Chairman's Speech
46th AGM – FINOLEX CABLES LIMITED
9th SEPTEMBER 2014

Dear Members,

It is my privilege to welcome you to this 46th Annual General Meeting of your Company.

The Notice convening this meeting, the Directors' Report and the Auditors' Report for the year 2013-14 are already with you. May I take the Notice and Directors' Report as read?

I feel privileged to be addressing you for the first time as Chairman of your Company. At this point I would like very much to thank Shri PP Chhabria for having groomed and guided me to this position over a period of time. Having worked with him in close proximity, I have been influenced by his attachment to the strong values of commitment towards all stakeholders of your Company, be it investors, customers, suppliers or employees. I would endeavor to develop on these strong foundations and with your support, hope to lead your Company to greater success in the years to come.

Let me give you a brief recap on the results of 2013-14:

- Growth in Electrical Cables, one of the main segments which your Company is engaged in, was marginal during the year, in view of the subdued business climate that prevailed as well as the lackluster performance by infrastructure and automobile segments.

- Communication Cables, on the other hand did better. Private service providers (notably RJIL) started investing in backend infrastructure giving a boost to the order position.
- Net sales for the year rose to Rs. 23,590 million from Rs. 22,707 million in the previous year.

- Net Profit after taxes rose to Rs.2,076 million from Rs.1,453 million a year ago.

- During the year, we completed and commissioned a 5MW solar power generating plant at the Urse facility. This project was executed in a record time of 6 months and the plant is now generating an average of 25,000 units of power daily. This power is consumed by the various operating units at our Urse facility. This plant is the first in our attempt to "Go Green" – depending on the success of this operation, where possible, this effort will be replicated.

- Looking at the growth potential in the telecom sector as well as the various policy pronouncements by the government towards bringing about improved digital connectivity, Your Company has expanded its Optical Fibre Cabling capacity further this 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.

For the year ended 2013-14, your Directors are pleased to recommend a 80% dividend on equity shares as against the 60% paid in the previous year.

General sentiments regarding the economic prospects have become very positive in recent months. Indicators such as growth in the stock market indices, a smaller current account gap, improved forex reserves, improved FDI inflow all point to the belief that the country would soon return to its path of high growth and confirm to its potential as an economic powerhouse. Given this background, the investments in capacity addition that your Company has done over the past few years should start producing results.

Dr V G Pai retires at this meeting and I would like to thank him on behalf of all present here for his contributions during his tenure. Mr Adi J Engineer and Dr H S Vachha retire by rotation and being eligible, offer themselves for reappointment. Mr Atul C Choksey, Mr S B Ravi Pandit, Mr Pradeep R Rathi,Mr Sanjay K Asher and Mr Pratap G Pawar are Directors liable to retire by rotation and are eligible for appointment as Directors. The Board proposes and recommends the appointment of Mr Adi J Engineer, Dr H S Vachha, Mr Atul C Choksey, Mr S B Ravi Pandit , Mr Pradeep R Rathi,Mr Sanjay K Asher and Mr Pratap G Pawar as Independent Directors on the Board in accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder as also under the provisions of the revised clause 49 of the Listing Agreement with Stock Exchanges. These proposals have been listed out in the proposed resolutions listed as items 5 to 11 in the Notice for this Meeting -- I recommend that members vote for these resolutions as I believe them to be in the best interests of the Company and Members.

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.