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Finolex
Cables Limited
AN IS/ISO 9001 COMPANY

FCL:SEC:18:351
24th September, 2018

The Manager
Listing Department
National Stock Exchange of India Ltd
`Exchange Plaza', C-1, Block G,
Bandra – Kurla Complex,
Bandra (E),
Mumbai – 400 051

Dear Sirs,

Please find enclosed for your kind information and record a copy of the "Chairman's Speech" that is to be delivered at the Annual General Meeting of Finolex Cables Limited scheduled to be held on Tuesday, the 25th September, 2018.

Thanking you,

Yours faithfully
For Finolex Cables Limited

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

Encl: As above.

Chairman's Speech
50th AGM – FINOLEX CABLES LIMITED
25th September 2018

Ladies and Gentlemen,

Good Morning.

I welcome you to the 50th Annual General Meeting of Finolex Cables Ltd.

As we celebrate the 50th year milestone, I would like to begin with a personal statement - it has been my privilege and honor to have served here for over 30 years, the last 5 as your Company's Executive Chairman.

Over the last 5 years, our Company has reached new heights and needless to say your support has made this possible. Our 5 year, **CAGR metrics shows: Revenue up by 4.23%, PBT up by 24.16%, PAT up by 19.76%, Net Worth up by 18.87%, EPS up by 19.76% and Share Price (NSE) up by 71.41% (Our shares traded at Rs. 45.60 per share on 31st March, 2013 and Rs. 674.85 on 31st March, 2018). Besides this, we have been DEBT FREE since last 3 years.**

Over the years, your Company, has attained holistic growth and the impact of this growth has been experienced by each one in the value chain - From Customers, to Employees, to Partners and more importantly by you as an Investor.

Our Company's approach has always been - while growth is measured by a number, **there is an equal measure that has gone into it from your side, which is BELIEF AND TRUST IN THE LEADERSHIP AND IN FINOLEX CABLES.** You will appreciate, this has been a win-win formula, where together, we have been the right fit to achieve this level of progress.

Now, moving to the business of the day, the Notice convening this meeting, the Directors' Report and the Auditors' Report for the year 2017-18 are already with you. May I take the Notice and Directors' Report as read?

I would like to touch upon a few major events of 2017-18, that will have a major impact on the Company's growth in the coming years:

- 2017-18 witnessed some substantial changes to the tax structure and administration of our country – the introduction of GST brings in one of the most important reform measures to have been undertaken in this country which will, slowly, but surely, lead us to stage of unified indirect taxes across the country. The reform will also, over a period of time bring in much needed simplification of the tax collection and administration processes. This in turn will bring a sea change in the way business will be conducted in future and will act as growth lever for tax compliant business citizens such as your Company. While the introduction was not without hiccups, things seem to be settling down and we also see a movement of trade towards organized businesses such as your Company.
- The introduction of RERA across various states also augurs well for your Company – it seeks to regulate the Real Estate sector thus bringing the entire construction activity into an organized industry.
- The push for "digitization" of the economy, providing digital access to every section of the society and improved connectivity will also improve the business prospects for your Company. Going forward, it is likely that adoption of newer technologies (data analytics/5G etc etc) will further improve the demand for your Company's Optic Fibre Cable offerings.

As a Company we will embrace these opportunities with full vigour in cooperation with all the stakeholders.

Let me now move to the results for 2017-18:

- Electrical Wires grew in volumes by 4% to 15% (depending upon application) as compared to previous year.

- Communication Cables grew by over 25% as compared to previous year. Within this segment, OFC more than doubled in volume.

- The Company expanded on its offering of Fans, Miniature Circuit Breakers (MCB) and Water Heaters during the year.

- Net sales for the year rose to Rs. 28842 million from Rs. 26707 million in the previous year.

- Net Profit before taxes was Rs.5045 million as compared to Rs. 4193 million a year ago.

- The Company continues to remain debt free.

- 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 as well as position your Company to take advantage of any future growth opportunity.

For the year ended 2017-18, your Directors are pleased to recommend a 200% dividend on equity shares as against the 150% paid in the previous year.

Ms Namita Thapar, Director, retires at this meeting and while being eligible, does not wish to offer herself for reappointment due to other commitments. On behalf of the Board, I wish to place on record our sincere appreciation of her contribution to the progress made by the Company during her tenure.

Mr Mahesh Viswanathan, Director retires at this meeting by rotation and being eligible, offers himself for reappointment. The Board proposes and recommends his appointment as a Director.

As you are aware, my current term ended on 30th June, 2018 and I am up for reappointment. I would like to assure members that I am as enthused and excited as I was when I first joined this organization 30 years ago and will continue to work with the same zeal and commitment that I have shown over the years. It would be an honor to continue to serve the Company and be a part of its future journey and growth, and I look forward to your continued support.

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.

You will notice the absence of our Audit Committee Chairman Dr H S Vachha – he has been unwell and is unable to be present here as he has been advised not to travel. Mr P G Pawar, is also not present here since he had to travel abroad on an unscheduled, but urgent business matter. However, I shall be happy to answer any question on Your Company's operations and the Annual Report.

Thank you.