

FCL: SEC: SE: 2020: 175

29th September 2020

Corporate Relationship Department
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai - 400 001

Dear Sir,

Re: Proceedings of the 52nd Annual General Meeting of the Company held on Tuesday, 29th September, 2020.

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), we enclose gist of proceedings of the 52nd Annual General Meeting of the Company held on Tuesday, 29th September, 2020.

Kindly arrange to take the above on your record.

Thanking you,

Yours faithfully
For FINOLEX CABLES LIMITED


Gayatri Kulkarni
Compliance Officer
Encl: As above

Gist of Proceedings of the 52nd Annual General Meeting of Finolex Cables Limited held on Tuesday, 29th September, 2020

The 52nd Annual General Meeting ("AGM") of the Company was held on Tuesday, 29th September 2020 through Video Conferencing (VC) / Other Audio Visual Means ("OAVM"). The AGM was held in compliance with the provisions of the Companies Act, 2013, (the "Act") and Rules thereunder, as applicable read with the General Circular No. 14/2020 dated 8th April 2020, the General Circular No. 17/2020 dated 13 April 2020 and the General Circular No. 20/2020 dated 5 May 2020, issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars") and the SEBI Regulations read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020. The meeting commenced at 11.30 a.m. and concluded at 12.18 p.m. (including time allowed for e-voting at AGM) on the same day. In terms of the aforesaid Circulars the AGM is deemed to be held from the Registered Office of the Company.

Brief details of the meeting:

Mr. Deepak K Chhabria, Executive Chairman chaired the proceedings of the meeting. The requisite quorum being present, the Executive Chairman called the meeting to order. The Executive Chairman thereafter delivered his speech. Copy of the Chairman's Speech is attached herewith as Annexure A.

The Executive Chairman informed that remote e-voting had commenced at 9.00 a.m. on Saturday, 26th September, 2020 and ended at 5.00 p.m. on Monday, 28th September, 2020.

The Chairman briefed the members with respect to the business to be transacted at the meeting. As per Notice dated 14th, August, 2020 convening the 52nd Annual General Meeting of the Company, the following businesses were transacted at the meeting. The Chairman stated that Resolution Nos. 1 to 3 were proposed to be passed as Ordinary Business and Resolution Nos. 4 to 13 were proposed to be passed as a Special Business.

The following items of business as per the Notice of 52nd Annual General Meeting were commended for members' consideration and approval:-

Sr. No	Resolutions Description	Resolution Type
	<u>ORDINARY BUSINESS</u>	
1	Adoption of financial statement (including consolidated financial statements) of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon.	Ordinary Resolution

2	Declaration of dividend @ 275% on equity shares for the financial year ended 31st March, 2020 (i.e. @ Rs.5.50 per equity share of Rs.2/- each fully paid up) for the financial year ended 31st March, 2020.	Ordinary Resolution
3	Appointment of Mr Shishir Lall [DIN:00078316], who retires by rotation, and being eligible, offers himself for reappointment, as explained in Note No. 22 of the Notice.	Ordinary Resolution
	<u>SPECIAL BUSINESS</u>	
4	Appointment of Mr Devender Kumar Vasal [DIN: 06858991] as Director of the Company, liable to retire by rotation.	Ordinary Resolution
5	Appointment of Mr Jayaram Rajasekara Reddy [DIN: 07838591] as Director of the Company, liable to retire by rotation.	Ordinary Resolution
6	Appointment of Mr Yatin Yashwant Redkar [DIN: 07799478] as Director of the Company, liable to retire by rotation.	Ordinary Resolution
7	Appointment of Mrs Kavita Bhaskar Upadhyay [DIN: 08333952] as Director of the Company, liable to retire by rotation.	Ordinary Resolution
8	Appointment of Mr Devender Kumar Vasal [DIN: 06858991] as an Independent Director of the Company, for a term of five consecutive years with effect from 19th September, 2019.	Ordinary Resolution
9	Appointment of Mr Jayaram Rajasekara Reddy [DIN: 07838591] as an Independent Director of the Company, for a term of five consecutive years with effect from 19th September, 2019.	Ordinary Resolution
10	Appointment of Mrs Kavita Bhaskar Upadhyay [DIN: 08333952] as an Independent Woman Director of the Company, for a term of five consecutive years with effect from 14th February, 2020.	Ordinary Resolution
11	Ratify remuneration payable to M/s. Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No.00240) pursuant to their appointment as Cost Auditor of the Company for the financial year 2020-21.	Ordinary Resolution
12	To offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating upto an amount of Rs.150 Crores (Rupees One Hundred Fifty Crores Only) on	Special Resolution

	private placement basis.	
13	Approval for the Company to continue to purchase optical fibre from Corning Finolex Optical Fibre Private Limited as set out at item No. 13 of the Notice.	Special Resolution

On the invitation of the Chairman, Members who had previously registered themselves as speakers, addressed the meeting through VC/ OAVM and sought clarifications on the Company's accounts and business.

Clarifications were provided by the Chairman and Mr. Mahesh Viswanathan, CFO of the Company to the queries raised by the Members. The Chairman thereafter replied to a few general queries remaining and thanked all Members for their participation at the AGM. The Chairman also requested that Members to stay safe and be healthy.

The Executive Chairman informed the Members that Mr. Mandar Jog, Practising Company Secretary (CP No. 9798) or failing to his Mrs. Kanchan Limaye, Practising Company Secretary (CP No.17326) of M/s. Jog Limaye & Associates, Company Secretaries was appointed as the Scrutinizer for the purpose of scrutinizing the remote e-voting and also the voting done by the Members during the time given to Members who had logged in to the AGM but had not cast their votes earlier by remote e-voting.

The Executive Chairman informed the Members that the results of e-voting and votes cast on the day of the AGM shall be reconciled by the Scrutinizer and his Report within 48 hours of the conclusion of the Meeting be made available on the website of the Company, that of M/s. National Securities and Depositories Limited (NSDL), and of the Stock Exchanges where the Equity Shares of the Company are listed.

Chairman's Speech

Ladies and Gentlemen, Good Morning.

Today, on the occasion of the 52nd Annual General Meeting of Finolex Cables Ltd I extend a warm welcome to all shareholders gracing this occasion. This year, in view of the COVID19 pandemic, this meeting is being organized virtually and I am glad that so many of you have taken it upon yourself to participate – I am sure that your active participation would encourage all employees at the Company to continue their efforts in achieving growth and excellence. In this period of COVID, I hope all members are taking good care of their health and safety and wish everyone the best of health.

Finolex Cables Ltd prides itself as a premium brand and the brand stands for quality and safety – on these aspects we shall never compromise and continue to deliver to our customers the maximum value for money. Despite the lack of growth in the economy and the serious disturbances caused by a ravaging pandemic, your Company stood up to the challenges posed and posted more than satisfactory returns. Over the years, your Company, has attained holistic growth and the impact of this growth has been experienced by all stakeholders.

Moving to the business of the day, the Notice convening this meeting, the Directors' Report and the Auditors' Report for the financial year 2019-20 are already with you, and I take them as read. The auditor's report is unqualified and clean.

Now, I would like to throw some light on a few major events of 2019-20, which impacted the performance of the Company and will have a continuing impact for some time to come:

Over the past year the Indian Economy was facing headwinds on several fronts. Growth was sluggish, both globally as well as locally, Real Estate sector has been struggling burdened with a high inventory as well as poor short-term outlook, the financial sector was burdened by the threat of potential losses while the Telecom sector had its own woes. At the same time, we were also confronted with a health crisis unlike anything the world has witnessed earlier – a pandemic of such huge proportion that for the last six months the world has seen lockdowns, complete halt of business operations and grinding of economies. Our 4th quarter revenues were significantly impacted by COVID disruptions due to lockdowns and consequent disturbances to the supply chain. We estimate that approximately Rs 200 crore worth of sales was lost in this period.

Challenges in the short-term notwithstanding, our growth potential remains high. Our core business of wires and cables has a comprehensive range of products that are used across

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

In my message last year, I had touched upon our endeavour to expand our retail reach. I am happy to inform you that we have made good progress in this direction and by end March 2020, had reached 50,000 retailers across the country. This journey

continues and we should reach our target of 1,50,000 retailers soon. While the seeds for this change were sown in the previous year, we expect to start reaping the benefits gradually from the current year.

Now for the business highlights of 2019-20:

- Your Company's Electrical Wires segment revenue stood at Rs. 2361 crore as compared to Rs. 2494 crore in the previous year – a drop of 5%
- Communication Cables revenue stood at Rs. 409 crore as compared to Rs. 489 crore in the previous year – a drop of 17%
- The segment titled "Other" showed a higher revenue of Rs.88 crore as against Rs.71 crore in the previous year – a growth of 24%. This segment comprises of the new product lines such as Lamps, Switches, Fans, Water Heaters and Switchgear. This performance could have even been bettered had COVID related disruptions not taken place.
- Net sales for the year FY2019-20 stood at Rs. 3049 crore as against Rs 3200 crore in the previous year.
- Net Profit before taxes (PBT) stood at Rs.501 crore as against Rs. 532 crore in FY2018-19
- EBITDA stood at Rs. 542 crore as compared to Rs. 573 crore in same period last year and EBITDA Margin stood at 17.77 %
- Profit After Tax was better at Rs.402 crore in FY2019-20 as against Rs.344 crore FY2018-19.
- Your Company continues to remain debt free.
- Our CSR efforts continue to be focused around projects in education, healthcare and women empowerment. This year we incurred an expenditure of Rs 12.3 crore.
- Our capex plan of Rs. 200 crore over the next 18-20 months remains unchanged. We have multiple ongoing projects, one of which is at Goa to manufacture electrical conduits. While plant construction has been

completed, the equipment testing by experts has been delayed due to travel restrictions. In Pune, we have commenced the construction of a plant for the manufacture of solar cables. The plant will be deploying electron beam accelerators, the most advanced technology for the manufacture of abrasion-resistant and long-lasting solar cables. Besides serving the renewable energy sector, these electron-beam cured cables are also being used in the construction and automobile segments due to their ability to withstand higher temperature, opening up more growth avenues. As part of our efforts to strengthen backward integration, we are installing a new line to make tinned copper and foray into instrumentation cables. While the lockdown and reverse migration of labourers from cities to villages has impacted our project timelines, we are working towards restoring construction speed following the gradual normalisation of the economy.

- Your Company continues to focus on areas critical to better financial performance, such as cost control, improved asset utilization, reduced debt levels and overall improvement in productivity which I am sure will lead to a stronger Balance Sheet in the years to come. Finolex Cables Ltd is well poised to take advantage of any future growth opportunity.
- For the year ended 2019-20, your Directors are pleased to recommend a 275% dividend, Rs.5.50 per equity share.

Mr. D K Vasal and Mr. J R S Reddy, who were appointed by the Board as Additional Directors (Independent), retire at this meeting and being eligible, offer themselves for reappointment. The Board proposes and recommends their appointment as Independent Directors.

Mr Y Y Redkar, who was appointed as Additional Director (Executive Director-Operations) during the year, retires at this meeting and being eligible, offers himself for reappointment. The Board recommends his reappointment.

Mr Shishir Lall, Non-Executive Director, retires by rotation at this meeting and being eligible, offers himself for reappointment. The Board recommends his reappointment.

Mrs Kavita Upadhyay, who was appointed as Woman Director (Additional, Independent) retires at this meeting and being eligible, offers herself for reappointment as Independent Woman Director. The Board recommends her reappointment.

Mr J R Samuel, who was appointed as Additional Director, ceased upon his resignation on 14th August 2020. The Board places on record, its deep appreciation of Mr Samuel's contribution during his tenure.

I take this opportunity to thank all Members particularly those of you who have so kindly made it convenient to attend this meeting. I am grateful to the banks, financial institutions, government departments, local authorities, customers, suppliers and business associates of Your Company for their continued co-operation and support. I express my deep gratitude to all Directors on the Board and employees of your Company at all levels for their efficient handling of Your Company's operations. I look forward with confidence and optimism to their continued co-operation and support in future.

With this I conclude my opening remarks.

Thank you.