIN: 00142052

Prakash P. Chhabria

Executive Chairman
DIN: 00016017

Sanjay Asher

Dara N. Damania
Shrikrishna N. Inamdar
Prabhakar D. Karandikar

DIN: 00008221

DIN: 00403834

DIN: 00025180

DIN: 02142050

Devang Trivedi

Company Secretary
M. No. ACS 13339

Sanjay S. Math

Managing Director
DIN: 01874086

Dr. Sunil U. Pathak

Kanchan U. Chitale
Saurabh S. Dhanorkar

DIN: 00049315

DIN: 00007267

DIN: 00011322

Place: Pune

Place: Pune

Date: May 25, 2019

Date: May 25, 2019

Statement of Standalone Profit and Loss

for the year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	(All amounts in ₹ Lakhs unless otherwise stated)		
	Note No	March 31, 2019	March 31, 2018
Income			
I Revenue from operations	26	3,09,132.23	2,83,140.60
II Other income	27	4,157.01	2,532.40
III Total income (I+II)		3,13,289.24	2,85,673.00
IV Expenses			
Cost of materials and components consumed	28	1,98,114.62	1,81,624.48
Purchase of stock-in-trade		1,107.85	938.98
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(7,132.59)	(5,225.75)
Excise duty paid		-	9,361.80
Employee benefits expense	30	13,442.99	11,614.70
Finance costs	31	1,227.21	981.65
Depreciation and amortisation expense	32	7,007.66	6,060.46
Other expenses	33	43,169.67	36,433.61
Total expenses (IV)		2,56,937.41	2,41,789.93
V Profit before exceptional items and tax (V-VI)		56,351.83	43,883.07
VI Exceptional items	38.3	2,790.00	-
VII Profit before tax (III - IV)		53,561.83	43,883.07
VIII Tax expense			
Current tax	25	17,419.42	14,085.68
(Excess) / short provision of earlier year(s)		-	(1,088.76)
Deferred tax	25	1,162.21	1,031.67
Total tax expense (VIII)		18,581.63	14,028.59
IX Profit for the period (VII-VIII)		34,980.20	29,854.48
X Other Comprehensive Income (OCI)			
A Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans gain / (loss)		(472.69)	(133.73)
Income tax effect		165.18	46.74
A(i) Re-measurement of defined benefit plans net off income tax		(307.51)	(86.99)
Equity instruments through OCI gain / (loss)		(41,259.54)	32,648.49
Income tax effect		(2,067.27)	2,078.05
A(ii) Equity instruments through OCI net off income tax		(43,326.81)	34,726.54
Total Other Comprehensive Income [A(i)+A(ii)]		(43,634.32)	34,639.55
XI Total Comprehensive Income for the period (IX+X)		(8,654.12)	64,494.03
XII Earnings per equity share (for continuing operation) having nominal value per share of ₹ 10 (not annualised)	35		
Basic (₹)		28.19	24.06
Diluted (₹)		28.19	24.06
Corporate information	1		
Significant accounting policies	2		
Other notes	3-45		

Notes to accounts form an integral part of the financial statements

As per our report of even date

For **M/s. PG. Bhagwat**

Chartered Accountants

FRN 10118W

For **FINOLEX INDUSTRIES LIMITED**

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

Director - Finance & CFO

DIN: 00142052

Prakash P. Chhabria

Executive Chairman

DIN: 00016017

Sanjay Asher

Dara N. Damania

Shrikrishna N. Inamdar

Prabhakar D. Karandikar

Dr. Sunil U. Pathak

Kanchan U. Chitale

Saurabh S. Dhanorkar

DIN: 00008221

DIN: 00403834

DIN: 00025180

DIN: 02142050

DIN: 00049315

DIN: 00007267

DIN:00011322

Devang Trivedi

Company Secretary

M. No. ACS 13339

Sanjay S. Math

Managing Director

DIN: 01874086

Place: Pune

Date: May 25, 2019

Place: Pune

Date: May 25, 2019

Statement of Standalone Cash Flow

for the year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
I Cash flows from operating activities		
Profit before tax	53,561.83	43,883.07
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	7,007.66	6,060.46
Balances written off / (written back)	(317.60)	82.47
Profit on sale of investments (net)	(716.27)	(594.10)
(Gain)/loss on fair valuation of investment	(829.81)	(459.09)
(Profit)/loss on sale of assets (net)	4.58	39.94
Dividend income classified as investing cash flows	(1,004.04)	(758.73)
Finance income classified as investing cash flows	(63.95)	(20.85)
Exchange fluctuation (gain)/ loss - net	(75.18)	(423.12)
Finance costs	1,227.21	981.65
Operating profit before working capital changes	58,794.43	48,791.70
Change in operating assets and liabilities		
(Increase) / decrease in inventories	(891.73)	(5,415.37)
(Increase) / decrease in trade receivables	(3,116.69)	935.36
(Increase) / decrease in other bank balances	(491.47)	(577.26)
(Increase) / decrease in loans	(6.54)	(4.58)
(Increase) / decrease in other financial assets	(791.67)	(732.02)
(Increase) / decrease in other current assets	(337.39)	1,360.70
Increase / (decrease) in trade payables	3,407.55	2,722.67
Increase / (decrease) in provisions	339.58	114.66
Increase / (decrease) in government grants	(682.36)	393.55
Increase / (decrease) in other financial liabilities	1,877.97	1,505.91
Increase / (decrease) in other current liabilities	331.84	(3,302.42)
Cash generated from working capital changes	(360.91)	(2,998.80)
Less - Income tax paid	(17,697.45)	(11,951.62)
Net cash inflow from operating activities	40,736.07	33,841.28
II Cashflow from investing activities		
Proceeds from sale of property, plant and equipment	4.73	27.06
Payment for purchase of property, plant and equipment	(10,197.17)	(17,251.86)
Proceeds from sale of investments	846.92	838.75
Payment for purchase of investments	(15,220.35)	(444.32)
Dividend income	1,004.04	758.73
Non-current assets held for sale	-	(119.24)
Net cashflow from investing activities	(23,561.83)	(16,190.88)

Statement of Standalone Cash Flow

for the year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
III Cashflow from financing activities		
Finance income	63.95	20.85
Finance costs	(1,187.23)	(1,016.39)
Proceeds from borrowings	(1,014.69)	652.31
Dividend paid to Company's shareholders (including DDT)	(14,960.36)	(17,176.21)
Net cashflow from financing activities	(17,098.33)	(17,519.44)
IV Net increase / (decrease) in cash and cash equivalents at the end of the year (I+II+III)	75.91	130.96
V Cash and cash equivalents at the beginning of the financial year	681.73	550.77
VI Cash and cash equivalents at the end of the financial year (IV+V) (Refer note 11.1)	757.64	681.73

Cash Components

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Balances with banks (current accounts)	727.52	652.24
Cash on hand	30.12	29.49
	757.64	681.73

Notes to accounts form an integral part of the financial statements

As per our report of even date

For **M/s. PG. Bhagwat**

Chartered Accountants

FRN 101118W

For **FINOLEX INDUSTRIES LIMITED**

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

Director - Finance & CFO

DIN: 00142052

Prakash P. Chhabria

Executive Chairman

DIN: 00016017

Sanjay Asher

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Kanchan U. Chitale

Saurabh S. Dhanorkar

DIN: 00008221

DIN: 00403834

DIN: 00025180

DIN: 02142050

DIN: 00049315

DIN: 00007267

DIN:00011322

Place: Pune

Date: May 25, 2019

Place: Pune

Date: May 25, 2019

Statement of Standalone Changes in Equity

for the year ended March 31, 2019

A Equity share capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
	Balance as at beginning of the year	12,409.54
Changes in equity share capital during the year	-	-
Balance as at end of the year	12,409.54	12,409.54

B Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and Surplus				Items of OCI*	Total
	Securities premium	Retained earnings	General reserve	Share capital buyback reserve	Equity instruments through OCI	
As at 1 April 2018	15,126.81	1,21,234.63	39,450.22	2,517.93	85,717.74	2,64,047.33
Profit for the period	-	34,980.20	-	-	-	34,980.20
Other Comprehensive Income for the year						
Remeasurement gains/ (losses) on defined benefit plan (Refer Note 36)	-	(307.51)	-	-	-	(307.51)
Gains/ (losses) on equity instruments designated at FVOCI*	-	-	-	-	(43,326.81)	(43,326.81)
Total comprehensive income	15,126.81	1,55,907.32	39,450.22	2,517.93	42,390.93	2,55,393.21
Dividends (Refer Note 17)	-	(12,409.54)	-	-	-	(12,409.54)
Dividend distribution tax (Refer Note 17)	-	(2,550.82)	-	-	-	(2,550.82)
As at 31 March 2019	15,126.81	1,40,946.96	39,450.22	2,517.93	42,390.93	2,40,432.85

Statement of Standalone Changes in Equity

for the year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and Surplus				Items of OCI*	Total
	Securities premium	Retained earnings	General reserve	Share capital buyback reserve	Equity instruments through OCI	
As at 1 April 2017	15,126.81	1,08,643.55	39,450.22	2,517.93	50,991.20	2,16,729.71
Profit for the period	-	29,854.48	-	-	-	29,854.48
Other comprehensive income for the year						
Remeasurement gains / losses on defined benefit plan	-	(86.99)	-	-	-	(86.99)
Gains / losses on equity instruments designated at FVOCI#	-	-	-	-	34,726.54	34,726.54
Total comprehensive income	15,126.81	1,38,411.04	39,450.22	2,517.93	85,717.74	2,81,223.74
Dividends (Refer Note 17)	-	(14,270.97)	-	-	-	(14,270.97)
Dividend distribution tax (Refer Note 17)	-	(2,905.44)	-	-	-	(2,905.44)
As at 31 March 2018	15,126.81	1,21,234.63	39,450.22	2,517.93	85,717.74	2,64,047.33

* Other comprehensive income, # Fair value through other comprehensive income

Notes to accounts form an integral part of the financial statements

As per our report of even date

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

For **FINOLEX INDUSTRIES LIMITED**

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

Director - Finance & CFO

DIN: 00142052

Prakash P. Chhabria

Executive Chairman

DIN: 00016017

Sanjay Asher

Dara N. Damania

Shrikrishna N. Inamdar

Prabhakar D. Karandikar

Dr. Sunil U. Pathak

Kanchan U. Chitale

Saurabh S. Dhanorkar

DIN: 00008221

DIN: 00403834

DIN: 00025180

DIN: 02142050

DIN: 00049315

DIN: 00007267

DIN:00011322

Place: Pune

Date: May 25, 2019

Place: Pune

Date: May 25, 2019

Notes to the Standalone Financial Statements

1. Corporate Information

Finolex Industries Limited ('FIL' or 'the Company') is a company incorporated and domiciled in India and its equity shares are listed on Bombay Stock Exchange and National Stock Exchange. Its registered office is situated at Gat No.399, Village Urse, Taluka Maval, District Pune, India.

The company is engaged in the business of manufacturing PVC pipes & fittings, manufacturing of PVC resin and power generation.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 25, 2019.

2. Summary of significant accounting policies

Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Rules').

The financial statements have been prepared on accrual basis and under historical cost convention, except for financial assets and financial liabilities that have been measured at fair value.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

2.1 Fair value measurement

The Company measures financial instruments, such as non-current and current investments, at fair value, at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Standalone Financial Statements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such unquoted financial assets measured at fair value, and for non-recurring measurement, such as non-current assets held for sale.

External valuation experts are involved for valuation of significant assets and liabilities.

2.2 New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time for their reporting period commencing from April 1, 2018:

- i) Ind AS 115, Revenue from contracts with customers
- ii) Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance.
- iii) Amendment to Ind AS 28, Investment in Associates and Joint Ventures and Ind AS 112, Disclosure of Interests in other Entities.
- iv) Appendix B, foreign currency transactions and advance consideration to Ind AS 21, The effects of changes in foreign exchange rates
- v) Amendment to Ind AS 12, Income Taxes.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

2.3 Revenue recognition

Sales are recognized when the control of the products has transferred based on the delivery terms.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory risk.

Notes to the Standalone Financial Statements

Company has assumed that recovery of excise duty flows to the Company on its own account. Accordingly, it is the liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty (up to 30th June 2017)*.

However, sales tax/value added tax (VAT) & Goods and Service Tax (GST applicable from 1st July 2017) * is not received by the Company on its own account. Accordingly, it is excluded from revenue.

*Goods and Service Tax was introduced from 1st July 2018. Indirect taxes like excise duty, service tax and sales tax/VAT have been subsumed into the new Act.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when the significant control of the goods have passed to the buyer, usually when goods are dispatched or on delivery, as per the terms of sale. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest Income

For all financial instruments measured at amortised cost, interest income is

recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

The company presents interest income on financial assets at Fair Value Through Profit & Loss separately from fair value changes on financial assets.

Dividends

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

2.4 Foreign currencies

The Company's financial statements are presented in Indian Rupees ('INR'), which is its functional currency.

2.4.1 Transactions and balances

Initial recognition: Transactions in foreign currency are initially recorded at the functional currency spot rate of exchange at the date the transaction first qualifies for recognition.

2.4.2 Translation and exchange differences

Monetary items: Monetary assets and liabilities denominated in foreign currencies are translated at their respective functional currency exchange rate prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary

Notes to the Standalone Financial Statements

items are recognised in statement of profit or loss.

2.5 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

2.6 Taxes

2.6.1 Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in

equity, respectively, and not in the Profit or Loss. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.6.2 Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred

Notes to the Standalone Financial Statements

tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.7 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will

Notes to the Standalone Financial Statements

be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

2.8 Property, plant and equipment (PPE)

The company as per Ind AS 101, has opted to continue with the written down value of PPE as at 1st April 2015 as deemed amortised cost of PPE but presents the gross value and accumulated depreciation separately in the block of PPE in the financial statements.

Property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and and borrowing costs, if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals; the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the useful

lives as specified in Schedule II to the Companies Act, 2013 which are as follows:

Asset	Useful life (in years)
Plant and machinery	3 to 25
Building	60
Factory Building	30
Furniture and fixtures	10
Office equipment's	5
Vehicles	8

In the case of Captive Power Plant the management, based on a technical evaluation, has estimated the life of asset to be 25 years which is lower than the life prescribed in Schedule – II.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The management undertakes a review of the residual values, useful lives and methods of depreciation of property, plant and equipment at the end of each reporting period and adjustments are made whenever necessary.

2.9 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the

Notes to the Standalone Financial Statements

arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.9.1 Company as a lessee

Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit and loss on a straight-line basis over the lease term.

2.9.2 Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over

the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.10 Borrowings costs

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

2.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets are amortised over a period of 6 years using straight line method.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the Standalone Financial Statements

2.12.1 Financial assets

2.12.1.1 Classification

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through comprehensive income ('FVOCI') or fair value through other profit or loss ('FVTPL').

2.12.1.2 Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset. Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised using trade date or settlement date accounting.

2.12.1.3 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVOCI')
- c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the

following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/(income) in the profit and loss statement. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the company.

(b) Financial assets classified as measured at FVOCI

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both

Notes to the Standalone Financial Statements

collecting contractual cash flows and selling financial assets and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such instruments are measured at fair value at initial recognition as well as at each reporting date fair value movements are recognised in the Other Comprehensive Income ('OCI'). Interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest earned on such instruments is reported as interest income using the EIR method.

Further, the Company may make an irrevocable election at initial recognition, to classify as FVOCI, particular investments in equity instruments (except equity instruments held for trading) that would otherwise be measured as FVTPL. The Company makes such an election on an instrument-by-instrument basis. Such instruments are measured at fair value on initial recognition as well as at each reporting date. All fair value changes are recognised in OCI. There is no recycling of amounts from OCI to statement of profit and loss,

even on de-recognition. However, the company may transfer the cumulative gain/loss within equity. Dividend received on these equity investments is recorded in the profit and loss statement.

(c) Financial assets classified as measured at FVTPL

A Financial asset shall be measured at FVTPL, unless it is measured at amortised cost or at FVOCI. The Company classifies all equity or puttable financial instruments held for trading as measured at FVTPL. Such instruments are measured at fair value at initial recognition as well as at each reporting date. The fair value changes are recognised in the statement of profit and loss. Further, the Company may make an irrevocable election to designate a financial asset as FVTPL, at initial recognition, to reduce or eliminate a measurement or recognition inconsistency.

2.12.1.4 De-recognition

A financial asset (or, where applicable, a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when the rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the group has transferred

Notes to the Standalone Financial Statements

substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.12.1.5 Impairment of financial assets

The Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets measured at amortised cost
- Financial assets measured at FVOCI, except investments in equity instruments designated as such by the Company.
- Trade receivables under Ind-AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

The impairment loss/ (gain) is

recognised in the statement of profit and loss, except for impairment loss/ (gain) on financial assets measured at FVOCI, which shall be recognised in the OCI.

2.12.2 Financial liabilities

2.12.2.1 Classification

Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost or at fair value through profit or loss ('FVTPL').

2.12.2.2 Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case of financial liabilities not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the issue of the financial liability. Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

(a) Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge

Notes to the Standalone Financial Statements

relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition, if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

The Company has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities

are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

2.12.2.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

2.12.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are

Notes to the Standalone Financial Statements

accounted for, as follows:

Raw materials Purchase cost on a moving weighted average basis

Finished goods and work in progress

Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

2.14 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with banks and short-term deposits with a maturity of three months or less, which are subject

to an insignificant risk of changes in value.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.16 Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

Notes to the Standalone Financial Statements

The Company discloses contingent liability when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

The Company does not recognise a contingent liability but only makes disclosures for the same in the financial statements.

2.18 Provision for employment benefits

2.18.1 Defined contribution plans

The Company has the following defined contribution plans: state governed provident fund scheme and employee state insurance scheme. The contributions paid and payable under the scheme are recognised in the period when the employee renders the related service.

2.18.2 Defined benefit plans

Post-employment benefit in the form of gratuity fund scheme is a defined benefit plan. The present value of obligation under the scheme is determined based on actuarial valuation using the projected unit credit method ('PUCM'). The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained

earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date on which the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under 'employee benefit expenses' in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Refer Note 38 for additional disclosures relating to Company's defined benefit plan.

2.18.3 Provision for compensated absences

Provision for short term compensated absences is recognised for accumulated leaves that are expected to be utilized within a period of twelve months from the balance sheet date. Long term compensated absences are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each reporting date.

Notes to the Standalone Financial Statements

2.19 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

2.20 Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the financial statements:

2.20.1 Non-current asset held for sale

On February 6, 2018, the Company had received an offer from Peninsula Investment Management Company Limited to purchase the units of "PReF Indigo Scheme." Subsequently the Company has accepted the offer vide letter dated February 23, 2018 to Peninsula Investment Management Company expressing its intent to irrevocably sell its units to the company at the NAV of March 31, 2017. The Company has an active plan and taken all necessary approvals to execute the sale. Accordingly, this investment was classified as non-current asset held for

sale as on March 31, 2018, on account of the following factors:

- The asset is available for sale in the present condition
- The sale is highly probable, which is evident from the following:
 - The Company's management has a committed to plan to sell the non-current asset
 - Active program to complete the plan is initiated
 - The sale is expected to be executed within one year

2.20.2 Classification of non-current investments

The Company has classified investment in Finolex Plasson Industries Limited and Pawas Port Limited as investment in associates and accordingly investment in equity shares of these companies have been measured at cost.

The non-current investments in equity shares of Finolex Cables Limited and Finolex Infrastructure Limited which the Company considers to be strategic in nature have been classified as investments measured at fair value through Other Comprehensive Income.

2.21 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The

Notes to the Standalone Financial Statements

Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the Company's control. Such changes are reflected in the assumptions when they occur.

2.21.1 Defined benefit plans

The Company has a defined benefit plan i.e. gratuity fund scheme. The cost and the present value of the obligation arising out of the gratuity scheme are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.21.2 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of balance sheet cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the discounted cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required

in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Please refer Note 40 for further details of fair valuation approach and inputs used for various financial instruments.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective.

Ind AS 116 was notified by Ministry of Corporate Affairs in March 2019 and Ind AS 116 will come in force from financial year beginning from 1 April 2019. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Company is currently evaluating the requirements of Ind AS 116 and its impact on the financial statements.

Notes to the Standalone Financial Statements

3.1 Property, plant and equipment

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block		
	As at April 1, 2018	Additions	Transfer-in/ (Transfer-out)	Disposals	As at March 31, 2019	As at April 1, 2018	Disposals	As at March 31, 2019	As at March 31, 2018
Freehold land	6,993.65	3,399.47	-	-	10,393.12	-	-	10,393.12	6,993.65
Leasehold land	100.70	-	-	-	100.70	6.15	-	33.76	66.94
Buildings	21,980.55	792.08	28.36	-	22,800.99	613.95	21.32	8,471.68	14,329.31
Plant and machinery	1,74,792.93	9,454.47	(41.25)	89.58	1,84,116.57	6,113.20	(22.47)	1,14,935.52	65,863.04
Office equipment	190.62	17.13	3.76	0.30	203.99	117.04	35.25	148.87	73.58
Furniture & fixtures	599.01	74.5	-	0.30	606.16	377.92	30.23	408.06	198.10
Vehicles	1,124.46	5.18	-	15.53	1,144.11	325.57	130.16	444.48	798.89
Total	2,05,781.92	13,675.78	(12.89)	109.17	2,19,335.64	1,17,614.44	6,928.94	99.86	1,24,442.37
Capital work-in-progress	-	-	-	-	9,024.86	78.72	-	94,893.27	88,167.49
								9,024.86	

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block	
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	Disposals	As at March 31, 2018	As at March 31, 2018
Freehold land	6,867.42	126.23	-	6,993.65	-	-	-	6,993.65
Leasehold land	100.70	-	-	100.70	26.62	-	-	27.61
Buildings	21,550.06	430.49	-	21,980.55	7,205.85	630.56	-	7836.41
Plant and machinery	1,66,801.38	8,130.66	139.11	1,74,792.93	1,03,947.70	5,112.21	130.02	1,08,929.89
Office equipment	257.30	14.88	81.56	190.62	148.85	45.59	77.40	73.58
Furniture & fixtures	1,176.71	53.55	631.25	599.01	911.96	64.98	599.02	377.92
Vehicles	883.97	281.59	41.10	1,124.46	230.32	124.15	28.90	325.57
Total	1,97,637.54	9,037.40	893.02	2,05,781.92	1,12,471.30	5,978.48	835.34	1,17,614.44
Capital work-in-progress	2,174.85	-	-	9,034.10	-	-	-	88,167.49
								9,034.10

Movable property, plant and equipment:

For details of property, plant and equipment pledged as security for liabilities, please refer to Note 21

Capital work-in-progress:

Capital work-in-progress ('CWIP') comprises cost of property, plant and equipment that are not yet installed and ready for their intended use at the balance sheet date.

Notes to the Standalone Financial Statements

3.2 Intangible assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block				
	As at April 1, 2018	Additions	Transfer-in/ (Transfer-out)	Disposals	As at March 31, 2019	As at April 1, 2018	Transfer-in/ (Transfer-out)	Disposals	As at March 31, 2019	As at March 31, 2018	
Computer software	589.18	5.99	12.89	-	608.06	332.65	78.72	1.15	412.52	195.54	256.53

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost		Accumulated Depreciation		Net Block				
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	As at March 31, 2018			
Computer software	597.23	1.39	9.44	589.18	250.67	82.10	0.12	332.65	256.53

The Company had opted to continue and disclose the previous GAAP carrying values (written down value) of property, plant and equipment as on April 1, 2015, as the deemed cost under IND AS. In the current year the management has decided to present such adopted values on Gross basis (i.e. gross value of asset and accumulated depreciation separately) and as such previous year's figures have been regrouped.

Notes to the Standalone Financial Statements

4 Non-current investments

List of investments under each category

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of shares		Value of investments	
	March 31,2019	March 31,2018	March 31,2019	March 31,2018
Quoted and listed				
Investments in equity shares				
Investments designated at fair value through other comprehensive income (FVOCI)				
Equity Shares of ₹ 2 each in Finolex Cables Limited	2,21,87,075	2,21,87,075	1,06,016.50	1,47,271.15
Investments designated at fair value through profit and loss (FVTPL)				
Equity Shares of ₹ 2 each in Gulf Oil Corporation Limited	4,950	4,950	15.26	24.81
Equity Shares of ₹ 2 each in Gulf Oil Lubricants India Limited	4,950	4,950	41.86	45.06
Equity Shares of ₹ 10 each in Gold Crest Corporation Limited	12,400	12,400	7.58	6.23
			64.70	76.10
Unquoted				
Investments designated at fair value through other comprehensive income (FVOCI)				
Equity Shares of ₹ 10 each in				
a) Finolex Infrastructure Limited	53,73,938	53,73,938	857.68	862.58
Investments designated at fair value through profit and loss (FVTPL)				
Equity Shares of ₹ 10 each in				
a) The Saraswat Co-op Bank Limited	1,000	1,000	0.10	0.10
Investments measured at amortised cost				
Associate Companies				
Equity Shares of ₹ 10 each in				
a) Finolex Plasson Industries Private Limited	46,35,000	46,35,000	749.77	749.77
b) Pawas Port Limited	49,994	49,994	5.00	5.00
			754.77	754.77
Total			1,07,693.75	1,48,964.70

Notes to the Standalone Financial Statements

4 Non-current investments (contd..)

The Company measures its investments in associates at cost, as per option provided by Ind AS 27, "Separate Financial Statements".

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Aggregate value of quoted investments (cost)	10,266.19	10,266.19
Aggregate market value of quoted investments	1,06,081.20	1,47,347.25
Aggregate value of unquoted investments (cost)	537.49	537.49
Aggregate value of unquoted investments (fair value)	857.78	862.68

Fair Value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 39 and fair value hierarchy disclosures for investment are stated in Note 40.

Risk Management Strategy

Refer Note 41 on Financial risk management objectives and policies for financial instruments.

5 Non-current loans

(Unsecured, considered good, Unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Loans to employees	1.31	4.56
Total	1.31	4.56

6 Other non-current financial assets

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Security deposits		
Considered good	189.00	184.25
Doubtful	-	8.28
	189.00	192.53
Less: Provision for doubtful deposits	-	(8.28)
	189.00	184.25
Claims receivable (under mega incentive schemes) (Refer Note 20)	1,247.42	2,004.71

Notes to the Standalone Financial Statements

6 Other non-current financial assets (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Other deposits		
Doubtful	-	84.94
	-	84.94
Less: Provision for doubtful deposits	-	(84.94)
	-	-
Total	1,436.42	2,188.96

Security deposits comprise of deposit with various government agencies and others. Other deposits primarily relate to inter-corporate deposit.

7 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Capital advances	306.65	3,782.00
Other advances		
Amounts deposited under protest	-	500.00
Prepaid expenses	95.43	136.36
Claims Receivable		
-Excise, Service tax, Customs	106.55	191.92
-VAT and sales tax	4,976.13	4,975.78
Total	5,484.76	9,586.06

Amounts deposited under protest primarily relates to amount deposited with Dispute Resolution Panel in connection with a dispute with bank (₹ 500 Lakhs). Refer Note 38.2 (e) for details.

8 Inventories

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Raw materials	20,918.06	27,900.45
Work-in-progress	4,496.28	4,737.62
Finished goods	30,228.15	22,847.17
Stock-in-trade	132.69	139.74
Stores and spares	5,776.49	5,336.64
Packing material	495.46	193.78
Total	62,047.13	61,155.40

Notes to the Standalone Financial Statements

- Raw materials include goods in transit of ₹ 563.60 Lakhs (₹ 3,212.98 Lakhs as at March 31, 2018)
- The above inventories are hypothecated against current borrowings. Also Refer Note 21.
- Refer Note 2.13 for basis of valuation of inventories.
- Write-down of inventories to net realisable value (net of reversal) amounted to ₹ 45.74 lakhs (March 31, 2018: ₹ 652.18 lakhs). These were recognised as an expenses during the year and included in material consumption.

9 Current investments

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of units		Value of investments	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Investment in Mutual Fund classified as fair value through profit and loss (FVTPL) Quoted but not listed				
Mutual Fund (MF) Units of ₹ 100 each				
Aditya Birla Sun Life Cash Plus Direct Plan - Growth	4,82,429	4,51,863	1,442.49	1,262.12
Aditya Birla Sun Life Liquid Fund Direct Plan - Growth	4,16,601	-	1,251.62	-
ICICI Prudential Liquid Fund-Direct Plan-Growth	18,64,338	-	5,153.34	-
ICICI Prudential Money Market Fund Direct Growth	-	4,78,658	-	1,151.00
DSP Equity Opportunities Fund Direct - Growth	6,64,939	-	1,559.83	-
DSP Mid Cap Fund Direct - Growth	26,93,061	-	1,548.70	-
Kotak Savings Fund Regular Growth	33,51,038	-	1,004.36	-
UTI Fixed Income Interval Fund V Quarterly Interval Plan Retail Option Growth	-	33,41,895	-	707.04
Mutual Fund (MF) Units of ₹ 1,000 each				
DSP Liquidity Fund - Direct Growth	1,53,120	-	4,093.47	-
HDFC Liquid Fund - Direct Plan - Growth	12,393	-	455.84	-
UTI Liquid Cash Plan Institutional Direct Plan - Growth	1,20,214	-	3,679.44	-
Kotak Liquid Direct Plan A Growth	63,955	-	2,420.27	-
Axis Liquid Fund- Direct Plan- Growth	-	72,825	-	1,403.73
DSP Blackrock Liquidity Fund - Direct Plan - Growth	-	56,517	-	1,404.64
Tata Liquid Fund- Direct Plan- Growth	-	8,744	-	280.14
UTI Money Market Fund Institutional Regular Plan Growth	-	18,072	-	350.53
	98,22,086	44,28,574	22,609.36	6,559.20

Notes to the Standalone Financial Statements

9 Current investments (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Aggregate value of quoted investments (cost)	22,214.43	6,530.32
Aggregate market value of quoted investments	22,609.36	6,559.20

Fair value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 39 and fair value hierarchy disclosures for investment are stated in Note 40.

Risk management strategy

Refer Note 41 on Financial risk management objectives and policies for financial instruments.

10 Trade receivables

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Unsecured, considered good		
From others	7,430.62	4,313.93
Doubtful	-	12.96
	7,430.62	4,326.89
Less: Impairment allowance (allowance for bad and doubtful debts)	-	(12.96)
Total	7,430.62	4,313.93

Company's trade receivables consist of receivables from dealers and customers against sales of pipes and fittings and PVC resin. Trade receivables are mostly on terms of advance payment and credit period is given selectively in few cases only. Company also charges interest @ 18% p.a in case of default in collection of trade receivables.

11.1 Cash and cash equivalents

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Balances with banks (current accounts)	727.52	652.24
Cash on hand	30.12	29.49
Total	757.64	681.73

11.2 Other bank balances

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Unpaid dividend accounts	2,152.40	1,660.93
Total	2,152.40	1,660.93

Notes to the Standalone Financial Statements

12 Current loans

(Unsecured, considered good, unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Loans to employees	31.19	21.40
Total	31.19	21.40

13 Other current financial assets

(Unsecured, considered good, unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Security deposits	26.30	26.91
Advances to vendors*	4,012.87	-
Claims receivable (under mega incentive schemes) (Refer Note 20)	2,039.88	4,184.42
Other receivables	0.74	6.65
Total	6,079.79	4,217.98

*The Company has given advance to vendor for supply of goods and services at an interest of 15% p.a.

14 Other current assets

(Unsecured, considered good, unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Advances to vendors		
Unsecured, considered good	2,526.65	2,744.49
Doubtful	484.82	484.82
	3,011.47	3,229.31
Less: Provision for doubtful advances	(484.82)	(484.82)
	2,526.65	2,744.49
Prepaid expenses	436.25	348.07
GST receivables (net)	1,274.37	181.37
Total	4,237.27	3,273.93

15 Non-current assets held for sale

Non-current assets held for sale comprises of investment in units of Peninsula Realty Fund.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
381 Units of ₹1,00,000 each in Peninsula Realty Fund	-	119.24

For the year ended March 31, 2018, the Company had decided to sell its investment in the said company. As on March 31, 2018, the Company had taken the necessary actions to complete the sale and expected the sale to take place within one year. The same has been sold in the current year.

Notes to the Standalone Financial Statements

16 Share capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019		March 31, 2018	
	No. of shares*	Amount	No. of shares*	Amount
Authorised:				
Equity shares of ₹10 each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Unclassified share capital	8,50,00,000	8,500.00	8,50,00,000	8,500.00
	23,50,00,000	23,500.00	23,50,00,000	23,500.00
Issued, subscribed and fully paid up:				
Equity shares of ₹10 each fully paid	12,40,95,381	12,409.54	12,40,95,381	12,409.54
	12,40,95,381	12,409.54	12,40,95,381	12,409.54

Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019		March 31, 2018	
	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the year	12,40,95,381	12,409.54	12,40,95,381	12,409.54
Add: Allotted during the year	-	-	-	-
Outstanding at the end of the period	12,40,95,381	12,409.54	12,40,95,381	12,409.54

Terms/ Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019		March 31, 2018	
	No. of shares*	% holding	No. of shares*	% holding
Equity shares of ₹10 each fully paid				
Finolex Cables Ltd.	40,192,597	32.39%	40,192,597	32.39%
Orbit Electricals Private Limited	23,330,901	18.80%	23,330,901	18.80%

* No. of shares are in full figures

Notes to the Standalone Financial Statements

17 Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Retained earnings	Share capital buyback reserve	Share premium	General reserve	Other Comprehensive Income	Total
As at March 31, 2017	1,08,643.55	2,517.93	15,126.81	39,450.22	50,991.20	2,16,729.71
Add : Profit for the year	29,854.48	-	-	-	-	29,854.48
Add: Other comprehensive income for the year					34,726.54	34,726.54
Add/(less):Remeasurement gains/(losses) on defined benefit plan	(86.99)	-	-	-	-	(86.99)
Less: Appropriations						
-Dividend paid	(14,270.97)	-	-	-	-	(14,270.97)
-Tax on dividend paid	(2,905.44)	-	-	-	-	(2,905.44)
As at March 31, 2018	1,21,234.63	2,517.93	15,126.81	39,450.22	85,717.74	2,64,047.33
Add : Profit for the year	34,980.20	-	-	-	-	34,980.20
Add: Other comprehensive income for the year	-	-	-	-	(43,326.81)	(43,326.81)
Add/(less):Remeasurement gains/(losses) on defined benefit plan	(307.51)	-	-	-	-	(307.51)
Less: Appropriations						
-Dividend paid	(12,409.54)	-	-	-	-	(12,409.54)
-Tax on dividend paid	(2,550.82)	-	-	-	-	(2,550.82)
As at March 31, 2019	1,40,946.96	2,517.93	15,126.81	39,450.22	42,390.93	2,40,432.85

17.1 Nature and purpose of reserves

1) Share capital buyback reserve

During financial year ended March 31, 2002 and March 31, 2003, the Company bought back shares of the Company out of free reserves and in order to comply with the requirements of Company law the company created share capital buy back reserve to the extent of the face value of shares bought back.

2) General reserve

Till April 1, 2013, the Company was governed by provisions of the Companies Act of 1956. As per the requirements of this act read along with Companies (Transfer of Profit to Reserve) Rules, 1975, any company declaring dividend in excess of 10% of face value of equity share was mandatorily required to transfer specified % of amount to general reserve. Accordingly, the Company has transferred amount to this reserve over the years to comply with the company law requirements.

17.2 Other comprehensive income, net of tax

The disaggregation of changes in OCI by each type of reserve

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
FVOCI reserve	42,390.93	85,717.74
Total	42,390.93	85,717.74

Notes to the Standalone Financial Statements

17.3 Distribution made and proposed

(All amounts in ₹ Lakhs unless otherwise stated)

Cash dividends on Equity shares declared and paid	March 31, 2019	March 31, 2018
Final dividend for 2016-17: ₹11.50 per share	-	14,270.97
Dividend distribution tax on above final dividend	-	2,905.44
Final dividend for 2017-18: ₹10 per share	12,409.54	-
Dividend distribution tax on above final dividend	2,550.82	-

17.4 Dividends proposed before annual general meeting but not recognised as a liability

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Proposed Dividend	12,409.54	12,409.54
Dividend per share (₹)	10.00	10.00

Proposed dividend on equity shares are subject to approval of the shareholders of their Company at the annual general meeting and are not recognised as a liability (including taxes thereon) as at March 31, 2019.

18 Non-current financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Trade & security deposits	34.39	32.39
Total	34.39	32.39

19 Provisions

19.1 Non-current provisions

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Employee benefit obligations		
Gratuity (Refer Note 36)	1,402.52	886.54
Others		
Compensated absences (Refer Note 36)	655.71	456.94
Total	2,058.23	1,343.48

19.2 Current provisions

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Employee benefit obligations		
Gratuity (Refer Note 36)	107.00	85.00
Others		
Compensated absences (Refer Note 36)	133.12	57.60
Total	240.12	142.60

Notes to the Standalone Financial Statements

20 Government grants

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Deferred income from industrial promotion subsidy	6,391.14	7,073.50
Non-current	5,767.46	6,444.50
Current	623.68	629.00

- a) The Company is entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives, for the period from April 1, 2011 to March 31, 2018. The aforesaid subsidy is in relation to investments in property, plant and equipment at Ratnagiri plant. Accordingly, the same has been classified as grant related to assets and the Company is recognising revenue from grant over the life of the property, plant and equipment.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
As at the beginning of the year	7,073.50	6,679.95
Recognised during the year	-	1,669.17
Less: Amount reversed (excess claim accrued upto March 31, 2017 now reversed)	(58.51)	-
Released to the statement of profit and loss	(623.85)	(1,275.62)
As at the end of the year	6,391.14	7,073.50

- b) The Company has received the eligibility certificate for the industrial promotion subsidy under the package incentive scheme. The government grant receivable includes electricity duty refund of prior years amounting to ₹ 537.63 lakhs (March 31, 2018 - ₹1,350.33 lakhs)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
As at the beginning of the year	6,189.13	5,443.48
Add: Grant accrued during the year	-	1,669.17
Less: Claim received during the year	(1,986.46)	-
Less: Amount reversed (excess claim accrued upto March 31, 2017, now reversed)	(102.65)	-
Less: Electricity duty adjusted against the current bill	(812.72)	(923.52)
As at the end of the year	3,287.30	6,189.13

Notes to the Standalone Financial Statements

21 Current borrowings

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Acceptances from banks : Buyers Credit		
Secured	7,881.68	5,207.69
Unsecured	1,068.63	4,759.44
Bank overdraft (temporary)	105.78	103.65
TOTAL	9,056.09	10,070.78

Details of terms of borrowings and security for the borrowings

The aggregate limits of working capital borrowings of ₹ 139,575 lakhs (₹ 139,575 lakhs as at March 31, 2018) from the Bank of India Consortium together with all interest, liquidated damages, costs, charges and other moneys payable under working capital consortium agreement/sanction letters are secured by:

- 1) Hypothecation of inventories and book debts; and
- 2) Extension of second equitable mortgage, created in favour of Bank of India Consortium on pari passu basis with other second charge holder by deposit of title deeds with Axis Bank Ltd (ABL), New Delhi. ABL acting as an agent for Bank of India Consortium, which ranks subsequent and subservient in rank of priority over the first equitable mortgages created by deposit of title deeds in respect of immovable properties falling within the battery limit of the site of the Company's plant for manufacture of PVC Resin, situated at Village Golap, District Ratnagiri in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

22 Trade payables

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Trade payables		
a) total outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 43)	219.34	59.67
b) total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	28,160.44	24,987.74
Total	28,379.78	25,047.41

Trade payables are non-interest bearing and are normally settled within 30 to 45 days. Refer Note 41 for discussion on Company's credit risk management policies and procedures.

Notes to the Standalone Financial Statements

23 Other current financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Interest accrued but not due	51.26	11.28
Salary and re-imbursements	2,351.10	1,969.83
Provision for expenses	4,385.70	3,382.48
Unpaid dividend	2,152.40	1,660.93
Total	8,940.46	7,024.52

24 Other current liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Advances from customers	2,455.22	2,933.83
Statutory dues (includes indirect and withholding taxes)	1,849.87	1,039.42
Total	4,305.09	3,973.25

25 Income Taxes

A Composition of income tax expense is as follows:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Statement of profit and loss		
Current tax		
Current income tax charge	17,419.42	14,085.68
Adjustments in the period for current tax of prior periods	-	(1,088.76)
Deferred tax		
Relating to temporary differences	1,162.21	1,031.67
Income tax expense reported in the statement of profit and loss	18,581.63	14,028.59
Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year:		
Remeasurement gains/ (losses) on defined benefit plans	165.18	46.74
Fair value changes of financial assets	(2,067.27)	2,078.05
Income tax charged to OCI	(1,902.09)	2,124.79

Notes to the Standalone Financial Statements

25 Income Taxes (contd..)

B Reconciliation between tax expense and accounting profit multiplied by tax rate

Current taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
	Accounting profit before tax expense	53,561.83
At India's statutory tax rate 34.944% (March 31, 2018 34.608%)	34.944%	34.608%
Computed tax expense	18,716.65	15,187.05
Adjustments For:		
Donations made disallowed as deductions	32.52	8.91
Corporate Social Responsibility Expenses	322.91	153.82
Provision for expenses not allowed in tax	-	125.54
Other non-deductible expenses	26.29	-
Dividend income accrued in current year exempt from tax	(350.84)	(262.57)
Agricultural income U/S.10(1) (Income from Mango Harvesting contract.)	(1.33)	(2.23)
Deduction allowed income tax	(488.56)	(287.38)
Impact of Change in rate	(1.87)	162.35
Previous years tax provision write off	-	(1,088.76)
Other items	325.86	31.86
At the effective tax rate of 34.69% (March 31,2018: 34.45%)	18,581.63	14,028.59
Income tax expense reported in the statement of profit and loss	18,581.63	14,028.59

C Composition of deferred tax assets and deferred tax liabilities and deferred tax (expense)/income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Deferred tax liabilities			
Depreciation	(18,176.29)	(17,437.21)	(739.09)	(1,284.74)
Fair valuation of FVOCI investment	(24.33)	-	-	-
Fair valuation of FVTPL investment	(138.04)	-	(138.04)	-
Deferred tax assets				
Fair valuation of FVOCI investment	-	2,042.94	-	-

Notes to the Standalone Financial Statements

25 Income Taxes (contd..)

C Composition of deferred tax assets and deferred tax liabilities and deferred tax (expense)/income (Contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Deferred income	2,233.32	2,471.76	(238.44)
Fair valuation of FVTPL investment	-	128.20	(128.20)	40.20
Provision for Doubtful debts & advances	169.42	206.52	(37.10)	38.73
Leave encashment	275.65	179.80	95.84	23.52
Defined benefit obligation and others	527.47	339.50	22.81	(9.71)
Deferred tax (expense)/income			(1,162.22)	(1,031.67)
Net deferred tax assets/(liabilities)	(15,132.80)	(12,068.49)		

D Composition of deferred tax assets and deferred tax liabilities

Deferred taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Reconciliation of deferred tax liabilities, net

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
As at the beginning of the year	(12,068.49)	(13,161.07)
Tax (expense)/ income recognised in the statement of profit and loss	(1,162.21)	(1,032.20)
Tax (expense)/ income recognised in the OCI	(1,902.09)	2,124.79
As at the end of the year	(15,132.79)	(12,068.48)

E Composition of deferred tax (expense)/ income recognised in the statement of profit and loss

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Deferred tax income	118.67	253.07
Deferred tax expense	(1,280.88)	(1,284.74)
Net deferred tax (expense)/ income	(1,162.21)	(1,031.67)

Notes to the Standalone Financial Statements

26 Revenue from operations

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Revenue from contracts with customers		
Sale of products (refer note below)	3,06,845.80	2,80,008.65
Other operating revenue		
a) Scrap sales	1,512.95	1,586.53
b) Recovery of port charges	193.78	269.80
c) Unwinding of deferred income (government grant) (Refer Note 20)	579.70	1,275.62
Total	3,09,132.23	2,83,140.60

Sale of products includes excise duty collected from customers of ₹ Nil (March 31, 2018: ₹ 9,361.80 Lakhs up to Quarter ended June 30, 2017). From July 1, 2017, Goods and Service Tax (GST) charged, is excluded from sales of goods. Also Refer Note 2.3 and 44.

27 Other income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
I) Interest on		
a) Overdue receivables from customers	13.97	17.39
b) Income Tax refund	394.19	-
c) Deposit	381.10	-
d) Others (including employee loans and other interest received)	49.98	3.46
II) Dividend from non-current investments		
a) Classified as fair value through FVTPL	0.66	0.39
b) Classified as fair value through FVOCI	887.49	665.61
c) Classified as amortised cost	115.89	92.73
III) Other non-operating income		
a) Insurance claims received	126.09	194.36
b) Net gains (losses) on fair value changes on investment classified as FVTPL	829.81	459.09
c) Net gain on sale of current investments (mutual funds) classified as FVTPL	716.27	594.10
d) Net foreign currency exchange gain	75.18	423.12
e) Excess provision written back	134.25	3.65
f) Credit balances written back	202.22	-
g) Others	229.91	78.50
Total	4,157.01	2,532.40

Notes to the Standalone Financial Statements

28 Cost of materials consumed

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Cost of raw materials consumed	1,95,260.60	1,78,850.22
Packing material consumed	2,854.02	2,774.26
Total	1,98,114.62	1,81,624.48

Cost of raw material consumed excludes excise duty paid of ₹ NIL (March 31, 2018: ₹ 9,361.80 Lakhs up to Quarter ended June 30, 2017). Excise duty paid has been disclosed separately on the face of statement of profit and loss account.

29 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Inventories at the end of the year		
Work-in-progress	4,496.28	4,737.62
Finished goods	30,228.15	22,847.17
Stock-in-trade	132.69	139.74
Sub Total (A)	34,857.12	27,724.53
Inventories at the beginning of the year		
Work-in-progress	4,737.62	2,585.59
Finished goods	22,847.17	19,877.92
Stock-in-trade	139.74	35.27
Sub Total (B)	27,724.53	22,498.78
Changes in inventories of finished goods, work-in-progress and stock-in-trade (B-A)	(7,132.59)	(5,225.75)

30 Employee benefits expense

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Salaries, wages, bonus and leave encashment	11,516.51	9,840.49
Gratuity fund expense (Refer Note 36)	172.15	136.69
Contribution to provident fund and other funds (Refer Note 36)	395.26	351.10
Staff welfare expenses	1,359.07	1,286.42
Total	13,442.99	11,614.70

Notes to the Standalone Financial Statements

31 Finance cost

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Interest expense on borrowings and others	629.08	470.12
Other borrowing costs	142.90	171.51
Exchange differences regarded as an adjustment to borrowing costs	455.23	340.02
Total	1,227.21	981.65

32 Depreciation and amortisation expense

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Depreciation on property, plant and equipment	6,928.94	5,978.48
Amortisation of intangible assets	78.72	81.98
Total	7,007.66	6,060.46

33 Other expenses

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Power and fuel	11,434.67	8,824.17
Stores and spares consumed	3,421.20	3,304.99
Other manufacturing expenses	10,600.33	9,594.95
Rent	188.30	204.13
Rates and taxes	1,223.12	1,280.28
Insurance	378.71	427.40
Repairs & maintenance (buildings)	1,110.86	614.17
Repairs & maintenance (plant & machinery)	1,932.38	2,140.17
Repairs & maintenance (others)	218.28	192.72
Communication expenses	392.32	322.74
Travelling and conveyance	708.72	682.30
Directors' sitting fees	37.00	35.62
Commission to non-executive directors	98.44	93.75
Auditor's remuneration :		
-Statutory audit fees	29.00	25.50
-Tax audit fees	5.00	5.00
-Limited review	6.00	6.00
-GST audit fees	10.00	-
-Certification	3.07	1.58
-Out of pocket expenses	1.01	0.59
Advertisement, publicity and sales promotion	6,650.54	3,826.37
Freight outward expenses	101.31	151.66
Donations	91.90	25.75
Loss on sale of property, plant and equipment	4.58	39.94
Legal and professional fees	1,053.58	605.31

Notes to the Standalone Financial Statements

33 Other expenses (Contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Corporate social responsibility (CSR)(refer note below)	924.07	848.55
Security expenses	643.56	557.32
Information technology maintenance	914.14	1,565.05
Miscellaneous expenses	987.58	1,057.60
Total	43,169.67	36,433.61

Details of CSR expenditure:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Related Party - Contribution to Mukul Madhav Foundation Trust	913.45	799.42
Contribution to others	10.62	49.13
	924.07	848.55
a) Amount required to be spent during the period	859.18	612.39
b) Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	924.07	848.55
Total	924.07	848.55

34 Segment Information

For management purposes, the Company is organised into business units based on their products and which has following two reportable segments :

- 1 PVC – engaged in producing and distributing PVC resin.
- 2 Pipes and fittings – engaged in producing and distributing pipes and fittings required principally in the agriculture and construction industries.

No operating segments have been aggregated to form the above reportable operating segments.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss that is measured consistently with profit or loss in the financial statements. The Company's financing (including finance costs and finance income) and income taxes are not allocated to operating segments.

The Company is in the business of manufacture of PVC resin and PVC pipes and fittings. The disclosure of Financial information in respect of Captive Power Plant as a separate segment is no longer material to the Company's overall operations and the management does not analyse its performance separately. Therefore as per IndAS 108, "Operating Segments," the Company has decided to disclose only two segments i.e. PVC resin and PVC pipes and fittings. Accordingly, the figures of previous periods have been regrouped.

Notes to the Standalone Financial Statements

Year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	PVC	Pipes & fittings	Total segments	Adjustments and eliminations	Total
Revenue					
External customers	51,652.13	2,57,480.10	3,09,132.23		3,09,132.23
Inter-segment	1,35,765.31	-	1,35,765.31	(1,35,765.31)	-
Total revenue	1,87,417.44	2,57,480.10	4,44,897.54	(1,35,765.31)	3,09,132.23
Income/(Expenses)					
Depreciation and amortisation	(1,264.91)	(3,984.08)	(5,248.99)	-	(5,248.99)
Segment profit	37,727.86	18,281.50	56,009.36	-	56,009.36
Total assets	81,440.33	96,321.50	1,77,761.83	-	1,77,761.83
Total liabilities	20,975.62	9,187.25	30,162.87	-	30,162.87
Other disclosures					
Capital expenditure	2,206.19	7,561.98	9,768.17	-	9,768.17

Year ended March 31, 2018

Particulars	PVC	Pipes & fittings	Total segments	Adjustments and eliminations	Total
Revenue					
External customers	50,256.87	2,32,883.73	2,83,140.60		2,83,140.60
Inter-segment	1,27,581.03	-	1,27,581.03	(1,27,581.03)	-
Total revenue	1,77,837.90	2,32,883.73	4,10,721.63	(1,27,581.03)	2,83,140.60
Income/(Expenses)					
Depreciation and amortisation	(1,233.27)	(3,113.75)	(4,347.02)	-	(4,347.02)
Segment profit	34,875.53	13,616.85	48,492.38	-	48,492.38
Total assets	84,666.87	83,820.64	1,68,487.51	-	1,68,487.51
Total liabilities	16,457.23	11,134.19	27,591.42	-	27,591.42
Other disclosures					
Capital expenditure	1,791.76	15,367.97	17,159.73	-	17,159.73

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed for the entity as a whole.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed for the entity as a whole.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Inter-segment revenues are eliminated on consolidation.

Notes to the Standalone Financial Statements

34 Segment Information (contd..)

Reconciliation of profit

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Segment profit	56,009.36	48,492.38
Unallocable income	3,929.34	2,081.57
Finance costs	(1,227.21)	(981.65)
Unallocable expense	(5,149.66)	(5,709.23)
Profit before tax	53,561.83	43,883.07

Reconciliation of assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Segment operating assets	1,77,761.83	1,68,487.51
Financial assets carried at FVTPL	64.70	76.10
Financial assets carried at FVOCI	1,06,016.50	1,47,271.15
Financial assets carried at cost	754.77	754.77
Current investments	22,609.36	6,559.20
Cash and cash equivalents (including other bank balances)	2,910.04	2,342.66
Non-current asset held for sale	-	119.24
Other unallocated assets	17,263.29	19,841.81
Total assets	3,27,380.49	3,45,452.44

Reconciliation of liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Segment operating liabilities	30,162.87	27,591.42
Deferred tax liabilities	15,132.80	12,068.49
Trade payables	706.52	422.21
Current tax Liability	-	2,219.15
Short term borrowings	9,056.09	10,070.78
Financial liabilities at amortised cost	6,736.80	5,352.31
Interest accrued	51.26	11.28
Unpaid dividend	2,152.40	1,660.93
Statutory dues	1,849.87	1,039.42
Provisions	2,298.35	1,486.08
Government grants	6,391.14	7,073.50
Total liabilities	74,538.10	68,995.57

Notes to the Standalone Financial Statements

34 Segment Information (contd..)

Geographic information

In the year ended March 31, 2019, the Company has catered only to the needs of the Indian markets. As there was no export turnover during the year, there are no reportable geographical segments.

35 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

There are no potential shares that have a dilutive effect on the EPS.

The following reflects the income and share data used in the basic EPS computation

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Basic		
Net profit / (loss) after tax (in ₹ Lakhs)	34,980.20	29,854.48
Weighted average number of equity shares	1,240.95	1,240.95
Basic earnings/(loss) per share of ₹10 each	28.19	24.06

36 Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 395.26 Lakhs (March 31, 2018: ₹ 351.10 Lakhs) is recognised as expenses and included in Note No. 30 "Employee benefit expense"

B. Defined benefit plans:

The Company has Gratuity as post employment benefit which is in the nature of defined benefit plan.

The Company operates gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Notes to the Standalone Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

March 31, 2019 : Changes in defined benefit obligation and plan assets

(All amounts in ₹ Lakhs unless otherwise stated)

April 1, 2018	Gratuity cost charged to statement of profit and loss			Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2019	
	Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (Note 30)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments			Sub-total included in OCI
	(1,333.41)	(100.98)	(196.32)	77.64	-	(70.89)	(201.05)	(201.29)	(473.23)	-	(1,925.32)
Defined benefit obligation	361.87	(5.20)	29.37	(77.64)	-	-	2.26	(1.72)	0.54	106.96	415.80
Fair value of plan assets	(971.54)	(100.54)	(172.15)	-	-	(70.89)	(198.79)	(203.01)	(472.69)	106.86	(1,509.52)
Total benefit liability											

March 31, 2018 : Changes in defined benefit obligation and plan assets

(All amounts in ₹ Lakhs unless otherwise stated)

April 1, 2017	Cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2018
	Service cost	Net interest expense/ income	Sub-total included in statement of profit and loss (Note 30)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
	(1,099.73)	(77.03)	(156.22)	59.68	-	-	65.02	(202.16)	(137.14)	-	(1,333.41)
Defined benefit obligation	313.62	(3.96)	23.49	(59.68)	-	-	(2.61)	6.02	3.41	84.99	361.87
Fair value of plan assets	(766.11)	(83.15)	(136.69)	-	-	-	62.41	(196.14)	(133.73)	84.99	(971.54)
Total benefit liability											

Notes to the Standalone Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
	Insured managed funds (LIC)	415.79
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Company's plans is shown below:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
	Discount rate	7.50%
Future salary increase	8.00%	6.00%
Expected rate of return on plan assets	7.80%	7.20%
Expected average remaining working lives (in years)		
Gratuity	9.33	16.16
Compensated absences	9.33	16.30
Withdrawal rate (based on grade and age of employees)		
Gratuity	7.00%	1.00%
Compensated absences	7.00%	1.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		March 31, 2019	March 31, 2018
Discount rate	1% increase	105.51	97.10
	1% decrease	(118.11)	(111.55)
Future salary increase	1% increase	(99.27)	(100.02)
	1% decrease	90.61	88.88
Withdrawal rate	1% increase	2.80	(12.96)
	1% decrease	(3.11)	14.43

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in one significant assumption at a time, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The same method has been applied for the sensitivity analysis as when calculating the recognised defined benefit obligation.

Notes to the Standalone Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

The followings are the expected future benefit payments for the defined benefit plan :

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	413.07	197.14
Between 2 and 5 years	888.69	465.06
Beyond 5 years	1,576.33	1,297.87
Total expected payments	2,878.09	1,960.07

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	March 31, 2019	March 31, 2018
	Years	Years
Gratuity	8.56	12.22

The followings are the expected contributions to planned assets for the next year:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Gratuity	107.00	85.00

C. Other long-term employment benefits

The Company has compensated absences plan which is covered by other long-term employee benefits.

March 31, 2019 : Changes in defined benefit obligation of compensated absences

(All amounts in ₹ Lakhs unless otherwise stated)

	April 1, 2018	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2019
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 30)			
Compensated absences								
Defined benefit obligation	(514.54)	(76.10)	(34.79)	(300.54)	(411.43)	137.13	-	(788.83)
Benefit liability	(514.54)	(76.10)	(34.79)	(300.54)	(411.43)	137.13	-	(788.83)

Notes to the Standalone Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

March 31, 2018 : Changes in defined benefit obligation of Compensated absences

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	April 1, 2017	Cost charged to statement of profit and loss			Benefit paid	Contributions by employer	March 31, 2018
		Service cost	Interest cost	Actuarial changes arising from various assumption			
Compensated absences							
Defined benefit obligation	(451.57)	(63.12)	(28.36)	(86.76)	(178.24)	115.28	- (514.53)
Benefit liability	(451.57)	(63.12)	(28.36)	(86.76)	(178.24)	115.28	- (514.53)

37. Related party transactions

Related parties have been identified on the basis of requirement of Ind AS 24 'Related Party Disclosures' and representation made by the Key Management Personnel and taken on record by the Board.

Disclosures of transactions with related parties are as under:

A. Description of Related Parties

Name of the related party and nature of relationship where control exists

Name of the related party	Nature of relationship
Pawas Port Limited	
Finolex Plasson Industries Private Limited	Associate Company
Finolex Cables Limited holding 32.39 % in the Company	Enterprise wherein the Company is an associate
Finprop Advisory Services Limited	
Mukul Madhav Foundation (Trust)	Enterprises over which Key Management Personnel or their relatives exercise significant influence
Magnum Machine Technologies Limited	
Finolex Infrastructure Private Limited	
Mrs. Ritu P Chhabria (Spouse of Mr. Prakash P. Chhabria)	Relative of director
Ms. Gayatri P. Chhabria (Daughter of Mr. Prakash P Chhabria)	Relative of director (payment till 30th September,2017)
Pawas Port Limited	Associate Company (Substantial Interest)

B. Name of the related parties with whom transactions have been entered into

Name of the related party
Finolex Plasson Industries Private Limited
Finolex Cables Limited
Mukul Madhav Foundation (Trust)
Finolex Infrastructure Private Limited
Mrs. Ritu P. Chhabria
Ms. Gayatri P. Chhabria

Notes to the Standalone Financial Statements

37. Related party transactions (contd..)

C. Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Prakash P. Chhabria	Executive Chairman
Mr. Anil V. Whabi	Director Finance & CFO
Mr. Sanjay S. Math	Managing Director

D. Transactions with Related Parties

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
I. Sales, services and other income		
Sale of goods		
Finolex Plasson Industries Private Limited	2,019.53	3,390.48
Reimbursement received of expenditure incurred		
Finolex Infrastructure Private Limited	-	7.05
Dividend Received		
Finolex Cables Limited	887.48	665.61
Finolex Plasson Industries Private Limited	115.88	92.70
II. Expenses		
Services received		
Mrs. Ritu P. Chhabria (Sitting fees)	3.60	2.40
Mrs. Ritu P. Chhabria (commission)	11.81	11.25
Ms. Gayatri P. Chhabria (stipend)	-	1.43
Dividend paid		
Finolex Cables Limited	4,019.26	4,622.15

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Contribution towards corporate social responsibility		
Mukul Madhav Foundation (Trust)	885.63	799.42
Amounts outstanding		
Due to		
Finolex Plasson Industries Private Limited	13.43	3.74

Notes to the Standalone Financial Statements

37. Related party transactions (contd..)

Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: Rs.Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2019 (March 31, 2018: Rs.Nil)

Transactions with key management personnel

Compensation of key management personnel of the Company

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Short-term employee benefits:		
Salary and perquisites	511.22	468.35
Mr. Prakash P. Chhabria	270.12	245.01
Mr. Sanjay S. Math	121.48	114.24
Mr. Anil V. Whabi	119.62	109.10
Commission	903.00	860.00
Mr. Prakash P. Chhabria	714.00	680.00
Mr. Sanjay S. Math	126.00	120.00
Mr. Anil V. Whabi	63.00	60.00
Post employment benefits:	7.94	6.90
Mr. Prakash P. Chhabria	4.76	4.31
Mr. Sanjay S. Math	1.79	1.47
Mr. Anil V. Whabi	1.39	1.12
Other long term benefits:	57.24	45.52
Mr. Prakash P. Chhabria	44.84	29.60
Mr. Sanjay S. Math	3.66	9.53
Mr. Anil V. Whabi	8.74	6.39
Total	1,479.40	1,380.77

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Notes to the Standalone Financial Statements

38. Commitments and contingencies

38.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for amounted to ₹ 920.03 Lakhs as at March 31, 2019, ₹ 3,791.92 Lakhs as at March 31, 2018.

38.2 Contingent liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Claims against the Company not acknowledged as debt		
a) Liabilities in respect of income tax matters for which the Company has succeeded in appeal but Income Tax Department has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	10.17	10.17
b) Liabilities in respect of income tax matters for which the Company has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	603.31	603.31
c) Excise/Customs/Service Tax in respect of which either show cause notice is received or the Company/Department is in appeal	8,293.98	5,867.77
d) Sales Tax matters in respect of which either show cause notice is received or the Company/Department is in appeal	326.55	326.55
e) "Amounts claimed by banks in respect of derivative transactions which are under dispute not acknowledged as debt (₹ Nil as at March 31, 2019; USD 20,821,480 as at March 31, 2018). (Refer note 38.3)"	-	13,502.42
f) Consumer Protection matters in respect of which customers have gone for recovery on account of quality claims	138.89	138.89

38.3 Exceptional item represents settlement of derivative claims against the Company disclosed as contingent liability as at March 31, 2018. There are no more claims or liabilities on account of derivatives.

Notes to the Standalone Financial Statements

39. Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Non-current investments					
- Quoted	-	64.70	1,06,016.50	1,06,081.20	1,06,081.20
- Unquoted	754.77	0.10	857.68	1,612.55	857.78
Current investments	-	22,609.36	-	22,609.36	22,609.36
Trade and other receivables	7,430.62	-	-	7,430.62	7,430.62
Loans	32.50	-	-	32.50	32.50
Cash and short-term deposits	2,910.04	-	-	2,910.04	2,910.04
Other financial assets	7,516.21	-	-	7,516.21	7,516.21
Total	18,644.14	22,674.16	1,06,874.18	1,48,192.48	1,47,437.71
Financial liabilities					
Borrowings	9,056.09	-	-	9,056.09	9,056.09
Trade and other payables	28,379.78	-	-	28,379.78	28,379.78
Other financial liabilities	8,974.94	-	-	8,974.94	8,974.94
Total	46,410.81	-	-	46,410.81	46,410.81

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Non-current investments					
- Quoted	-	76.10	1,47,271.15	1,47,347.25	1,47,347.25
- Unquoted	754.77	0.10	862.58	1,617.45	862.68
Current investments	-	6,559.20	-	6,559.20	6,559.20
Trade and other receivables	4,313.93	-	-	4,313.93	4,313.93
Loans	25.96	-	-	25.96	25.96
Cash and short-term deposits	2,342.66	-	-	2,342.66	2,342.66
Other financial assets	6,406.94	-	-	6,406.94	6,406.94
Total	13,844.26	6,635.40	1,48,133.73	1,68,613.39	1,67,858.62
Financial liabilities					
Borrowings	10,070.78	-	-	10,070.78	10,070.78
Trade and other payables	25,047.41	-	-	25,047.41	25,047.41
Other financial liabilities	7,056.91	-	-	7,056.91	7,056.91
Total	42,175.10	-	-	42,175.10	42,175.10

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to the Standalone Financial Statements

39. Fair values (contd..)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

Non-current investments

The fair value of investments in quoted equity shares is based on the respective quoted price in the active markets as at the measurement date.

The fair value of investments in unquoted equity shares has been estimated using the net asset method. The valuation requires to consider the cost of replacement of an asset as an indication of the fair market value of that asset.

Current investments

The Company's current investments consist of investment in units of mutual funds. The fair value of investments in mutual funds is derived from the NAV of the respective units in the active market at the measurement date

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2019, and March 31, 2018 are as shown below:

As at March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
			(weighted average)	
Non-current investments				
Investment in equity shares of :				
Finolex Infrastructure Limited	Net asset method	Recknor rate	890-1160	Increase/ (decrease) in the rate would decrease/(increase) the fair value.

Notes to the Standalone Financial Statements

39. Fair values (contd..)

As at March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
			(weighted average)	
Non-current investments				
Investment in equity shares of :				
Finolex Infrastructure Limited	Net asset method	Recknor rate	890-1160	Increase /(decrease) in the rate would decrease/ (increase) the fair value.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

Reconciliation of fair value measurements of non-current investments in unquoted equity shares classified as FVOCI

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Peninsula Realty Fund
As at April 1, 2017	280.55
Re-measurements recognised in OCI	-
Re-measurements recognised in Profit and Loss	(161.31)
Sales	119.24
As at April 1, 2018	-
Re-measurements recognised in OCI	-
Re-measurements recognised in Profit and Loss	-
(Sales)/Purchase	-
Classified as non-current asset held for sale	-
As at March 31, 2019	-

Notes to the Standalone Financial Statements

40. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial instruments measured at fair value after initial recognition:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2019	1,06,016.50	1,06,016.50	-	-
Gulf Oil Corporation Ltd.	March 31, 2019	15.26	15.26	-	-
Gulf Oil Lubricants India Ltd.	March 31, 2019	41.86	41.86	-	-
Gold Crest Corporation Ltd.	March 31, 2019	7.58	7.58	-	-
Finolex Infrastructure Limited	March 31, 2019	857.68	-	-	857.68
Current investments:					
Investments in units of mutual funds	March 31, 2019	22,609.36	22,609.36		-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2018	1,47,271.15	1,47,271.15	-	-
Gulf Oil Corporation Ltd.	March 31, 2018	24.81	24.81	-	-
Gulf Oil Lubricants India Ltd.	March 31, 2018	45.06	45.06	-	-
Gold Crest Corporation Ltd.	March 31, 2018	6.23	6.23	-	-
Finolex Infrastructure Limited	March 31, 2018	862.58	-	-	862.58
Current investments:		-			
Investments in units of mutual funds	March 31, 2018	6,559.20	6,559.20		-
Non-current assets held for sale:					
Investment in units of Peninsula Realty Fund	March 31, 2018	119.24	-	119.24	-

Notes to the Standalone Financial Statements

41. Financial risk management objective and policies

The Company's principal financial liabilities comprise short term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade receivables and cash and cash equivalents that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework. The risk management committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies appetite. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise threetypes of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include borrowings, trade payables and investments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed-to floating interest rates of the debt are all constant as at March 31, 2019 and March 31, 2018.

The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has short term borrowings with fixed interest rates and hence the future cash-flows of relevant financial instrument are not affected by changes in market interest rate.

Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Notes to the Standalone Financial Statements

41. Financial risk management objective and policies (contd..)

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities on account of import of raw materials.

PVC pricing is on import parity and import parity value of sales of the Company exceeds the USD payables on a six monthly rolling basis due to which a natural hedge exists and hence the Company does not generally need to resort to hedging by way of forward contracts, options, etc.

(All amounts in Lakhs unless otherwise stated)

Nature of exposure	Currency	As at	As at
		March 31, 2019	March 31, 2018
Borrowings (Secured)	USD	113.97	79.90
Borrowings (Unsecured)	USD	15.45	73.03
Interest on borrowings	USD	0.74	0.17
Trade payables	USD	274.17	213.48

Commodity price risk

The Company is affected by the volatility of prices of certain commodity chemicals (Ethylene and PVC) and intermediates (EDC and VCM). Its operating activities involve the ongoing purchase of Vinyl Chloride Monomer ('VCM'), Ethylene and Ethylene Dichloride ('EDC'), all being petrochemical products for manufacturing of PVC and pipes and fittings and therefore require a continuous supply of these materials. Prices of PVC manufactured by the Company are monitored by company management and are adjusted to respond to change in import parity price of PVC in Indian market. Market price of input and output, generally get adjusted over a period of time. Accordingly, the company is exposed to the variation in prices over short term period.

Commodity price sensitivity

The following table shows the effect of price changes for VCM, Ethylene EDC after the impact of hedge accounting:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Change in year-end price	Effect on profit before tax
	March 31, 2019	
VCM	+5%	(2,800.42)
	-5%	2,800.42
Ethylene	+5%	(1,377.76)
	-5%	1,377.76
EDC	+5%	(1,183.64)
	-5%	1,183.64

Notes to the Standalone Financial Statements

41. Financial risk management objective and policies (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Change in year-	Effect on profit
	end price	before tax
March 31, 2018		
VCM	+5%	(2,987.10)
	-5%	2,987.10
Ethylene	+5%	(1,244.54)
	-5%	1,244.54
EDC	+5%	(1,209.67)
	-5%	1,209.67

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The equity securities held by the Company are strategic in nature. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 857.68 Lakhs . A decrease of 10% in the fair value will have an impact of approximately ₹ 85.77 Lakhs on OCI and ₹ 0.01 on Profit and loss or equity attributable to the Company. An increase of 10% in the value of the securities would also impact OCI, profit and loss and equity.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 1,06,081.20 Lakhs. A decrease of 10% on the NSE market index could have an impact of approximately ₹ 10,601.62 Lakhs on OCI and ₹ 6.47 Lakhs on Profit and loss or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI, profit and loss and equity.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company evaluates credit risk with respect to trade receivables as significantly low, as its payment terms are mostly advance basis.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the

Notes to the Standalone Financial Statements

41. Financial risk management objective and policies (contd..)

year subject to approval of the Company's risk management Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as illustrated in Notes 9-12.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by Senior management. Management monitors the Company's net liquidity position on a monthly and quarterly basis through its Senior management meeting and board meetings. They use rolling forecasts on the basis of expected cash flows.

The Senior management ensures that the future cash flow needs are met through cash flow from the operating activities and short term borrowings from banks.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Short term borrowings	-	9,056.09	-	-	9,056.09
Trade Payables	102.69	27,789.15	242.74	245.20	28,379.78
Other financial liabilities	2,152.40	2,486.34	2,965.70	1,370.41	8,974.94

As at March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Short term borrowings	-	10,070.78	-	-	10,070.78
Trade Payables	124.44	24,922.97	-	-	25,047.41
Other financial liabilities	1,660.93	4,517.96	919.22	686.80	7,056.91

Notes to the Standalone Financial Statements

42. Capital management

Capital includes equity shares and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Borrowings	9,056.09	10,070.78
Debt	9,056.09	10,070.78
Share Capital	12,409.54	12,409.54
Other equity	2,40,432.85	2,64,047.33
Equity	2,52,842.39	2,76,456.87
Debt/equity ratio	3.58%	3.64%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

43. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006 (as amended)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Principal amount outstanding as on year end	219.34	59.67
Principal amount outstanding and overdue out of above *	38.53	5.92
Interest due on above	0.95	0.01
Interest paid	-	-
Interest due and payable for overdue payments made during the year	4.64	1.42
Total Interest accrued and remaining unpaid	5.59	1.43
Amount of further interest remaining due and payable in succeeding years	7.92	2.33

* Mainly includes retention money

Notes to the Standalone Financial Statements

44. Goods and Service Tax

With effect from July 1, 2017 Goods and Service Tax comprising of four acts (i.e. Central Goods and Service Tax Act, State Goods and Service Tax Act, Integrated Goods and Service Tax Act, Union Territory Goods and Service Tax Act) was introduced in India. Accordingly, certain indirect taxes like Excise, Service Tax, Sales Tax were subsumed under GST Acts.

45. Previous year comparatives

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.



Consolidated Financial Statements

Independent Auditors' Report

To the Members of FINOLEX INDUSTRIES LIMITED

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Finolex Industries Limited ("the Company") and its Associate Company, comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information hereinafter referred to as "the Consolidated Ind AS Financial Statements".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its Associate Company as at March 31, 2019, its consolidated profit, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those

Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Company and its Associate Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of consolidated Ind AS Financial Statement of the current period. These matters were addressed in the context of our audit of Consolidated Ind As Financial Statement as a whole, and forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report with respective to the Company.

a. Valuation of inventory

At the balance sheet date the value of inventory amounted to ₹ 620,47.13 lakhs representing 24.08% of total equity and 18.62% of the total assets. Inventories have been considered key audit matter due to the size of the balance, nature of the product, price volatility of raw material and finished product, process of manufacture and management

judgements involved. Refer note 2.15 to the Consolidated Ind AS Financial Statements for accounting policy for valuation of inventories.

Principle Audit Procedures

- i. We have evaluated the design of internal controls relating to the process of inventory recording and valuation.
- ii. We have conducted physical verification of inventory on a sample basis at the year-end in order to test the assertion of existence
- iii. We have conducted analysis of net realisable value (NRV) and cost of inventory on a sample basis in order to ascertain that inventory is carried at lower of NRV and Cost.
- iv. We have evaluated on a test check basis the process followed by the management to identify non-moving, slow moving, obsolete inventory and we have evaluated on a test check basis the appropriateness of the estimates for impairment (if any) accounted for on such inventory.
- v. We have conducted cut off procedures on a test check basis ensure completeness of inventory recording in the books of account.
- vi. We have tested on a sample basis compliance of the cost formulae as specified in the accounting policy adopted by the company.

b. Valuation of investments

At the balance sheet date the value of current and non-current investments amounted to ₹ 1361,94.44 lakhs representing 52.87% of total equity and 40.85% of the total assets. The net loss on fair valuation of investments

amounted to ₹ 404,29.73 in the total comprehensive income. Investments have been considered as key audit matter due to the size of the balance, various recognition and subsequent measurement principles. Refer note 2.2,2.14 and 2.22 to the Consolidated Ind AS Financial Statements for its accounting policy.

Principle Audit Procedures

- i. We have obtained independent external confirmations of all material current investments in order to test the assertion of existence, accuracy, valuation and completeness.
- ii. We have independently evaluated the fair values of listed and quoted non-current investments.
- iii. We have evaluated the fair value of unquoted non-current investments adopted by the management.
- iv. We have evaluated the process of the management to identify impairment (if any) for the investments measured at amortised cost.
- v. We have assessed the compliance of the recognition and subsequent measurement principles as specified in the accounting policy adopted by the company.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Consolidated Ind AS Financial Statements and our Auditors' Report thereon. Our opinion on the

Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including comprehensive income), the consolidated statement of changes in equity and consolidated cash flows of the Company and its Associate Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Associate Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the Company and its Associate Company are responsible for assessing the ability of the Company and its Associate Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its Associate Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its Associate Company are responsible for overseeing the financial reporting process of the Company and its Associate Company.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material

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

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

We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place

and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its Associate Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its Associate Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its Associate Company to express an opinion on the Consolidated

Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors (if any), such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and its Associate Company included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes

public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
 - d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the

- Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 as amended.
- e) On the basis of the written representations received from the directors of the Company and its Associate Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its Associate Company, none of the directors of the Company and its Associate Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its Associate Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure I".
 - g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the Company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Ind AS Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2019 on the Consolidated financial position of the Company and its Associate Company – Refer Note 38.2 to the Consolidated Ind AS Financial Statements.
 - (ii) The Consolidated Ind AS Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2019 on the Consolidated financial position of the Company and its Associate Company – Refer Note 38.2 to the Consolidated Ind AS Financial Statements.
 - (iii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its Associate Company during the year ended March 31, 2019.

For **M/s P.G. Bhagwat**
Chartered Accountants
Firm's Registration Number: 101118W

Abhijeet Bhagwat
Partner
Membership Number: 136835

Pune
May 25, 2019

Annexure I to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Consolidated Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Consolidated Ind AS Financial Statements of Finolex Industries Limited ("the Company") and its Associate Company as of March 31, 2019 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company and its Associate Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company and its Associate Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its Associate Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and

errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company and its Associate Company's internal financial controls with reference to the Consolidated Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Ind AS Financial Statements included obtaining an understanding of internal financial with reference to Consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design

and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company and its Associate Company's internal financial controls with reference to Consolidated Ind AS financials statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its Associate Company has, in all material respects, internal financial controls with reference to Consolidated Ind AS Financials Statements and such internal financial controls with reference to Ind AS Consolidated Financial Statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For **M/s P.G.Bhagwat**
Chartered Accountants
Firm's Registration Number: 101118W

Abhijeet Bhagwat
Partner
Membership Number: 136835

Pune
May 25, 2019

Consolidated Balance Sheet

as at March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No	March 31, 2019	March 31, 2018
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	94,893.27	88,167.49
(b) Capital work-in-progress	3.1	9,024.86	9,034.10
(c) Intangible assets	3.2	195.54	256.53
(d) Investments accounted using equity method	4.2	6,641.10	5,901.54
(e) Financial assets			
i) Investments	4.1	1,06,943.98	1,48,214.93
ii) Loans	5	1.31	4.56
iii) Other financial asset	6	1,436.42	2,189.96
(f) Income Tax assets (net)		3,305.18	5,246.30
(g) Other non-current assets	7	5,484.76	9,586.06
Total non-current assets		2,27,926.42	2,68,600.47
2 Current assets			
(a) Inventories	8	62,047.13	61,155.40
(b) Financial assets			
i) Investments	9	22,609.36	6,559.20
ii) Trade receivables	10	7,430.62	4,313.93
iii) Cash and cash equivalents	11.1	757.64	681.73
iv) Other bank balances	11.2	2,152.40	1,660.93
v) Loans	12	31.19	21.40
vi) Other financial assets	13	6,079.79	4,217.98
(c) Other current assets	14	4,237.27	3,273.93
Total current assets		1,05,345.40	81,864.50
3 Non-current assets held for sale	15	-	119.24
Total assets		3,33,271.82	3,50,604.21
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	16	12,409.54	12,409.54
(b) Other equity	17	2,45,210.26	2,67,103.28
Total equity		2,57,619.80	2,79,512.82
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
i) Other financial liabilities	18	34.39	32.39
(b) Provisions	19.1	2,058.23	1,343.48
(c) Deferred tax liabilities (net)	25	16,246.72	14,164.31
(d) Government grants	20	5,767.46	6,444.50
Total non-current liabilities		24,106.80	21,984.68
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	21	9,056.09	10,070.78
ii) Trade payables	22		
a) total outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 43)		219.34	59.67
b) total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		28,160.44	24,987.74
iii) Other financial liabilities	23	8,940.46	7,024.52
(b) Other current liabilities	24	4,305.09	3,973.25
(c) Provisions	19.2	240.12	142.60
(d) Current tax liability (net)		-	2,219.15
(e) Government grants	20	623.68	629.00
Total current liabilities		51,545.22	49,106.70
Total liabilities		75,652.02	71,091.39
Total equity and liabilities		3,33,271.82	3,50,604.21
Corporate information	1		
Significant accounting policies	2		
Other notes	3 to 46		

Notes to accounts form an integral part of the financial statements

As per our report of even date

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

Abhijeet Bhagwat

Partner
M.No. 136835

Anil V. Whabi

Director - Finance & CFO
DIN: 00142052

Prakash P. Chhabria

Executive Chairman
DIN: 00016017

Sanjay Asher

Dara N. Damania
Shrikrishna N. Inamdar
Prabhakar D. Karandikar
Dr. Sunil U. Pathak
Saurabh S. Dhanorkar
Kanchan U. Chitale

DIN: 00008221

DIN: 00403834

DIN: 00025180

DIN: 02142050

DIN: 00049315

DIN: 00011322

DIN: 00007267

Devang Trivedi

Company Secretary
M. No. ACS 13339

Sanjay S. Math

Managing Director
DIN: 01874086

Place: Pune

Date: May 25, 2019

Place: Pune

Date: May 25, 2019

Statement of Consolidated Profit and Loss

for the year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No	March 31, 2019	March 31, 2018
Income			
I Revenue from operations	26	3,09,132.23	2,83,140.60
II Other income	27	4,041.13	2,439.70
III Total Income (I+II)		3,13,173.36	2,85,580.30
IV Expenses			
Cost of materials and components consumed	28	1,98,114.62	1,81,624.48
Purchase of stock-in-trade		1,107.85	938.98
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(7,132.59)	(5,225.75)
Excise duty paid		-	9,361.80
Employee benefits expense	30	13,442.99	11,614.70
Finance costs	31	1,227.21	981.65
Depreciation and amortisation expense	32	7,007.66	6,060.46
Other expenses	33	43,169.67	36,433.61
Total expenses (IV)		2,56,937.41	2,41,789.93
V Profit before exceptional items and tax (III-IV)		56,235.95	43,790.37
VI Exceptional items	38.3	2,790.00	-
VII Profit before share of profit/(loss) of an associate and tax (V-VI)		53,445.95	43,790.37
VIII Share of profit/(loss) of an associate before tax		1,400.84	1,634.53
IX Profit before tax including share of associate (VII+VIII)		54,846.80	45,424.90
X Tax expense			
Current tax	25	18,057.66	14,591.82
(Excess) / short provision of earlier year(s)		(209.36)	(1,088.76)
Deferred tax	25	273.56	1,288.48
Total tax expense (X)		18,121.86	14,791.54
XI Profit for the period (IX-X)		36,724.94	30,633.36
XII Other Comprehensive Income (OCI)			
A Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans gain / (loss)		(472.69)	(133.73)
Income tax effect		165.18	46.74
A(i) Re-measurement of defined benefit plans net off income tax		(307.51)	(86.99)
Equity instruments through OCI gain / (loss)		(41,259.54)	32,648.49
Income tax effect		(2,067.27)	2,078.05
A(ii) Equity instruments through OCI net off income tax		(43,326.81)	34,726.54
A(iii) Share of other comprehensive income of associate accounted for using the equity method (net of tax)		0.65	0.65
Total Other Comprehensive Income [A(i)+A(ii)+A(iii)]		(43,633.67)	34,640.20
XIII Total Comprehensive Income for the period (XI+XII)		(6,908.73)	65,273.56
XIV Earnings per equity share (for continuing operation) having nominal value per share of ₹ 10 (not annualised)	35		
Basic (₹)		29.59	24.69
Diluted (₹)		29.59	24.69
Corporate information	1		
Significant accounting policies	2		
Other notes	3 to 46		

Notes to accounts form an integral part of the financial statements

As per our report of even date

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

Director - Finance & CFO

DIN: 00142052

Prakash P. Chhabria

Executive Chairman

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DIN: 00007267

Devang Trivedi

Company Secretary

M. No. ACS 13339

Sanjay S. Math

Managing Director

DIN: 01874086

Place: Pune

Date: May 25, 2019

Place: Pune

Date: May 25, 2019

Statement of Consolidated Cash Flow

for the year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
I Cash flows from operating activities		
Profit before tax	54,846.80	45,424.90
Adjustments to reconcile profit before tax to net cash flows:		
Share of profit/(loss) from associate before tax	(1,400.84)	(1,634.53)
Dividend received from associate	115.88	92.70
Depreciation and amortisation expense	7,007.66	6,060.46
Balances written off/ (written back)	(317.60)	82.47
Profit on sale of investments (net)	(716.27)	(594.10)
(Gain)/loss on fair valuation of investment	(829.81)	(459.09)
(Profit)/loss on sale of assets (net)	4.58	39.94
Dividend income classified as investing cash flows	(1,004.04)	(758.73)
Finance income classified as investing cash flows	(63.95)	(20.85)
Exchange fluctuation (gain)/ loss - net	(75.18)	(423.12)
Finance costs	1,227.21	981.65
Operating profit before working capital changes	58,794.43	48,791.70
Change in operating assets and liabilities		
(Increase) / decrease in inventories	(891.73)	(5,415.37)
(Increase) / decrease in trade receivables	(3,116.69)	935.36
(Increase) / decrease in other bank balances	(491.47)	(577.26)
(Increase) / decrease in loans	(6.54)	(4.58)
(Increase) / decrease in other financial assets	(791.67)	(732.02)
(Increase) / decrease in other current assets	(337.39)	1,360.70
Increase / (decrease) in trade payables	3,407.55	2,722.67
Increase / (decrease) in provisions	339.58	114.66
Increase / (decrease) in government grants	(682.36)	393.55
Increase / (decrease) in other financial liabilities	1,877.97	1,505.91
Increase / (decrease) in other current liabilities	331.84	(3,302.42)
Cash generated from working capital changes	(360.91)	(2,998.81)
Less - Income tax paid	(17,697.45)	(11,951.62)
Net cash inflow from operating activities	40,736.07	33,841.28
II Cashflow from investing activities		
Proceeds from sale of property, plant and equipment	4.73	27.06
Payment for purchase of property, plant and equipment	(10,197.17)	(17,251.86)
Proceeds from sale of investments	846.92	838.75
Payment for purchase of investments	(15,220.35)	(444.32)
Dividend income	1,004.04	758.73
Non-current assets held for sale	-	(119.24)
Net cashflow from investing activities	(23,561.83)	(16,190.88)

Statement of Consolidated Cash Flow

for the year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
III Cashflow from financing activities		
Finance income	63.95	20.85
Finance costs	(1,187.23)	(1,016.39)
Proceeds from borrowings	(1,014.69)	652.31
Dividend paid to Company's shareholders (including DDT)	(14,960.36)	(17,176.21)
Net cashflow from financing activities	(17,098.33)	(17,519.44)
IV Net increase / (decrease) in cash and cash equivalents at the end of the year (I+II+III)	75.92	130.96
V Cash and cash equivalents at the beginning of the financial year	681.73	550.77
VI Cash and cash equivalents at the end of the financial year (IV+V) (Refer note 11.1)	757.64	681.73

Cash Components

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Balances with banks (current accounts)	727.52	652.24
Cash on hand	30.12	29.49
	757.64	681.73

The Company reports cashflows from activities using the indirect method as per Ind AS 7 "Statement of Cash Flows".

As per our report of even date

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

Director - Finance & CFO

DIN: 00142052

Devang Trivedi

Company Secretary

M. No. ACS 13339

Prakash P. Chhabria

Executive Chairman

DIN: 00016017

Sanjay S. Math

Managing Director

DIN: 01874086

For **FINOLEX INDUSTRIES LIMITED**

Sanjay Asher

Dara N. Damania

Shrikrishna N. Inamdar

Prabhakar D. Karandikar

Dr. Sunil U. Pathak

Saurabh S. Dhanorkar

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DIN: 00008221

DIN: 00403834

DIN: 00025180

DIN: 02142050

DIN: 00049315

DIN: 00011322

DIN: 00007267

Place: Pune

Date: May 25, 2019

Place: Pune

Date: May 25, 2019

Statement of Consolidated Changes in Equity

for the year ended March 31, 2019

A Equity share capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
	Balance as at beginning of the year	12,409.54
Changes in equity share capital during the year	-	-
Balance as at end of the year	12,409.54	12,409.54

B Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and Surplus				Items of OCI*	Total
	Securities premium	Retained earnings	General reserve	Share capital buyback reserve	Equity instruments through OCI	
As at 1 April 2018	15,126.81	1,24,290.58	39,450.22	2,517.93	85,717.74	2,67,103.28
Profit for the period	-	36,724.94	-	-	-	36,724.94
Other Comprehensive Income for the year						
Remeasurement gains/ (losses) on defined benefit plan (Refer Note 36)	-	(30751)	-	-	-	(30751)
Share in OCI of associate	-	0.65	-	-	-	0.65
Gains/ (losses) on equity instruments designated at FVOCI#	-	-	-	-	(43,326.81)	(43,326.81)
Total comprehensive income	15,126.81	1,60,708.66	39,450.22	2,517.93	42,390.93	2,60,194.55
Dividends (Refer Note 17)	-	(12,409.54)	-	-	-	(12,409.54)
Dividend distribution tax (Includes share in DDT of associate) (Refer Note 17)	-	(2,574.75)	-	-	-	(2,574.75)
As at 31 March 2019	15,126.81	1,45,724.37	39,450.22	2,517.93	42,390.93	2,45,210.26

Statement of Consolidated Changes in Equity

for the year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and Surplus				Items of OCI*	Total
	Securities premium	Retained earnings	General reserve	Share capital buyback reserve	Equity instruments through OCI	
As at 1 April 2017	15,126.81	1,10,981.30	39,450.22	2,517.93	50,991.20	2,19,067.46
Profit for the period	-	30,633.36	-	-	-	30,633.36
Other comprehensive income for the year						-
Remeasurement gains / (losses) on defined benefit plan	-	(86.99)	-	-	-	(86.99)
Share in OCI of associate		0.65				0.65
Gains / (losses) on equity instruments designated at FVOCI#	-	-	-	-	34,726.54	34,726.54
Total comprehensive income	15,126.81	1,41,528.32	39,450.22	2,517.93	85,717.74	2,84,341.02
Dividends (Refer Note 17)	-	(14,270.97)	-	-	-	(14,270.97)
Dividend distribution tax (Includes share in DDT of associate)(Refer Note 17)	-	(2,966.77)	-	-	-	(2,966.77)
As at 31 March 2018	15,126.81	1,24,290.58	39,450.22	2,517.93	85,717.74	2,67,103.28

* Other comprehensive income # fair value through other comprehensive income

Notes to financial statements form an integral part of financial statements.

As per our report of even date

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

For **FINOLEX INDUSTRIES LIMITED**

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

Director - Finance & CFO

DIN: 00142052

Prakash P. Chhabria

Executive Chairman

DIN: 00016017

Sanjay Asher

Dara N. Damania

Shrikrishna N. Inamdar

Prabhakar D. Karandikar

Dr. Sunil U. Pathak

Saurabh S. Dhanorkar

Kanchan U. Chitale

DIN: 00008221

DIN: 00403834

DIN: 00025180

DIN: 02142050

DIN: 00049315

DIN: 00011322

DIN: 00007267

Devang Trivedi

Company Secretary

M. No. ACS 13339

Sanjay S. Math

Managing Director

DIN: 01874086

Place: Pune

Date: May 25, 2019

Place: Pune

Date: May 25, 2019

Notes to the Consolidated Financial Statements

1. Corporate Information

The consolidated financial statements comprise financial statements of Finolex Industries Limited ('FIL' or 'the Group') and its two associates for the year ended March 31, 2019.

FIL is incorporated and domiciled in India and its equity shares are listed on Bombay Stock Exchange and National Stock Exchange. Its registered office is situated at Gat No.399, Village Urse, Taluka Maval, District Pune, India.

The Group is engaged in the business of manufacturing PVC pipes & fittings, manufacturing of PVC resin and power generation.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 25, 2019.

2. Summary of significant accounting policies

Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Rules').

The financial statements have been prepared on accrual basis and under historical cost convention, except for financial assets and financial liabilities that have been measured at fair value.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

2.1 Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

Notes to the Consolidated Financial Statements

- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

2.2 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate, since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made

Notes to the Consolidated Financial Statements

payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.3 Fair value measurement

The Group measures financial instruments, such as non-current and current investments, at fair value, at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the

Notes to the Consolidated Financial Statements

financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as non-current assets held for sale.

External valuation experts are involved for valuation of significant assets and liabilities.

2.4 New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their reporting period commencing from April 1, 2018:

- i) Ind AS 115, Revenue from contracts with customers
- ii) Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance.
- iii) Amendment to Ind AS 28, Investment in Associates and Joint Ventures and Ind AS 112, Disclosure of Interests in other Entities.
- iv) Appendix B, foreign currency transactions and advance consideration to Ind AS 21, The effects of changes in foreign exchange rates
- v) Amendment to Ind AS 12, Income Taxes.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

2.5 Revenue recognition

Sales are recognized when the control of the products has transferred based on the delivery terms.

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary

Notes to the Consolidated Financial Statements

obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory risk.

Group has assumed that recovery of excise duty flows to the Group on its own account. Accordingly, it is the liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty (up to 30th June 2017)*.

However, sales tax/value added tax (VAT) & Goods and Service Tax (GST applicable from 1st July 2017) * is not received by the Group on its own account. Accordingly, it is excluded from revenue.

*Goods and Service Tax was introduced from 1st July 2018. Indirect taxes like excise duty, service tax and sales tax/VAT have been subsumed into the new Act.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when the control of the goods have passed to the buyer, usually when goods are dispatched or on delivery, as per the terms of sale. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

The Group presents interest income on financial assets at Fair Value Through Profit & Loss separately from fair value changes on financials assets.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.6 Foreign currencies

The Group's financial statements are presented in Indian Rupees ('INR'), which is its functional currency.

2.6.1 Transactions and balances

Initial recognition: Transactions in foreign currency are initially recorded at the functional currency spot rate of exchange at the date the transaction first qualifies for recognition.

2.6.2 Translation and exchange differences

Monetary items: Monetary assets and liabilities denominated in foreign currencies are translated at their

Notes to the Consolidated Financial Statements

respective functional currency exchange rate prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

2.7 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

2.8 Taxes

2.8.1 Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the Profit or Loss. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.8.2 Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent

that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.9 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale

Notes to the Consolidated Financial Statements

should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

2.10 Property, plant and equipment (PPE)

The Group as per Ind AS 101, has opted to continue with the written down value of PPE as at 1st April 2015 as deemed amortised cost of PPE but presents the gross value and accumulated depreciation separately in the block of PPE in the financial statements.

Property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and and borrowing costs, if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals; the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and

maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives as specified in Schedule II to the Companies Act, 2013 which are as follows:

Asset	Useful life (in years)
Plant and machinery	3 to 25
Building	60
Factory Building	30
Furniture and fixtures	10
Office equipment's	5
Vehicles	8

In the case of Captive Power Plant the management, based on a technical evaluation, has estimated the life of asset to be 25 years which is lower than the life prescribed in Schedule – II.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The management undertakes a review of the residual values, useful lives and methods of depreciation of property, plant and equipment at the end of each reporting period and adjustments are made whenever necessary.

Notes to the Consolidated Financial Statements

2.11 Leases

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

2.11.1 Group as a lessee

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit and loss on a straight-line basis over the lease term.

2.11.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are

classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.12 Borrowings costs

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

2.13 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets are amortised over a period of 6 years using straight line method.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Notes to the Consolidated Financial Statements

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.14.1 Financial assets

2.14.1.1 Classification

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through comprehensive income ('FVOCI') or fair value through other profit or loss ('FVTPL').

2.14.1.2 Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset. Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised using trade date or settlement date accounting.

2.14.1.3 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVOCI')
- c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/(income) in the profit and loss statement. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Group.

(b) Financial assets classified as measured at FVOCI

A financial asset shall be measured at fair value through other

Notes to the Consolidated Financial Statements

comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such instruments are measured at fair value at initial recognition as well as at each reporting date fair value movements are recognised in the Other Comprehensive Income ('OCI'). Interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest earned on such instruments is reported as interest income using the EIR method.

Further, the Group may make an irrevocable election at initial recognition, to classify as FVOCI, particular investments in equity instruments (except equity instruments held for trading) that would otherwise be measured as FVTPL. The Group makes such an election on an instrument-by-instrument basis. Such instruments are measured at fair value on initial

recognition as well as at each reporting date. All fair value changes are recognised in OCI. There is no recycling of amounts from OCI to statement of profit and loss, even on de-recognition. However, the Group may transfer the cumulative gain/loss within equity. Dividend received on these equity investments is recorded in the profit and loss statement.

(c) Financial assets classified as measured at FVTPL

A Financial asset shall be measured at FVTPL, unless it is measured at amortised cost or at FVOCI. The Group classifies all equity or puttable financial instruments held for trading as measured at FVTPL. Such instruments are measured at fair value at initial recognition as well as at each reporting date. The fair value changes are recognised in the statement of profit and loss. Further, the Group may make an irrevocable election to designate a financial asset as FVTPL, at initial recognition, to reduce or eliminate a measurement or recognition inconsistency.

2.14.1.4 De-recognition

A financial asset (or, where applicable, a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when the rights to receive cash flows from the asset have expired; or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay

Notes to the Consolidated Financial Statements

the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.14.1.5 Impairment of financial assets

The Group applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets measured at amortised cost
- Financial assets measured at FVOCI, except investments in equity instruments designated as such by the Group.
- Trade receivables under Ind-AS 18

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased

significantly, 12-month ECL is used to provide for impairment loss.

The impairment loss/ (gain) is recognised in the statement of profit and loss, except for impairment loss/ (gain) on financial assets measured at FVOCI, which shall be recognised in the OCI.

2.14.2 Financial liabilities

2.14.2.1 Classification

Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost or at fair value through profit or loss ('FVTPL').

2.14.2.2 Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case of financial liabilities not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the issue of the financial liability. Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial

Notes to the Consolidated Financial Statements

instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition, if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

The Group has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities at amortised cost

This is the most relevant category to the Group. The Group generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently

measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

2.14.2.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

2.14.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Consolidated Financial Statements

2.15 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

Raw materials Purchase cost on a moving weighted average basis

Finished goods and work in progress
Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

2.16 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group.

A contingent liability can arise for obligations that are possible, but it is

Notes to the Consolidated Financial Statements

yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Group discloses contingent liability when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

The Group does not recognise a contingent liability but only makes disclosures for the same in the financial statements.

2.20 Provision for employment benefits

2.20.1 Defined contribution plans

The Group has the following defined contribution plans: state governed provident fund scheme and employee state insurance scheme. The contributions paid and payable under the scheme are recognised in the period when the employee renders the related service.

2.20.2 Defined benefit plans

Post-employment benefit in the form of gratuity fund scheme is a defined benefit plan. The present value of obligation under the scheme is determined based on actuarial valuation using the projected unit credit method ('PUCM'). The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

Re-measurements, comprising of actuarial gains and losses and the return

on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date on which the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'employee benefit expenses' in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Refer Note 40 for additional disclosures relating to Group's defined benefit plan.

2.20.3 Provision for compensated absences

Provision for short term compensated absences is recognised for accumulated leaves that are expected to be utilized within a period of twelve months from the balance sheet date. Long term compensated absences are provided

Notes to the Consolidated Financial Statements

for on the basis of an actuarial valuation, using projected unit credit method, as at each reporting date.

2.21 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

2.22 Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the financial statements:

2.22.1 Non-current asset held for sale

On February 6, 2018, the Group had received an offer from Peninsula Investment Management Group Limited to purchase the units of "PreF Indigo Scheme". Subsequently the Group has accepted the offer vide letter dated February 23, 2018 to Peninsula Investment Management Group expressing its intent to irrevocably sell its units to the Group at the NAV of March 31, 2017. The Group has an active plan and taken all necessary approvals to execute the sale. Accordingly, this

investment was classified as non-current asset held for sale as on March 31, 2018, on account of the following factors:

- The asset is available for sale in the present condition
- The sale is highly probable, which is evident from the following:
- The Group's management has a committed to plan to sell the non-current asset
- Active program to complete the plan is initiated
- The sale is expected to be executed within one year

2.22.2 Classification of non-current investments

The Group has classified investment in Finolex Plasson Industries Limited and Pawas Port Limited as investment in associates and accordingly investment in equity shares of these companies have been measured at cost.

The non-current investments in equity shares of Finolex Cables Limited and Finolex Infrastructure Limited which the Group considers to be strategic in nature have been classified as investments measured at fair value through Other Comprehensive Income.

2.23 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Notes to the Consolidated Financial Statements

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the Group's control. Such changes are reflected in the assumptions when they occur.

2.23.1 Defined benefit plans

The Group has a defined benefit plan i.e. gratuity fund scheme. The cost and the present value of the obligation arising out of the gratuity scheme are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.23.2 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of balance sheet cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the discounted cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in

establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Please refer Note 40 for further details of fair valuation approach and inputs used for various financial instruments.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the group's financial statements are listed below. This listing is of standards and interpretations issued, which the group reasonably expects to be applicable at a future date. The group intends to adopt those standards when they become effective.

Ind AS 116 was notified by Ministry of Corporate Affairs in March 2019 and Ind AS 116 will come in force from financial year beginning from April 1, 2019. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The group is currently evaluating the requirements of Ind AS 116 and its impact on the financial statements.

Notes to the Consolidated Financial Statements

3.1 Property, plant and equipment

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block	
	As at April 1, 2018	Additions	Transfer-in/ (Transfer-out)	Disposals	As at March 31, 2019	As at April 1, 2018	As at March 31, 2019	As at March 31, 2018
Freehold land	6,993.65	3,399.47	-	-	10,393.12	-	10,393.12	6,993.65
Leasehold land	100.70	-	-	-	100.70	6.15	33.76	66.94
Buildings	21,980.55	792.08	28.36	-	22,800.99	613.95	8,471.68	14,329.31
Plant and machinery	1,74,792.93	9,454.47	(41.25)	89.58	1,84,116.57	6,113.20	1,14,935.52	69,181.05
Office equipment	190.62	17.13	-	3.76	203.99	(22.47)	3.42	148.87
Furniture & fixtures	599.01	745	0.30	606.16	117.04	35.25	0.09	408.06
Vehicles	1,124.46	5.18	15.53	1,114.11	325.57	130.16	11.25	444.48
Total	2,05,781.92	13,675.78	(12.89)	1,091.17	2,19,335.64	6,928.94	99.86	1,24,442.37
Capital work-in-progress	-	-	-	78.72	9,024.86	-	-	9,024.86

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block	
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	As at April 1, 2017	As at March 31, 2018	As at March 31, 2018
Freehold land	6,867.42	126.23	-	6,993.65	-	-	-	6,993.65
Leasehold land	100.70	-	-	100.70	26.62	0.99	27.61	73.09
Buildings	21,550.06	430.49	-	21,980.55	7,205.85	630.56	7,836.41	14,144.14
Plant and machinery	1,66,801.38	8,130.66	139.11	1,74,792.93	1,03,947.70	5,112.21	1,08,929.89	65,863.04
Office equipment	257.30	14.88	81.56	190.62	148.85	45.59	117.04	73.58
Furniture & fixtures	1,176.71	53.55	631.25	599.01	911.96	64.98	377.92	221.10
Vehicles	883.97	281.59	41.10	1,124.46	230.32	124.15	325.57	798.89
Total	1,97,637.54	9,037.40	893.02	2,05,781.92	1,12,471.30	5,978.48	835.34	88,167.49
Capital work-in-progress	2,174.85	-	-	9,034.10	-	-	-	9,034.10

Movable property, plant and equipment:

For details of property, plant and equipment pledged as security for liabilities, please refer to Note 21

Capital work-in-progress:

Capital work-in-progress ('CWIP') comprises cost of property, plant and equipment that are not yet installed and ready for their intended use at the balance sheet date.

Notes to the Consolidated Financial Statements

3.2 Intangible assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block				
	As at April 1, 2018	Additions	Transfer-in/ (Transfer-out)	Disposals	As at March 31, 2019	As at April 1, 2018	Transfer-in/ (Transfer-out)	Disposals	As at March 31, 2019	As at March 31, 2018	
Computer software	589.18	5.99	12.89	-	608.06	332.65	78.72	1.15	412.52	195.54	256.53

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block		
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at March 31, 2018
Computer software	597.23	1.39	9.44	589.18	250.67	82.10	0.12	332.65	256.53

The Company had opted to continue and disclose the previous GAAP carrying values (written down value) of property, plant and equipment as on April 1, 2015, as the deemed cost under IND AS. In the current year the management has decided to present such adopted values on Gross basis (i.e. gross value of asset and accumulated depreciation separately) and as such previous year's figures have been regrouped.

Notes to the Consolidated Financial Statements

4 Non-current investments

4.1 List of investments under each category

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of shares		Value of investments	
	March 31,2019	March 31,2018	March 31,2019	March 31,2018
Quoted and listed				
Investments in equity shares				
Investments designated at fair value through other comprehensive income (FVOCI)				
Equity Shares of ₹ 2 each in Finolex Cables Limited	2,21,87,075	2,21,87,075	1,06,016.50	1,47,271.15
Investments designated at fair value through profit and loss (FVTPL)				
Equity Shares of ₹ 2 each in Gulf Oil Corporation Limited	4,950	4,950	15.26	24.81
Equity Shares of ₹ 2 each in Gulf Oil Lubricants India Limited	4,950	4,950	41.86	45.06
Equity Shares of ₹ 10 each in Gold Crest Corporation Limited	12,400	12,400	7.58	6.23
			64.70	76.10
Unquoted				
Investments designated at fair value through other comprehensive income (FVOCI)				
Equity Shares of ₹ 10 each in				
a) Finolex Infrastructure Limited	53,73,938	53,73,938	857.68	862.58
Investments designated at fair value through profit and loss (FVTPL)				
Equity Shares of ₹ 10 each in				
a) The Saraswat Co-op Bank Limited	1,000	1,000	0.10	0.10
Investments measured at amortised cost				
Associate Companies				
Equity Shares of ₹ 10 each in				
a) Pawas Port Limited	49,994	49,994	5.00	5.00
			5.00	5.00
Total			1,06,943.98	1,48,214.93

Notes to the Consolidated Financial Statements

4.2 Investments accounted using equity method

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of shares		Value of investments	
	March 31,2019	March 31,2018	March 31,2019	March 31,2018
Investments measured at amortised cost				
Associate Companies				
Equity Shares of ₹ 10 each in				
a) Finolex Plasson Industries Private Limited	46,35,000	46,35,000	5,901.54	4,891.40
Dividend received			(115.89)	(92.70)
Share in dividend distribution tax			(23.92)	(61.33)
Share in current year profits			1,400.85	1,634.53
Share in tax expenses			(522.13)	(471.01)
Share in current year OCI			0.65	0.65
Total value of investment in associate			6,641.10	5,901.54

The Company measures its investments in associates at cost, as per option provided by Ind AS 27.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Aggregate value of quoted investments (cost)	10,266.19	10,266.19
Aggregate market value of quoted investments	1,06,081.20	1,47,347.25
Aggregate value of unquoted investments (cost)	537.49	537.49
Aggregate value of unquoted investments (fair value)	857.78	862.68

Fair value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 39 and fair value hierarchy disclosures for investment are stated in Note 40.

Risk management strategy

Refer Note 41 on financial risk management objectives and policies for financial instruments.

Notes to the Consolidated Financial Statements

5 Non-current loans

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Loans to employees	1.31	4.56
Total	1.31	4.56

6 Other non-current financial assets

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Security deposits		
Considered good	189.00	184.25
Doubtful	-	8.28
	189.00	192.53
Less: Provision for doubtful deposits	-	(8.28)
	189.00	184.25
Claims receivable (under mega incentive schemes) (Refer Note 20)	1,247.42	2,004.71
Other deposits		
Doubtful	-	84.94
	-	84.94
Less: Provision for doubtful deposits	-	(84.94)
	-	-
Total	1,436.42	2,188.96

Security deposits comprise of deposit with various government agencies and others.

Other deposits primarily relate to inter-corporate deposit.

7 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Capital advances	306.65	3,782.00
Other advances		
Amounts deposited under protest	-	500.00
Prepaid expenses	95.43	136.36
Claims receivable		
- Excise, Service Tax, Customs	106.55	191.92
- VAT and Sales tax	4,976.13	4,975.78
Total	5,484.76	9,586.06

Notes to the Consolidated Financial Statements

Amounts deposited under protest primarily relates to amount deposited with Dispute Resolution Panel in connection with a dispute with bank (₹ 500 Lakhs). Refer Note 38.2(e) for details.

8 Inventories

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
	Raw materials	20,918.06
Work-in-progress	4,496.28	4,737.62
Finished goods	30,228.15	22,847.17
Stock-in-trade	132.69	139.74
Stores and spares	5,776.49	5,336.64
Packing material	495.46	193.78
Total	62,047.13	61,155.40

- Raw materials include goods-in-transit of ₹ 563.60 Lakhs (₹ 3,212.98 Lakhs as at March 31, 2018)
- The above inventories are hypothecated against current borrowings. Also refer Note 21.
- Refer Note 2.15 for basis of valuation of inventories.
- Write-down of inventories to net realisable value (net of reversal) amounted to ₹ 45.74 lakhs (March 31, 2018: ₹ 652.18 lakhs). These were recognised as an expenses during the year and included in material consumption.

9 Current investments

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of units		Value of investments	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Investment in Mutual Fund classified as fair value through profit and loss (FVTPL) Quoted but not listed			
Mutual Fund (MF) Units of ₹ 100 each				
Aditya Birla Sun Life Cash Plus Direct Plan - Growth	4,82,429	4,51,863	1,442.49	1,262.12
Aditya Birla Sun Life Liquid Fund Direct Plan - Growth	4,16,601	-	1,251.62	-
ICICI Prudential Liquid Fund-Direct Plan-Growth	18,64,338	-	5,153.34	-
ICICI Prudential Money Market Fund Direct Growth	-	4,78,658	-	1,151.00
DSP Equity Opportunities Fund Direct - Growth	6,64,939	-	1,559.83	-
DSP Mid Cap Fund Direct - Growth	26,93,061	-	1,548.70	-
Kotak Savings Fund Regular Growth	33,51,038	-	1,004.36	-

Notes to the Consolidated Financial Statements

9 Current investments(Contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of units		Value of investments	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
UTI Fixed Income Interval Fund V Quarterly Interval Plan Retail Option Growth Mutual Fund (MF) Units of ₹ 1,000 each	-	33,41,895	-	707.04
DSP Liquidity Fund - Direct Growth	1,53,120	-	4,093.47	-
HDFC Liquid Fund - Direct Plan - Growth	12,393	-	455.84	-
UTI Liquid Cash Plan Institutional Direct Plan - Growth	1,20,214	-	3,679.44	-
Kotak Liquid Direct Plan A Growth	63,955	-	2,420.27	-
Axis Liquid Fund- Direct Plan- Growth	-	72,825	-	1,403.73
DSP Blackrock Liquidity Fund - Direct Plan - Growth	-	56,517	-	1,404.64
Tata Liquid Fund- Direct Plan- Growth	-	8,744	-	280.14
UTI Money Market Fund Institutional Regular Plan Growth	-	18,072	-	350.53
Total	98,22,087	44,28,574	22,609.36	6,559.20

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Aggregate value of quoted investments (cost)	22,214.43	6,530.32
Aggregate market value of quoted investments	22,609.36	6,559.20

Fair value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 39 and fair value hierarchy disclosures for investment are stated in Note 40.

Risk management strategy

Refer Note 41 on risk management objectives and policies for financial instruments.

10 Trade receivables

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars.	March 31, 2019	March 31, 2018
Unsecured, considered good		
From others	7,430.62	4,313.93
Doubtful	-	12.96
	7,430.62	4,326.89
Less: Impairment allowance (allowance for bad and doubtful debts)	-	(12.96)
Total	7,430.62	4,313.93

Notes to the Consolidated Financial Statements

Company's trade receivables consist of receivables from dealers and customers against sales of pipes and fittings and PVC resin. Trade receivables are mostly on terms of advance payment and credit period is given selectively in few cases only. Company also charges interest @ 18% p.a in case of default in collection of trade receivables.

11.1 Cash and cash equivalents

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Balances with banks (current accounts)	727.52	652.24
Cash on hand	30.12	29.49
Total	757.64	681.73

11.2 Other bank balances

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Unpaid dividend accounts	2,152.40	1,660.93
Total	2,152.40	1,660.93

12 Current loans

(Unsecured, considered good - unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Loans to employees	31.19	21.40
Total	31.19	21.40

13 Other current financial assets

(Unsecured, considered good - unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Security deposits	26.30	26.91
Advance to Vendors *	4,012.87	-
Claims receivable (under mega incentive schemes) (Refer Note 20)	2,039.88	4,184.42
Other receivables	0.74	6.65
Total	6,079.79	4,217.98

* The Company has given advance to vendor for supply of goods and services at an interest of 15% p.a.

Notes to the Consolidated Financial Statements

14 Other current assets

(Unsecured, considered good - unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019		March 31, 2018	
	No. of shares*	Amount	No. of shares*	Amount
Advances to vendors				
Unsecured, considered good		2,526.65		2,744.49
Doubtful		484.82		484.82
		3,011.47		3,229.31
Less: Provision for doubtful advances		(484.82)		(484.82)
		2,526.65		2,744.49
Prepaid expenses		436.25		348.07
GST receivables (net)		1,274.37		181.37
Total		4,237.27		3,273.93

15 Non-current assets held for sale

Non-current assets held for sale comprises of investment in units of Peninsula Realty Fund.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019		March 31, 2018	
	No. of shares*	Amount	No. of shares*	Amount
381 Units of ₹ 1,00,000 each in Peninsula Realty Fund		-		119.24

For the year ended March 31, 2018, the Company had decided to sell its investment in the said company. As on March 31, 2018, the Company had taken the necessary actions to complete the sale and expected the sale to take place within one year. The same has been sold in the current year.

16 Share capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019		March 31, 2018	
	No. of shares*	Amount	No. of shares*	Amount
Authorised:				
Equity shares of ₹ 10 each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Unclassified share capital	8,50,00,000	8,500.00	8,50,00,000	8,500.00
	23,50,00,000	23,500.00	23,50,00,000	23,500.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each fully paid	12,40,95,381	12,409.54	12,40,95,381	12,409.54
	12,40,95,381	12,409.54	12,40,95,381	12,409.54

Notes to the Consolidated Financial Statements

Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019		March 31, 2018	
	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the year	12,40,95,381	12,409.54	12,40,95,381	12,409.54
Add: Allotted during the year	-	-	-	-
Outstanding at the end of the period	12,40,95,381	12,409.54	12,40,95,381	12,409.54

Terms/ rights attached to equity shares:

The Company has only 1 class of equity shares having a par value of ₹ 10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Details of shareholders holding more than 5% shares in the Company :

Particulars	March 31, 2019		March 31, 2018	
	No. of shares*	% holding	No. of shares*	% holding
Equity shares of ₹ 10 each fully paid				
Finolex Cables Ltd.	4,01,92,597	32.39%	4,01,92,597	32.39%
Orbit Electricals Private Limited	2,33,30,901	18.80%	2,33,30,901	18.80%

* No. of shares are in full figures

17 Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Retained earnings	Share capital buyback reserve	Share premium	General reserve	Other Comprehensive Income	Total
As at March 31, 2017	1,10,981.30	2,517.93	15,126.81	39,450.22	50,991.20	2,19,067.46
Add : Profit for the year	30,633.36	-	-	-	-	30,633.36
Add: Other comprehensive income for the year	-	-	-	-	34,726.54	34,726.54
Add/(less):Remeasurement gains/(losses) on defined benefit plan	(86.99)	-	-	-	-	(86.99)
Add: Share in OCI of associate	0.65	-	-	-	-	0.65
Less: Appropriations	-	-	-	-	-	-
-Dividend paid	(14,270.97)	-	-	-	-	(14,270.97)

Notes to the Consolidated Financial Statements

17 Other equity(Contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Retained earnings	Share capital buyback reserve	Share premium	General reserve	Other Comprehensive Income	Total
-Tax on dividend paid (includes share in DDT of associate)	(2,966.77)	-	-	-	-	(2,966.77)
As at March 31, 2018	1,24,290.58	2,517.93	15,126.81	39,450.22	85,717.74	2,67,103.28
Add : Profit for the year	36,724.94	-	-	-	-	36,724.94
Add: Other comprehensive income for the year	-	-	-	-	(43,326.81)	(43,326.81)
Add/(less):Remeasurement gains/(losses) on defined benefit plan	(307.51)	-	-	-	-	(307.51)
Add: Share in OCI of associate	0.65	-	-	-	-	0.65
Less: Appropriations	-	-	-	-	-	-
-Dividend paid	(12,409.54)	-	-	-	-	(12,409.54)
-Tax on dividend paid (includes share in DDT of associate)	(2,574.75)	-	-	-	-	(2,574.75)
As at March 31, 2019	1,45,724.37	2,517.93	15,126.81	39,450.22	42,390.93	2,45,210.26

17.1 Nature and purpose of reserves

1) Share capital buyback reserve

During financial year ended March 31, 2002 and March 31, 2003, the Company bought back shares of the Company out of free reserves and in order to comply with the requirements of company law the company created share capital buy back reserve to the extent of the face value of shares bought back.

2) General reserve

Till April 1, 2013, the Company was governed by provisions of the Companies Act of 1956. As per the requirements of this act read along with Companies (Transfer of Profit to Reserve) Rules, 1975, any company declaring dividend in excess of 10% of face value of equity share was mandatorily required to transfer specified % of amount to general reserve. Accordingly, the Company has transferred amount to this reserve over the years to comply with the company law requirements.

17.2 Other comprehensive income, net of tax

The disaggregation of changes in OCI by each type of reserve

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
FVOCI reserve	42,390.93	85,717.74
Total	42,390.93	85,717.74

Notes to the Consolidated Financial Statements

17.3 Distribution made and proposed

(All amounts in ₹ Lakhs unless otherwise stated)

Cash dividends on Equity shares declared and paid	March 31, 2019	March 31, 2018
Final dividend for 2016-17: ₹ 11.50 per share	-	14,270.97
Dividend distribution tax on above final dividend	-	2,905.44
Final dividend for 2017-18: ₹ 10 per share	12,409.54	-
Dividend distribution tax on above final dividend	2,550.82	-

17.4 Dividends proposed before annual general meeting but not recognised as a liability

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Proposed Dividend	12,409.54	12,409.54
Dividend per share (₹)	10.00	10.00

Proposed dividend on equity shares are subject to approval of the shareholders of the Company at the annual general meeting and are not recognised as a liability (including taxes thereon) as at March 31, 2019.

18 Non-current financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Trade & security deposits	34.39	32.39
Total	34.39	32.39

19 Provisions

19.1 Non-current provisions

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Employee benefit obligations		
Gratuity (Refer Note 36)	1,402.52	886.54
Others		
Compensated absences (Refer Note 36)	655.71	456.94
Total	2,058.23	1,343.48

19.2 Current provisions

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Employee benefit obligations		
Gratuity (Refer Note 36)	107.00	85.00
Others		
Compensated absences (Refer Note 36)	133.12	57.60
Total	240.12	142.60

Notes to the Consolidated Financial Statements

20 Government grants

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	(All amounts in ₹ Lakhs unless otherwise stated)	
	March 31, 2019	March 31, 2018
Deferred income from industrial promotion subsidy	6,391.14	7,073.50
Non-current	5,767.46	6,444.50
Current	623.68	629.00

- a) The Company is entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives, for the period from April 1, 2011 to March 31, 2018. The aforesaid subsidy is in relation to investments in property, plant and equipment at Ratnagiri plant. Accordingly, the same has been classified as grant related to assets and the Company is recognising revenue from grant over the life of the property, plant and equipment.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	(All amounts in ₹ Lakhs unless otherwise stated)	
	March 31, 2019	March 31, 2018
As at the beginning of the year	7,073.50	6,679.95
Recognised during the year	-	1,669.17
Less: Amount reversed (excess claim accrued upto March 31, 2017, now reversed)	(58.51)	-
Released to the statement of profit and loss	(623.85)	(1,275.62)
As at the end of the year	6,391.14	7,073.50

- b) The Company has received the eligibility certificate for the industrial promotion subsidy under the package incentive scheme. The government grant receivable includes electricity duty refund of prior years amounting to ₹ 537.63 lakhs (March 31, 2018 - ₹ 1,350.33 lakhs)

Asset movement

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	(All amounts in ₹ Lakhs unless otherwise stated)	
	March 31, 2019	March 31, 2018
As at the beginning of the year	6,189.13	5,443.48
Add: Grant accrued during the year	-	1,669.17
Less: Claim received during the year	(1,986.46)	-
Less: Amount reversed (excess claim accrued upto March 31, 2017 now reversed)	(102.65)	-
Less: Electricity duty adjusted against the current bill	(812.72)	(923.52)
As at the end of the year	3,287.30	6,189.13

Notes to the Consolidated Financial Statements

21 Current borrowings

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Acceptances from banks : Buyers Credit		
Secured	7,881.68	5,207.69
Unsecured	1,068.63	4,759.44
Bank overdraft (temporary)	105.78	103.65
TOTAL	9,056.09	10,070.78

Details of terms of borrowings and security for the borrowings:

The aggregate limits of working capital borrowings of ₹ 139,575 lakhs (₹ 139,575 lakhs as at March 31, 2018) from the Bank of India Consortium together with all interest, liquidated damages, costs, charges and other moneys payable under working capital consortium agreement/sanction letters are secured by:

- 1) Hypothecation of inventories and book debts; and
- 2) Extension of second equitable mortgage, created in favour of Bank of India Consortium on pari passu basis with other second charge holder by deposit of title deeds with Axis Bank Ltd (ABL), New Delhi. ABL acting as an agent for Bank of India Consortium, which ranks subsequent and subservient in rank of priority over the first equitable mortgages created by deposit of title deeds in respect of immovable properties falling within the battery limit of the site of the Company's plant for manufacture of PVC Resin, situated at Village Golap, District Ratnagiri in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

22 Trade payables

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Trade payables		
a) total outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 43)	219.34	59.67
b) total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	28,160.44	24,987.74
Total	28,379.78	25,047.41

Trade payables are non-interest bearing and are normally settled within 30 to 45 days. Refer Note 41 for discussion on Company's credit risk management policies and procedures.

Notes to the Consolidated Financial Statements

23 Other current financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Interest accrued but not due	51.26	11.28
Salary and reimbursements	2,351.10	1,969.83
Provision for expenses	4,385.70	3,382.48
Unpaid dividend	2,152.40	1,660.93
Total	8,940.46	7,024.52

24 Other current liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Advances from customers	2,455.22	2,933.83
Statutory dues (includes indirect and withholding taxes)	1,849.87	1,039.42
Total	4,305.09	3,973.25

25 Income Taxes

A Composition of income tax expense is as follows:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Statement of profit and loss		
Current tax		
Current income tax charge	18,057.66	14,591.82
Adjustments in the period for current tax of prior periods	(209.36)	(1,088.76)
Deferred tax		
Relating to temporary differences	273.56	1,288.48
Income tax expense reported in the statement of profit and loss	18,121.86	14,791.54
Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year:		
Remeasurement gains/ (losses) on defined benefit plans	165.18	46.74
Fair value changes of financial assets	(2,067.27)	2,078.05
Income tax charged to OCI	(1,902.09)	2,124.79

Notes to the Consolidated Financial Statements

25 Income Taxes (contd..)

B Reconciliation between tax expense and accounting profit multiplied by tax rate

Current taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Accounting profit before tax expense	54,846.80	45,424.90
At India's statutory tax rate 34.944 % (March 31, 2018 34.608 %)	34.944%	34.608%
Computed tax expense	19,165.66	15,720.65
Adjustments For:		
Donations made disallowed as deductions	32.52	8.91
Corporate Social Responsibility expenses	322.91	153.82
Provision for expenses not allowed in tax	-	125.54
Other non-deductible expenses	26.29	-
Dividend income accrued in current year exempt from tax	(350.84)	(230.49)
Agricultural income U/S.10(1) (Income from Mango Harvesting contract.)	(1.33)	(2.23)
Deduction allowed income tax	(488.56)	(287.38)
Impact of Change in rate	(1.87)	162.35
Previous years tax provision write off	38.45	(1,088.76)
Other items	325.86	31.50
Goodwill and unrealised profit	-	(126.99)
Deferred tax on consolidation	(981.91)	291.94
Difference on account of associate	34.66	32.68
At the effective tax rate of 34.69%(March 31,2018: 34.45%)	18,121.85	14,791.54
Income tax expense reported in the statement of profit and loss	18,121.86	14,791.54

Notes to the Consolidated Financial Statements

25 Income Taxes (contd..)

C Composition of deferred tax assets and deferred tax liabilities and deferred tax (expense)/income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax liabilities				
Depreciation	(18,176.29)	(17,437.21)	(739.09)	(1,284.74)
Fair valuation of FVOCI investment	(24.33)	-	-	-
Fair valuation of FVTPL investment	(138.04)	-	(138.04)	-
Deferred tax assets				
Fair valuation of FVOCI investment	-	2,042.94	-	-
Deferred income	2,233.32	2,471.76	(238.44)	160.33
Fair valuation of FVTPL investment	-	128.20	(128.20)	40.20
Provision for doubtful debts & advances	169.42	206.52	(37.10)	38.73
Deferred tax on consolidation	(1,113.90)	(2,095.82)	888.66	(256.28)
Leave encashment	275.65	179.80	95.84	23.52
Defined benefit obligation and others	527.47	339.50	22.81	(10.24)
Deferred tax (expense)/income			(273.56)	(1,288.48)
Net deferred tax assets/(liabilities)	(16,246.72)	(14,164.31)		

D Composition of deferred tax assets and deferred tax liabilities

Deferred taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Reconciliation of deferred tax liabilities, net

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
As at the beginning of the year	(14,164.31)	(14,964.94)
Tax (expense)/ income recognised in the statement of profit and loss	(273.56)	(1,288.48)
Share of associate	93.34	(35.68)
Tax (expense)/ income recognised in the OCI	(1,902.09)	2,124.79
As at the end of the year	(16,246.63)	(14,164.31)

Notes to the Consolidated Financial Statements

25 Income Taxes (contd..)

E Composition of deferred tax (expense) / income recognised in the statement of profit and loss

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Deferred tax income	1,007.31	262.78
Deferred tax expense	(1,280.87)	(1,551.26)
Net deferred tax (expense)/ income	(273.56)	(1,288.48)

26 Revenue from operations

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Revenue from contracts with customers		
Sale of products (refer note below)	3,06,845.80	2,80,008.65
Other operating revenue		
a) Scrap sales	1,512.95	1,586.53
b) Recovery of port charges	193.78	269.80
c) Unwinding of deferred income (government grant) (Refer Note 20)	579.70	1,275.62
Total	3,09,132.23	2,83,140.60

Sale of products includes excise duty collected from customers of ₹ Nil (March 31, 2018: ₹ 9,361.80 Lakhs up to Quarter ended June 30, 2017). From July 1, 2017, Goods and Service Tax (GST) charged, is excluded from sales of goods. Also refer Note 2.5 and 45.

27 Other income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
I) Interest on		
a) Overdue receivables from customers	13.97	17.39
b) Income Tax refund	394.19	-
c) Deposit	381.10	-
d) Others (including employee loans and other interest received)	49.98	3.46
II) Dividend from non-current investments		
a) Classified as fair value through FVTPL	0.66	0.39
b) Classified as fair value through FVOCI	887.51	665.64
III) Other non-operating income		
a) Insurance claims received	126.09	194.36
b) Net gains /(losses) on fair value changes on investment classified as FVTPL	829.81	459.09
c) Net gain on sale of current investments (mutual funds) classified as FVTPL	716.27	594.10
d) Net foreign currency exchange gain	75.18	423.12
e) Excess provision written back	134.25	3.65
f) Credit balances written back	202.22	-
g) Others	229.90	78.50
Total	4,041.13	2,439.70

Notes to the Consolidated Financial Statements

28 Cost of materials consumed

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Cost of raw materials consumed	1,95,260.60	1,78,850.22
Packing material consumed	2,854.02	2,774.26
Total	1,98,114.62	1,81,624.48

Cost of raw material consumed excludes excise duty paid of ₹ NIL (March 31, 2018: ₹ 9,361.80 Lakhs up to Quarter ended June 30, 2017). Excise duty paid has been disclosed separately on the face of statement of profit and loss account.

29 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Inventories at the end of the year		
Work-in-progress	4,496.28	4,737.62
Finished goods	30,228.15	22,847.17
Stock-in-trade	132.69	139.74
Sub total (A)	34,857.12	27,724.53
Inventories at the beginning of the year		
Work-in-progress	4,737.62	2,585.59
Finished goods	22,847.17	19,877.92
Stock-in-trade	139.74	35.27
Sub total (B)	27,724.53	22,498.78
Changes in inventories of finished goods, work-in-progress and stock-in-trade (B-A)	(7,132.59)	(5,225.75)

30 Employee benefits expense

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Salaries, wages, bonus and leave encashment	11,516.51	9,840.49
Gratuity fund expense (refer Note 36)	172.15	136.69
Contribution to provident fund and other funds (refer Note 36)	395.26	351.10
Staff welfare expenses	1,359.07	1,286.42
Total	13,442.99	11,614.70

Notes to the Consolidated Financial Statements

31 Finance cost

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Interest expense on borrowings and others	629.08	470.12
Other borrowing costs	142.90	171.51
Exchange differences regarded as an adjustment to borrowing costs	455.23	340.02
Total	1,227.21	981.65

32 Depreciation and amortisation expense

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Depreciation on property, plant and equipment	6,928.94	5,978.48
Amortisation of intangible assets	78.72	81.98
Total	7,007.66	6,060.46

33 Other expenses

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Power and fuel	11,434.67	8,824.17
Stores and spares consumed	3,421.20	3,304.99
Other manufacturing expenses	10,600.33	9,594.95
Rent	188.30	204.13
Rates and taxes	1,223.12	1,280.28
Insurance	378.71	427.40
Repairs & maintenance (buildings)	1,110.86	614.17
Repairs & maintenance (plant & machinery)	1,932.38	2,140.17
Repairs & maintenance (others)	218.28	192.72
Communication expenses	392.32	322.74
Travelling and conveyance	708.72	682.30
Directors' sitting fees	37.00	35.62
Commission to non-executive directors	98.44	93.75
Auditor's remuneration :		
-Statutory audit fees	29.00	25.50
-Tax audit fees	5.00	5.00
-Limited review	6.00	6.00
-GST audit fees	10.00	-
-Certification	3.07	1.58
-Out of pocket expenses	1.01	0.59
Advertisement, publicity and sales promotion	6,650.54	3,826.37
Freight outward expenses	101.31	151.66
Donations	91.90	25.75
Loss on sale of property, plant and equipment	4.58	39.94
Legal and professional fees	1,053.58	605.31

Notes to the Consolidated Financial Statements

33 Other expenses (Contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Corporate social responsibility (CSR)(refer note below)	924.07	848.55
Security expenses	643.56	557.32
Information technology maintenance	914.14	1,565.05
Miscellaneous expenses	987.58	1,057.60
Total	43,169.67	36,433.61

Details of CSR expenditure:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Related Party - Contribution to Mukul Madhav Foundation Trust	913.45	799.42
Contribution to others	10.62	49.13
	924.07	848.55
a) Amount required to be spent during the period	859.18	612.39
b) Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	924.07	848.55
Total	924.07	848.55

34 Segment information

For management purposes, the Company is organised into business units based on their products and which has following two reportable segments :

- 1 PVC – engaged in producing and distributing PVC resin.
- 2 Pipes and fittings – engaged in producing and distributing pipes and fittings required principally in the agriculture and construction industries.

No operating segments have been aggregated to form the above reportable operating segments.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss that is measured consistently with profit or loss in the financial statements. The Company's financing (including finance costs and finance income) and income taxes are not allocated to operating segments.

The Company is in the business of manufacture of PVC resin and PVC pipes and fittings. The disclosure of financial information in respect of its Captive Power Plant as a separate segment is no longer material to the Company's overall operations and the management does not analyse its performance separately. Therefore as

Notes to the Consolidated Financial Statements

per, Ind AS 108, "Operating Segments," the Company has decided to disclose only two segments i.e. PVC resin and PVC pipes and fittings. Accordingly, the figures of previous periods have been regrouped.

Year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	PVC	Pipes & fittings	Total segments	Adjustments and eliminations	Total
Revenue					
External customers	51,652.13	2,57,480.10	3,09,132.23		3,09,132.23
Inter-segment	1,35,765.31	-	1,35,765.31	(1,35,765.31)	-
Total revenue	1,87,417.44	2,57,480.10	4,44,897.54	(1,35,765.31)	3,09,132.23
Income/(Expenses)					
Depreciation and amortisation	(1,264.91)	(3,984.08)	(5,248.99)	-	(5,248.99)
Segment profit	37,727.86	18,281.50	56,009.36	-	56,009.36
Total assets	81,440.33	96,321.50	1,77,761.83	-	1,77,761.83
Total liabilities	20,975.62	9,187.25	30,162.87	-	30,162.87
Other disclosures					
Capital expenditure	2,206.19	7,561.98	9,768.17	-	9,768.17

Year ended March 31, 2018

Particulars	PVC	Pipes & fittings	Total segments	Adjustments and eliminations	Total
Revenue					
External customers	50,256.88	2,32,883.73	2,83,140.60		2,83,140.60
Inter-segment	1,27,581.02	-	1,27,581.02	(1,27,581.02)	-
Total revenue	1,77,837.90	2,32,883.73	4,10,721.63	(1,27,581.02)	2,83,140.60
Income/(Expenses)					
Depreciation and amortisation	(1,233.27)	(3,113.75)	(4,347.02)	-	(4,347.02)
Segment profit	34,875.53	13,616.85	48,492.38	-	48,492.38
Total assets	84,666.87	83,820.64	1,68,487.51	-	1,68,487.51
Total liabilities	16,457.23	11,134.19	27,591.42	-	27,591.42
Other disclosures					
Capital expenditure	1,791.76	15,367.97	17,159.73	-	17,159.73

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed for the entity as a whole.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed for the entity as a whole.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Notes to the Consolidated Financial Statements

34 Segment Information (contd..)

Inter-segment revenues are eliminated on consolidation.

Reconciliation of profit

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Segment profit	56,009.36	48,492.38
Unallocable income	3,929.34	2,081.57
Finance costs	(1,227.21)	(981.65)
Unallocable expense	(5,149.67)	(5,709.23)
Profit before tax	53,561.82	43,883.07

Reconciliation of assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Segment operating assets	1,77,761.83	1,68,487.51
Financial assets carried at FVTPL	64.70	76.10
Financial assets carried at FVOCI	1,06,016.50	1,47,271.15
Financial assets carried at cost	5.00	754.77
Current investments	22,609.36	6,559.20
Cash and cash equivalents (including other bank balances)	2,910.04	2,342.66
Non-current asset held for sale	-	119.24
Other unallocated assets	23,904.39	24,993.58
Total assets	3,33,271.82	3,50,604.21

Reconciliation of liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Segment operating liabilities	30,162.87	27,591.42
Deferred tax liabilities	16,246.63	14,164.31
Trade payables	706.52	422.21
Current tax liability	-	2,219.15
Short term borrowings	9,056.09	10,070.78
Financial liabilities at amortised cost	6,736.89	5,352.31
Interest accrued	51.26	11.28
Unpaid dividend	2,152.40	1,660.93
Statutory dues	1,849.87	1,039.42
Provisions	2,298.35	1,486.08
Government grant	6,391.14	7,073.50
Total liabilities	75,652.02	71,091.39

Notes to the Consolidated Financial Statements

34 Segment Information (contd..)

Geographic information

In the year ended March 31, 2019, the Company has catered only to the needs of the Indian markets. As there was no export turnover during the year, there are no reportable geographical segments.

35 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

There are no potential shares that have a dilutive effect on the EPS.

The following reflects the income and share data used in the basic EPS computation

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Basic		
Net profit / (loss) after tax (in Rupees Lakhs)	34,864.32	30,633.36
Weighted average number of equity shares	1,240.95	1,240.95
Basic earnings/(loss) per share of ₹ 10 each	28.09	24.69

36 Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 395.26 Lakhs (March 31, 2018: ₹ 351.10 Lakhs) is recognised as expenses and included in Note No. 30 "Employee benefit expense"

B. Defined benefit plans:

The Company has Gratuity as post employment benefit which is in the nature of defined benefit plan.

The Company operates gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Notes to the Consolidated Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

March 31, 2019 : Changes in defined benefit obligation and plan assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	April 1, 2018		Benefit paid		Remeasurement gains/(losses) in other comprehensive income				March 31, 2019	
	Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (Note 30)	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	
Gratuity										
Defined benefit obligation	(1,333.41)	(100.98)	(196.32)	77.64	(70.89)	(201.05)	(201.29)	(473.23)	-	(1,925.32)
Fair value of plan assets	361.87	29.37	24.17	(77.64)	-	2.26	(1.72)	0.54	106.86	415.80
Total benefit liability	(971.54)	(71.61)	(172.15)	-	(70.89)	(198.79)	(203.01)	(472.69)	106.86	(1,509.52)

March 31, 2018 : Changes in defined benefit obligation and plan assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	April 1, 2017		Benefit paid		Remeasurement gains/(losses) in other comprehensive income				March 31, 2018	
	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	
Gratuity										
Defined benefit obligation	(1,099.73)	(77.03)	(156.22)	59.68	-	65.02	(202.16)	(137.14)	-	(1,333.41)
Fair value of plan assets	313.62	23.49	19.53	(59.68)	-	(2.61)	6.02	3.41	84.99	361.87
Total benefit liability	(786.11)	(53.54)	(136.69)	-	-	62.41	(196.14)	(133.73)	84.99	(971.54)

Notes to the Consolidated Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
	Insured managed funds (LIC)	415.79
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Group's plans is shown below:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
	Discount rate	7.50%
Future salary increase	8.00%	6.00%
Expected rate of return on plan assets	7.80%	7.20%
Expected average remaining working lives (in years)		
Gratuity	9.33	16.16
Compensated absences	9.33	16.30
Withdrawal rate (based on grade and age of employees)		
Gratuity	7.00%	1.00%
Compensated absences	7.00%	1.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		March 31, 2019	March 31, 2018
Discount rate	1% increase	105.51	97.10
	1% decrease	(118.11)	(111.55)
Future salary increase	1% increase	(99.27)	(100.02)
	1% decrease	90.61	88.87
Withdrawal rate	1% increase	2.80	(12.96)
	1% decrease	(3.11)	14.42

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in one significant assumption at a time, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The same method has been applied for the sensitivity analysis as when calculating the recognised defined benefit obligation.

Notes to the Consolidated Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

The followings are the expected future benefit payments for the defined benefit plan :

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
	Years	Years
Within the next 12 months (next annual reporting period)	413.07	197.14
Between 2 and 5 years	888.69	465.06
Beyond 5 years	1,576.33	1297.87
Total expected payments	2,878.09	1,960.07

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	March 31, 2019	March 31, 2018
	Years	Years
Gratuity	8.56	12.22

The followings are the expected contributions to planned assets for the next year:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
	Years	Years
Gratuity	107.00	85.00

C. Other long-term employment benefits

The Group has compensated absences plan which is covered by other long-term employee benefits.

March 31, 2019 : Changes in defined benefit obligation of compensated absences

(All amounts in ₹ Lakhs unless otherwise stated)

	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2019
	April 1, 2018	Service cost	Interest cost	Actuarial changes arising from various assumption			
Compensated absences							
Defined benefit obligation	(514.54)	(76.10)	(34.79)	(300.54)	(411.43)	137.13	(788.83)
Benefit liability	(514.54)	(76.10)	(34.79)	(300.54)	(411.43)	137.13	(788.83)

Notes to the Consolidated Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

March 31, 2018 : Changes in defined benefit obligation of Compensated absences

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	April 1, 2017	Cost charged to statement of profit and loss			Benefit paid	Contributions by employer	March 31, 2018
		Service cost	Interest cost	Actuarial changes arising from various assumption			
Compensated absences							
Defined benefit obligation	(451.57)	(63.12)	(28.36)	(86.76)	(178.24)	115.28	- (514.53)
Benefit liability	(451.57)	(63.12)	(28.36)	(86.76)	(178.24)	115.28	- (514.53)

37. Related party transactions

Related parties have been identified on the basis of requirement of Ind AS 24 'Related Party Disclosures' and representation made by the Key Management Personnel and taken on record by the Board.

Disclosures of transactions with related parties are as under:

A. Description of Related Parties

i) Name of the related party and nature of relationship where control exists

Name of the related party	Nature of relationship
Pawas Port Limited	Associate Company
Finolex Plasson Industries Private Limited	
Finolex Cables Limited holding 32.39 % in the Company	Enterprise wherein the Company is an associate
Finprop Advisory Services Limited	Enterprises over which Key Management Personnel or their relatives exercise significant influence
Mukul Madhav Foundation (Trust)	
Magnum Machine Technologies Limited	
Finolex Infrastructure Private Limited	
Mrs. Ritu P. Chhabria (Spouse of Mr. Prakash P. Chhabria)	Relative of director
Ms. Gayatri P. Chhabria (Daughter of Mr. Prakash P. Chhabria)	Relative of director (payment till 30th September,2017)

B. Name of the related parties with whom transactions have been entered into

Name of the related party
Finolex Plasson Industries Private Limited
Finolex Cables Limited
Mukul Madhav Foundation (Trust)
Finolex Infrastructure Private Limited
Mrs. Ritu P. Chhabria
Ms. Gayatri P. Chhabria

Notes to the Consolidated Financial Statements

C. Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Prakash P. Chhabria	Executive Chairman
Mr. Anil V. Whabi	Director Finance & CFO
Mr. Sanjay S. Math	Managing Director

D. Transactions with Related Parties

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
I. Sales, services and other income		
Sale of goods		
Finolex Plasson Industries Private Limited	2,019.53	3,390.48
Reimbursement received of expenditure incurred		
Finolex Infrastructure Private Limited		7.05
Dividend Received		
Finolex Cables Limited	887.48	665.61
II. Expenses		
Services received		
Mrs. Ritu P. Chhabria (Sitting fees)	3.60	2.40
Mrs. Ritu P. Chhabria (Commission)	11.81	11.25
Ms. Gayatri P. Chhabria (stipend)	-	1.43
Dividend paid		
Finolex Cables Limited	4,019.26	4,622.15

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Contribution towards corporate social responsibility		
Mukul Madhav Foundation (Trust)	885.63	799.42
Amounts outstanding		
Due to		
Finolex Plasson Industries Private Limited	13.43	3.74

Notes to the Consolidated Financial Statements

37. Related party transactions (contd..)

Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: Rs.Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The Group has not provided any commitment to the related party as at March 31, 2019 (March 31, 2018: Rs.Nil)

Transactions with key management personnel

Compensation of key management personnel of the Company

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Short-term employee benefits:		
Salary and perquisites		
Mr. Prakash P. Chhabria	511.22	468.35
Mr. Sanjay S. Math	270.12	245.01
Mr. Anil V. Whabi	121.48	114.24
Mr. Anil V. Whabi	119.62	109.10
Commission	903.00	860.00
Mr. Prakash P. Chhabria	714.00	680.00
Mr. Sanjay S. Math	126.00	120.00
Mr. Anil V. Whabi	63.00	60.00
Post employment benefits :	7.94	6.90
Mr. Prakash P. Chhabria	4.76	4.31
Mr. Sanjay S. Math	1.79	1.47
Mr. Anil V. Whabi	1.39	1.12
Other long term benefits	57.24	45.52
Mr. Prakash P. Chhabria	44.84	29.60
Mr. Sanjay S. Math	3.66	9.53
Mr. Anil V. Whabi	8.74	6.39
Total	1,479.40	1,380.77

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Notes to the Consolidated Financial Statements

38. Commitments and contingencies

38.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for amounted to ₹ 920.03 Lakhs as at March 31, 2019, ₹ 3,791.92 Lakhs as at March 31, 2018.

38.2 Contingent liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Claims against the Company not acknowledged as debt		
a) Liabilities in respect of income tax matters for which the Company has succeeded in appeal but Income Tax Department has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	10.17	10.17
b) Liabilities in respect of income tax matters for which the Company has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	603.31	603.31
c) Excise/Customs/Service Tax in respect of which either show cause notice is received or the Company/Department is in appeal	8,293.98	5,867.77
d) Sales Tax matters in respect of which either show cause notice is received or the Company/Department is in appeal	326.55	326.55
e) Amounts claimed by banks in respect of derivative transactions which are under dispute not acknowledged as debt (₹ Nil as at March 31, 2019; USD 20,821,480 as at March 31, 2018). (Refer note 38.3)	-	13,502.42
f) Consumer Protection matters in respect of which customers have gone for recovery on account of quality claims.	138.89	138.89

38.3 Exceptional item represents settlement of derivative claims against the Company disclosed as contingent liability as at March 31, 2018. There are no more claims or liabilities on account of derivatives.

Notes to the Consolidated Financial Statements

39. Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Non-current investments					
- Quoted	-	64.70	1,06,016.50	1,06,081.20	1,06,081.20
- Unquoted	6,646.10	0.10	857.68	7,503.88	857.78
Current investments	-	22,609.36	-	22,609.36	22,609.36
Trade and other receivables	7,430.62	-	-	7,430.62	7,430.62
Loans	32.50	-	-	32.50	32.50
Cash and short-term deposits	2,910.04	-	-	2,910.04	2,910.04
Other financial assets	7,516.21	-	-	7,516.21	7,516.21
Total	24,535.47	22,674.16	1,06,874.18	1,54,083.81	1,47,437.71
Financial liabilities					
Borrowings	9,056.09	-	-	9,056.09	9,056.09
Trade and other payables	28,379.78	-	-	28,379.78	28,379.78
Other financial liabilities	8,974.94	-	-	8,974.94	8,974.94
Total	46,410.81	-	-	46,410.81	46,410.81

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Non-current investments					
- Quoted	-	76.10	1,47,271.15	1,47,347.25	1,47,347.25
- Unquoted	5,906.54	0.10	862.58	6,769.22	862.68
Current investments	-	6,559.20	-	6,559.20	6,559.20
Trade and other receivables	4,313.93	-	-	4,313.93	4,313.93
Loans	25.96	-	-	25.96	25.96
Cash and short-term deposits	2,342.66	-	-	2,342.66	2,342.66
Other financial assets	6,406.94	-	-	6,406.94	6,406.94
Total	18,996.03	6,635.40	1,48,133.73	1,73,765.16	1,67,858.62
Financial liabilities					
Borrowings	10,070.78	-	-	10,070.78	10,070.78
Trade and other payables	25,047.41	-	-	25,047.41	25,047.41
Other financial liabilities	7,056.91	-	-	7,056.91	7,056.91
Total	42,175.10	-	-	42,175.10	42,175.10

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to the Consolidated Financial Statements

39. Fair values (contd..)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

Non-current investments

The fair value of investments in quoted equity shares is based on the respective quoted price in the active markets as at the measurement date.

The fair value of investments in unquoted equity shares has been estimated using the net asset method. The valuation requires to consider the cost of replacement of an asset as an indication of the fair market value of that asset.

Current investments

The Company's current investments consist of investment in units of mutual funds. The fair value of investments in mutual funds is derived from the NAV of the respective units in the active market at the measurement date.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2019, and March 31, 2018 are as shown below:

As at March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
			(weighted average)	
Non-current investments				
Investment in equity shares of :				
Finolex Infrastructure Limited	Net asset method	Recknor rate	890-1160	Increase/ (decrease) in the rate would decrease/(increase) the fair value.

Notes to the Consolidated Financial Statements

39. Fair values (contd..)

As at March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
			(weighted average)	
Non-current investments				
Investment in equity shares of :				
Finolex Infrastructure Limited	Net asset method	Recknor rate	890-1160	Increase /(decrease) in the rate would decrease/ (increase) the fair value.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments..

Reconciliation of fair value measurements of non-current investments in unquoted equity shares classified as FVOCI

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Peninsula Realty Fund
As at April 1, 2017	280.55
Re-measurements recognised in OCI	-
Re-measurements recognised in Profit and Loss	(161.31)
Sales	119.24
As at April 1, 2018	-
Re-measurements recognised in OCI	-
Re-measurements recognised in Profit and Loss	-
(Sales)/Purchase	-
Classified as non-current asset held for sale	-
As at March 31, 2019	-

Notes to the Consolidated Financial Statements

40. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial instruments measured at fair value after initial recognition:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2019	1,06,016.50	1,06,016.50	-	-
Gulf Oil Corporation Ltd.	March 31, 2019	15.26	15.26	-	-
Gulf Oil Lubricants India Ltd.	March 31, 2019	41.86	41.86	-	-
Gold Crest Corporation Ltd.	March 31, 2019	7.58	7.58	-	-
Finolex Infrastructure Limited	March 31, 2019	857.68	-	-	857.68
Current investments:					
Investments in units of mutual funds	March 31, 2019	22,609.36	22,609.36	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2018	1,47,271.15	1,47,271.15	-	-
Gulf Oil Corporation Ltd.	March 31, 2018	24.81	24.81	-	-
Gulf Oil Lubricants India Ltd.	March 31, 2018	45.06	45.06	-	-
Gold Crest Corporation Ltd.	March 31, 2018	6.23	6.23	-	-
Finolex Infrastructure Limited	March 31, 2018	862.58	-	-	862.58
Current investments:		-			
Investments in units of mutual funds	March 31, 2018	6,559.20	-	6,559.20	-
Non-current assets held for sale:					
Investment in units of Peninsula Realty Fund	March 31, 2018	119.24	-	119.24	-

Notes to the Consolidated Financial Statements

41. Financial risk management objective and policies

The Company's principal financial liabilities comprise short term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade receivables and cash and cash equivalents that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework. The risk management committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies appetite. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include borrowings, trade payables and investments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed-to floating interest rates of the debt are all constant as at March 31, 2019 and March 31, 2018.

The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has short term borrowings with fixed interest rates and hence the future cash-flows of relevant financial instrument are not affected by changes in market interest rate.

Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Notes to the Consolidated Financial Statements

41. Financial risk management objective and policies (contd..)

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities on account of import of raw materials.

PVC pricing is on import parity and import parity value of sales of the Company exceeds the USD payables on a six monthly rolling basis due to which a natural hedge exists and hence the Company does not generally need to resort to hedging by way of forward contracts, options, etc.

(All amounts in Lakhs unless otherwise stated)

Nature of exposure	Currency	As at March 31, 2019	As at March 31, 2018
	Borrowings (Secured)	USD	113.97
Borrowings (Unsecured)	USD	15.45	73.03
Interest on Borrowings	USD	0.74	0.17
Trade payables	USD	274.17	213.48

Commodity price risk

The Company is affected by the volatility of prices of certain commodity chemicals (Ethylene and PVC) and intermediates (EDC and VCM). Its operating activities involve the ongoing purchase of Vinyl Chloride Monomer ('VCM'), Ethylene and Ethylene Dichloride ('EDC'), all being petrochemical products for manufacturing of PVC and pipes and fittings and therefore require a continuous supply of these materials. Prices of PVC manufactured by the Company are monitored by company management and are adjusted to respond to change in import parity price of PVC in Indian market. Market price of input and output, generally get adjusted over a period of time. Accordingly, the company is exposed to the variation in prices over short term period.

Commodity price sensitivity

The following table shows the effect of price changes for VCM, Ethylene EDC after the impact of hedge accounting:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Change in year-end price	Effect on profit before tax
March 31, 2019		
VCM	+5%	(2,800.42)
	-5%	2,800.42
Ethylene	+5%	(1,377.76)
	-5%	1,377.76
EDC	+5%	(1,183.64)
	-5%	1,183.64

Notes to the Consolidated Financial Statements

41. Financial risk management objective and policies (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Change in year-end price	Effect on profit before tax
March 31, 2018		
VCM	+5%	(2,987.10)
	-5%	2,987.10
Ethylene	+5%	(1,244.54)
	-5%	1,244.54
EDC	+5%	(1,209.67)
	-5%	1,209.67

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The equity securities held by the Company are strategic in nature. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 857.68 Lakhs . A decrease of 10% in the fair value will have an impact of approximately ₹ 85.77 Lakhs on OCI and ₹ 0.01 on Profit and loss or equity attributable to the Company. An increase of 10% in the value of the securities would also impact OCI, profit and loss and equity.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 1,06,081.20 Lakhs. A decrease of 10% on the NSE market index could have an impact of approximately ₹ 10,601.62 Lakhs on OCI and ₹ 6.47 Lakhs on Profit and loss or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI, profit and loss and equit.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company evaluates credit risk with respect to trade receivables as significantly low, as its payment terms are mostly advance basis.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the

Notes to the Consolidated Financial Statements

41. Financial risk management objective and policies (contd..)

year subject to approval of the Company's risk management Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as illustrated in Notes 9-12.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by Senior management. Management monitors the Company's net liquidity position on a monthly and quarterly basis through its Senior management meeting and board meetings. They use rolling forecasts on the basis of expected cash flows.

The Senior management ensures that the future cash flow needs are met through cash flow from the operating activities and short term borrowings from banks.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Short term borrowings		9,056.09	-	-	9,056.09
Trade Payables	102.69	27,789.15	242.74	132.39	28,379.78
Other financial liabilities	2,152.40	2,486.34	2,965.70	1,370.41	8,974.94

As at March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

	On demand	< 3 months	3-12 months	1-5 years	Total
Short term borrowings	-	10,070.78	-	-	10,070.78
Trade Payables	124.44	24,922.97	-	-	25,047.41
Other financial liabilities	1,660.93	4,517.96	191.22	686.80	7056.91

Notes to the Consolidated Financial Statements

42. Capital management

Capital includes equity shares and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Borrowings	9,056.09	10,070.78
Debt	9,056.09	10,070.78
Share Capital	12,409.54	12,409.54
Other equity	2,45,210.26	2,67,103.28
Equity	2,57,619.80	2,79,512.82
Debt/equity ratio	3.52%	3.60%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

43. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006 (as amended)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Principal amount outstanding as on year end	219.34	59.67
Principal amount outstanding and overdue out of above *	38.53	5.92
Interest due on above	0.95	0.01
Interest paid	-	-
Interest due and payable for overdue payments made during the year	4.64	1.42
Total Interest accrued and remaining unpaid	5.59	1.43
Amount of further interest remaining due and payable in succeeding years	7.92	2.33

* Mainly includes retention money

Notes to the Consolidated Financial Statements

44. Investment in an associate

The Company has a 46.35% interest in Finolex Plasson Industries Private Limited (FPIPL).

The associate company has its registered office and principal place of business at Urse, near Pune in India.

The company is engaged in manufacturing of micro irrigation systems, fittings, accessories and range of irrigation components.

Finolex Industries Limited has not consolidated Pawas Port Limited in which it holds 49.99% (₹ 5 lakhs) as it has not started its operations yet and does not have any material impact to the consolidated financial statements.

Summarised financial information of the above mentioned associate company (FPIPL) is as below:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Cash & cash equivalents	734.88	183.70
Current assets	23,452.64	20,426.73
Non-current assets	6,351.81	6,064.89
Current liabilities	14,972.94	13,599.00
Non-current liabilities	1,238.22	343.10
Net assets	14,328.17	12,733.22
Proportion of Company's Ownership	46.35%	46.35%
Proportion of Company's Ownership in net assets	6,641.11	5,901.85

Reconciliation to carrying amounts:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Opening net assets	12,733.22	11,253.20
Profit after tax for the year	1,895.74	1,719.30
Other comprehensive income for the year	1.39	1.42
Dividends paid	(301.39)	(240.70)
Closing net assets	14,328.96	12,733.22
Proportion of Group's Ownership	46.35%	46.35%
Proportion of Group's Ownership in Net Assets	6,641.47	5,901.85
Add: Consolidation adjustments	(0.37)	(0.31)
Carrying amount of investment in associate	6,641.10	5,901.54

Notes to the Consolidated Financial Statements

Contingent liabilities of associate:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
a) Share in claims against the associate company not acknowledged as debts - matters subjudiced		
i) Share of sales tax matters in respect of which either show cause notice is received or the Company/Department is in appeal	10.23	19.26
ii) Share of service tax in respect of which either show cause notice is received or the Company/Department is in appeal	0.78	0.78
iii) Share in other matters	33.79	33.33
Total	44.80	53.37

45. Goods and Service Tax

With effect from July 1, 2017 Goods and Service Tax comprising of four acts (i.e. Central Goods and Service Tax Act, State Goods and Service Tax Act, Integrated Goods and Service Tax Act, Union Territory Goods and Service Tax Act) was introduced in India. Accordingly, certain indirect taxes like Excise, Service Tax, Sales Tax were subsumed under GST Acts.

46. Previous year comparatives

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ in lakhs)

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share capital & surplus	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

The Company does not have subsidiary company, hence this part is not applicable.

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the Company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year						
			No.	Amount of Investment in Associates/ Joint Venture				Extent of Holding %	Considered in Consolidation	Not Considered in Consolidation (only holding % considered) (-ve indicate loss)				
1	Finolex Plasson Industries Pvt Ltd	31.3.2019	2	463.50	46.35	3	Voting power	4	N.A.	5	6,641.12	6	1,400.84	Nil

Names of associates or joint ventures which are yet to commence operations: Pawas Port Limited
For and on behalf of the Board of Directors

Sanjay S. Math
Managing Director
Pune: May 25, 2019

Notice

NOTICE is hereby given that the Thirty-Eighth Annual General Meeting of the Members of Finolex Industries Limited (the "Company") will be held on Thursday, 19th September, 2019, at 11.00 a.m. at Kirloskar Institute of Advanced Management Studies, Gat No. 356 & 357, Near Tata Foundry Maval, Village Dhamane, Taluka Maval, District Pune- 410506 to transact the following business:

Ordinary Business

1. To consider and adopt standalone and consolidated audited financial statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Auditors and the Board of Directors.
2. To declare dividend on equity shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mrs. Ritu P. Chhabria (DIN- 00062144) who retires by rotation, and being eligible, offers herself for re-appointment.

Special Business

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendments, modification(s) or re-enactment thereof for the time being in force) and subject to guidelines and approvals as may be required

from the Central Government, a remuneration of ₹ 4,00,000/- (Rupees four lakh only) plus applicable taxes and reimbursement of actual out of pocket expenses to be paid to M/s. S. R. Bhargave & Co., Cost Accountants, Pune, (Firm Registration No. 000218) the Cost Auditors appointed by the Board of Directors (the "Board") of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020, be and is hereby ratified and confirmed.

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

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Kanchan U. Chitale (DIN: 00007267), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161

of the Act, and the Articles of Association of the Company with effect from 1st April, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of the Director and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, be and is hereby appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation for a term of 5 (five) consecutive years on the Board of the Company effective from 1st April, 2019 to 31st March, 2024.

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

6. To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosures

Requirements) Regulations, 2015, the Rules, Regulations, Guidelines and Circulars thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (the “Board”) authorizing to issue offer(s) or invitation(s) to subscribe to debt securities as defined under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, including Non- Convertible Debentures (“NCDs”) for a sum not exceeding ₹ 2,50,00,00,000/- (Rupees two hundred fifty crore only) on a private placement basis or otherwise in one or more tranches during a period of one year from the date of passing of this resolution within the overall borrowing limits of the Company, as approved by the Members from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be considered necessary, relevant, usual, customary and/or expedient to give effect to this resolution including determining the terms and conditions for the issuance of the said debt securities and listing of the same, if required, on the designated stock exchanges in India”

By Order of the Board of Directors

For **Finolex Industries Limited**

Devang B. Trivedi

General Manager (Legal)

and Company Secretary

Pune Membership No. ACS 13339

10th August, 2019

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A proxy form is enclosed herewith.

THE PROXY FORM, 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 I.E. BY 11.00 A.M. ON 17TH SEPTEMBER, 2019.

A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in aggregate not more than ten (10) percent of the total paid-up share capital of the Company.

2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act"), in respect of special businesses is annexed hereto.
3. Book Closure & Dividend:

The register of members and the share transfer books of the Company will remain closed from Saturday, 14th September, 2019 to Thursday, 19th September, 2019 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31st March, 2019.

Dividend, if declared at the Meeting, will be credited / dispatched on/after 30th September, 2019 to those members whose names appear on the register of members (holding shares in physical form) on/before the close of business hours on Friday, 13th September, 2019

of the Company or on the register of beneficial owners maintained by the depositories as at the close of their business hours on 13th September, 2019.

4. **E-voting** (Voting through electronic means):

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable all the Members to cast their votes electronically on the resolutions mentioned in the Notice of the 38th Annual General Meeting (AGM) of the Company. Necessary arrangements have been made by the Company with Karvy Fintech Pvt. Ltd. ('Karvy'), to facilitate e-voting. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by e-voting, shall be able to exercise their rights at the AGM through ballot paper. The Company has appointed Mr. S.V. Deulkar, Partner or Mr. Sridhar Mudaliar, Partner of M/s. SVD & Associates, Company Secretaries, Pune as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

E-voting is optional and e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on Friday, 13th September, 2019 (i.e. "cut-off")

date). The e-voting period commences on Monday, 16th September, 2019 (9.00 a.m.) and ends on Wednesday, 18th September, 2019 (5.00 p.m.). The voting module shall be disabled by Karvy for voting thereafter.

The instructions and process for e-voting are as under:

- A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]
 - i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - ii) Enter the login credentials (i.e. User ID and Password) as provided in a separate e-voting communication, being sent along with the Notice of AGM and Annual Report. Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii) After entering these details appropriately, click on "LOGIN".
 - iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile

number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it.

It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Finolex Industries Limited.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on Friday, 13th September, 2019 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii) Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

- x) You may then cast your vote by selecting an appropriate option and click on "Submit"
- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at e-mail ID: deulkarcs@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN NO". The documents should reach the Scrutinizer on/before Wednesday, 18th September, 2019 at 5.00 p.m.
- B) In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:
- (a) User ID and initial Password in a separate e-voting communication, will be sent along with the Notice of AGM and Annual Report.
- (b) Please follow all steps from Sr. No. i) to xii) as mentioned in (A) above, to cast your vote.
- C) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the AGM.
- D) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com> or contact Karvy's Tel. No. at 1800 345 4001 (toll free).
- E) The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through e-voting, make a Consolidated Scrutinizer's Report and submit the same to the Chairperson of the Company, not later than two (2) days of conclusion of the AGM.
- F) The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website (www.finolexpipes.com) and on the website of Karvy. The results shall simultaneously be communicated to the BSE Limited and National Stock Exchange of India Limited.
- G) A copy of this notice has been placed on the websites of the Company and Karvy.
5. A Brief resume of Directors proposed to be appointed/re-appointed along with such other details as required under Regulation 36(3) of the

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended are given separately in the notice.

6. Members whose shareholding is in the dematerialized form are requested to direct the change of address notifications and updation of bank mandate/ECS details to their respective depository participants. Members holding shares in physical form may please send such details to Karvy Fintech Pvt. Ltd. (Unit: Finolex Industries Limited), Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, India. Phone No.: 040-67162222 Extn Nos. 1583 & 1562 Fax No.: 040-23420814, 23001153 Toll Free: 1800 3454 4001. Email ID: einward.ris@karvy.com. Website: www.karvyfintech.com. Contact Person: Mr. Mohd Mohsin Uddin - Senior Manager.
7. Since the scrip of the Company is compulsorily traded in demat form, Members holding shares in the physical form are requested to consider dematerializing the same.
8. Members who have not appointed nominees are requested to do so. The prescribed form for appointment of nominee / change in nominee are available on the Company's website <https://www.finolexpipes.com/wp-content/uploads/2015/07/Nomination-Form.pdf>
9. Members desirous of obtaining any information concerning the accounts and operations of the Company for the financial year ended on 31st March,

2019 are requested to address their questions to the Company Secretary at the registered office of the Company so as to reach on or before Monday, 9th September, 2019. This will ensure the requested information may be made available.

10. While lodging requests for share transmission/transposition of shares/deletion of name due to death, please ensure that copies of PAN card(s) of all transferors and transferees/legal heirs are enclosed. In the absence of PAN card copies, the Company/RTA cannot give effect to the requests for transmission/transposition, name deletion etc.
11. **Unclaimed Dividend:** Members are requested to note that pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, as amended, dividend remaining unclaimed/unpaid for the period of seven years from the date of transfer to "Unclaimed Dividend Account" shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Accordingly, dividend declared by the Company for the financial year 2011-12 which remained unclaimed, is due for transfer to the IEPF, in October, 2019.

Besides, as per Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ('the Rules'), the Company is also required to transfer shares of Members on which dividends remain unpaid / unclaimed for a period of seven consecutive years from the financial year 2011-12, to the demat account of IEPF Authority in October, 2019.

Therefore, the Members who have not claimed their dividend warrants pertaining to the year 2011-12 and/or any subsequent years that still remain outstanding, are requested to lodge their claims with Karvy, the Company's RTA, at the earliest for obtaining payments thereof.

After such transfer to IEPF, the shareholders are required to follow the procedure mentioned in Rule 7 of the said Rules for claiming refund from IEPF.

Members are also requested to furnish Bank Account No., name of Bank, Branch, IFSC Code and place with PIN Code No. where the account is maintained to prevent fraudulent encashment of dividend warrants.

12. Members are requested to bring their copies of the annual reports and the attendance slips duly completed for attending the AGM. Members holding shares in demat form are requested to bring their Client ID and Depository Participant (DP) ID numbers for easy identification for attendance at the Meeting.
13. **E-mail Address:** Pursuant to the provisions of Rule 18 of the Companies (Management and Administration) Rules, 2014, a Company can send the annual report by electronic mail (e-mail) address to the Members as per the records of the Company or as provided by depositories. As such, Members holding shares in physical form are advised to forward their e-mail addresses to Company's RTA for registration at the e-mail: einward.ris@karvy.com. Members holding shares in dematerialized form are requested to register / update their e-mail addresses with the concerned depository participants to enable the Company to send the soft copy of the annual report by e-mail. It is also clarified that in case any member desires to get a hard copy of the annual report, the same would be sent to the Member free of cost. Members are further advised to mention their e-mail addresses and landline and mobile nos. in all correspondence for quick communication.
14. All documents including Register of Proxy as referred to in the notice and explanatory statement annexed thereto will be available for inspection at the Company's registered office during 10.00 a.m. to 3.00 p.m. on all working days except Saturday, Sunday and Public holidays up to the date of AGM.
15. A route map giving directions to the venue of the Meeting is given at the end of this Notice.

ATTENTION – Shareholders holding shares in PHYSICAL FORM

1. Mandatory updation of PAN and Bank details

As per the Securities and Exchange Board of India (SEBI) Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, your Company and its Registrar and Share Transfer Agent (RTA) i.e. Karvy Fintech Pvt. Ltd., are taking special efforts for collecting copies of PAN and bank account details of the shareholders holding securities in physical form.

As per the said circular, it is mandatory for all shareholders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details for registration/updation.

You are therefore requested to submit the following documents to RTA of the Company for its registration/updation:

1. A self-attested copy of PAN Card of all shareholders;
2. A copy of the unsigned cancelled cheque leaf bearing the name of the shareholder(s) or attested bank passbook showing the name of the account holder; and
3. Self-attested copy of any one documents such as Aadhaar Card/ Passport/Bank Pass Book/ Bank Statement/ Utility Bill in support to verify and to confirm the address of the shareholder(s).

You may kindly ignore this communication in case you have already furnished requisite documents to the Company/RTA.

2. No physical transfer of securities

As per Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition of securities, effective from 1st April, 2019 requests for transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4

M/s. S. R. Bhargave & Co., Cost Accountants, Pune, (Firm Registration No. 000218) have been appointed as the Cost Auditors of the Company for the financial year 2019-20 by the Board of Directors at its meeting held on 25th May, 2019. It is proposed to pay ₹ 4,00,000/- (Rupees four lakh only) plus applicable taxes and reimbursement of actual out of pocket expenses as the remuneration to the Cost Auditors for the financial year 2019-20.

M/s. S. R. Bhargave & Co., have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have concluded the audit of the cost records of the Company for the financial year 2018-19 under the provisions of the Companies Act, 2013 ("the Act").

In terms of provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be ratified by the members of the Company.

Your directors recommend the resolution for your approval.

None of the directors or key managerial personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution.

Item No. 5

Mrs. Kanchan U. Chitale was appointed by the Board of Directors as an Additional Director and also as Non-Executive Independent Director for a term of 5 (five) consecutive years with effect from 1st April,

2019, based on the recommendation of the Nomination & Remuneration Committee. In terms of the provisions of Section 161 of the Companies Act, 2013 ("the Act"), she holds office upto the date of the 38th Annual General Meeting of the Company.

A notice pursuant to Section 160 of the Act, has been received from a member of the Company signifying intention to propose appointment of Mrs. Kanchan U. Chitale as a candidate for the office of Director. Mrs. Kanchan U. Chitale has given her consent, to act as Director of the Company, if appointed at the ensuing annual general meeting.

In terms of Section 149 and other applicable provisions of the Act, Mrs. Chitale is proposed to be appointed as Non-Executive Independent Director of the Company for a term of five consecutive years, upto 31st March, 2024. Based on a declaration received from her, the Board is of the opinion that Mrs. Chitale fulfils the conditions for appointment as an Independent Director as prescribed under the Act and rules made thereunder as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board considers that Mrs. Chitale's association would be beneficial for the Company.

A copy of the draft letter for appointment of Mrs. Kanchan U. Chitale, as Non-Executive Independent Director, setting out terms and conditions for her appointment, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (10:00 a.m. to 3:00 p.m.) on all working days except Saturday, Sunday and Public holidays up to the date of AGM.

The Additional information as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Mrs. Kanchan U. Chitale, is given at the end of this notice.

Your directors recommend the resolution for your approval.

None of the directors except Mrs. Kanchan U. Chitale or key managerial personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution. Mrs. Kanchan U. Chitale is not related to any other Directors of the Company.

Item No.6

The SEBI vide its circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November, 2018 mandated that the Large Corporates as defined under the said circular, shall raise not less than 25% of its incremental borrowings by way of issuance of debt securities, as defined under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 which, inter alia, includes the Non-Convertible Debentures (NCDs) issued on a private placement basis.

Your Company as on date is not falling under the definition of Large Corporate prescribed under the said SEBI Circular. However, it is proposed to obtain consent of its members at the ensuing annual general meeting of the Company in case the Company may require to issue the debt securities as defined under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 including NCDs on a private placement basis and listing of the same on the designated stock exchanges.

Pursuant to the provisions of Section 42 of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the

Companies (Share Capital and Debentures) Rules, 2014 (hereinafter collectively referred to as the "Rules"), the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a company offering or making an invitation to subscribe to NCDs, on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.

Accordingly, the approval of the Members is being sought by way of a special resolution in terms of the Sections 42 and 71 of the Act read with the Rules made thereunder and applicable SEBI regulations, guidelines and circulars to enable the Company to offer or invite subscription for the debt securities including NCDs on a private placement basis, in one or more tranches during the period of one year from the date of passing of this resolution at Item No.10, up to a sum not exceeding ₹ 2,50,00,00,000/- (Rupees two hundred fifty crore) within the overall borrowing limits of the Company, as approved by the Members from time to time.

Your directors recommend the resolution for your approval.

None of the directors or key managerial personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution.

By Order of the Board of Directors
For **Finolex Industries Limited**

Devang B. Trivedi
General Manager (Legal)
and Company Secretary

Pune Membership No. ACS 13339
10th August, 2019

Additional information of the Directors seeking appointment/re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015



Mrs. Ritu P. Chhabria

(a) A brief resume of the director

Mrs. Ritu P. Chhabria, 52, holds a double major in Economics and Marketing from Richmond College, London and also holds a degree in Public Relations. She was co-opted as a director of the Company with effect from 21st March, 2015. She is the Managing Trustee of Mukul Madhav Foundation, the CSR partner of the Company. She looks after the day-to-day activities of the Mukul Madhav Foundation.

(b) Nature of her expertise in specific functional areas

In 1999, Mrs. Ritu P. Chhabria established Mukul Madhav Foundation to channelize social welfare programmes carried out by her. She has been instrumental in providing assistance in the field of health care, education, social & community welfare and sanitation to the economically and socially underprivileged sections of the society to improve their quality of life.

(c) Disclosure of relationships between directors inter-se

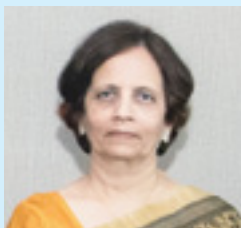
Mrs. Ritu P. Chhabria is the spouse of Mr. Prakash Chhabria, the Executive Chairman of the Company. She is also part of the Promoters' Group.

(d) Names of listed entities in which the person also holds the directorship and the membership of Committees of the board of directors

Mrs. Ritu P. Chhabria is a member of Corporate Social Responsibility Committee of the Company. She does not hold any directorship or committee membership in any other listed company.

(e) Shareholding in the Company

Mrs. Ritu P. Chhabria holds 4,450 equity shares of the Company.



Mrs. Kanchan U. Chitale

(a) A brief resume of the director

Mrs. Kanchan U. Chitale, 66, is a fellow member of the Institute of Chartered Accountants of India (ICAI). She has worked as a chartered accountant since 1984 under the name of 'Kanchan Chitale & Associates'. Having completed her residential course on Management at the Indian Institute of Management, Ahmadabad (IIM-A) and a course of Lead Assessor of Quality System for ISO 9000, she has been a member of IIM-A Alumni Association, member and Ex-VP of Association of Women Industrialists of Maharashtra (WIMA) from 1992 to 1993 and has also been a member of ICAI, Bombay Chartered Accountants Society.

(b) Nature of her expertise in specific functional areas

With more than 30 years of experience in internal and management audits of corporate enterprises, specialized/concurrent audits and other assignments of commercial banks and financial institutions, she specializes in the internal audits of large construction companies.

(c) Disclosure of relationships between directors inter-se

None of the directors are related to Mrs. Kanchan U. Chitale.

(d) Names of listed entities in which the person also holds the directorship and the membership of Committees of the board of directors

Mrs. Kanchan U. Chitale holds directorship (and the membership/chairmanship of Audit Committee and Stakeholder Relationship Committee) of other listed companies viz. GOCL Corporation Limited (Chairperson - Audit Committee), Gulf Oil Lubricants India Limited (Chairperson of Audit Committee) and IndusInd Bank Limited (Chairperson of Audit Committee).

(e) Shareholding in the Company

Mrs. Kanchan U. Chitale does not hold any equity shares of the Company.

FINOLEX INDUSTRIES LIMITED

Form No. MGT-11

PROXY FORM

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

CIN: L40108PN1981PLC024153

Name of the Company: **FINOLEX INDUSTRIES LIMITED**

Registered office: Gat No. 399, Urse, Taluka Maval, District Pune 410506. Tel No. 02114-237251
Fax No. 02114-237252. Email: investors@finolexind.com Website: www.finolexpipes.com

Name of the member(s) :	
Registered address:	
E-mail Id:	
Folio No./DPID & Client Id:	

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

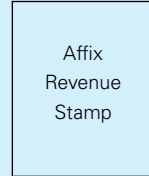
1	Name :	
	Address:	
	E-mail address:	
		or failing him
2	Name :	
	Address:	
	E-mail address:	
		or failing him
3	Name :	
	Address:	
	E-mail address:	

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty-Eighth Annual General Meeting of the Company, to be held on the Thursday, 19th September, 2019 at 11.00 a.m. at Kirloskar Institute of Advanced Management Studies, Gat No. 356 & 357, Near Tata Foundry Maval, Village Dhamane, Taluka Maval, District Pune 410 506 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary business	
1	To consider and adopt standalone and consolidated audited financial statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Auditors and the Board of Directors.
2	To declare dividend on equity shares for the financial year ended 31st March, 2019.
3	To appoint a Director in place of Mrs. Ritu P. Chhabria (DIN 00062144), who retires by rotation and, being eligible, offers herself for re-appointment.
Special business	
4	To ratify a consolidated remuneration of ₹ 4,00,000/- (Rupees Four Lakh Only) to be paid to M/s. S. R. Bhargave & Co., Cost Accountants, Pune, (Firm Registration No. 000218) the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending 31st March, 2020.
5	To give approval for appointment of Mrs. Kanchan U. Chitale (DIN 00007267) as an Independent Director of the Company, not liable to retire by rotation for a term of 5 (five) consecutive years on the Board of the Company effective from 1st April, 2019 to 31st March, 2024.
6	To give approval for issuing offer(s) or invitation(s) to subscribe to debt securities as defined under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, including Non-Convertible Debentures ("NCDs") for a sum not exceeding ₹ 2,50,00,00,000/- (Rupees two hundred fifty crore only) on a private placement basis in one or more tranches during a period of one year from the date of passing of this resolution within the overall borrowing limits of the Company, as approved by the members, from time to time.

Signed this _____ day of _____ 2019

Signature of Shareholder



Signature of Proxy

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, explanatory statement and notes, please refer notice, of 38th Annual General Meeting.

FINOLEX INDUSTRIES LIMITED

Registered Office : Gat No. 399, Urse, Taluka Maval,

District Pune 410 506, Maharashtra, India

CIN : L40108PN1981PLC024153

Tel No. 02114-237251, Fax No. 02114-237252

E-mail: investors@finolexind.com Website: www.finolexpipes.com

38th Annual General Meeting - 19th September, 2019

ATTENDENCE SLIP

(To be handed over at the entrance of the venue of the meeting)

Folio No.

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DP ID No. & Client Id No.

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Member's Name
(In block letter)

No of shares held

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Proxy's Name
(In block letter)

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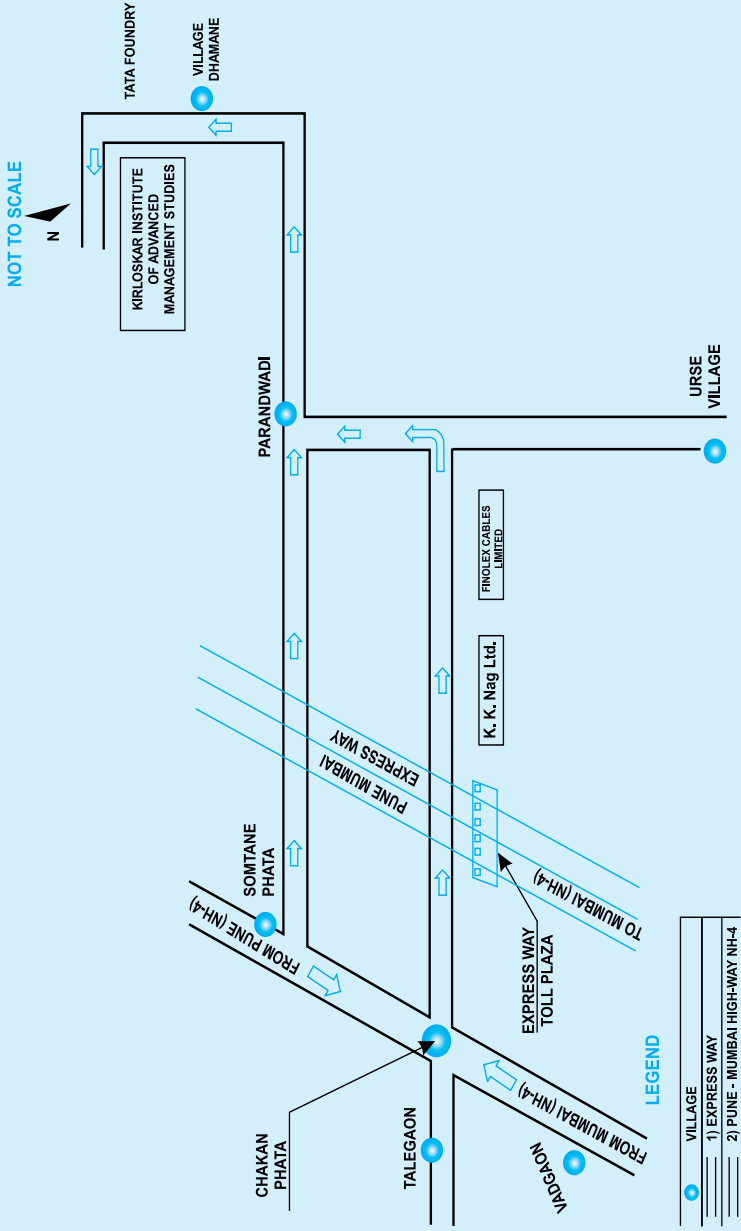
I hereby record my presence at the 38th Annual General Meeting held at Kirloskar Institute of Advanced Management Studies, Gat No. 356 & 357, Near Tata Foundry Maval, Village Dhamane, Taluka Maval, District Pune 410 506 on Thursday, 19th September, 2019 at 11.00 a.m.

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 attendance slips with them. Duplicate slips will not be issued at the entrance of the meeting hall.

Road Map for Kirloskar Institute of Advance Management Studies





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Finolex Industries Limited

D-1/10, MIDC, Chinchwad, Pune - 411 019,
Maharashtra, India. Tel.: +91-20-2740 8200

E-mail: investors@finolexind.com

Website: www.finolexpipes.com

