



FCL:SEC:16:
8th September, 2016

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 8th September, 2016.

Thanking you,

Yours faithfully
For Finolex Cables Limited

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

Encl: As above.

Chairman's Speech
48th AGM – FINOLEX CABLES LIMITED
8th September 2016

Dear Members,

It is my privilege to welcome you to this 48th Annual General Meeting of Your Company.

The Notice convening this meeting, the Annual Report including the Directors' Report for the year 2015-16 are already with you. May I take the same as read?

As members are aware, late Shri P P Chhabria, Founder Promoter and former Chairman of the Company, left for his heavenly abode on 5th May 2016. From humble beginnings, through sheer hard work, commitment to quality, ethical business practices and strong customer focus, he alongwith his brother, Shri K P Chhabria built this organization to where it stands today. While we will all miss his presence, I sincerely believe that the values we imbibed over the years from him will continue to guide us in the future as well.

Let me now give you a brief recap on the results of 2015-16:

- Over the last couple of years that the current government has been in office, several new measures – both on the policy side as well as on the execution side – have been put in place. While I believe that for these measures to be reflected at the ground level, it would take some amount of time, the year that is under review reflects the effect of some of these measures – the Indian economy posted a healthy 7.5% growth, was considered one of the few bright spots in the global economic scene and hence has much promise to deliver in the coming years.
- The year under review also saw very soft commodity prices – copper prices were substantially below 2014-15 levels, yet volume growth in Electrical Cables was robust at over 10%. Communication Cables, did even better, with volumes from this segment growing by over 30%.
- Net sales for the year rose to Rs. 24,611 million from Rs. 24,490 million in the previous year.
- Net Profit after taxes was Rs.2,488 million as compared to Rs.1,987 million a year ago.
- The CSR funds from Your Company were used for the creation of additional infrastructure for FAMT (Finolex Academy at Ratnagiri). FAMT could develop the infrastructure facilities in terms of building, computers, furniture and other academic infrastructure. A new building - **"Library and Academic Block"** was constructed having built up area of 1045 Sq. Mtrs (completed in March 2016). The building accommodates 3 classrooms, 6 well equipped computer laboratories, seminar hall and a faculty room. The building is completed in all respect as per the norms and standards of controlling authorities like AICTE.

Your Company continues to evolve itself from a Wire and Cable Company to an Electrical Products Company.

The Company launched a range of fans in May 2016. The complete range was launched at one go which includes table, wall, pedestal, ceiling, exhaust and personal fans. A wide variety of models and colors have been launched and well accepted by the market.

Next week, your Company is launching Miniature Circuit Breakers (MCBs) and Distribution Boxes in the market. We plan to introduce ELCBs and MCCBs shortly to cover the entire portfolio.

Your Company plans to expand its business activity in electrical switches by launching a complete new range of Electrical Switches in December 2016 and is also working on developing and launching the electronic touch models shortly thereafter.

Your Company continues to evaluate new products in the Electrical Segment which could easily be marketed through the present distribution network. The launch for such products under consideration would be announced at an appropriate date during the year.

While the Company continues to add new electrical products in its portfolio, investments have been made to increase capacity in electrical wires, coaxial cables and LAN cables during the current year.

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. With GST all set to be a reality in the near future, this will help your Company reduce costs, improve efficiencies in the supply chain and also increase sales due to a shift in business from the unorganized to the organized sector.

For the year ended 2015-16, your Directors are pleased to recommend a 125% dividend on equity shares (including a special dividend of 25% as homage to our Founder late Shri PP Chhabria) as against the 90% paid in the previous year.

Mrs Namita Thapar, Director retires at this meeting by rotation and being eligible, offers herself for reappointment. The Board recommends her appointment as Woman Director.

I take this opportunity to thank all shareholders 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.

I shall be happy to answer any question on Your Company's operations and the Annual Report.

Thank you.

Deepak K. Chhabria
Executive Chairman