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Finolex
Cables Limited
AN IS/ISO 9001 COMPANY

FCL:SEC:17:
28th September, 2017

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 28th September, 2017.

Thanking you,

Yours faithfully
For Finolex Cables Limited

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

Encl: As above.

Chairman's Speech
49th AGM – FINOLEX CABLES LIMITED
28th September 2017

Dear Members,

It is my privilege to welcome you to this 49th Annual General Meeting of your Company.

The Notice convening this meeting, the Directors' Report and the Auditors' Report for the year 2016-17 are already with you. May I take the Notice and Directors' Report as read?

I will start with a brief recap of the year under review:

- 2016-17 saw some momentous action such as the results of the US elections and the UK referendum on continuation within the EU. Both the outcomes threw and continue to throw challenging situations and opportunities for businesses globally.
- At home, the de-notification by the government of a series of currency notes, brought immediate and substantial challenge to how business was being conducted in many places within the country.
- Elections to multiple state governments at the beginning of 2017 saw the ruling dispensation at the centre take a larger role in many of the states – hopefully this would lead to a more concentrated and cohesive approach in the future towards economic policies.

As I had mentioned in my message to the Members, as a Company we rose to meet these challenges in cooperation with all the stakeholders.

Let me now move to the results for 2016-17:

- The Company adopted Accounting Standards as per IND AS effective 1st April 2016. Comparative data for the previous year has therefore been restated as per the revised standards.

- For more than 7 months of the year under review copper prices remained soft and below previous year's levels. As a result, even though volumes improved across all product lines, the revenue increase was modest at 4%.

- Electrical Wires grew in volumes by 8% to 22% (depending upon application) as compared to previous year.

- Communication Cables grew by over 22% as compared to previous year. During the year Finolex achieved an important milestone by being the sole supplier of Optic Fiber Cables for the Indian Navy. The Company also won major contracts from Idea, Bharti and Reliance Jio during this period.

- The Company successfully launched its offering of Fans, Miniature Circuit Breakers (MCB) and Water Heaters during the year. All newer products conform to the usual "Finolex Quality" standards and have been well accepted.

- Net sales for the year rose to Rs. 26707 million from Rs. 25747 million in the previous year.

- Net Profit after taxes was Rs.3159 million as compared to Rs. 2489 million a year ago.

- The Company is currently debt free – the existing loan was prepaid in December 2016.

The goals that we have set ourselves for 2017-18 include,

a) Introduction of a newer range of switches including "Electronic Touch" models.
b) Launch MCCB shortly; the product is ready and is undergoing certification.
c) Expand on the recently launched Fans business, by bringing in more variety and models. By the end of 2017, we expect to cover the entire country with a wide variety of superior performing Fans catering to multiple applications.
d) Launch new products which are currently under consideration and being brought to Board for its approval, thus steering your Company towards being an Electrical Products Company.

- 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 2016-17, your Directors are pleased to recommend a 150% dividend on equity shares as against the 125% paid in the previous year.

Mr Atul Choksey and Mr Adi Engineer, Directors of the Company, resigned as Directors due to their other commitments and age. On behalf of the Board, I wish to place on record our sincere appreciation of their contribution to the progress made by the Company during their 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.

Mr Sumit Shah and Mr Shishir Lal were appointed as Additional Directors on the Board. Further the Board has recommended that they be appointed as Independent Directors of the Company.

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.

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

Thank you.