

FINOLEX PIPES & FITTINGS



Annual Report 2023-24

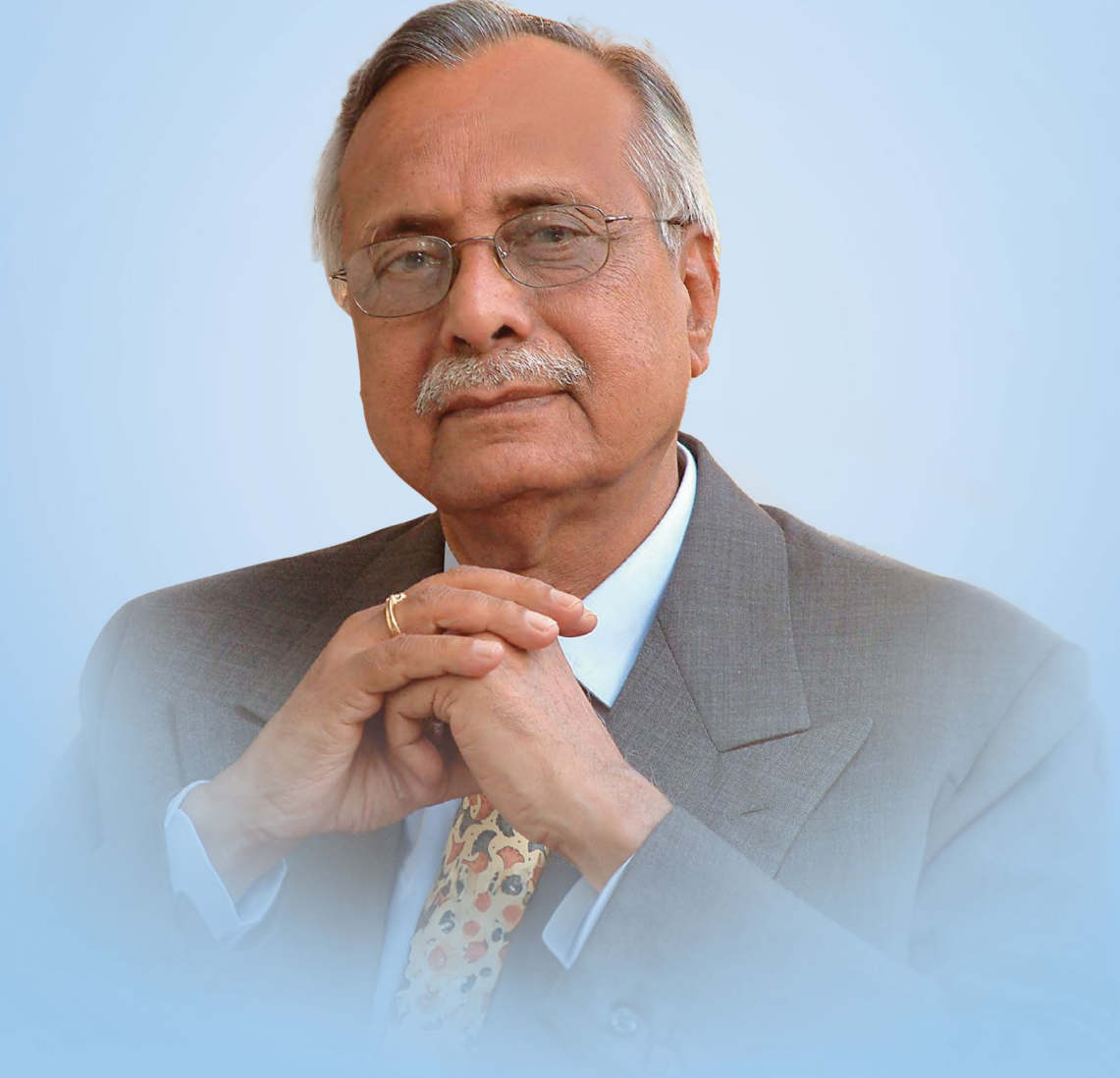


देहिनोऽस्मिन् यथा देहे कौमारं यौवनं जरा ।
तथा देहान्तरप्राप्तिर्धीरस्तत्र न मुह्यति ॥

भगवद् गीता अध्याय २.१३

Just as in the physical body of the embodied being is the process of childhood, youth and old age; similarly by transmigration from one body to another, the wise are never deluded.

Bhagavad Gita, Ch. 2.13



“

**I have not gone, just moved on.
Each morning we are born again to
work hard and live another beautiful
journey...**

”

**Shri Pralhad P. Chhabria
(12.03.1930-05.05.2016)**

**FY 23-24
Highlights**

₹ 4,317 Crore
Revenue

₹ 455 Crore
Profit After Tax (PAT)

₹ 585 Crore
EBITDA (6.65%)

₹ 15,292 Crore
Market capitalisation
as on March 31, 2024

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CORPORATE INFORMATION

Board of Directors

Mr. Prakash P. Chhabria
Executive Chairman

Ms. Bhumika L. Batra
Independent Director

Mrs. Ritu P. Chhabria
Non-Executive &
Non-Independent Director

Mr. Saumya Chakrabarti
Director - Technical

Mrs. Kanchan U. Chitale
Independent Director

Mr. Saurabh S. Dhanorkar
Non-Executive &
Non-Independent Director

Dr. Deepak R. Parikh
Independent Director

Mr. Pradeep R. Rathi
Independent Director

Mr. Anami N. Roy
Independent Director

Mr. Ajit Venkataraman
Managing Director

Mr. Chandan Verma
Dy. Chief Financial Officer
(w.e.f. July 27, 2024)

Mr. Dakshinamurthy Iyer
Company Secretary & Head Legal

Audit Committee

Mr. Pradeep R. Rathi
Chairman

Ms. Bhumika L. Batra

Mrs. Kanchan U. Chitale

Mr. Saurabh S. Dhanorkar

Dr. Deepak R. Parikh

Mr. Anami N. Roy

Corporate Social Responsibility Committee

Mrs. Ritu P. Chhabria
Chairperson

Ms. Bhumika L. Batra

Mr. Prakash P. Chhabria

Mrs. Kanchan U. Chitale

Mr. Saurabh S. Dhanorkar

Dr. Deepak R. Parikh

Mr. Pradeep R. Rathi

Mr. Anami N. Roy

Mr. Ajit Venkataraman

Stakeholders Relationship Committee

Mr. Anami N. Roy
Chairman

Ms. Bhumika L. Batra

Mr. Prakash P. Chhabria

Mr. Saurabh S. Dhanorkar

Dr. Deepak R. Parikh

Mr. Pradeep R. Rathi

Nomination And Remuneration Committee

Ms. Bhumika L. Batra
Chairperson

Mrs. Kanchan U. Chitale

Mr. Saurabh S. Dhanorkar

Dr. Deepak R. Parikh

Mr. Pradeep R. Rathi

Mr. Anami N. Roy

Risk Management Committee

Mrs. Kanchan U. Chitale
Chairperson

Ms. Bhumika L. Batra

Mr. Prakash P. Chhabria

Mr. Saurabh S. Dhanorkar

Dr. Deepak R. Parikh

Mr. Pradeep R. Rathi

Mr. Anami N. Roy

Mr. Ajit Venkataraman

Auditors

Statutory Auditors: Walker Chandiook & Co., LLP

Internal Auditor: Ernst & Young LLP

Secretarial Auditors: SVD & Associates, Pune

Cost Auditors: S. R. Bhargave & Co., Pune

Solicitors & Advocates

Crawford Bayley & Co., Mumbai

Bankers

Axis Bank Limited

Citibank N.A.

HDFC Bank Limited

Hongkong and Shanghai Banking Corporation
Limited (HSBC)

ICICI Bank Limited

Kotak Mahindra Bank Limited

Registered Office

Gat No. 399, Village Urse, Taluka Maval
District Pune 410 506, Maharashtra, India
Tel. No.: 02114-237251

Corporate Office

IndiQube 'The Kode' - 11th Floor,
S. No. 134, Hissa No. 1/38
Baner Pashan Link Road, Pune,
Maharashtra, India 411 045
Tel. No.: 020-27408200

Registrar and Share Transfer Agent

KFIN Technologies Limited

Unit: Finolex Industries Limited,
Selenium Building, Tower-B, Plot
No 31 and 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana
India - 500 032

WhatsApp: +91-910 009 4099

Toll Free: 1-800-309-4001

Email ID: einward.ris@kfintech.com

Website: www.finolexpipes.com

Corporate Registry (RIS) Website Link:
<https://ris.kfintech.com>

Investor Support Centre Link:
<https://ris.kfintech.com/clientservices/isc>



Scan this code with
QR reader app on your
smartphone or tablet and
know more about us.

CIN: L40108PN1981PLC024153
Email: investors@finolexind.com
Website: www.finolexpipes.com

BOARD OF DIRECTORS



Mr. Prakash P. Chhabria
Executive Chairman



Ms. Bhumika L. Batra
Independent Director



Mrs. Ritu P. Chhabria
Non-Executive &
Non-Independent Director



Mr. Saumya Chakrabarti
Director - Technical

Mrs. Kanchan U. Chitale
Independent Director

C Chairperson

M Member

A Audit Committee

S Stakeholders' Relationship Committee

CSR Corporate Social Responsibility Committee

N Nomination & Remuneration Committee

R Risk Management Committee

F Finance Committee

ST Share Transfer Committee



Mr. Saurabh S. Dhanorkar

Non-Executive &
Non-Independent Director



Dr. Deepak R. Parikh

Independent Director



Mr. Pradeep R. Rathi

Independent Director



Mr. Anami N. Roy

Independent Director



Mr. Ajit Venkataraman

Managing Director

COMPANY OVERVIEW

Finolex Industries, a leading player in India’s PVC pipes and fittings market, has made significant strides in its production capacity and product portfolio. With an annual production capacity for pipes and fittings now at 470,000 metric tons in FY24, up from 400,000 metric tons in FY23, we have solidified our position in the industry. Additionally, Finolex maintains a strong backward integration with a robust PVC resin production capacity of 272,000 metric tons annually.

Finolex offers an impressive 2,000+ SKUs. Our diverse product range caters to various sectors, including plumbing, sanitation, and agriculture providing solutions for a wide range of customer needs.

Finolex’s commitment to quality is underscored by our four state-of-the-art manufacturing facilities in Maharashtra and Gujarat. These facilities, combined with an extensive distribution network, enable us to maintain the highest standards across our value chain, reinforcing our reputation for excellence in the industry.

Our Products

Plumbing & Sanitation Pipes and Fittings

ASTM Pipes and Fittings



CPVC Pipes and Fittings



SWR Pipes and Fittings



Sewerage Pipes



Agricultural Pipes and Fittings

Agricultural PVC-U Pipes and Fittings



Column Pipes



Casing Pipes



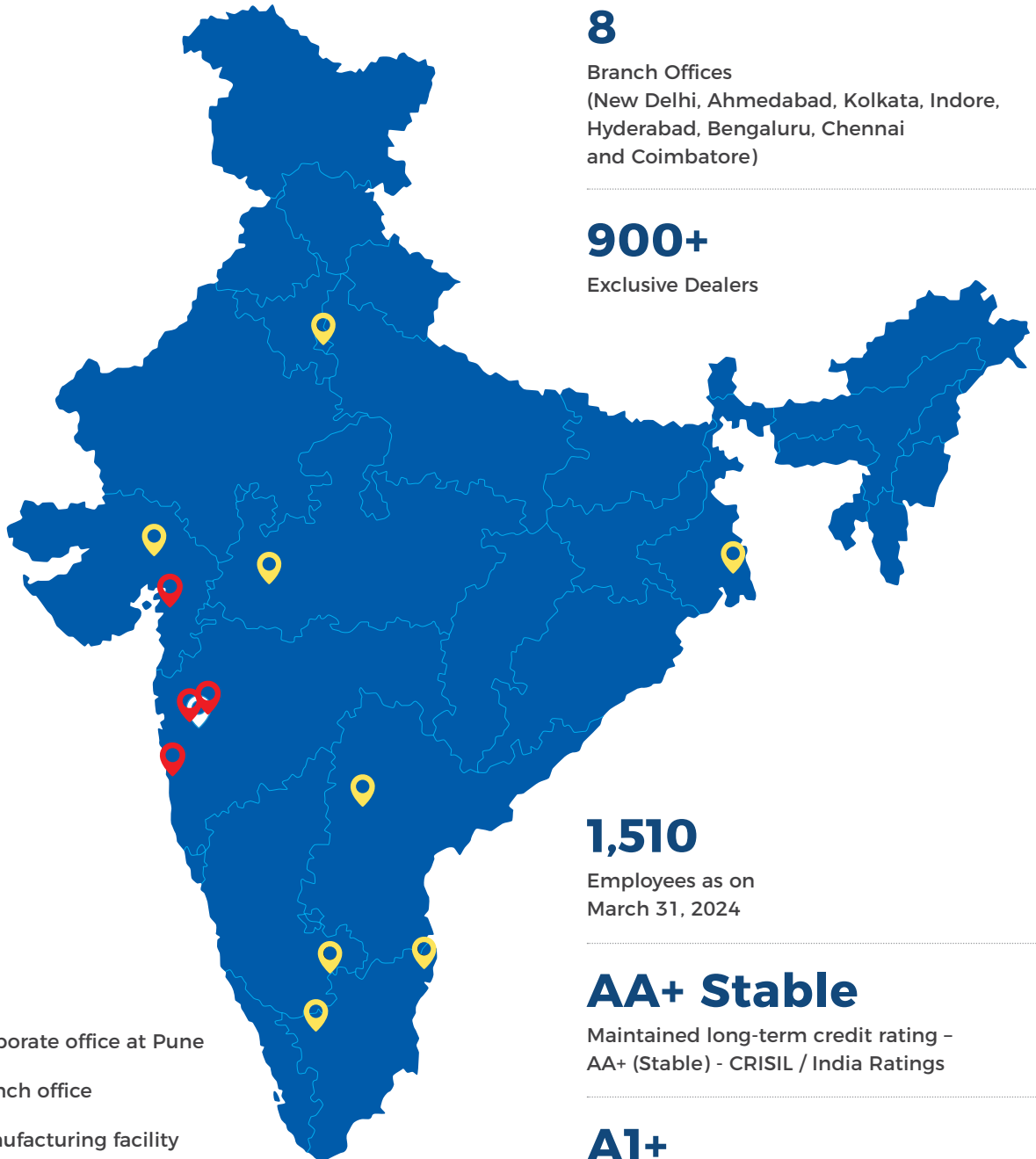
Solvent Cement & Lubricants



Newly Introduced Fittings



FINOLEX PIPES & FITTINGS AT A GLANCE



4

Manufacturing Facilities
(Ratnagiri, Urse, Masar & Bhadalwadi)

8

Branch Offices
(New Delhi, Ahmedabad, Kolkata, Indore, Hyderabad, Bengaluru, Chennai and Coimbatore)

900+

Exclusive Dealers

1,510

Employees as on
March 31, 2024

AA+ Stable

Maintained long-term credit rating -
AA+ (Stable) - CRISIL / India Ratings

A1+

Maintained short-term credit rating -
CRISIL / India Ratings

30,000+

Retailers

NIL

Long-term debt as
on March 31, 2024

₹ 25.64 Crore

CSR Spend

TEN-YEAR FINANCIAL HIGHLIGHTS (STANDALONE)

₹ in crore

Particulars	IND AS								IGAAP	
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
PROFIT AND LOSS ACCOUNT DATA										
Revenue from operations (Excluding Excise duty)	4,317	4,397	4,647	3,462	2,985	3,091	2,738	2,602	2,482	2,476
EBITDA*	585	293	1,024	989	447	604	484	563	404	213
EBIT **	469	203	940	912	374	534	423	508	354	155
Profit before tax	613	297	1,385	977	393	536	439	517	373	81
Profit after tax	455	237	1,053	728	324	350	299	352	254	48
Dividend [Proposed for FY 2023-24]	155	93	248	248	150	150	150	172	149	30
BALANCE SHEET DATA										
Share capital	124	124	124	124	124	124	124	124	124	124
Net worth	5,538	4,825	3,864	3,073	1,930	2,528	2,765	2,291	1,570	787
Loan funds	382	526	278	204	283	91	101	94	112	587
Gross block	2,735	2,644	2,461	2,399	2,334	2,199	1,179	1,982	1,923	1,894
Operating capital employed	1,368	1,184	1,402	1,402	1,668	1,681	1,473	1,330	1,113	966
KEY RATIOS										
EBITDA (%)	13.55%	6.65%	22.03%	28.57%	14.99%	19.55%	17.68%	21.63%	16.30%	8.62%
Return on capital employed (%) ***	34.27%	17.17%	67.09%	65.03%	22.39%	31.77%	28.75%	38.19%	31.78%	16.01%
PAT (%)	10.55%	5.38%	22.67%	21.03%	10.86%	11.32%	10.90%	13.53%	10.25%	1.93%
Earnings per share (₹)	7.36	3.82	16.98	11.73	5.23	5.64	4.81	5.68	4.10	0.77
Debt to equity	0.07	0.11	0.07	0.07	0.15	0.04	0.04	0.04	0.07	0.75
Dividend payout (%)	33.95%	39.34%	23.56%	34.09%	46.15%	42.77%	50.11%	48.77%	58.71%	62.33%
Interest coverage (times)	16	11	73	136	40	49	49	37	9	4
Book value per share (₹)	90	78	62	50	31	41	45	37	25	13
Market capitalisation (₹)	15,292	10,585	9,596	7,864	4,848	6,071	8,187	7,185	4,519	3,521

* EBITDA - Earnings before exceptional item, Interest, Tax, Depreciation and Amortisation (excluding other income)

** EBIT - Earnings before exceptional item and Interest (excluding other income)

*** Return on capital employed - EBIT / Capital employed

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

For 43 years, we have been dedicated to producing superior-quality pipes and fittings. This unwavering focus has guided every decision, action, and resource allocation, ensuring our customers' continued trust in our products. Our reputation for quality and reliability stems from this commitment to excellence.

Our evolution from 'Finolex Pipes' to 'Finolex Pipes and Fittings' signifies more than a name change. It represents our commitment to responding to and meeting our customers' needs. This transformation underscores our promise to deliver to the plumbing and sanitation market in addition to our traditional agri market, broadening our scope and ensuring that we cater to a wider array of customer requirements.

The Finolex Group of companies was founded by the late Shri. Pralhad P. Chhabria in 1958. His legacy of humility, focus on fundamentals, emphasis on quality, continuous learning, and striving for excellence has shaped our company. His vision and leadership have been pivotal, supported by the collective efforts of a dedicated team, making Finolex the market leader it is today. His principles continue to inspire and guide us as we advance into new territories and innovate in our product offerings.

Reflecting on the past year, Finolex has solidified its position as a trusted household name, synonymous with excellence and reliability. Our key achievements include:

Profit Growth: 89% increase in profit after tax (on a consolidated basis), a testament to our efficient operations.

Sales Volume: 11% growth to 3.36 lakh MT of PVC pipes and fittings.

Earnings Per Share: 90% rise to ₹ 7.66.

Dividend Payout: ₹ 2.50 per share.

Production Capacity: Expanded to 4,70,000 MT for pipes & fittings.

Market Reach: Over 900 dealers and 30,000 retail touchpoints.

ESG Initiatives: We are committed to sustainable practices, as a result, were able to achieve a 3.2% renewable energy share, harvest more than 300,000 KL rainwater, and recycle 260,000 KL effluent back to process, with various measures to avoid more than 20,000 t CO2 emissions.

This year marks a decade of our collaboration with Mukul Madhav Foundation in our CSR initiatives.

Key efforts include:

Spectrum of Water: Over 11,500 individuals have been positively affected by our water conservation initiatives and scheme projects. Additionally, more than 2,550 people have benefited from the installation of Reverse Osmosis (RO) water coolers.

Education: Transformed 85 schools in Rajasthan, Bihar, and Karnataka, impacting 20,000 students by enhancing learning environments and opportunities.

Public Health: Over 51,000 individuals have benefitted from enhanced healthcare facilities, improved sanitation, eldercare services, nutritional support, and mental health initiatives.

These initiatives, led by Mrs. Ritu Chhabria, exemplify the spirit of 'Live to Give' and reflect our commitment to social responsibility. Our CSR activities are a vital part of our identity, reinforcing our role as a responsible corporate citizen dedicated to sustainable and inclusive growth. We have been relentless in spreading hope amongst those who feel they do not have the right to be hopeful.

Our journey has been remarkable, driven by the collective efforts of all our stakeholders, including our dedicated channel partners, vendors, suppliers, customers, agencies, employees, local and national governing authorities, policymakers & associates whose support has been instrumental in our success. Together, we will continue to build a brighter, more sustainable future, ensuring Finolex remains synonymous with excellence and reliability. As we move forward, we are committed to innovation, expanding our product lines, and enhancing our service offerings to meet the evolving needs of our customers. Our focus remains on quality, integrity, and customer satisfaction as we strive to maintain our leadership position in the industry and make a positive impact on society.

Thank you for your continued support and trust in Finolex. We look forward to achieving new milestones together.

Warm Regards,

Prakash Pralhad Chhabria

Executive Chairman



BUSINESS MODEL

Our state-of-the-art manufacturing facilities and emphasis on backward and forward integration help us maintain strict control over the entire value chain. This allows us to deliver products that meet and exceed customer expectations.

Framework

Our Manufacturing Facilities

4

Manufacturing Facilities

Production Capacity

**2,72,000 MT/
Annum**

Total Production Capacity of PVC Resin

**4,70,000 MT/
Annum**

Total Production Capacity of
PVC Pipes & Fittings

Our Talent and Expertise

1,510

Employees

28,696

Training Hours

Robust Resource Base

₹ 5,538 Crore

Net Worth

₹ 1,820 Crore

Free Cash (Net)

Strong Stakeholder and Community Relationships

₹ 25.64 Crore

CSR Spend

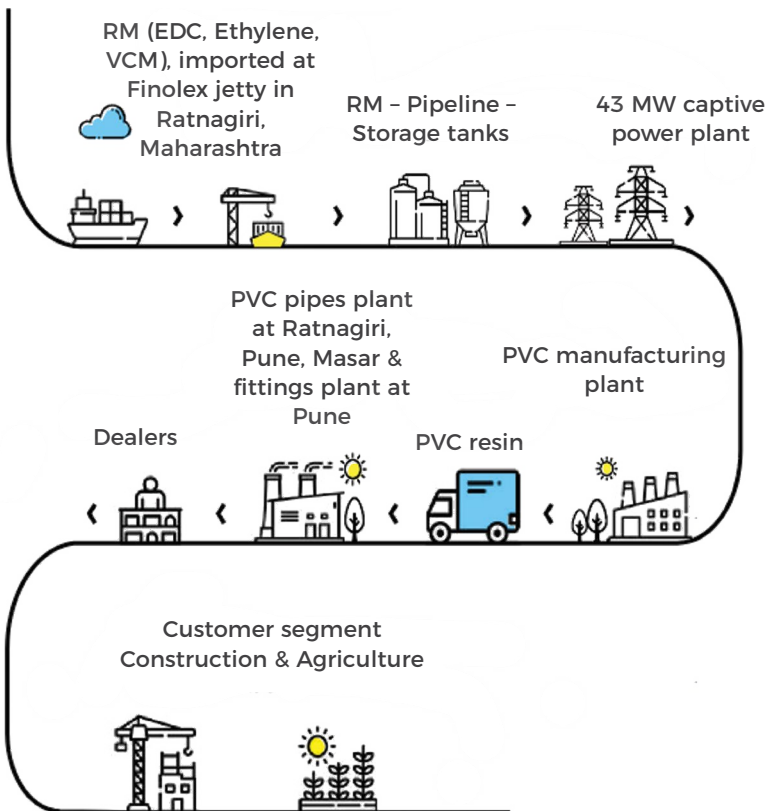
900+

Dealers &

30,000+

Retail Touch Points

Business Process



Value Created

₹ 7.36

Earnings per Share

₹ 455 Crore

Profit after Tax

₹ 4,317 Crore

Revenue from Operations

BRANDING AWARENESS AND MARKETING INITIATIVES

We use a 360-degree marketing approach to build brand visibility and recognition. Through stakeholder engagement and innovative strategies, we have reached out to our target audience. Initiatives like the Super Plumber Loyalty programme and industry events have improved engagement and enhanced relationships.

Unveiling Our New Logo

We have introduced a new logo that subtly evolves our brand identity while preserving a sense of familiarity and continuity.



Speaking about this change, Prakash P. Chhabria, Executive Chairman, shared, “Our evolution from ‘Finolex Pipes’ to ‘Finolex Pipes & Fittings’ signifies more than a name change. It represents our commitment to responding to and meeting our customers’ needs. This transformation underscores our promise to deliver to the plumbing and sanitation market in addition to our traditional agri market, broadening our scope and ensuring that we cater to a wider array of customer requirements.”

Launch of New Mainline Campaign

We launched the ‘Peedhiyan Badlengi, Pipe Nahin’ campaign to express our gratitude to the plumbers who have been vital to our brand’s success. The campaign celebrates the enduring trust and strong bonds among our diverse stakeholders.



Launch of New Campaign, ‘Peedhiyan Badlengi, Pipe Nahin’



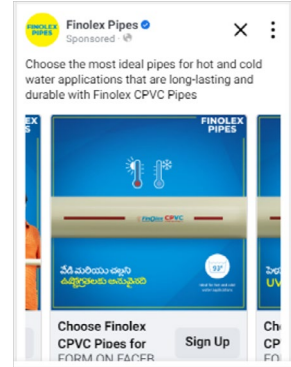
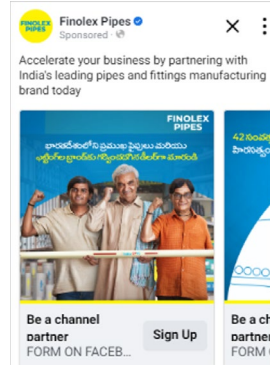
We extended our mainline campaign with two product ads showcasing the functionality of our CPVC and SWR pipes through a captivating storyline.

TV & Digital Media Campaigns

We've maintained a strong presence on-air and online, launching campaigns across top regional and national channels, social media, and sports networks.



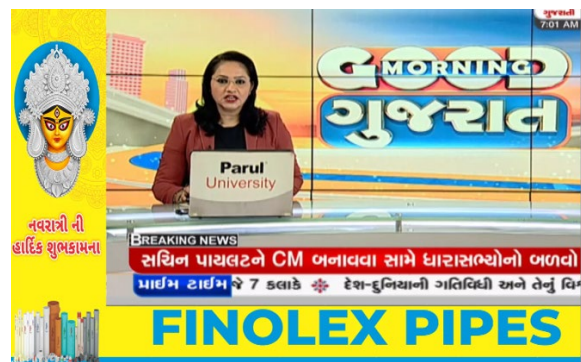
New brand Ad campaign on a popular TV channel



Digital campaigns on Facebook, Instagram and YouTube



Weather branding campaign on popular regional TV news channels in focused markets



Visibility in regional and national TV channels

Cricket Campaigns

Leveraging the extensive reach and popularity of the Cricket World Cup and the India vs South Africa Test series, we executed multiple brand visibility campaigns.



Logo bug in ICC Cricket World Cup 2023



Mat branding in India vs South Africa Test Series 2023

Media Sponsorships, Cinema advertising, In-film Integration

Our strong presence comprises extensive cinema campaigns, media sponsorships and in-film integrations.



Show - Khatron Ke Khiladi on Colours TV



ABP News - Roots and Rhythms



TV campaign during the Ram Mandir Inauguration



In-film integration in Telugu movie, Kushi

Topical Films & Festive Campaigns

We integrated storytelling through topical films using captivating narratives and engaged in festive campaigns nationwide.



Diwali Campaign



Raksha Bandhan Campaign



Holi Campaign



Durga Pooja Campaign



Rath Yatra



Pandharpur Wari

Radio Campaigns

Radio campaigns with on-ground integrations in major cities boosted regional brand awareness and strengthened local partner engagement.



Radio campaign on MY FM radio station

Participation in Popular On-Ground Events and Exhibitions

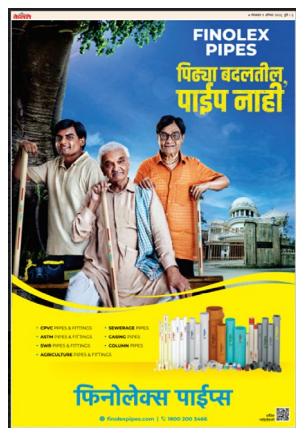
We leveraged trade events and exhibitions to showcase our products, highlight differentiation, and strengthen relationships with influencers and channel partners.



Cosmo Expo, Raipur

Print Media

Print media, including newspapers and calendars, has helped us connect in the rural heartland of India with unique tactical campaigns.



Festive & Brand Ads in regional newspapers & Kalniray Calendar



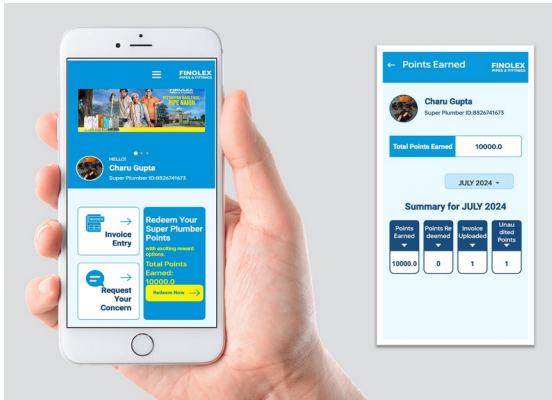
KISAN Agri Show, Pune



Indian Plumbing Conference, Ahmedabad

Launch of Super Plumber Loyalty Programme

We introduced the 'Super Plumber Loyalty Programme' in major cities to reward loyal plumbers, with benefits on every purchase from authorised retailers.



Retail Branding and Outdoor Marketing Activities

Extensive retail and outdoor branding nationwide have boosted visibility and expanded our footprint in metros and deeper areas, aligning with the growing demand.



Elevating Brand Visibility through Impactful Retail Branding and Outdoor marketing activities

CORPORATE SOCIAL RESPONSIBILITY

At Finolex, Corporate Social Responsibility (CSR) is deeply embedded in the culture of our organisation. We are committed to creating a positive change by undertaking initiatives and projects with clear objectives, dedicated to making a substantial impact on the communities we engage with.

Empowering Change Together

In 2014, the Mukul Madhav Foundation (MMF), a charitable trust established in India in 1999, was appointed as our CSR partner. Since then, together, we have formed a formidable force that has been collaborating to work on projects across several spectrums. Over the years, we have expanded our reach from a humble beginning in Pune, Maharashtra, to now having a presence across 24 states in India. Our work primarily focusses on marginalised communities to unlock new opportunities for a brighter future for them.

This CSR section showcases the impact we have made at the grassroots level, transforming lives where support is most needed. Many of these projects have been ongoing for several years, with continued efforts to expand our impact within the same verticals each year.

Towards an Empowered India

The United Nations Sustainable Development Goals (UNSDGs), adopted in 2015, are a global blueprint for addressing major challenges such as poverty, inequality, and climate change. With 17 goals and 169 targets to be reached by 2030, they guide countries in crafting their own strategies while promoting international cooperation. These goals aim to ensure a sustainable and equitable future for all, encouraging collective action from governments, businesses, and civil society.

India has committed to the UNSDGs and aligned these goals with its national development agenda. As part of this effort, India introduced a regulation on CSR under the Companies Act, 2013. This regulation provides a framework for companies to operate in a socially responsible manner, addressing socio-economic and environmental challenges. By incorporating CSR, Corporate India is encouraged to consider the broader interests of both the community and the environment in their business operations.

United Nations Sustainable Development Goals (UNSDGs)



At Finolex, we operate our business in an ethical and socially responsible manner and our CSR Partner identifies initiatives that align with the UNSDGs, which reflect our company's values and priorities. Their efforts are empowering the underprivileged by providing them with the tools and opportunities to recognise and achieve their potential with dignity.

Source: United Nations Website

"I am thrilled to celebrate the partnership between Finolex Industries Limited (Finolex) and Mukul Madhav Foundation (MMF). Through Finolex's CSR contribution, MMF has successfully initiated and executed CSR projects, as part of our unwavering commitment to the UN Sustainable Development Goals of building and shaping a brighter future together.

I extend my heartfelt gratitude to my fellow board members, senior management team, and Finolex Parivar in particular, who through their active participation supported us wholeheartedly to bring about positive social impact in the lives of the underprivileged and society at large.

I express my sincere appreciation to the MMF team for their tireless efforts and contribution in our CSR initiatives in our vision of bringing sustainable change at the grassroots level.

Through this journey, we have collaborated with various on-ground implementation partners to execute meaningful, sustainable, and scalable projects in our endeavour to make our society a better place."

Mrs. Ritu Prakash Chhabria

Co-Founder and Managing Trustee,
Mukul Madhav Foundation

Chairperson, CSR Committee,
Finolex Industries Limited

Key Highlights

24

Indian states where we are active with our CSR projects.

5,700

Tree plantations in two states: Maharashtra and Gujarat.

2,500

Beneficiaries for monthly ration and provide diaper supply in three states: Maharashtra, Gujarat and Karnataka.

4,500

Differently-abled children and adults supported in seven states: Maharashtra, Gujarat, Rajasthan, Assam, Karnataka, Telangana and Tamil Nadu.

1,340

Patients in 200 hospitals across India.

22,080

Students benefited from infrastructure refurbishment of 85 schools across three states: Rajasthan, Bihar, and Karnataka.

51,000

Beneficiaries supported through public health initiatives.

1,000

Children supported through our Mission Cerebral Palsy™ through nine centres in Maharashtra and Gujarat.

2

New Period Positive Holiday Homes constructed in the Naxal area of Gadchiroli, Maharashtra, to support menstruating women who are abandoned by their families. These homes provide them comfort, care, skill development opportunities, and a dignified stay each month.

3,000

Women empowered through livelihood and skilling opportunities, capacity building, agricultural practices and seed funding across India.

Our work through MMF under each UNSDG in the financial year 2023-24 is detailed hereunder



1 NO POVERTY
End poverty in all its forms everywhere.



2 ZERO HUNGER
End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

8,000

Families supported with ration kits to provide food for three weeks during Diwali in 12 states.

1,000

Individuals served daily mid-day meals in Pune, Maharashtra.

500

Senior citizens are supported with monthly diapers in Pune, Maharashtra.

300

Children from 10 schools in Mokhada, Palghar, Maharashtra, received daily nutrition support through soya milk.

61

Institutions received monthly groceries in Karnataka, Gujarat and Maharashtra.



Mid-day meal beneficiaries across institutions in Maharashtra.



Daily hot meals to road side beneficiaries in Pune, Maharashtra.



Old age homes were supported with supply of diapers on monthly basis, while beneficiary institutions like orphanages, hostels, and visually impaired homes were supported with monthly ration in Maharashtra, Karnataka, and Gujarat.



Ensure healthy lives and promote well-being for all at all ages.

2,000

Students from 16 colleges in Maharashtra attended awareness sessions, underwent testing, and received counselling for thalassemia and diabetes.

1,800

Cancer patients benefited from Ganga Prem Hospice in Rishikesh, Uttarakhand, through the construction of a new patient wing, and additional support of one-time ration kits.

1,100

Tuberculosis (TB) nutritional kits were provided to affected patients in Maharashtra, Gujarat, Uttar Pradesh, and Rajasthan to support the Central Government's Ni-Kshay Mitra initiative.

700

Women from underprivileged groups went through free mammography testing and received counselling. Conducted biannually at Walawalkar Hospital in Chiplun, Ratnagiri, and through monthly camps at Bharati Hospital in Pune, Maharashtra.

45

Paediatric heart surgeries supported in collaboration with Jupiter Hospital, Pune.

25

Complex and critical heart surgeries performed with the team of doctors from India through Healing Little Hearts from United Kingdom (UK). These are performed on underweight babies by a team of perfusionists and intensivists from the UK.

10

Kidney Dialysis machines have been provided to Jankalyan Samiti Dialysis Centre in Seva Bhavan and Jejuri Devasthan Foundation, Pune, Maharashtra.

245

Type 1 diabetic children supported with blood tests and insulin across across 3 states (Maharashtra, Gujarat, and Tamil Nadu) in seven satellite centres.



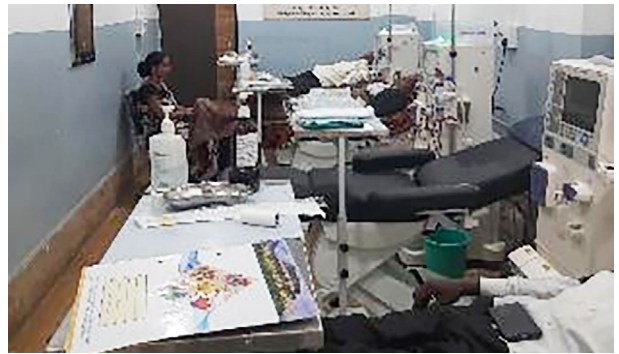
Thalassemia and diabetes awareness programme and testing in progress.



Beneficiary with the Tuberculosis kit.



Beneficiaries from the Paediatric Heart Surgeries at Andhra Hospital, Vijayawada.



Kidney dialysis machine provided to Jejuri Devasthan Foundation in Pune, Maharashtra.



A beneficiary of Type 1 diabetes from Vellore, Tamil Nadu.



Mammography Camp in Walawalkar Hospital, Chiplun, Maharashtra.



Ongoing construction of a new patient wing at Ganga Prem Hospice in Rishikesh, Uttarakhand.





Ensure healthy lives and promote well-being for all at all ages.

30

Differently-abled children from Gujarat were hosted at the T20i Disability Cricket Tournament, organised in Narendra Modi Stadium, Ahmedabad, Gujarat, where we were the title sponsors. The tournament was organised by the Differently Aabled Cricket Council of India (DCCI) and supported by the Board of Control for Cricket in India (BCCI).

The final match was played between India and England, with India emerging as the winner.



Sponsored T20i cricket tournament organised by DCCI, supported by BCCI.



A budding badminton player, Rutvik Ambekar, financially supported by MMF, won accolades at the 2023 Petronas Malaysia International Challenge and Malaysia International Series.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

22,080

Students benefited from the infrastructure refurbishment of 85 schools across Rajasthan, Bihar, and Karnataka.



Our dream project, Mukul Madhav Vidyalaya in Ratnagiri, Maharashtra.

721

Institutional scholarships provided to students across India, covering fields such as nursing, agriculture, engineering, DMLT (diploma in medical laboratory technology), radiation technology, plumbing, and others.

582

Students pursuing education in Mukul Madhav Vidyalaya, located in Golap Village, Ratnagiri, Maharashtra.



Students supported with scholarships at College of Agriculture, Pune, Maharashtra.



Achieve gender equality and empower all women and girls.

1,200

Holistic interventions catering to the needs of vulnerable children in Delhi's slums. Efforts focussed on preventing child labour and child marriage and reducing school dropout rates.

500

Women survivors of gender-based violence received livelihood training through the Gauravi One-Stop Crisis Centre in Bhopal and Indore, Madhya Pradesh.

300

Women empowered by Project Harita in agricultural development, entrepreneurship, and farm-related businesses in three villages in Khandala, Satara, Maharashtra.

100

Transgenders supported with one-time ration kits in Pune, Maharashtra.

40

Prisoners at Yerwada Open Jail in Pune, Maharashtra, supported through the refurbishment of their canteen, which included the provision of fans, tables, and stoves. The prisoners earn a livelihood by working in the canteen that serves civilians.



A woman survivor of gender-based violence in Bhopal, Madhya Pradesh, with the sewing machine donated to her.



A beneficiary woman farmer from Khandala, Satara, Maharashtra



Geriatric camp beneficiaries in Satara, Maharashtra.



Ensure availability and sustainable management of water and sanitation for all.

60

Families residing on the outskirts of Gametha village, Gujarat, benefited from the drinking water scheme.

700

Households in Phansop and Golap villages, Ratnagiri, Maharashtra, received water at their doorsteps through our water supply scheme and tankers to combat water scarcity during the harsh summer season.

79

Household toilets constructed in Gadchiroli, Maharashtra.



A drinking water supply scheme in Gametha village, Gujarat.



Water tanker support provided to three-gram panchayats supporting Golap village, Ratnagiri, Maharashtra during the summer season.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

4,000

Volunteers supported with refreshments for their participation in cleaning the Mula Mutha river in Pune, Maharashtra.

80

Children participated in the cleaning of Bhatye Beach in Ratnagiri, Maharashtra.



Students from Mukul Madhav Vidyalaya participated in Bhatye Beach Cleaning, Ratnagiri, Maharashtra.



Students at the Mula Mutha river cleaning drive in Pune, Maharashtra.



End hunger, achieve food security and improved nutrition and promote sustainable agriculture.



Ensure access to affordable, reliable, sustainable and modern energy for all.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

2,000

Women farmers trained in Maharashtra, J&K, Tripura, UP and Gujarat in best Agriculture practices.

424

Widows and their families supported with the best farming techniques and seeds to make them financially independent in Osmanabad, Maharashtra.

415

Kilos of high-quality rice seed distributed to 45 farmers in Ratnagiri, Maharashtra, to bring 35 acres of land under cultivation.



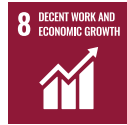
Beneficiary farmers in Osmanabad, Maharashtra.



Low-income farmers with small landholdings in Ratnagiri, Maharashtra, received high-quality rice seeds to bring their land under cultivation.



Achieve gender equality and empower all women and girls.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

2,200

Women in Orissa and Madhya Pradesh benefited from the awareness and facilitation programmes helping them obtain PAN, health cards, and other government documents, for availing benefits under various Government schemes.

1,500

Youth and women from the most vulnerable families in Kendrapara, Orissa, were provided with livelihood opportunities due to the decline in agricultural labour demand.

300

Women completed vocational training in tailoring in Maharashtra, Gujarat, and UP.

120

Women farmers trained through the Maharashtra Khadi Gramodyog Mandal for beekeeping initiative in Palghar and Satara, Maharashtra.

79

Women from the most vulnerable families in Kendrapara District, Odisha, provided with one-time seed funding to cultivate their barren lands.



A woman survivor, skilled in mushroom farming, proudly showcasing her freshly harvested mushrooms in Bhopal, Madhya Pradesh



Honey Bee boxes distribution in Satara, Maharashtra.



Reduce inequality within and among countries

1,000

Children with Cerebral Palsy supported with access to inclusive education, comprehensive health, and rehabilitation services across Maharashtra and Gujarat.

300

Individuals with multiple disabilities supported with in-person rehabilitation and inclusive learning in Karnataka.

306

Deaf-blind individuals supported with access to inclusive education, comprehensive health, and rehabilitation services in Assam, Rajasthan, and Tamil Nadu.

100

Children provided with clubfoot treatment in Gujarat, Tamil Nadu, Telangana, Maharashtra, and Karnataka.

66

Children supported with Cleft surgeries in Assam and Pondicherry.

15

Children affected by Leprosy received educational scholarships in Kolkata, West Bengal.



Speech therapist with differently-abled beneficiaries at Snehalaya Institute, Pune, Maharashtra.



Training in progress for developing independent living skills (cooking and home management) for individuals with deaf-blindness in Assam.



Beneficiaries of Clubfoot distribution.



Take urgent action to combat climate change and its impacts.

11,500

Individuals positively impacted through water supply schemes and water conservation projects across Maharashtra and Gujarat.

5,700

Trees planted in Maharashtra and Gujarat.

70

Kilos of Dry waste treated per day through one-of-a-kind gasifier that converts plastic waste into thermal energy installed at the Gondola Ride Site in Gulmarg, Srinagar, Jammu and Kashmir.



Gasifier system installed at the popular Gondola Ride site, Gulmarg, Jammu and Kashmir .



Beneficiaries of the water supply scheme at Muslim Mohalla in Golap Village, Ratnagiri, Maharashtra.



Take urgent action to combat climate change and its impacts.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development.



Protect, restore and promote sustainable use of terrestrial ecosystems. Sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

525

Cows provided with rehabilitation, daily fodder, and shelter in Maharashtra and Gujarat.

100

Dogs provided with blankets during the harsh winter season at a dog shelter home in Pune, Maharashtra.

1

Sanctuary supported with solar powered pumps set providing adequate water supply to mitigate scarcity of water to wildlife during summer season in Ranakpur Wildlife Sanctuary in Rajasthan.



Cows supported with fodder and shelter in Maharashtra.



Installation of solar water pump sets that provide water for animals in Ranakpur Wildlife Sanctuary, Rajasthan.



Cattle rehabilitation centre in Gujarat.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

30

Spouses of soldiers underwent tailoring training at Aundh Military Station in Pune, Maharashtra.



Women beneficiaries at Aundh Military Station in Pune, Maharashtra learning tailoring skills.

600

Soldiers on the border were sent Rakhi on Raksha Bandhan.



Soldiers receiving rakhis at the Indian border are celebrating Raksha Bandhan—a festival that symbolises protection and brotherhood.

CHARTING A SUSTAINABLE FUTURE

At Finolex, we recognize that operational excellence goes hand in hand with sustainable and responsible business practices. We embarked on our Environmental, Social, and Governance (ESG) journey in FY 2021-22, underscoring a commitment to revolutionize our operations through responsible practices. Our commitment to ESG principles is deeply ingrained in our daily operations.

With the publication of Sustainability Report and the establishment of ESG goals and targets, we laid down a clear roadmap for achieving sustainable and responsible growth. This roadmap is guided by an overarching ESG policy that articulates our approach to key material topics, ensuring that ESG principles are not just an addendum but the cornerstone of our operations.

In FY 23-24, we continued to integrate sustainability into our business operations. The Responsible Care® logo awarded to our Ratnagiri plant is a symbol of our commitment to responsible manufacturing practices. We have also been recognized for our workplace culture and the

“Great Place to Work” certification awarded to us demonstrates our commitment to creating a safe, nurturing and inclusive work environment. These recognitions, along with the implementation of similar practices at all our plants and offices, demonstrates our dedication to environmental and social stewardship.

Quality is another fundamental pillar of our business practices. We've adopted the latest technologies and processes across all four manufacturing facilities, underscoring our commitment to delivering top-notch products and further amplifying the value associated with our brand. In this ever-evolving landscape, we persistently seek to enhance operational efficiency and quality, thereby securing our position as a trusted leader in the industry.

As we mark the third year of our sustainability journey at Finolex, we reflect on the strides we have made and look forward to further enhancing our Environmental, Social, and Governance (ESG) practices.

Environmental Stewardship

Responsible environmental practices are integral to our operations. From using eco-friendly materials to optimizing production processes, we continually strive to minimize our ecological footprint. We have focused our efforts on adoption of efficient technologies, water stewardship through sustainable usage and enhanced recycling practices, and waste management by minimizing waste generation and maximizing recycling efforts. Our sustainable practices extend to our supply chain, ensuring eco-friendly procurement. Notable

achievements include the implementation of electric forklifts, solar energy projects, and earning the Responsible Care® certification at our Ratnagiri plant, affirming our adherence to the highest standards of environmental protection, health, and safety. Encouraged by this milestone, we are actively extending these rigorous standards to our other facilities, ensuring that our commitment to Responsible Care is consistently upheld across the entire organization.

Key Highlights

Initial Biodiversity
Assessment completed
for Ratnagiri Site

3.2%

share of
renewable energy

More than

20,000

tCO₂e of emission
avoided

Plantation
increased from
present 62,000 to

80,000

nos.

2,60,000 KL

of water recycled

3,15,473 KL

Rain water harvested

70%

of our forklifts are
Electric forklifts.

Social Responsibility

We believe that our employees are the driving force of our success. We strive to ensure their well-being, professional advancement, and work-life balance, nurturing an environment that values inclusivity, diversity, and equal opportunities. Our commitment to employee development is reflected in our robust training and skill-building programs, fostering a culture of open communication, teamwork, and empowerment. Safety is paramount at Finolex, and we maintain a secure workplace with high safety standards, encouraging employees to contribute to a culture of vigilance and prevention.

We maintain strong, ethical relationships with our value chain partners, ensuring they meet our stringent ESG criteria. By rigorously assessing their environmental, social, and legal practices, we ensure the integrity of our supply chain and reinforce our commitment to sustainable and responsible business practices, solidifying our reputation as a conscientious industry leader.

We believe in creating value through transparent dialogue and collaborative partnerships. We actively involve stakeholders in our decision-making processes, ensuring their insights contribute to our sustainable growth. Our approach to value creation is multifaceted, focusing on delivering long-term benefits to our customers, investors, employees, and the communities we serve, thereby reinforcing trust and fostering enduring relationships.

Finolex takes pride in cultivating a workplace that thrives on teamwork, employee advancement, and acknowledgment of individual efforts. We are proud to share that for the second year running, Finolex has earned the prestigious Great Place to Work® Certification, a testament to our dedication to fostering an affirmative and dynamic work setting for our team members.

Our “Dial HR - Happy to Listen” initiative stands as a testament to our commitment to open dialogue, providing a confidential channel for our employees to voice their opinions, concerns, and ideas, ensuring they feel respected and heard.

International Women’s Day at Finolex was marked by an enlightening session on “Women Health Today for Sustainable Tomorrow,” delivered by industry specialists. This event underscored the importance of women’s health and furthered our commitment to gender equality and empowerment within the

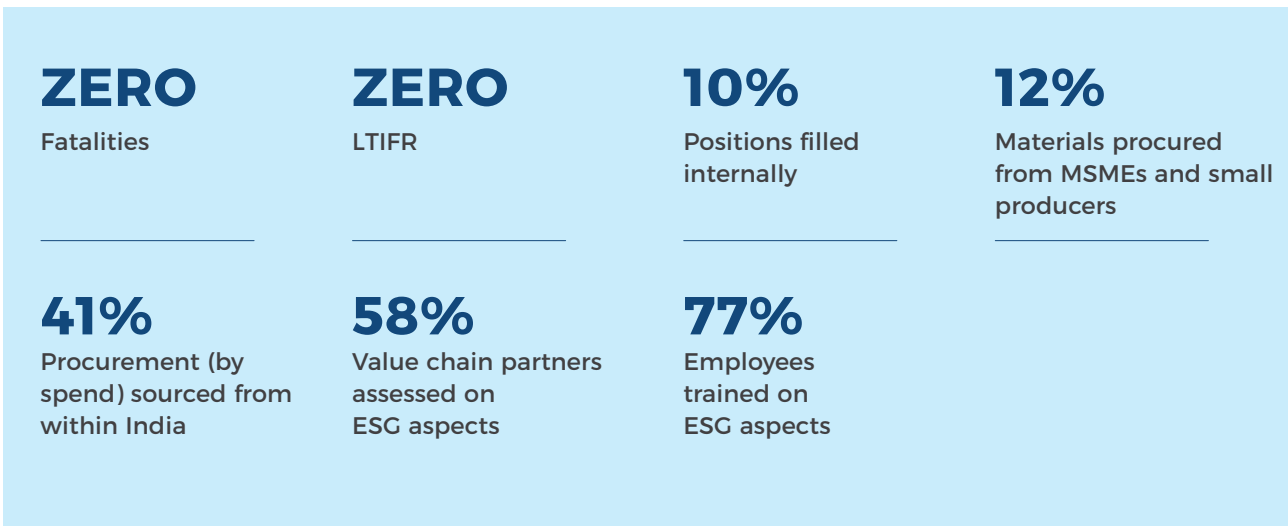
company. In line with this, we have successfully integrated female employees into our production teams, offering them comprehensive training to proficiently manage various operational roles. Notably, the Badhalwadi Fittings plant operates one shift entirely staffed by women, making up 90% of the workforce. The inauguration of the Finolex Pipes Academy marks a significant stride in nurturing our workforce’s potential, offering them avenues to bolster their competencies and industry knowledge.

Our Leadership Quarterly Meet is a strategic conclave that unites our top management and

leaders to exchange insights and synchronize on our organizational vision and strategic imperatives. The Annual Employee Get-Together hosted in Goa was a testament to our collective spirit, offering a day filled with bonding, team-building exercises, and a celebration of our shared successes.

Furthermore, our Long Service Felicitations ceremony is a cherished tradition where we honour the steadfast commitment and significant contributions of our long-standing employees to the Finolex family.

Key Highlights



Strong Governance

We uphold the highest standards of corporate governance with strong practices ensuring transparency, accountability, and ethical business conduct. The Board of Directors provides strategic oversight to safeguard the interests of all stakeholders. The company has a comprehensive Code of Conduct that sets out clear guidelines for ethical behaviour and responsible business practices. Compliance with all applicable laws and regulations is a non-negotiable principle within the organization. We regularly evaluate our governance practices against global standards and industry best practices.

At Finolex, governance transcends compliance, serving as a benchmark for ethical conduct and transparency. Our governance practices are fortified by a commitment to accountability and integrity, ensuring that every action aligns with our high ethical standards. We actively engage our workforce in comprehensive training on our code of conduct, data security, and regulatory compliance, fostering a culture of responsibility. In FY 2023-24, we recorded zero cases of breach of Code of Conduct.

Key Highlights

ZERO

Instances of data breach

ZERO

Instances of breach of Code of Conduct

ZERO

Cases of corruption and anti-competitive practices

30%

Female directors

100%

Directors, KMPs and Employees trained on the Code of Conduct

Ensuring transparency through ESG disclosures

We have established an overarching organization-wide ESG policy and publish our ESG performance through our Sustainability Report on an annual basis. We aim to align our communication of sustainability performance with internationally recognized standards and frameworks such as the UN Sustainable Development Goals and the GRI Standard. Additionally, we participate in the Corporate Sustainability Assessment (CSA) rating conducted by S&P Global. We have been recognized for our environmental, social and CSR efforts, through certifications such as ISO 9001, ISO 14001, ISO 45001, Responsible Care and Great Place to Work, reflecting our impact on our environment and stakeholders.

Our efforts in the realm are based on our methodical and forward-thinking approach to achieving holistic growth in these critical areas. We are dedicated to embedding environmental, social, and governance considerations deeply into our business strategy, reflecting a proactive stance that not only responds to emerging sustainability trends but also seeks to influence them. Our unwavering commitment to ESG excellence sets us apart as industry leaders, guiding us towards a future where we make significant progress year-on-year and our corporate achievements are linked with the prosperity of the environment and society at large.

OUR MANAGEMENT DISCUSSION & ANALYSIS

Indian Economy

Overview

India demonstrated remarkable resilience in FY24 amid global uncertainties brought on by geopolitical conflicts and economic challenges. These include global conflicts and tensions, inflation, crude oil prices and a record-high US 10-year yield. Nevertheless, the Indian economy continued to grow. As per the National Statistical Office, the Indian economy grew by 8.2% in FY24, up from 7.0% in FY23.¹

Indian economy's robust growth is attributed to strong domestic demand and firm expansion across multiple sectors. Gross Value Addition growth reached 7.2% in FY24, up from 6.7% in FY23.² Both, the construction and manufacturing sectors grew by 9.9% each in FY24, making substantial contributions to the overall Gross Domestic Product (GDP) growth and economic momentum.³

In FY24, the agriculture sector grew by 1.4%, down from 4.7% in FY23. However, it is expected to rebound with a projected growth of 3.7% in FY25, driven by favourable monsoon expectations and reduced El Niño effects.⁴

In contrast, the financial, real estate, and professional services sector grew by 8.4% in FY24 (slightly lower than FY23). Similarly, the public administration, defence, and Other Services sector saw a 7.8% growth in FY24.⁵

The economic strength of India was supported by robust Goods and Services Tax (GST) collections and steady bank credit growth. The gross GST revenue in FY24 amounted to ₹ 20.18 trillion, representing an 11.7% increase from the previous year.

Outlook

A series of recent reforms, along with the economy's inherent strength, have created a strong foundation for sustained long-term growth. The Reserve Bank of India (RBI) projects that India's GDP will grow by 7.2% in FY25, with an estimated inflation rate of 4.5% for the same period.⁶ The expected growth trajectory and a reduction in overall inflation indicate that India is well-positioned to become the world's third-largest economy by 2030.

The government's commitment to supporting farmers is evident, given the substantial budget allocation for agriculture. This further underscores the government's farmer-centric approach and its efforts to strengthen the agricultural sector. Furthermore, the emphasis on urban infrastructure will play a pivotal role in boosting the construction industry, with the budget also including adequate funding for rural programmes.

For FY25, the government plans to raise capital expenditure to ₹ 11.1 lakh crore, up from the ₹ 10 lakh crore allocated for FY24.⁷ The substantial rise reflects the government's commitment to promoting economic development and establishing a stronger infrastructure framework across the country.

Looking ahead, the industry and service sectors are forecasted to grow at 6.7% and 7.4%, respectively, in FY25.⁸ This growth will be supported by strong domestic demand and a rising working-age population.

Industry Overview

Overview of the Indian pipes & fittings industry

PVC pipes & fittings are essential for water supply systems in both agricultural and non-agricultural sectors, extensively used for farm irrigation, water mains, distribution pipes, and household connections. In 2022, the global PVC pipes market reached \$25.84 billion and is projected to grow at a CAGR of 5.9%, reaching \$ 42.69 billion by 2031.⁹

In India, the PVC pipes & fittings market was valued at \$ 5.42 billion in 2023 and is expected to grow at a CAGR of 5.81%, reaching \$ 8.05 billion by 2030.¹⁰ This reflects substantial growth in demand across various industries and applications.

Several government initiatives both in agricultural sector and in infrastructure have driven up demand in PVC pipes & fittings. Similarly, rapid urbanisation is likely to boost the demand for PVC pipes & fittings in urban construction projects, thereby benefiting the industry.

Company Overview

Finolex Industries Limited (hereafter referred to as 'Finolex' or 'Our Company') is a leading producer of PVC (Polyvinyl Chloride) pipes & fittings and PVC resin in India. Our products are known for their high quality and reliability. Our Company is the largest and only backward-integrated pipes & fittings company in India.

Finolex offers an impressive 2000+ SKUs. The Company's diverse product range caters to various sectors, including plumbing, sanitation, and agriculture providing solutions for a wide range of customer needs.

Finolex's commitment to quality is underscored by its state-of-the-art manufacturing facilities in Maharashtra and Gujarat with a production capacity of 4,70,000 MT of pipes & fittings, and 2,72,000 MT of PVC resin. These facilities, combined with an extensive distribution network, enable Finolex to maintain the highest standards across its value chain, reinforcing its reputation for excellence in the industry.



Over the years, we have progressively expanded our product offerings and distribution network, solidifying our presence in the plumbing and sanitation market. We have also seized emerging opportunities in rapidly growing areas such as CPVC (Chlorinated Polyvinyl Chloride) pipes & fittings. Finolex's products are strategically positioned to meet the evolving needs of the housing, construction, and infrastructure sectors. Our commitment to innovation and adaptability has facilitated our growth across India.

Our evolution from 'Finolex Pipes' to 'Finolex Pipes & Fittings' signifies more than a name change. It represents our commitment to responding to and meeting our customers' needs. This transformation underscores our promise to deliver to the plumbing and sanitation market in addition to our traditional agricultural market, broadening our scope and ensuring that we cater to a wider array of customer requirements.

Providing Excellent Quality Pipes & Fittings for over Four Decades

Our Company has continually improved and refined our product range by sourcing top-quality raw materials and utilising state-of-the-art technologies in our manufacturing processes. Our commitment to creating robust and reliable pipes & fittings has allowed us to steadily expand our product line without ever compromising on our quality standards. Our unwavering focus on excellence is appreciated by our ever-expanding channel partners.

Backward Integration in PVC Resin

One of our biggest advantages in producing quality products is our backward integration into PVC resin production. This ability makes us the only company in India with this capability. The advantages of backward integration are numerous starting with consistent quality, cost optimisation and uninterrupted raw material availability for production. This has been achieved due to the foresight of our leaders. The captive cryogenic jetty in Ratnagiri allows Finolex to import raw material that is used in manufacturing PVC resin. In addition, the Ratnagiri facility includes a captive power plant ensuring a steady power supply.

State-of-the-art Manufacturing Infrastructure

Finolex has four manufacturing plants. Three in Maharashtra (Ratnagiri, Urse and Bhadalwadi) and a fourth in Gujarat (Masar). Our insistence on quality is reflected by the ISO 9001:2015 certification that all our manufacturing facilities hold. Our flagship resin manufacturing facility at Ratnagiri uses state of the art Hoechst Technology. In-house resin manufacturing ensures that all our pipe manufacturing plants, across locations, receive a dedicated supply of consistent and superior-quality resin. Through these measures, Finolex ensures quality across its four facilities which lead to the further enhancement of value and the brand.

Long-Lasting Relationships

Finolex has a robust nationwide network with a dedicated team of sales ambassadors and an extensive distribution system featuring more than 900 dealers, complemented by a broad reach of over 30,000 retail touchpoints across the country.

Our Company prioritises the support of its stakeholders and actively seeks opportunities to engage with them. Regular communication with stakeholders, understanding their concerns, and aligning with their interests are the top priorities of our leadership.

Empowering Communities (Mukul Madhav Foundation, ‘MMF’)

Our Company’s commitment extends beyond delivering products and services; it is deeply ingrained in our mission to empower the people of India. In partnership with MMF, we aim to uplift the communities we serve by fostering aspirations and equipping individuals with skills to improve their quality of life. Our initiatives cover education, healthcare, sanitation, environmental sustainability, and social welfare programmes. Rather than simply providing financial support, we focus on empowering individuals with dignity. Together, our Company and MMF are creating a legacy that both inspires and unites.

Awards and Recognitions

The Company’s quality and marketing efforts were recognised by the industry and media – Few of the notable awards bagged by the Company during the year were:



Prestigious Brands of Asia Awards 2023-24
(Presented by BARC Asia & Herald Global)



National Award for Excellence in Branding and Marketing-
(Brand Revitalization Award and Best Campaign for Waste & Water Management)



Brand Revitalization Award
(Presented by the Fortune Leadership Awards)



Quality Month 2023 Award
(Awarded by Quality Council of India)

Overview of the Plumbing and Sanitation Sector

A reliable plumbing and sanitation system is essential for maintaining hygiene and providing safe drinking water in residential and commercial properties. PVC pipes, known for their high standards of precision and quality, have become the ideal solution for modern housing and smart cities. They are crucial for transporting liquids, gases, and waste, making them a key component of the Indian plumbing and sanitation industry.

As of December 2023, India's plumbing and sanitation industry has surpassed ₹ 11.9 billion, driven by urbanisation and rising incomes.¹¹ Despite challenges like limited technology adoption and a shortage of skilled labour, the industry is expected to maintain its growth momentum.

Demand Drivers

- **Construction Market Expansion**

Housing projects across India require extensive plumbing networks for water supply and sewage management. The government's commitment to providing affordable housing further fuels this demand. As urbanisation continues, the demand for reliable and durable piping solutions is expected to remain strong, supporting the growth of the PVC pipe & fittings industry.

Moreover, the Indian government's focus on infrastructure expansion, as part of its strategy to achieve a \$5 trillion economy by 2025¹², further drives the demand for PVC pipes & fittings in construction and other projects.

- **Water Management and Conservation**

India's rising water scarcity has facilitated a shift towards efficient piping solutions to support water conservation and management. Drip irrigation systems, rainwater harvesting, wastewater treatment and reuse systems are becoming more common. These trends, along with leak detection and prevention systems, indicate a growing demand for sustainable piping solutions as India continues to prioritise water management.

Key Government Initiatives in Clean Drinking Water and Sanitation

- The Jal Shakti Abhiyan has achieved significant milestones in promoting water conservation and environmental sustainability.
- The Jal Jeevan Mission achieved significant milestones, with the number of rural households with tap connections increasing from 11 crore in January 2023 to nearly 14 crores by December 2023.¹³
- The Pradhan Mantri Awas Yojana (Urban) has achieved significant progress, with overall sanctions for 1.19 crore houses contributing to the government's mission to provide affordable housing.
- The Indian government's drive to create Open Defecation Free (ODF) villages have seen a remarkable fourfold increase. This significant surge in ODF villages indicates a significant demand for sewerage pipes as more villages adopt improved sanitation practices and infrastructure.

Outlook

The outlook for the plumbing and sanitation segment appears promising, driven by various government initiatives, rapid urbanisation, and increased infrastructure development. The industry is expected to innovate, adapt to market changes, and focus on quality and sustainability to sustain the growth momentum.

Overview of the Agricultural Sector

India is a major global player in agriculture, providing livelihoods for around 55% of its population. The country boasts the world's largest cattle herd and extensive areas for wheat, rice, and cotton. It leads in producing milk, pulses, and spices, and is the second-largest producer of fruits, vegetables, tea, farmed fish, cotton, sugarcane, wheat, and rice.

The thriving agricultural sector in India drives the need for efficient irrigation and water

management systems. This growth is expected to increase the demand for PVC pipes & fittings, essential for building and maintaining agricultural infrastructure.

Demand Drivers

The demand for PVC pipes in the agriculture sector is driven by several key factors, reflecting the evolving needs of modern farming and the increasing emphasis on sustainable practices.

Here are some of the primary demand drivers for PVC pipes & fittings in agriculture:

- **Irrigation Systems:**

PVC pipes are integral to irrigation systems, providing efficient water distribution. Farmers are optimising their water use, which is driving the demand for these systems and PVC pipes.

- **Greenhouse Cultivation:**

The expansion of greenhouse farming and controlled environment agriculture has increased the need for PVC piping, which is essential for irrigation, misting, and temperature control. The industry's focus on sustainability and resource efficiency, is further fuelling the demand for PVC pipes.

- **Rural Electrification and Infrastructure:**

With government schemes like Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), the Remote Village Electrification Programme, and the Village Energy Security Programme, the rural areas are gaining better access to electricity and modern utilities. As a result, agricultural activity tends to increase, which, in turn, boosts the demand for PVC pipes in various applications.

- **Erratic Rainfall:**

Climatic changes are resulting in erratic rainfall. As a result, farmers are depending less on rainfall and more on irrigation to diversify their risk. Therefore, the demand for agricultural pipes is likely to see a steady growth.

Key Government Initiatives to Boost the Agriculture Sector

The government has launched several key initiatives to strengthen the agriculture sector and support farmers. These measures aim to improve agricultural infrastructure, enhance financial protection, boost production, and facilitate market access.

Increased Budget Allocation for Agriculture: The budget for agriculture increased fivefold from ₹1.37 trillion during 2007-14 to ₹7.27 trillion for 2014-25, demonstrating a strong farmer-centric approach.¹⁴

Pradhan Mantri Fasal Bima Yojana (PMFBY): PMFBY is the world's largest crop insurance scheme, providing vital financial protection for farmers.

Agriculture Infrastructure Fund (AIF): AIF has sanctioned ₹ 35,262 crore for 48,352 projects, including warehouses, primary processing units, custom hiring centres, sorting and grading units, cold storage projects, and assaying units.¹⁵

Minimum Support Price (MSP) Increase: The government announced a historic MSP increase, ensuring that the MSP for all 22 crops is at least 50% above the production cost.¹⁶

Paramparagat Krishi Vikas Yojana (PKVY): Since its launch in 2015-16, PKVY has released ₹ 1,980.88 crores to promote organic farming, forming 37,364 clusters, covering 8.13 lakh hectares, and benefiting over 16 lakh farmers.¹⁷

Promotion of Farmer Producer Organisations (FPOs): As of January 31, 2024, 7,950 FPOs have been registered in India. The government has issued equity grants totalling ₹ 142.6 crore to 3,183 FPOs and provided credit guarantee coverage worth ₹ 246 crore to 1,101 FPOs. These measures aim to strengthen farmer groups and promote agricultural development.¹⁸

Agricultural Mechanisation: Between 2014 and 2023, ₹ 6,405.55 crore was allocated for agricultural mechanisation. This includes ₹ 141.41 crore dedicated to promoting Kisan drones, with 317 drones purchased for their demonstration in 79,070 hectares of land and supply of 527 drones to the farmers on subsidy.¹⁹

Outlook

India's agriculture sector shows promising prospects, driven by strong government support and technological advancements. Increased investments in infrastructure and mechanisation have enhanced agricultural productivity, while a focus on sustainability aligns with global trends. The sector is poised for further growth, with rising demand from a growing population and rapid urbanisation. With an ever-increasing population, the demand for food and agriculture produce would increase exponentially in the future, propelling the need for strong infrastructure to support such growth.

Threats

Our Company remains alert to threats that could affect our business, preparing for unforeseen circumstances through strong governance, foresight, and strategic planning.

Supply Chain Disruptions: Issues such as logistical challenges, natural disasters, or geopolitical tensions can disrupt the supply chain and impact the availability of raw materials and finished products.

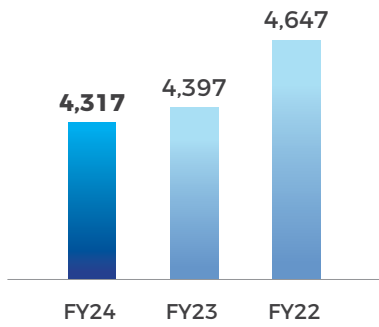
Raw Material Costs: Volatility in the prices of key raw materials, such as polymers, and additives, can affect production costs and profit margins.

Competition: Intense competition from domestic pipes & fittings manufacturers can lead to price wars and reduced profit margins.

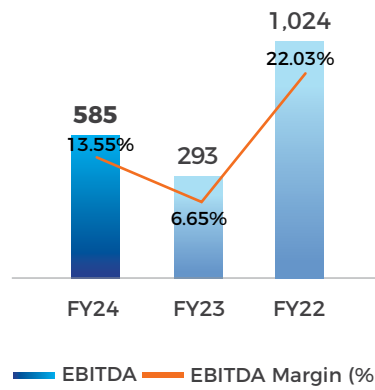
Counterfeit Products: The presence of counterfeit or substandard products in the market can damage the reputation of genuine pipe & fittings manufacturers and pose safety risks.

Financial Analysis

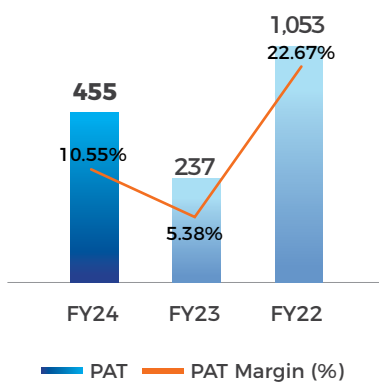
Revenue (₹ in crore)



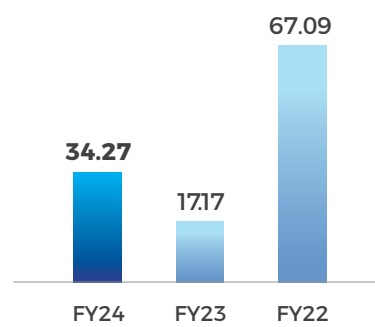
EBITDA/EBITDA margin (₹ in crore)/(%)



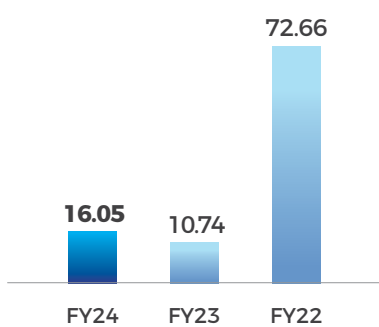
PAT/PAT margin (₹ in Crore)/(%)



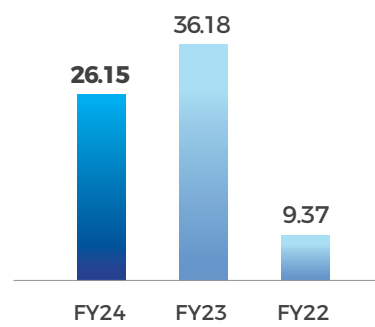
ROCE (%)



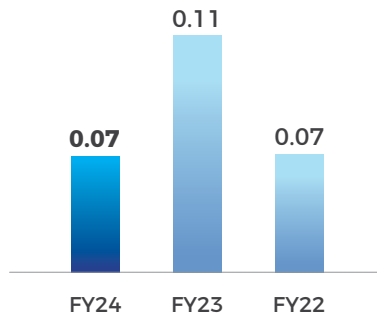
Interest Coverage Ratio (Times)



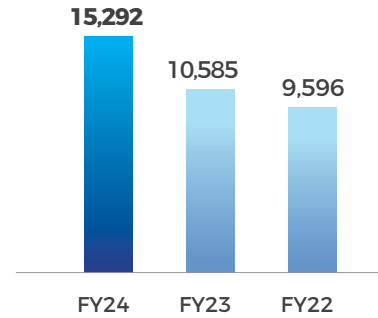
EV/EBITDA (Times)



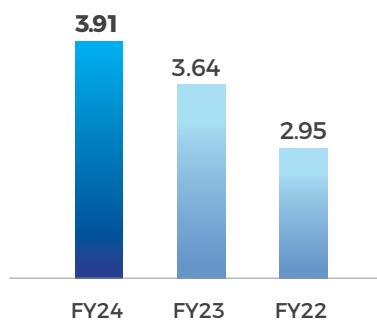
Debt Equity Ratio (Times)



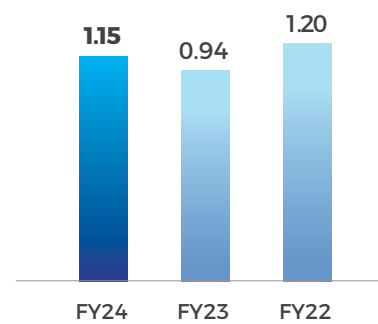
Market Capitalisation (₹ in crore)



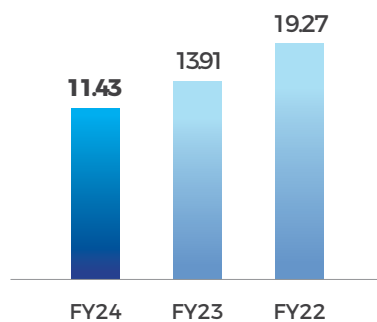
Inventory Turnover Ratio (times)



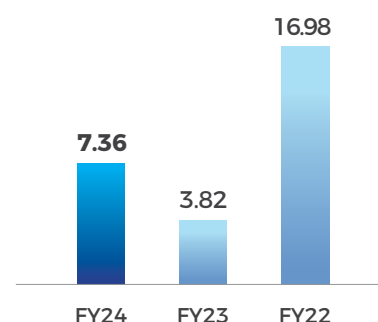
Current Ratio (Times)



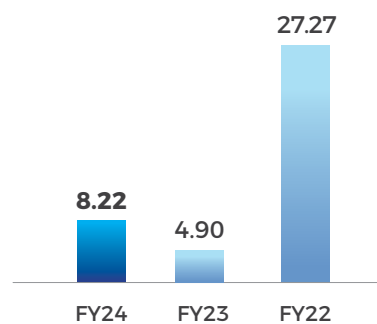
Debtors' Turnover Ratio (times)



EPS (₹/per share)



Return on Net Worth (%)



Financial Review and Analysis

Particulars	Unit	FY24	FY23	Variance	Explanation for significant changes (above 25%)
Revenue	Cr	4,317	4,397	-2%	-
EBITDA	Cr	585	293	100%	Improvement in EBITDA due to better operating efficiency
EBITDA Margin	%	13.55%	6.65%	104%	Attributable to improvement in EBITDA during the year
PAT	Cr	455	237	92%	Improvement in net profit ratio due to better operating efficiency
PAT Margin	%	10.55%	5.38%	96%	Attributable to improvement in net profits during the year
RoCE	%	34.27%	17.17%	100%	Improvement in return on capital employed is in line with improvement in profit during the year
Interest Coverage Ratio	Times	16.05	10.74	49%	Improvement in interest coverage is due to increase in profits
Debt-Equity Ratio	Times	0.07	0.11	-37%	Debt equity ratio improved due to repayment of debt and improvements in reserves
Inventory Turnover Ratio	Times	3.91	3.64	7%	-
Debtors' Turnover Ratio	Times	11.43	13.91	-18%	-
EV/EBITDA	Times	26.15	36.18	-28%	Attributable to improvement in net profits during the year
Market Capitalisation	Cr	15,292	10,585	44%	Attributable to the increase in the Company's share price
Current Ratio	Times	1.15	0.94	21%	-
EPS	₹ per share	7.36	3.82	93%	Attributable to improvement in net profits during the year
Return on Net Worth	%	8.22%	4.90%	68%	Attributable to improvement in net profits during the year

Risk Management and Mitigation

Risk	Mitigation
<p>Economic Risk</p> <p>A resurgence of major events, like another COVID-19 lockdown or new geopolitical crises, could hamper economic growth. These disruptions can affect various sectors, leading to reduced business activity and a slowdown in economic recovery.</p>	<p>India's economy is projected to be the fastest growing among major economies, driven by forward-thinking initiatives from the Government. To mitigate economic risks:</p> <ul style="list-style-type: none"> • We continuously monitor and manage our breakeven point to ensure that we maintain financial stability even during economic downturns. • We have established stringent cost-control measures to manage our expenses effectively. • We have diversified our product range to reduce dependency on a single market or product line. • Our Company has demonstrated resilience, consistency, and sustainability in achieving growth and delivering strong results.
<p>Competition Risk</p> <p>An increase in competition, with new entrants in the market and established players seeking to expand their market share, poses a risk to our projected margins and market position. This heightened competition could impact our ability to meet profit forecasts and maintain our market dominance.</p>	<p>Our Company has worked diligently to maintain its competitive advantage by differentiating its value proposition. We believe that ongoing efforts in this direction will keep us ahead of the competition. We are focusing on strengthening our plumbing and sanitation business through strategic initiatives. The initiatives include extending credit to dealers, introducing new stock-keeping units (SKUs), and expanding into emerging markets like the Northeast of India.</p> <p>We are committed to upholding the highest product quality standards, which not only meets customer expectations but also strengthens our brand's reputation. To extend our reach, we have expanded our dealer network and deepened our relationships with them, creating a more reliable and robust distribution system.</p> <p>Branding is crucial for maintaining a market presence. Hence, we engage in regular branding exercises to keep our Company visible and relevant. Additionally, we have improved our logistics networks, allowing us to reach more customers efficiently. To further enhance our market influence, we actively engage with on-field influencers who help promote our products and build credibility.</p> <p>These efforts reflect our determination to stay competitive and ensure our relevance in an evolving market place.</p>

Risk	Mitigation
<p>Input Price Risk</p> <p>A rise in raw material prices could lead to a decline in the Company's margins and reduce profitability. This risk may affect our ability to maintain stable production costs and could ultimately impact our financial performance.</p>	<p>In the pipes & fittings segment, the adverse impact of rising raw material prices is typically passed on to customers, protecting the Company from price fluctuations and ensuring profitability.</p> <p>In the PVC Resin segment, our Company is impacted by the price volatility of key commodity chemicals like ethylene and PVC, as well as intermediates such as Ethylene Dichloride (EDC) and Vinyl Chloride Monomer (VCM). To manufacture PVC resin, we require a consistent supply of these materials. The prices of PVC resin we produce are monitored by the Company management and are adjusted as per the import parity price of PVC in the market.</p> <p>Given that the market prices for both inputs and outputs are generally adjusted over time, the Company is exposed to price variations for only a limited period. Also, our strategic approach minimises the impact of price fluctuations on our operations and allows us to maintain a stable financial outlook.</p>
<p>Geographic Concentration Risk</p> <p>Relying heavily on a limited number of geographical regions could restrict our Company's customer reach and engagement. This concentration may affect our marketability and consumer recognition, potentially leading to a decline in profitability.</p>	<p>Expanding into new markets and diversifying our geographic presence is essential to mitigate this risk and ensure sustainable growth.</p> <p>We have mitigated regional concentration risk by setting up four distinct plants in Ratnagiri, Urse, Masar, and Bhadalwadi, creating a diversified production base. In addition, our extensive distribution network of dealers and retailers allows us to serve customers nationwide, including in underpenetrated markets like the Northeast of India. This broad reach helps reduce geographic concentration risk and ensures we connect with a wider customer base, thereby supporting our growth and profitability.</p>

Human Resources (HR)

We put our people at the center of what we do and consider them critical for our success. Our HR roadmap is built on three key pillars: Culture, Career, and Learning & Development, with an endeavour to strengthen our organisational capabilities to attract and retain top talent and promote a culture that drives long-term value and sustained competitiveness in the marketplace.

Our employee value proposition, clearly defines our priorities - 'We strive for balance in creating a

place where people can have a healthy work-life balance while still being themselves and offering different perspectives, collaborative & inclusive, caring, committed & result oriented.' This reflects the culture at Finolex Parivaar, which has been built over several years. We invest in our employees as the true drivers of our growth. Our strong alignment with the founding values, respect, and performance-minded approach is embedded in our Company culture.

We have introduced various initiatives to help our employees develop new skills, improve their productivity, and boost employee engagement. We are also committed to nurturing leadership skills and competencies, ensuring a growth path within the organisation. These efforts have helped us retain our best talent and have also made our Company an attractive workplace with a highly engaged and productive workforce. This has been further validated by the prestigious 'Great Place To Work' Certification received by the Company for two consecutive years. As of March 31, 2024, our employee count was 1,510, and we invested 28,696 hours in learning and development to enhance our employees' skills and knowledge.

Internal Control Systems

The Company has implemented comprehensive internal control procedures tailored to the nature of our business and the scale of our operations to ensure smooth business proceedings. Regular internal audits are conducted at all our plants, focusing on key operational areas. These audits are designed to be independent and objective, with the purpose of evaluating and enhancing the effectiveness of our risk management, control, and governance processes.

The Audit Committee, comprising five Independent Directors and one non-independent and non-executive director, oversees the internal audit function. The committee monitors the performance of internal audits through periodic reviews of audit plans, audit findings, and the speed at which issues are resolved through follow-ups. This robust framework ensures that our internal controls remain effective and aligned with our business needs.

Internal Financial Control

The Company has robust and thoroughly documented internal financial controls that

align with the nature of our business, as well as the size and complexity of our operations. The internal financial controls form the foundation of our overall governance framework, ensuring the Company operates effectively and efficiently.

Internal financial controls play a crucial role in safeguarding our assets, ensuring compliance with Company policies, preventing and detecting errors, and maintaining accurate and complete financial records. It also incorporates the necessary checks and balances to ensure smooth organisational functioning.

We regularly review our internal financial controls to ensure their effectiveness and ongoing reliability. Such periodic evaluation ensures maintaining strong governance and operational efficiency.

Cautionary Statement

Cautionary Statement in this Annual Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global economy, political stability, stock performance on stock markets, changes in government regulations, tax regimes, economic developments and other incidental factors. Except as required by law, the Company does not undertake to update any forward-looking statements to reflect future events or circumstances. Investors are advised to exercise due care and caution while interpreting these statements.

Sources:

¹PRESS NOTE ON PROVISIONAL ESTIMATES OF ANNUAL GDP FOR 2023-24

²SECOND ADVANCE ESTIMATES OF NATIONAL INCOME, 2023-24

³Provisional Estimates of Annual GDP for 2023-24: Ministry of Statistics & Programme Implementation

⁴PRESS NOTE ON PROVISIONAL ESTIMATES OF ANNUAL GDP FOR 2023-24

⁵PRESS NOTE ON PROVISIONAL ESTIMATES OF ANNUAL GDP FOR 2023-24

⁶RBI PRESS RELEASE

⁷PIB

⁸MINT

⁹StraitsResearch

¹⁰Maximize Market Research

¹¹Mid-day

¹²Business Today

¹³PIB

¹⁴PIB: 10 Years of Transformation: Revolutionizing Agriculture

¹⁵PIB: 10 Years of Transformation: Revolutionizing Agriculture

¹⁶PIB: Minimum Support Price for Various Crops

¹⁷PIB: 10 Years of Transformation: Revolutionizing Agriculture

¹⁸PIB: 10 Years of Transformation: Revolutionizing Agriculture

¹⁹PIB: 10 Years of Transformation: Revolutionizing Agriculture

BOARD OF DIRECTORS' REPORT

To the Members,

The Board of Directors are delighted to present the 43rd (Forty-Third) Annual Report on the business and operations of Finolex Industries Limited ("the Company") along with the summary of standalone and consolidated audited financial statements for the year ended March 31, 2024.

Overview of Financial Performance:

Financial Results

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Profit before depreciation and finance charges	765.96	413.92	803.02	437.72
Less: Finance charges	36.45	27.23	36.45	27.23
Profit before depreciation and taxation	729.51	386.69	766.57	410.49
Less: i. Depreciation	116.02	89.20	116.02	89.20
ii. Provision for taxation	158.19	60.90	176.96	70.59
Profit after depreciation and taxation	455.30	236.59	473.59	250.70
Add/(Less) :				
i. Retained earnings at the beginning of the year	2,960.47	2,972.33	3,038.64	3,036.38
ii. Re-measurement of defined benefit plans and income tax effect	(2.43)	(0.26)	(2.46)	(0.24)
iii. Dividend	(92.75)	(248.19)	(92.75)	(248.19)
Retained earnings at the end of the year	3,320.58	2,960.47	3,417.02	3,038.64
Earning per equity share (in ₹)	7.36	3.82	7.66	4.04

Operations

The operational performance is summarized below:

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	4,317.43	4,397.05	4,317.43	4,397.05
Other Income	181.11	121.38	179.95	120.92
Total Income	4,498.54	4,518.43	4,497.38	4,517.97
Profit before tax	613.49	297.49	612.33	297.03
Share of profit of associate before tax	-	-	38.22	24.26
Profit after tax	455.30	236.59	473.59	250.70
PVC Pipes and Fittings				
Production – in MTs	3,33,311	3,01,830	3,33,311	3,01,830
Sale – in MTs	3,36,577	3,03,026	3,36,577	3,03,026
Sale – in ₹ Crore	4,185.15	4,113.28	4,185.15	4,113.28
PVC Resin				
Production – in MTs	2,09,787	2,32,463	2,09,787	2,32,463
Sale – in MTs (including inter divisional):	1,96,542	2,39,638	1,96,542	2,39,638
Sale – in ₹ Crore (including inter divisional):	1,485.81	2,271.02	1,485.81	2,271.02

Total Production capacity of PVC Pipes is 4,20,000 MT p.a. and Fittings is 50,000 MT p.a. The sales volume for PVC pipes & fittings was 3,36,577 MT for the financial year ended March 31, 2024 as against 3,03,026 MT for the financial year ended March 31, 2023. Total standalone income was at ₹4,498.54 Crore for the financial year ended March 31, 2024 against ₹4,518.43 Crore for the financial year ended March 31, 2023. Profit after tax was at ₹ 455.30 Crore for the financial year ended March 31, 2024 as against ₹ 236.59 Crore for the financial year ended March 31, 2023.

Dividend

Your Directors recommend a dividend ₹2.50 per equity share of ₹2/- each (previous year ₹1.50). Dividend is subject to approval of members at the ensuing Annual General Meeting and subject to deduction of tax at source.

The dividend payout is in accordance with the Company's Dividend Distribution Policy as formulated and adopted by the Board and can be accessed at the link: https://www.finolexpipes.com/site/assets/files/12927/dividend_distribution_policy.pdf.

Transfer to Reserves

As permitted under the Act, the Board does not propose to transfer any amount to general reserve and has decided to retain the entire Income for FY 2024 of ₹805.69 Crore (previous year ₹1,202.64 Crore) in the profit and loss account.

Deposits

The Company has not accepted any deposits from public during the year under review as described under Chapter V of the Companies Act, 2013. No amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Change in the Nature of Business

There has been no change in the nature of business of the Company, during the period under review.

Management Discussion and Analysis

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), a separate section on Management Discussion and Analysis Report which also covers the operations

reflecting the nature of business, forms an integral part of this Annual Report.

Consolidated Financial Statements

As at the end of the financial year 2023-2024, your Company does not have any subsidiary Company. However, it does have two associate companies namely 'Finolex Plasson Industries Private Limited' and 'Pawas Port Limited'.

Your Company has consolidated the financials of Finolex Plasson Industries Private Limited. Further, it is pertinent to note that, your Company has not consolidated financials of an immaterial associate viz. 'Pawas Port Limited', in which your Company holds 49.99% equity shares (₹0.05 Crore), which has not started any operations.

In accordance with the provisions of Section 129 of the Companies Act, 2013 (the "Act") Schedule III of the Act and the Listing Regulations read with IND AS -110 Consolidated Financial Statements and IND AS -28 Investments in Associates, the consolidated financial statements are annexed and forms part of this Annual Report.

Revision in financial statements

There has been no revision in the financial statements of the Company during the financial year 2023-24.

Subsidiary and Associate Companies

In terms of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the associate or joint venture company(ies) in **Form AOC-1**, which forms an integral part of this Annual Report.

Pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014, the performance and financial position of the associate or joint venture companies is included in the consolidated financial statements which forms integral part of this Annual Report.

During the financial year 2023-24, there is no change in associate company(ies) of the Company.

The Company has formulated the policy on material subsidiaries in consonance with the provisions of Regulation 16(i)(c) of the Listing Regulations. As required under Regulation 46(2)(h) of the said Regulations, Material Subsidiary Policy has been uploaded on the Company's website and can be accessed through https://www.finolexpipes.com/site/assets/files/12930/policy_on_material_subsidary-1.pdf.

Pursuant to Regulation 34(3) of the Listing Regulations, the related party disclosures as specified in Para A of Schedule V are given below:

Sr. No.	In the accounts of	Disclosure of amounts at the year end and maximum amount of loans/ advances/investments outstanding during the year	Remarks
1.	Holding Company	<ul style="list-style-type: none"> Loans and advances in the nature of loans to subsidiary by name and amount. Loans and advances in the nature of loans to associates by name and amount. Loan and advances in the nature of loans to firms/companies in which directors are interested by name and amount. 	Refer Note below.
2.	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.	Refer Note below.
3.	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	

Note : Since the Company has no holding and subsidiary company, nothing is required to be reported here.

Related Party Transactions

The related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business of the Company and prior omnibus approval is obtained for related party transactions which are of repetitive nature.

There were no materially significant related party transactions which could have potential conflict with the interests of the Company at large. None of the transactions with related parties falls under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 does not apply to the Company for FY 2024 and hence the same is not provided.

Particulars of related party transactions are stated in note no. 37 in the financial statements.

Your Company has formulated a policy on related party transactions and on dealing with related party transactions ('RPT Policy'). The Policy is available on Company's website and can be accessed through https://www.finolexpipes.com/site/assets/files/12932/related_party_transactions_policy.pdf

Corporate Governance

Your Company is committed to highest corporate governance practices. Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, a separate section on the Corporate Governance Report, forms an integral part of Annual Report. A certificate from Practicing Company Secretary confirming compliance with corporate governance norms, is annexed to the Corporate Governance Report.

Material changes and commitments

There have been no material changes or commitments that have affected the financial position of the Company between the close of FY 2024 and the date of this report. There has been no change in the nature of business of the Company.

Risk Management

The Risk Management Committee was duly constituted by the Board in compliance with the provisions of the Listing Regulations, details of the Committee along with terms of reference are provided in the Corporate Governance Report.

The Company has a robust risk management policy and framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level and also separately for business segments. Risk Management forms an integral part of the business planning and forecasting. The key business risks identified by the Company and its mitigation plans are included in the Management Discussion and Analysis Report.

Internal Financial Controls and their adequacy

The Company had laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information.

Directors and Key Managerial Personnel

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Saurabh Dhanorkar (DIN: 00011322), Non-Executive & Non-Independent Director of the Company, who retired by rotation in terms of Section 152(6) of the Act, was re-appointed by the members at the 42nd Annual General Meeting held on August 28, 2023.

Mr. Ajit Venkataraman (DIN: 07289950), was appointed as Managing Director, for a term of 5 years commencing from June 1, 2023, and such appointment was also approved by the Members at the 42nd Annual General Meeting held on August 28, 2023.

Mr. Anil Whabi (DIN: 00142052) superannuated as Managing Director of the Company on May 31, 2023. The Board places on record its sincere appreciation for the contribution made by him during his tenure as Managing Director.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee her re-appointment and in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Ritu Chhabria (DIN: 00062144), retires by rotation and being eligible offers herself for re-appointment.

Key Managerial Personnel (KMP)

As on March 31, 2024, the following are Key Managerial Personnel ("KMPs") of the Company as per Sections 2(51) and 203 of the Act:

Mr. Ajit Venkataraman, Managing Director (w.e.f. June 1, 2023); & Mr. Niraj Kedia, Chief Financial Officer. (ceased w.e.f. June 30, 2024).

Mr. Ashutosh B. Kulkarni, resigned and ceased as Company Secretary and Key Managerial Personal of the Company w.e.f. close of business hours of January 14, 2024. The Board placed on record its sincere appreciation for the contribution made by him over the years.

The Board of Directors on recommendation of Nomination and Remuneration Committee appointed Mr. Dakshinamurthy Iyer, as Company Secretary, Compliance Officer and Key Managerial Personnel with effect from May 10, 2024.

Re-appointment of Independent Directors for a second term

The Board recommends the re-appointment of Ms. Bhumika L. Batra (DIN: 03502004), Dr. Deepak R. Parikh (DIN: 06504537), Mr. Pradeep R. Rath (DIN: 00018577) and Mr. Anami N. Roy (DIN: 01361110), as Independent Directors of the Company for a second term of 5 (five) consecutive years commencing from 20th September 2024 upto 19th September 2029 (both days inclusive), not liable to retire by rotation, for

approval of members by way of a Special Resolution at the ensuing 43rd AGM.

The resolutions for the aforesaid respective appointment(s) / re-appointment(s) including payment of their remuneration / commission and details of their brief resume, nature of expertise in specific functional areas, disclosure of relationship between directors inter-se, names of the listed entities in which the person also holds directorship and the membership of the Committee of the Board of Directors and shareholding in the Company as required pursuant to Listing Regulations and Secretarial Standards on General Meetings (SS-2) are contained in the notice of the ensuing annual general meeting.

The Board recommends the re-appointment of Independent Directors as stated above and payment of commission.

Independent Directors

All the Independent Directors of the Company have given declarations that:

- a) they meet the criteria of independence as laid down under the Act and the Listing Regulations;
- b) they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgment and without any external influence pursuant to Regulation 25 of SEBI Listing Regulations;
- c) In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied with the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors and complied with the requirements of passing proficiency test, as applicable.
- d) they have registered their names in the Independent Directors' Databank.

Based on the confirmations/ disclosures received from the Independent Non-Executive Directors in terms of Regulation 25 of the SEBI Listing Regulations along-with a certificate issued by M/s. SVD & Associates, Practising Company Secretaries, (Peer Review No: 669/2020) Secretarial Auditors of

the Company, the Board of Directors is of the opinion that the Independent Non-Executive Directors are of integrity and possess the requisite expertise and experience.

Board Meetings

The Board meets at regular intervals to discuss and decide on the Company's/business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in quarterly meetings. During FY 2023-24, 7 (seven) Board Meetings were held, the details thereof have been provided in the Corporate Governance Report.

Committees of the Board

As required under the Act and the Listing Regulations, the Company has constituted the following statutory committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

Details of all the Committees such as terms of reference, composition, and meetings held during the year under review are disclosed in the Corporate Governance Report, and forms an integral part of this Annual Report.

Familiarization Programme for Directors

The Company has put in place a familiarization programme for its Directors including the independent directors in compliance of Regulation 25(7) of SEBI Listing Regulations.

The details of the familiarization programme for independent directors are available on the website of the Company and can be accessed through <https://www.finolexpipes.com/investors/compliance-report/>

Policy on Directors' appointment and remuneration

The Company has adopted a Nomination and Remuneration Policy for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees, pursuant to the Act and SEBI Listing Regulations, as amended from time to time.

Remuneration paid to Directors/KMP/SMP is as per the terms laid out in the said policy, which can be accessed through https://www.finolexpipes.com/site/assets/files/18437/nomination_and_remuneration_policy.pdf

Board Evaluation

The Company has put a mechanism in place to evaluate the performance of the Board, its Committees and individual Directors in accordance with various parameters suggested by the Nomination and Remuneration Committee like Board/Committee composition, size, diversity, skill sets, Board process, frequency of meetings, information flow, oversight of financial reporting and control process, leadership skills and qualities, productive use of domain knowledge and experience, effective participation, etc. For further details, please refer to Corporate Governance Report, which forms part of this Annual Report.

Details pursuant to Section 197(12) of the Companies Act, 2013

The information required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure – 1** and forms integral part of this Report.

Statutory Auditors and Auditors' Report

The Company has appointed M/s. Walker Chandiook & Co. LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), as Statutory Auditors of the Company for a period of five (5) years at the Forty-First (41st) Annual General Meeting of the Company held on August 30, 2022.

Your Company's standalone and consolidated financial statements have been prepared in accordance with Ind AS notified under Section 133 of the Act.

The report of the Statutory Auditors on the Standalone and Consolidated Audited Financial Statements for the financial year ended March 31, 2024 is annexed and forms integral part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks or disclaimers and hence do not call for any comments.

Statutory Auditors of the Company have not reported any fraud for the year under review.

Cost Records and Cost Auditors

Pursuant to the provisions of Section 141 read with Section 148 of the Act and Rules made thereunder, the Company had appointed M/s. S. R. Bhargave & Co., Cost Accountants (Firm Registration Number: 000218) as Cost Auditors of the Company for conducting cost audit for FY 2023-24.

In accordance with Section 148(1) of the Act, the Company has maintained accounts and cost records for the financial year 2023-24.

The Cost Audit Report for FY 2022-23, issued by M/s. S. R. Bhargave & Co., Cost Auditors, in respect of the various products prescribed under Cost Audit Rules, does not contain any qualifications, reservations, adverse remarks or disclaimers and the same was filed with the Ministry of Corporate Affairs on October 4, 2023.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules framed thereunder, the Company had appointed M/s. SVD & Associates, Practising Company Secretaries, Pune (Peer Review No: 669/2020) to carry out secretarial audit of the Company for the financial year 2023-24. The Secretarial Audit Report for the financial year 2023-24, is annexed as **Annexure – 2** and forms integral part of this Report.

The Secretarial Auditor's Report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

Secretarial Standards

Your Company has devised proper systems to ensure compliance with the provisions of Secretarial Standards (as applicable) issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Disclosures

Your directors are pleased to furnish the following details which are required to be reported by the Company in the Director's Report pursuant to Section 134(3) (a) to (q) of the Act:

i. Annual Return

In terms of Section 92(3) and Section 134(3) (a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended March 31, 2024 is available on the website of the Company and can be accessed through <https://www.finolexpipes.com/investors/compliance-report/>

ii. Directors' Responsibility Statement

Your directors, on the basis of information and documents made available to them, confirm that:

- a) in the preparation of the annual financial statements for the year ended March

31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that period;
- c) the directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

iii. Vigil Mechanism/Whistle Blower Policy

The Company has established a Vigil Mechanism and Whistle Blower Policy for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Company affirms that no Director(s) or Employee(s) has been denied access to the Chairman of the Audit Committee and that no complaint was received during the year.

The said policy has been communicated to the Director(s) and Employee(s) of the Company and is also posted on the website of the Company https://www.finolexpipes.com/site/assets/files/147243/whistle_blower_policy.pdf

iv. Policy relating to Prevention of Sexual Harassment

Pursuant to the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and rules made thereunder, the Company has formulated and adopted a Prevention of Sexual

Harassment Policy, to provide protection to employees at workplace and for prevention and redressal of sexual harassment complaints and incidental matters.

Your directors state that during the year under review, there were no complaints received / case filed pursuant to the POSH Act.

For further details, please refer to Corporate Governance Report, which forms a part of this Annual Report.

v. Particulars of loans, guarantees or investments

The details, of loans given, investments made or guarantees given (as applicable and if any) pursuant to Section 186 of the Companies Act, 2013, are disclosed in the notes to the financial statements.

vi. Significant/Material Orders passed by the Regulators/Courts/Tribunals

There are no significant and/or material orders passed by any Regulators/Courts/ Tribunals impacting the going concern status of the Company and the Company's operations in future.

Further no application, neither against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016), nor the Company has done any one-time settlement with any Bank or Financial institutions.

vii. Employee Stock Option Scheme

During the year under review, your directors confirm that no shares were issued by the Company under the Finolex Industries Limited – Employee Stock Option Scheme/ Plan (ESOP) of the Company.

A statement giving complete details, as at March 31, 2024, pursuant to Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is available on the Company's website and can be accessed through <https://www.finolexpipes.com/investors/compliance-report/>

The Company has obtained certificate from M/s. SVD & Associates, Secretarial Auditors of the Company, pursuant to Regulation 13 of the Securities Exchange Board of India (Share

Based Employee Benefits and Sweat Equity) Regulations, 2021.

viii. Sweat equity shares and equity shares with differential voting rights

Your directors confirm that neither sweat equity shares nor equity shares with differential voting rights have been issued by the Company during the year under review.

ix. Conservation of Energy, technology Absorption, Foreign Exchange Earnings and Outgo

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given under Section 134(3) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure – 3**, and forms integral part of this Annual Report.

x. Business Responsibility and Sustainability Report:

Business Responsibility and Sustainability Report, detailing the various initiatives taken by the Company on the environmental, social and governance front is annexed as **Annexure – 4** and forms an integral part of this Annual Report

xi. Corporate Social Responsibility:

In accordance with the requirements of Section 135 of the Act and Rules framed thereunder, the Company has formulated a CSR Policy which is available on the Company's website and can be accessed through https://www.finolexpipes.com/site/assets/files/148640/corporate_social_responsibility_-_policy.pdf

As a responsible corporate citizen, your Company conducts CSR activities in education, healthcare, sanitation, skill developments, social welfare, water conservation and women empowerment with its CSR partner, Mukul Madhav Foundation ("MMF"). Your Company has been actively contributing to the social and economic development of the underprivileged mainly in and around the Company's plants situated at Ratnagiri, Urse and Badhalawadi in the state of Maharashtra and at Masar in the state of Gujarat.

The Annual Report on the CSR activities along with summary of the Impact Assessment Report is annexed as **Annexure – 5** and forms an integral part of the Annual Report.

Acknowledgements

Your directors take this opportunity to place on record their deep sense of gratitude to the banks, financial institutions, central and state government departments and local authorities for their guidance and support. Your directors are also grateful to the customers, suppliers and business associates of the Company for their continued co-operation and support. Your directors express their deep appreciation for the commitment, dedication and hard work put in

by the employees at all levels. Lastly, your directors are grateful for the confidence and faith shown in them by the shareholders of the Company.

For and on behalf of the Board of Directors

Date: August 19, 2024
Place: Nice, France

Prakash P. Chhabria
Executive Chairman
DIN: 00016017

Annexure-1

The information required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended March 31, 2024, is given below:

(a) Ratio of remuneration paid of each Director to the median remuneration of the employees of the Company and percentage increase in remuneration for the financial year:

Sr. No.	Non-Executive Directors	Ratio of remuneration of Director to the median remuneration	% increase in remuneration during the financial year
1.	Ms. Bhumika L. Batra	4.89	19.67
2.	Mrs. Ritu P. Chhabria	4.52	21.63
3.	Mrs. Kanchan U. Chitale	5.34	10.49
4.	Mr. Saurabh S. Dhanorkar	5.24	8.44
5.	Dr. Deepak R. Parikh	5.04	31.26
6.	Mr. Pradeep R. Rathi	6.24	17.21
7.	Mr. Anami N. Roy	4.89	23.41

Sr. No.	Executive Directors	Ratio of remuneration of Director to the median remuneration	% increase in remuneration during the financial year
1.	Mr. Prakash P. Chhabria	175.60	23.95
2.	Mr. Ajit Venkataraman ¹	69.74	187.33 ⁵
3.	Mr. Saumya Chakrabarti	24.73	29.69
4.	Mr. Anil V. Whabi ²	8.30	(85.34) ⁵

(b) Percentage increase in remuneration of Chief Financial Officer and Company Secretary for the financial year:

Sr. No.	Chief Financial Officer and Company Secretary	% increase in remuneration during the financial year
1.	Mr. Niraj Kedia ³ Chief Financial Officer	27.43
2.	Mr. Ashutosh B. Kulkarni ⁴ Ex Company Secretary	2.90 ⁵

¹ Mr. Ajit Venkataraman was appointed as Managing Director of the Company w.e.f. June 1, 2023 and consequently ceased to be Chief Executive Officer.

² Mr. Anil Whabi was superannuated and ceased to be as Managing Director of the Company w.e.f. May 31, 2023

³ Mr. Niraj Kedia ceased to be the Chief Financial Officer from June 30, 2024.

⁴ Mr. Ashutosh B. Kulkarni ceased to be the Company Secretary & Head Legal w.e.f. January 14, 2024.

⁵ The remuneration were for the part of the previous year/current year

(c) The percentage increase in the median remuneration of employees for the financial year was 5.8%.

(d) There were 1,510 number of permanent employees on the rolls of the Company as on March 31, 2024.

(e) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2023-24 was 8.75% and increase of 34% in the managerial remuneration for the same financial year.

It is hereby affirmed that the remuneration paid to the Directors is as per the Nomination and Remuneration Policy of the Company for Directors and Key Managerial Personnel.

Details of employee remuneration as required under Section 197(12) of the Companies Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are available to shareholder(s) for inspection on request.

In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company at investors@finolexind.com.

For and on behalf of the Board of Directors

Date: August 19, 2024
Place: Nice, France

Prakash P. Chhabria
Executive Chairman
DIN: 00016017

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Finolex Industries Limited,
Gat No.399, Village Urse, Taluka Maval,
District Pune – 410506.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Finolex Industries Limited, CIN L40108PN1981PLC024153 (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- i. The Companies Act, 2013, (the Act) and the rules made thereunder as amended from time to time respectively;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder

to the extent of Foreign Direct Investment and Overseas Direct Investment, wherever applicable;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 (**not applicable to the Company during the audit period**);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021 (**not applicable to the Company during the audit period**);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**not applicable to the Company during the audit period**);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation 2021, (**not applicable to the Company during the audit period**); and
 - h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**not applicable to the Company during the audit period**).

- vi. We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

We have also examined compliance with the applicable clauses and regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further meetings which were convened at shorter notice, at least one independent director was present in such meeting.

All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following:

1. Mr. Anil Whabi (DIN 00142052) completed his tenure as Managing Director of the Company from close of business hours of May 31, 2023. Further he also ceased to be the Director and Key Managerial Personnel (KMP) of the Company with effect from close of business hours of May 31, 2023.
2. The Board of Directors at its meeting held on May 22, 2023, re-designated Mr. Ajit Venkataraman (DIN: 07289950) as Managing Director of the Company with effect from June 01, 2023 for a period of 5 years from June 1, 2023 until May 31, 2028 which was approved by the members in the 42nd Annual General Meeting held on August 28, 2023 (42nd AGM).
3. The Company has signed Share Purchase agreement and Shareholders agreement for procurement of 8.36 MW Solar Power under group captive mode with Hinduja Renewables One Private Limited (HROPL), a Special Purpose Vehicle (SPV) formed by Hinduja Renewables Energy Private Limited. In order to enhance usage of renewable power, FIL has acquired 15.30% of the equity share capital of HROPL at Rs.3.14 crore to procure solar power under the group captive generation mechanism.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar

Partner

FCS No: 6156

CP No: 2664

Peer Review No: 669/2020

UDIN: F006156F000991745

Place: Pune

Date: August 19, 2024

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as **Annexure A** and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
Finolex Industries Limited,
Gat No.399, Village Urse, Taluka Maval,
District Pune – 410506.

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. We have relied on the documents and evidences provided physically and by electronic mode.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
CP No: 2664

Peer Review No: 669/2020
UDIN: F006156F000991745

Place: Pune
Date: August 19, 2024

Energy Conservation, Technology Absorption, and Foreign Exchange Earnings & Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of energy

a) Energy conservation measures taken:

The Company has undertaken various energy conservation measures at its various plants to reduce energy utilization and increase in energy savings during the FY 2023-24

• Urse, Bhadalwadi and Masar - Pipes & Fittings Plants

- i. Installed energy efficient Avalon Mixer and achieved energy savings of 12,000 kWh/Annum
- ii. Replaced existing transformers with new energy efficient transformers, resulting in saving of 51,840 kWh/Annum
- iii. Variable Frequency Drives (VFD) were installed, resulting in saving of 10,100 kWh/Annum
- iv. 14,05,991 kWh green energy generated at Masar Plant by installation of 1 MWp roof-top solar system
- v. 50,27,990 kWh green energy was imported at Masar Plant through 1.91 MW Hybrid Group Captive Renewable energy power purchase agreement (PPA)
- vi. Installed motion sensors and LUX feedback system (lighting management system), resulting in savings of 1,000 kWh/Annum
- vii. Reduction in energy footprint by use of battery operated forklifts at all locations

• Ratnagiri – Resin Plant

- i. Various energy saving initiatives were taken in auxiliary power consumption at Captive Power Plant (CPP), resulting in savings of 3,047 MWh/Annum

- ii. Integration of compressed air system between CPP and offsites & utilities, resulting in savings of 1,61,441 kWh/Annum
- iii. Operation of sea water cooling tower on raw water during monsoon period, resulting in saving of sea water pumping of 165.8 MWh/Annum. It has also helped in reduction of corrosion of marine prone structures.
- iv. Heat integration initiatives in PVC Resin plant resulted in total energy (steam) savings of 8,690 MT/Annum
- v. Use of transparent sheets in VCM Mechanical shed, resulting in power saving of 436 kWh/Annum
- vi. Replacement of conventional lights with LED lamps, resulting in power saving of 50,684 kWh/Annum.
- vii. Solar water heaters were installed in the Plant Canteens and Guest House, resulting in power saving of 49,972 kWh/Annum.
- viii. Optimization of Air dryer heaters at off-sites & utilities, resulting in power saving of 32,998 kWh/Annum
- ix. Cooling tower fans were optimized in Ethylene Terminal Facility (ETF), resulting in saving of 8,819 kWh/Annum;

Additional investments proposals if any, are being planned for a reduction in the consumption of energy:

• Urse, Bhadalwadi, Masar and Ratnagiri - Pipes & Fittings Plants

- i. Planned 7,30,000 kWh green energy generation by installation of 0.513 MWp roof-top solar system
- ii. Planned 1,61,00,000 kWh green energy import through 8.36 MW Group Captive Renewable energy power purchase agreement (PPA)

- iii. Plan to install heat cut-off system in Auto Socketing Machine (ASM), will result in energy saving
- iv. Installation of energy efficient pumps in plants to reduce energy consumption
- v. Installation of insulation in DIE head heaters for energy saving
- vi. Installation of energy efficient air compressors and pumps
- vii. Plan to install water management system in restrooms, having a potential of 1,82,500 litres/annum water savings;
- viii. Plan to install solar lights in plant premises
- ix. Installation of daylight harvesting in plant offices with an aim to reduce the power consumption by annual saving of ₹1.76 lacs

• **Ratnagiri - Resin Plant**

- i. Plan to change operating philosophy of Boiler operations to save fuel consumption by 25 %
- ii. Installation of energy efficient pumps. This will yield an annual energy saving of ~ 250 MWh

- iii. Plan to integrate heat in VCM and PVC plant, which will reduce steam consumption by 5,600 MT/Annum
- iv. Saving of 767 MT/Annum steam through improvement in waste heat recovery system
- v. Saving of 756 MWh/Annum power through integration of compressed air system across the plant
- vi. Optimization of coating application on boiler tubes to improve its efficiency and reduce the fuel consumption
- vii. Planned installation of 3 MWp roof-top solar system for Ratnagiri plant

B. Technology absorption

Research and Development (R&D) Specific areas in which R&D efforts have been put in by company are:

Your Company:

- i. collaborated with National Chemical Laboratory – Pune, for studying effective separation of value added products in VCM manufacturing;
- ii. is in the process of applying for mandatory BIS certification of PVC resin at Ratnagiri;
- iii. took initiatives for setting up product Application Development Center (ADC) at Ratnagiri site.

4. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a. The details of technology imported	No technology imported during last three years.
b. The year of import	
c. Whether the technology has been fully absorbed	
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	

5. The expenditure incurred on Research and Development

a. Capital	The development work is carried out by the concerned departments on an ongoing basis. The expenses and the cost of assets are grouped under the respective heads.
b. Recurring	
c. Total	
d. Total R & D expenditure as a percentage of total turnover	

C. Foreign exchange earnings and Outgo:

The Foreign Exchange earnings and outgo during the financial year 2023-24 was as under:

Foreign Exchange earnings: ₹ Nil

Foreign Exchange outgo: ₹ 2,095.46 Crore

For and on behalf of the Board of Directors

Date: August 19, 2024
Place: Nice, France

Prakash P. Chhabria
Executive Chairman
DIN : 00016017

Business Responsibility & Sustainability Report (BRSR) 2023-24

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L40108PN1981PLC024153
2. Name of the Listed Entity	Finolex Industries Limited
3. Year of incorporation	1981
4. Registered office address	Gat No.399, Village Urse, Taluka Maval, District Pune, Maharashtra, India - 410506
5. Corporate address	IndiQube - The Kode, 11th Floor, Baner-Pashan Link Road, Baner Gaon, Pune, Haveli, Maharashtra, India - 411045
6. E-mail	investors@finolexind.com
7. Telephone	020-27408200
8. Website	www.finolexpipes.com
9. Financial year for which reporting is being done	2023-2024
10. Name of the Stock Exchange(s) where shares are listed	BSE and National Stock Exchange of India Limited
11. Paid-up Capital	Rs 124.10 Crores
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report-	Mr. Dakshinamurthy Iyer Tel: 020 - 27408200 Email: investors@finolexind.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	This Report is prepared on a Standalone basis
14. Name of assurance provider	Not Applicable for the Financial Year ended on March 31, 2024
15. Type of assurance obtained	Not Applicable for the Financial Year ended on March 31, 2024

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	PVC Pipes & Fittings	97%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	PVC Pipes & Fittings	22209	97%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	04	08	12
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	25
International (No. of Countries)	-

Remarks: The Company serves PAN INDIA (every state) except Mizoram, Manipur & Sikkim.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

NIL

c. A brief on types of customers

Finolex Industries Limited is one of the most trusted brands in Pipes & Fittings. We are one of the leading producer of PVC resin, making it the largest backward integrated pipes company in India. We offer wide range of PVC pipes and fittings suitable for applications in agriculture, plumbing and sanitation. Our customers are Farmers, Plumbers, Plumbing Contractors and Builders.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
EMPLOYEES						
1.	Permanent (D)	1,313	1,270	96.72	43	3.27
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	1313	1,270	96.72	43	3.27
WORKERS						
4.	Permanent (F)	197	197	100	-	-
5.	Other than Permanent (G)	2,892	2,784	96.26	108	3.73
6.	Total workers (F + G)	3,089	2,981	96.50	108	3.49

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	-	-	-	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	2	2	100.00	-	-
6.	Total differently abled workers (F + G)	2	2	100.00	-	-

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	3	30
Key Managerial Personnel*	1	-	-

*(Excluding Key Managerial Personnel covered under Board of Directors)

22. Turnover rate for permanent employees and workers

	FY 23-24 (Turnover rate in current FY) %			FY 22-23 (Turnover rate in previous FY) %			FY 21-22 (Turnover rate in the year prior to the previous FY) %		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.81	16.67	16.8	19.2	20.78	19.25	11.5	31.58	12.15
Permanent Workers	3	-	3	4.38	-	4.38	2.4	-	2.4

V. Holding, Subsidiary and Associate Companies (including joint ventures)**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Finolex Plasson Industries Private Limited	Associate	46.35	No
2	Pawas Port Limited	Associate	49.99	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : Yes

(ii) Turnover (In Crores) : 4,274.10

(iii) Net Worth (In Crores) : 5,537.84

VII. Transparency and Disclosures Compliances**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes then provide web-link for grievance redress policy)	Number of complaints filed during the year (CY)	Number of complaints pending resolution at close of the year (CY)	Remarks (CY)	Number of complaints filed during the year (PY)	Number of complaints pending resolution at close of the year (PY)	Remarks (PY)
Communities	Yes https://www.finolexpipes.com/investors/policies-code-of-conduct/	-	-	-	-	-	-
Investors (other than shareholders)	Yes https://www.finolexpipes.com/investors-investors-relations-centre/	-	-	-	-	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes then provide web-link for grievance redress policy)	Number of complaints filed during the year (CY)	Number of complaints pending resolution at close of the year (CY)	Remarks (CY)	Number of complaints filed during the year (PY)	Number of complaints pending resolution at close of the year (PY)	Remarks (PY)
Shareholders	Yes https://www.finolexpipes.com/investors/investors-relations-centre/	140	-	-	68	-	-
Employees and workers	Yes https://www.finolexpipes.com/sustainability/	-	-	-	-	-	-
Customers	Yes https://www.finolexpipes.com/sustainability/	1,811	-	-	1,553	-	-
Value Chain partners	Yes https://www.finolexpipes.com/sustainability/	-	-	-	-	-	-
Other (please specify)		-	-	-	-	-	-

26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Human Rights	R	Risk: <ul style="list-style-type: none"> Responsibility to identify and manage human rights risks in its operation and supply chain and mitigate from adverse risks and consequential damages. 	<ul style="list-style-type: none"> The Company has always been committed to foster a culture of caring and trust. This is embedded in human rights policy and detailed process set along with due diligence procedures to evaluate human rights risks at all levels of operations. Environment Health and Safety (EHS) training, Prevention of Sexual Harassment (POSH), code of conduct related to human rights are covered under employee Induction. 	Negative: <ul style="list-style-type: none"> Any violation can lead to severe reputational, regulatory and damage to the organization.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Talent Management	R/O	<p>Risk:</p> <ul style="list-style-type: none"> • Failure to attract and retain talent by management to support business objectives. • Lack of highly skilled and well-trained employees to contribute to business performance. <p>Opportunity:</p> <ul style="list-style-type: none"> • Continued investment in these areas will benefit our employees and positively impact business and our stakeholders. 	<ul style="list-style-type: none"> • The Company continues to assess and develop our employees' capabilities across levels and geographies. The company invested in talent by providing them learning opportunities, access to mentoring / coaching, business projects and continue to mobilize them into critical roles. • The company invested in functional training programmes for management, employees & workers to build a future ready and resilient organization. 	<p>Negative:</p> <ul style="list-style-type: none"> • High training and recruitment costs <p>Positive:</p> <ul style="list-style-type: none"> • Enhanced innovation and productivity, Increased employee engagement and retention, leading to a more skilled workforce.
3	Occupational Health and Safety	R	<p>Risk:</p> <ul style="list-style-type: none"> • Inherently associated with business activities and processes. Occupational Health & Safety has an impact on employee well being and productivity impacting business of the Company. • Non- compliance with safety measures by employees. 	<ul style="list-style-type: none"> • Implementation and strict adherence of robust OHS management system and process safety management to address the risks. • The Company has in place proactive measures like HIRA, safety walks, Job Safety Analysis (JSA), Hazard and Operability study (HAZOP), Risk and Consequences Analysis, and Safety Audits. The Company complies with all applicable Health and Safety regulations. 	<p>Negative:</p> <ul style="list-style-type: none"> • Accidents can put life / property in danger and impact overall productivity and result in financial loss to the Company.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Resource Management	R	<p>Risk:</p> <ul style="list-style-type: none"> Water availability in extreme weather conditions may lead to downtime and reduced productivity. 	<ul style="list-style-type: none"> Rain water harvesting by using ground water recharge and surface reservoirs is being practiced. Possibility of recycling of treated effluent to 100%. 	<p>Negative:</p> <p>Business disruption due to:</p> <ul style="list-style-type: none"> Water shortage. High water Cost. Reputational implications.
	Resource Management	O	<p>Opportunity:</p> <ul style="list-style-type: none"> Water conservation measures can help in cost savings by reduction in water consumption and associated costs such as water and waste water treatment. 		<p>Positive</p> <ul style="list-style-type: none"> Achieving long term cost benefits and improved water footprint.
	Resource Management (Energy)	R / O	<p>Risk:</p> <ul style="list-style-type: none"> Risks and mitigation associated with energy management are covered under climate change. <p>Opportunity:</p> <ul style="list-style-type: none"> Improved operational efficiency. 	<ul style="list-style-type: none"> Undertaken measures to conserve energy at Company's facilities by using energy-efficient measures and implementing energy saving SOPs and practices to ensure optimal energy consumption at our plants. Conduct internal energy audits periodically to monitor process gaps and ensure continuous improvement. 	<p>Negative:</p> <ul style="list-style-type: none"> Potential for increased compliance and environment costs. <p>Positive:</p> <ul style="list-style-type: none"> Reduced energy costs, improved profit margins, and enhanced competitiveness. Reduced carbon footprint, and potential for government incentives. Avoidance of penalties and ensured operational continuity.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Operating and Financial Performance	R/O	<p>Risks:</p> <ul style="list-style-type: none"> Loss of investor's and stakeholder's trust due to non-compliance. Loss of brand value and reputation. <p>Opportunity:</p> <ul style="list-style-type: none"> Positive returns for stakeholders and investors. Business growth due to robust and consistent economic performance. 	<ul style="list-style-type: none"> FIL has robust corporate governance practices, stringent policies and procedures and a comprehensive financial management and business continuity plan to ensure consistent economic performance. 	<p>Negative:</p> <ul style="list-style-type: none"> Decreased revenue due to loss of stakeholder trust. Increased cost to Company due to regulatory non-compliance. <p>Positive:</p> <ul style="list-style-type: none"> Increased revenues as a result of prudent financial growth.
6	Corporate Governance	R	<p>Risk:</p> <ul style="list-style-type: none"> Strong corporate governance is core to achieve the Company's objectives and any risks or non-compliance can undermine stakeholder's trust, damage reputation and disrupt business. 	<ul style="list-style-type: none"> The Company has put in place strong corporate governance framework as per regulatory guidelines. It has in place a fair, transparent & accountable Corporate Governance structure across its hierarchy to safeguard the interests of all stakeholders. There is an effective mechanism, supported by strong policies to supervise the Executive Management and oversee the critical functions of the Company. 	<p>Negative:</p> <ul style="list-style-type: none"> Poor corporate governance or unethical practices may lead to loss of confidence of stakeholders including investors and customers.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Climate Change	R	<p>Risk:</p> <ul style="list-style-type: none"> • Changes in climate related regulations and policies. • Climate-related events such as extreme weather conditions, natural disasters, or disruptions in raw material availability can affect our supply chain. • Reputational risks for companies that are perceived to have a negative environmental impact. 	<ul style="list-style-type: none"> • Mitigation measures to reduce greenhouse gas emissions (such as engaging in long term renewable PPAs, installation of roof top solar systems etc.),improve energy efficiency. • Monitoring and reporting on climate performance, including setting targets and tracking progress towards emissions reductions and other climate-related goals. 	<p>Negative:</p> <ul style="list-style-type: none"> • Climate-related risks can have financial implications including increased costs of energy, raw materials, and compliance with environmental regulations. <p>Positive:</p> <ul style="list-style-type: none"> • Initiatives taken around climate change has a positive implication towards business.
8	Data privacy and security	R	<p>Risk:</p> <ul style="list-style-type: none"> • Loss of the Company's and stakeholders' sensitive information due to theft or system breakdown. 	<ul style="list-style-type: none"> • Strengthening the cybersecurity and information security measures by aligning with global frameworks and best practices. 	<p>Negative:</p> <ul style="list-style-type: none"> • Loss of sensitive data can result in regulatory non compliance and penalties.
9	Quality management and Product stewardship	O	<p>Opportunity:</p> <ul style="list-style-type: none"> • Emphasizing product quality allows the Company to differentiate its brand in the market. • Delivering high quality products enhances customer satisfaction and builds trust. 		<p>Positive:</p> <ul style="list-style-type: none"> • Differentiation with competitors and increased customer trust leads to higher sales volumes, revenue growth and increase in brand reputation.
10	Ecosystem and biodiversity	R	<p>Risk:</p> <ul style="list-style-type: none"> • Impact of operations on the biodiversity in the vicinity of FIL's manufacturing plants. 	<ul style="list-style-type: none"> • Conducting biodiversity studies to measure Biodiversity index and develop plans as per outcome of the study. 	<p>Negative:</p> <ul style="list-style-type: none"> • Long term risk of ecosystem degradation and Biodiversity leading to reputational risk.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Environment Management	R	<p>Risks:</p> <ul style="list-style-type: none"> • Changing regulatory scenarios can lead to non-compliance • Adverse impacts on the environment from production sites. 	<ul style="list-style-type: none"> • Implementation of robust Environmental management system, ESG policy, SHE policy to address the risks. 	<p>Negative:</p> <ul style="list-style-type: none"> • Financial risks associated with compliance and regulations leading to reputational risks.
12	Sustainable supply chain	R/O	<p>Risk:</p> <ul style="list-style-type: none"> • Inefficiencies in the sustainable supply chain and high dependency on limited suppliers/ vendors can cause supply chain disruptions in case of adverse macro-economic scenarios. <p>Opportunity:</p> <ul style="list-style-type: none"> • Maintaining strong and long-standing relationship with suppliers/ vendors through effective relationship management and drive responsible procurement/ sourcing practices. 	<ul style="list-style-type: none"> • Regular supplier interactions while adding value to its business relationships. These suppliers are selected based on social, ethical and environment norms. Also, supplier Code of Conduct (COC) covers EHS parameters to be adhered to. • Engaging in awareness, communication, and interaction sessions with suppliers will result in positive relationship building and it will help to build responsible and sustainable operations in supply chain. 	<p>Negative:</p> <ul style="list-style-type: none"> • Supply chain disruptions can lead to disturbed production schedules and delayed deliveries. <p>Positive:</p> <ul style="list-style-type: none"> • Opportunity to have a strong and compliant supply chain system which ensures low risk on environmental and social parameters.
13	Community Development	O	<p>Opportunity:</p> <ul style="list-style-type: none"> • Need Assessment done prior to project execution helps us develop strong community relations and ensure social consent to operate. 		<p>Positive:</p> <ul style="list-style-type: none"> • The benefits CSR endeavours bring to the community generates goodwill and enhances the Company's reputation.
14	Risk management	O	<p>Opportunity:</p> <ul style="list-style-type: none"> • The Company is better placed to identify and mitigate risks and leverage upcoming opportunities. 	<ul style="list-style-type: none"> • Risk Management Policy, RMC and Internal Audits conducted. 	<p>Positive:</p> <ul style="list-style-type: none"> • Avoiding loss of revenue by preventing adverse impacts of unprecedented risks.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.finolexpipes.com/esg/ https://www.finolexpipes.com/investors/policies-code-of-conduct/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All plants of the Company are certified for Quality Management Systems as per ISO-9001:2015. Ratnagiri plant is certified for Integrated Management System (Quality Management System, Environment Management System & Occupational Health and Safety Management System) as per ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018. Ratnagiri plant is also certified with Responsible Care (RC) logo. Our products pipes and fittings conforms to relevant Bureau of Indian Standards and ASTM standards as applicable								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>ENVIRONMENT</p> <p>Reduce Carbon Footprint</p> <ul style="list-style-type: none"> • 100% electric powered forklifts by 2030 at all the plants • Implement Responsible care programme at all Plants by 2025 <p>Biodiversity</p> <ul style="list-style-type: none"> • Conduct Biodiversity study in Ratnagiri Plant by 2025 • Plantation of 1,00,000* trees by 2025 with regular monitoring of the survival rate of the saplings <p><i>(*increase plantation from present 62,000 to 1,00,000 nos).</i></p> <ul style="list-style-type: none"> • Public commitments to no deforestation and publicly available biodiversity policy <p>Renewable Energy</p> <ul style="list-style-type: none"> • At least 15% of Power Consumed to come from Renewable Sources <p>ESG Policy</p> <ul style="list-style-type: none"> • Establishing ESG policy framework and monitoring mechanism by 2023 • Implementation of an Organization-wide ESG policy by 2023 • >95% coverage of ESG awareness/training sessions for eligible employees across the organization by 2023 <p>Attract & Nurture Talent</p> <ul style="list-style-type: none"> • Maintain employee turnover rate consistently under 15% <p>Ensure Data Privacy & Security</p> <ul style="list-style-type: none"> • ISO 27001:2013 certification for information security Management System 								

- 100% of employees to be trained on information security by 2023

Code of Conduct (CoC)

- >95% compliance with Employee CoC through written / digital acknowledgement and regular training of eligible employees by 2023
- >95% Compliance of the Third-party CoC through written/ digital acknowledgment and regular training of eligible third party personnel by 2025

6. Performance of the entity against the specific commitments, goals and targets of environment.

along-with reasons in case the same are not met.

- 70% of diesel forklifts were replaced with Electric forklifts.
- 3.2 % share of renewable energy (from 0% in FY 2022-23 to 2023-24)
- Responsible Care Certificate received for Ratnagiri PVC & pipes plant. Implementation initiated at other plants with formation of team.
- Biodiversity study for Ratnagiri plant – Initial assessment work completed in 2023-24.
- Plantation increased from present 62,000 to 80,000 nos. (all sites).
- Biodiversity Policy under review.
- ESG policy hosted on website
- Deforestation policy hosted on website

Apart from the above the Company undertook following environmental & employees well-being initiatives in FY 2023-24:

- Implemented several energy conservation initiatives resulting in energy savings of more than 20,000 tCO₂e.
- Commissioned 0.5 MW solar roof top system at Badhalwadi plant, Maharashtra.
- More than 2,60,000 m³ effluent recycled.
- 3,15,473 m³ Rain water harvested
- Employee turnover rate FY 2023-24 was 16.8%
- The trainings related to EHS, POSH, Code of Conduct (CoC) are completed for all the existing employees. 953 Employees covered in EHS TRAINING (63%), 1,277 employees covered in POSH training (84%).
- Mandatory online course on Information Security Awareness assigned to all the employees on Learning Management System (LMS). Total 81% employee have already completed the Information Security Awareness course.
- Mandatory online course on CoC assigned to all the employees on LMS. Total 85% employee have already completed the CoC course.
- The Company is in process of implementation of ISO 27001:2022 with certification & targeted to be completed by December, 2024

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.

In an era of increasing focus on sustainability, responsible business practices, and stakeholder engagement, Environmental, Social, and Governance (ESG) governance has emerged as a crucial aspect of corporate management. ESG governance encompasses the systems and processes through which organizations integrate environmental, social, and governance considerations into their decision-making, operations, and risk management frameworks. For us at FIL, sustainability has been our very essence over the years. Anything we do, has to be done well. Every action takes into account the larger picture, at present, and into the future. Like the farmers we work for have taught us, the seeds of big ideas we plant today, will only bear fruit in the future. And we have the patience and the will to wait. This applies to every aspect of our business: our products, processes, profits, and plants. It also extends to our 'parivaar'- our family of employees, farmers, dealers, homeowners, plumbers, and the communities we work with. In every step we take, we keep them and the environment in mind. We invest in them, in their future, and in our collective future.

We have embarked on our ESG journey to grow holistically as an organization and create value for all our stakeholders. We took our first step in this direction in FY 2021-22 by gaining the 'Responsible Care' accreditation from the Indian Chemical Council. Through this, we strive to drive continuous improvement in safe chemicals management and achieve excellence in environmental, health, safety, and security performance. It is our constant endeavour to deliver products and services of the highest quality to our customers while ensuring minimal harm to the environment and society. In FY 2021-22, we started our ESG journey, and set specific goals on all the three pillars of the ESG i.e., Environment, Social and Governance. These goals include reduction of carbon footprint, benchmarking by assessment of biodiversity, tree plantation, adoption of policies on ESG and Code of Conduct and also on IT security. As a result, in FY 2023-24, we have replaced 70% of diesel driven forklifts (from 33% in FY 2022-23) with electric forklifts, reduced more than 20,000.00 tCO₂e (from 8500 tCO₂e in FY 2022-23) through various energy conservation drives, recycled more than 2,60,000 m³ of treated effluent back to process, harvested more than 3,15,000.00 m³ rain water, increased the share of renewable energy from 0% in FY 2022-23 to 3.2% in FY 2023-24 and adopted our ESG policy.

Over these last four decades, we feel we are just getting started, and the hardest work still lies ahead of us, and that is what fills us with purpose and excitement for the future. The legacy we have built so far has brought together a large, thriving family. It is a legacy that unites. It is a legacy that makes the future bright and filled with possibilities. We all know that the climate change is the biggest business challenge in coming years since we are experiencing an unprecedented scale of the extreme weather events such as heat waves, floods, cyclones. To ensure the positive environmental footprint, we are focusing on enhanced use of renewable energy resources as well as the reduction of specific energy consumption. It is our collective responsibility to take care of mother earth and use natural resources efficiently at each of our manufacturing facilities.

Ajit Venkataraman

Managing Director

DIN: 07289950

- | | |
|---|--|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | At the highest level, the Board of Directors of the Company, led by Mr.Ajit Venkataraman, Managing Director and Mr. Saumya Chakrabarti, Director - Technical have the primary role to protect and assess the policy(ies) performance of Business Responsibility. |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | The Company's Risk Management Committee reviews the Company's sustainability targets and performance on a regular basis. |

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action																		
	Committee of the Board									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		
	Committee of the Board									The Board Committees reviews the compliances with statutory requirements of relevance to the principles on a quarterly basis.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7	The Board members and Key Managerial Personnel of the Company are familiarized with updates relating to regulatory updates, risk management, health, safety & environment, business performance, operations, HR and CSR initiatives at the quarterly Board/ Committee Meetings. The Executive Directors participated in ESG Materiality Assessment Survey.	100

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	11	The KMPs participated in ESG Materiality Assessment Survey and workshop and were also familiarized on the principle of Environment, Social and Governance released by SEBI/MCA. In addition, KMPs attended training and awareness programmes covering topics on Code of Conduct, Prevention of Sexual Harrasment (POSH), IT Security etc.	100
Employees other than BoD and KMPs	5	POSH, Code of Conduct, Information Security, Induction on Employee Benefits/regulations, Environment, Health & Safety (EHS)	85
Workers	5	POSH, Code of Conduct, Information Security, Induction on Employee Benefits/regulations, Environment, Health & Safety (EHS)	99

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine Settlement Compounding fee					Refer to the Company's website for all disclosures made under Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 at https://www.finolexpipes.com/investors/compliance-report/

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment Punishment			NIL	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Refer to Question 2 above

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has zero tolerance towards all forms of bribery and the Company sensitizes this aspect in our dealings with the various entities that it comes in contact with and remain committed to its Core Values (Customer Centricity, Ethics, Transparency, Teamwork and Ownership) in all situations. In particular, the Company prohibits offering, promising, giving or authorizing others to give anything, either directly or indirectly, to any person or entity for the purpose of influencing the recipient under any circumstances. FIL employees, its third parties and suppliers are required to mandatorily comply with the requirements of the Company's Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"). The mechanism and procedure to deal with the complaints are mentioned at ABAC policy is available at web link <https://www.finolexpipes.com/esg/>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 23-24 (Current Financial Year)		FY 22-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Number of days accounts payables	30	27

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
*Concentration of Purchases	Purchases from trading houses as % of total purchases	59.29	68.01
	Number of trading houses where purchases are made from	33	25
	Purchases from top 10 trading houses as % of total purchases from trading houses	80.63	89.20
Concentration of Sales	Sales to dealers / distributors as % of total sales	99.48	98.60
	Number of dealers / distributors to whom sales are made	751	777
	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	18.79	17.86

Parameter	Metrics	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Share of RPTs in	Purchases (Purchases with related parties / Total Purchases)	NIL	NIL
	Sales (Sales to related parties / Total Sales)	NIL	NIL
	Loans and Advance (loans and Advances given to related parties/ Total Loans and advances	NIL	NIL
	**Investments (Investments in related parties / Total Investments made)	NIL	NIL

* For Purchases calculation, we have considered direct material plus energy consumed for resin production.

** Remarks: Investment in Pawas Port Ltd. Rs. 0.05 Cr, Finolex Plasson Industries Pvt. Ltd. Rs. 7.50 Cr as at March 31, 2024 and March 31, 2023 respectively.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The Company has carried out extensive awareness programs throughout the financial year to demonstrate a proactive approach to upholding legal principles. All our value chain partners have been educated and engaged through these initiatives regarding our products' specifications, usage and applications. Also, the program highlights and emphasizes on the organization's Awards & recognitions, exhibiting its commitment to excellence and industry leadership. Partners can gain a clear understanding of the products' intended uses and potential applications. By directing these mindfulness programs, Finolex Businesses reiterated its commitment to transparency, accountability, responsibility, and adherence to legitimate standards. We have a competent technical team to provide the partners in the value chain with training and a presentation.

The Company has launched Plumber Loyalty Programme in selected cities in India. Plumber loyalty program is a rewards program that recognizes and compensates plumbers for their steadfast commitment to the Company's brand/business. The program is designed to incentivize plumbers to continue working with the Company and to encourage them to recommend the Company's product to end customers & fellow plumbers.

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
*4,391	Company overview, usage of products in plumbing segment, relevant areas for product availability	68

* Value chain partners (viz. plumbers, retailers, Key Influencers, etc.) are covered for the above awareness programmes.

In case of suppliers, the Company ensures that they adhere to the Supplier Code of Conduct (COC) which covers environment, health, safety and human rights parameters and must sign the COC as part of the on-boarding process.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Company has processes in place to avoid / manage conflict of interest involving members of the Board. The Company's Code of conduct for Board of Directors and senior management specifically covers the topic of Conflict of Interest. The code of conduct can be accessed at <https://www.finolexpipes.com/esg/>

In order to avoid/manage conflicts of interest, the Company obtains a mandatory declaration and affirmation from Board members and senior management to that effect, which is signed by the Managing Director, and part of the Company's Annual Report. No instance of corruption and conflict of interest has been identified during the year under review. The declaration ensures that the members of the Board and senior management are in compliance with the Company's code of conduct Guidelines.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity**

	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	9	7	Replacement of machinery with high energy efficiency, thereby reducing the energy demand and consumption. Apart from that expenditure was incurred for the treatment of waste water, installation of solar panels, infrastructure improvement and other HSEF related areas.

- A. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes

- B. If yes, what percentage of inputs were sourced sustainably?**

Around 90% of the direct purchases are sourced sustainably, through reputed suppliers. These reputed suppliers are selected based on social, ethical and environment norms. Also, supplier Code of Conduct (COC) covers EHS parameters to be adhered to and supply chain partners must sign the COC as a part of the contract documents. The PVC production of the Company is mainly captively consumed.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company continuously exercises and practices the recycling and reusing of waste as per the regulatory norms. The plastic wastes are recycled as per the regulatory and standard norms and plastic waste is channelized to recyclers. E-waste is sent to authorized dismantlers / recyclers for recycling and Hazardous waste is sent to approved CHWTSDF (Common Hazardous Waste Treatment Storage and Disposal Facility).

- Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable to us as Brand Owner and it is in line with Pollution Control Boards requirement.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)If yes, provide the web-link.
22209	Pipes and fittings	97	Cradle to grave	No	No
20131	PVC Resin	3	Cradle to grave	No	No

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
No significant social or environmental concerns or risks were identified.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material %	
	FY 23-24 Current Financial Year	FY 22-23 Previous Financial Year
Recycle in house crushed material	4.3	2.8

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 23-24 Current Financial Year			FY 22-23 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste		-			-	
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
PVC Resin	29% Packaging

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1,270	1,270	100	1,270	100	-	-	1,270	100	-	-
Female	43	43	100	43	100	43	100	-	-	-	-
Total	1,313	1,313	100	1,313	100	43	3.27	1,270	96.72	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	197	197	100	197	100	-	-	197	100	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total											
*Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

* other than permanent workers insurance and benefits are covered by their respective facility provider

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 23-24 Current Financial Year	FY 22-23 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.08%	0.07%

2. Details of retirement benefits, for Current FY and Previous Financial Year*.

Benefits	FY 23-24 Current Financial Year			FY 22-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	100	100	Y	100	100	Y
Others – please specify						

*Remarks: The Company is maintaining gratuity trust. The employees & workers who falls within the ESI limit are 100% covered, i.e wherever ESI is applicable (whose gross salary is less than ₹ 21,000/-) 100% employees & workers are covered under the ESI scheme. In addition where the employees & workers are above the ESI limit they are covered under WC (Workmen Compensation) Policy.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has adopted Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016 and the rules framed thereunder. The Equal Opportunity Policy is available on the website of the Company and can be accessed at <https://www.finolexpipes.com/sustainability/>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	100	100
Female	100	100	100	100
Total	100	100	100	100

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	<p>Yes The Company has a grievance redressal mechanism in line with the statutory framework under Industrial Dispute Act, 1947 where workers or their representatives can raise their grievances in areas like wages, discrimination, child labour, human rights related issues etc.</p> <ol style="list-style-type: none"> 1. Any workman desirous to redress the grievance arising out of employment or relating to unfair treatment or wrongful exaction on the part of a superior shall either himself or through a trade union of which he is a member, submit a complaint to the Manager or any Officer appointed by the Manager in this behalf. 2. The Manager or any such officer shall cause to be investigated the complaint at such times and places as <ol style="list-style-type: none"> i. The workman and any other workman of his choice, or ii. Where the complaint is made through a trade union of the workmen of the establishment, a member of such union shall have the right to be present at such investigation. Where the complainant alleges unfair treatment or wrongful exaction on the part of a superior, a copy of the order finally made by the Manager shall be shared to the complainant if he asks for. In other cases the decision of the investigation officer and the action, if any, taken thereon by the Manager shall be intimated to the complainant. provided that complaints relating to assault or abuse by any person holding a supervisory position or refusal of an application for urgent leave shall be inquired into as early as possible by the Manager or such other officer or officers as workmen may appoint. The decision of the Manager upon any question arising out of, in connection with, or incidental to these Standing Orders shall be inquired into as early as possible by the Manager or such other officer or officers as workmen may appoint. <p>Further Our “Dial HR - Happy to Listen” initiative serves as a dedicated platform for employees to share their feedback, concerns, and suggestions in a confidential and supportive manner. This program reflects our emphasis on open communication and ensuring that employee voices are heard and valued.</p>
Other than Permanent Workers	<p>Yes. The Company has grievance redressal mechanism in place wherein employee can raise their grievances with respective HR department. The HR department shall take appropriate action and resolve the grievance within a reasonable time.</p> <p>Further Our “Dial HR - Happy to Listen” initiative serves as a dedicated platform for employees to share their feedback, concerns, and suggestions in a confidential and supportive manner. This program reflects our emphasis on open communication and ensuring that employee voices are heard and valued.</p>

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 23-24 (Current Financial Year)			FY 22-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-
Total Permanent Workers						
- Male	197	197	100	203	203	100
- Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 23-24 Current Financial Year					FY 22-23 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,270	973	76.61	1,206	94.96	1,229	1,229	100	1,110	90.32
Female	43	33	76.74	43	100	41	41	100	36	87.80
Total	1,313	1,006	76.61	1,249	95.12	1,270	1,270	100	1,145	90.15
*Workers										
Male	2,981	2,981	100	2,981	100	3,043	3,043	100	3,043	100
Female	108	108	100	108	100	18	18	100	18	100
Total	3,089	3,089	100	3,089	100	3,061	3,061	100	3,061	100

* Note: In this FY 23-24 BRSR reporting, we have considered permanent & other than permanent workers, for FY 22-23 report, data for only permanent worker was provided. Further we ensure that training to other than permanent workers on Health and safety measures and Skill upgradation is provided by their respective facility provider.

9. Details of performance and career development reviews of employees and worker:

Category	FY 23-24 Current Financial Year			FY 22-23 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,270	1,086	85.51	1,229	1,006	81.85
Female	43	35	81.39	41	29	70.73
Total	1,313	1,121	85.37	1,270	1,035	81.49
*Workers						
Male	197	197	100	203	203	100
Female	-	-	-	-	-	-
Total	197	197	100	203	203	100

*Note: Performance and career development review of other than permanent workers/employees is taken care by their respective facility provider.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. The Company strives to ensure that it provides a safe and efficient workplace, well-being and safety by providing the highest safety standards. The Company has in place Safety Health and Environment (SHE) policy to ensure a safe and healthy working environment across all plants and offices with required safety protocols.

As part of Company's Integrated Management system, FIL is certified with ISO 9001 - Quality, ISO 14001 - Environment and ISO 45001 - Occupational Health and Safety. FIL is involved in different activities to ensure the safety of employees from hazards, work-related injuries, recordable work related injuries, and ill health. Several initiatives have been taken up like organizing national safety week, national fire services week, workplace inspections and audits, first aid training, and mock drills to improve the overall working and operation of the Company. All the employees and other non-executive staff actively in such activities/initiatives.

The Company successfully implemented Process Safety management System (PSM). FIL's PSM system consists of 11 elements and 27 procedures. PSM elements guides on risk assessment and hazard control, standardized way of operation and maintenance (SOP/SMP), mechanical integrity and reliability of equipment and system. Safe work practices cover material handling, road transportation of material, lifting of equipment and standardization of PPE. All incidents including near misses are reported, investigated, and analysed for corrective actions.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Pre-start up Safety Review (PSSR) is followed prior to start up to ensure that all safety systems are in place. Considering complexity of process and known hazards, the Company follows below methodologies to address the risks:

- 1 **Hazard and Operability (HAZOP) Study** - Hazard & Operability study (HAZOP) is a systematic way to identify possible SHE hazards in the system and suggest recommendations. It is a process of examining Piping and Instrumentation Diagram (P&IDs) by applying guide words and parameters to all pipes and vessels in the process. This explicitly identifies the hazards, the potential failures, and the potential causes of failure and the recommended actions to address the issues.
- 2 **Failure Modes and Effects Analysis (FMEA)** - FMEA study is conducted for critical equipment and processes. The Company uses it to design a process, review and improve a process which further acts as an efficient process control. Its' step-by-step approach identifies each failure mode, with the analysis, then estimating the effects of failure and devising ways of controlling the process so that failure can be prevented.
- 3 **Fault Tree Analysis (FTA)** - This analysis method is mainly used in Safety engineering and reliability engineering to understand how systems can fail and to identify the best ways to reduce the risk or to determine event rates of an accident or a particular system failure. This helps the Company in highlighting the critical components related to system failure and to prioritize the action items in order to solve the problems.
- 4 **What-if method** - It is done for critical equipment where failure is possible by different modes and failure can cause a hazardous situation.
- 5 **Job Safety Analysis (JSA)/ Task Risk analysis** - JSA is conducted for any jobs involving high risk & critical job.
- 6 **Reporting of unsafe condition** - Any worker / employee from any department can report unsafe condition from the work premises related to safe operation of the process.
- 7 **Other Measures** such as Safety Walk, Safety Audit and Safety Report are carried to identify work-related hazards and assess risks.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes. The Company ensures that it continuously reviews and improves health and safety performances. All activities relating to monitoring, emergency handling, and team review are supervised and directed by the Director-Technical cum Occupier. The safety committee consists of members from both executive and workers category which addresses the safety concerns to ensure highest safety at office and plant

locations. Self-spot audit reporting system has been developed to assess the work at plant & reporting unsafe act and conditions by workers. To further improve awareness on HSE, the Company had organized various programmes such as National Safety Week, Fire Service Week and World Environment Week. These programmes covered imparting training on work place safety, fire prevention and control, conducting quiz and poster competitions and safeguarding health of the workers by taking safety & environment oath.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. Employees and workers have access to non-occupational medical and healthcare services. Medical centers and first aid facilities are available for both employees and workers. They are covered under the Group Medclaim and Group Accident policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 23-24 Current Financial Year	FY 22-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total injuries recordable	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Health and safety are of prime importance to all FIL's operations and the Company is committed to achieving the comprehensive well-being of all the employee and their environment. FIL's aim and focus are to strive towards efficient workplace well-being and safety by providing the highest safety standards. Following are some of the measures and practices that are being followed by the Company in order to ensure a Safe and Healthy workplace for its employees & workers:

1. The Company is in alignment with Integrated Management system, and is certified with ISO 9001 - Quality, ISO 14001 - Environment and ISO 45001 - Occupational Health and Safety. Our management's goal is to prevent all SHE incidences, nearmiss event injuries and occupational illnesses within its operations and to ensure the reliability of plant and equipment.
2. Safety and health are the core value of our organisation and several initiatives have been taken up like organising National Safety week, National Fire Services week, Environment Week Workplace Inspections & Audits, First Aid training, and Mock Drills periodically to improve the overall working and operations of the Company.
3. Implementation of risk assessment measures by organising safety walks and evaluating existing and new process facilities of the operating plant having a potential of SHE hazards. This helps to identify and evaluate potential risk, unsafe conditions, and use of various techniques for risk assessment and recommendations like Hazard Operability Study (HAZOP), Job Safety Analysis (JSA), etc. .
4. To ensure that the SHE policies are implemented effectively, the company designed Standard Operating Procedure (SOP) to be followed for safe and efficient working conditions. This written SOP contains Standards Maintenance Procedure (SMP) which further helps to establish and obtain quality work and in turn enhances reliability. This also helps to additionally train and develop employees and contractors for required competence.
5. The Company has implemented periodic evaluation of value chain partners – i.e. contractors and make them aware of the basic SHE requirements and compliances thereof. The Company conducts Pre-Startup SHE Reviews (PSSR) before the initial start-up of new facilities or restart of modified facilities in order to know the risk associated.

6. Periodic inspection of mechanical, critical systems, devices and pressure vessels at plant locations is carried out along with a continuous review of its operation and maintenance.
7. The Company has established safe handling and storing unit in Company's premises for the safe transport (inward and outward) of chemicals and materials.

13. Number of Complaints on the following made by employees and workers:

	FY 23-24 (Current Financial Year)			FY 22-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% (through Internal and External Safety Audit, insurance agencies).
Working Conditions	100% (through Internal and External Safety Audit).

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

All the risks or concerns identified in ISO 45001 through HIRA have been addressed. Corrective actions have been taken post participation and consultation of managerial and non-managerial employees and workers. Effectiveness of the corrective actions have also been monitored.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. The Company extends life insurance coverage for work related death of its employees and workers benefits are extended as per applicable Labour laws such as Employee State Insurance Act, 1948, Employee Provident Funds and Miscellaneous Provisions Act, 1952, Workmen's Compensation Act, 1923 and Group Personal Accident benefits (policies are in place).

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company follows a detailed compliance procedure to ensure all statutory clearance and compliances are met by its value chain partners. Adherence to the applicable statutory provisions including payment and deduction of statutory dues is incorporated in the Purchase Order / contract agreement with the value chain partners. The Company ensures that all the relevant clauses dealing with statutory compliance are validated and honoured by its value chain partners.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
Yes (Critical talent is retained on consultancy or retainer-ship model).

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	58
Working Conditions	58

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable. The value chain partners were assessed for health, safety practices and working conditions and no significant risks or concerns were identified based on receipt of their responses.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Our stakeholder identification and prioritization process are based on the principles of inclusivity, materiality, and responsiveness. The nature of our engagement with stakeholders depends on the stakeholder category, their expectations from us, and the criticality of the relationship. The key stakeholders inter-alia include our dealers, retailers, customers, shareholders / investors, employees, suppliers, community, media and regulators. We continuously engage with them through various online and offline modes such as surveys, conferences, investor meets, regular interaction, workshops, impact assessments, etc. The Company strives to proactively address every stakeholder requirements through various initiatives, policies and programs.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annual / Half yearly / Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Dealers/ Retailers/ Customer	No	<ul style="list-style-type: none"> Dealers/ Retailers Meet Trainings Field meetings Telephonic conversations/Call Centre Help desk Email interaction 	Regularly on a need basis	<ul style="list-style-type: none"> Easy Access to products and services Reliable supply of best-in-class products and services
Investor/ Shareholder	No	<ul style="list-style-type: none"> Investor Presentation/ Analyst meet Annual General Meetings Media releases Financial results declaration Annual Reports, Sustainability Reports, websites 	Quarterly / Annually	<ul style="list-style-type: none"> Information on Company's financial and non-financial performance Transparent disclosures good governance practices
Community	Yes (Some of the Company's CSR Project / activities Beneficiaries)	<ul style="list-style-type: none"> CSR partnership with Mukul Madhav Foundation Contribution towards various causes like education, healthcare, rural development, environment initiatives 	<ul style="list-style-type: none"> Social Contribution /CSR activities Community Impact assessment surveys Complaint and grievance mechanism 	<ul style="list-style-type: none"> Proactive Involvement Community Development
Employees	No	<ul style="list-style-type: none"> Employee engagement programs Internal publications and circulars Feedback and surveys Performance updates Learning and development programmes. 	<ul style="list-style-type: none"> Daily (Department wise internal interaction) L&D programmes, Feedback, and survey conducted periodically Half yearly /annually 	<ul style="list-style-type: none"> Health and Safety Opportunities for personal and professional growth Learning and development Work-life balance and career progression Transparency and involvement in Company's strategies

Stakeholder Group	Whether identified as vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annual / Half yearly / Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	<ul style="list-style-type: none"> • Meetings • Conferences and workshops • Communication via telephone, email, etc. 	<ul style="list-style-type: none"> • Regularly on a need basis 	<ul style="list-style-type: none"> • Long term relationship • Quick response to queries • Services support and timely deliveries
Media	No	<ul style="list-style-type: none"> • Written Communications • Interviews and Forums Meetings • Publications & Announcements 	<ul style="list-style-type: none"> • Frequency of engagement is on a need basis 	<ul style="list-style-type: none"> • Credible information on progress to stakeholders
Regulators	No	<ul style="list-style-type: none"> • Meetings • Representation through trade bodies Workshops • Written communication 	<ul style="list-style-type: none"> • Frequency of engagement is on a need basis 	<ul style="list-style-type: none"> • Compliance with rules and regulations • Timely reporting through various compliance-based forums

Leadership Indicator

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has set up various Board committees which are responsible for evaluating and overseeing the Company’s strategy on its Environmental, Social and Governance (ESG) journey, in making the Company more resilient, sustainable, and nurturing organization. These committees are ESG Committee, Risk Management Committee, Stakeholder’s Relationship Committee, Corporate Social Responsibility Committee and Safety Committee. Quarterly performance update and reviews were conducted by the respective committees on these topics and consolidated performance report and outcome were presented to the Board in their quarterly meetings. As per their respective terms of reference, various Committees (statutory as well as internal) meet at regular intervals to assess and review the performance of the Company in various areas.

The Company carries out frequent interactions with varied group of stakeholders. Functional teams periodically interacts with diverse stakeholders who then communicate their concerns and feedback on economic, environmental and social topics/issues to the Board members.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, various functions of the Company systematically engage the stakeholders, as stated in the stakeholder section of essential indicator 2 in this principle. Our sustainability model is centered around creating value for stakeholders by identifying the material topics of the Company through consultation. In order to align long-term thinking and goal orientation, Environmental, Social, Governance (ESG) related key performance indicators (KPIs) have been identified for the inclusion of ESG metrics in the measurement of senior management’s performance-linked compensation.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company have always nurtured a core philosophy of social responsibility born from the belief that every person has the power to change the world and has a right to live with dignity. Together with our partner, Mukul Madhav Foundation, the Company have been actively engaging and working with vulnerable and marginalised communities to empower them to rise above their limitations, by focusing on areas of education, healthcare, social welfare, skill development, etc., Detailed CSR activities are given in Corporate Social Responsibility Report forming part of Annual report.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 23-24 Current Financial Year			FY 22-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (B)	% (D / C)
Employees						
Permanent	1,313	1,108	84.38	1,270	358	28.18
Other permanent than	-	-	-	-	-	-
Total Employees	1,313	1,108	84.38	1,270	358	28.18
*Workers						
Permanent	197	195	98.98	203	203	100
Other than permanent	2,892	2,892	100	2,858	2,858	100
Total Workers	3,089	3,087	99.93	3,061	3,061	100

* Note: In this FY 23-24 BRSR reporting, we have considered permanent & other than permanent workers, for FY 22-23 report, data for only permanent worker was provided. Further we ensure that training to other than permanent workers on human right issues and policies is provided by their respective facility provider.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 23-24 Current Financial Year					FY 22-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1,270	0	0	1,270	100	1,229	144	11.71	1,085	88.28
Female	43	0	0	43	100	41	16	39.02	30	73.17
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	197	0	0	197	100	203	0	0	203	100
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	2,784	2,673	96.01	111	3.98	2,840	2,718	95.7	122	4.3
Female	108	106	98.14	2	1.8	18	16	88.8	2	11.11

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

(In Crores)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	4.29	3	0.39
Key Managerial Personnel*	1	1.24	0	0
Employees other than BoD and KMP	1,266	0.08	43	0.08
Workers	197	0.07	0	0

* (Excluding Key Managerial Personnel covered under Board of Directors)

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 23-24 Current Financial Year	FY 22-23 Previous Financial Year
Gross wages paid to females as % of total wages	3.91%	2.94%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Human Right & Whistle Blower Policy are in place. We have a focal point responsible for addressing any human rights issues that may arise from our operations. The HR head of the respective location / office/plant is responsible for addressing the same. Further Our "Dial HR - Happy to Listen" initiative serves as a dedicated platform for employees to share their feedback, concerns, and suggestions in a confidential and supportive manner. This program reflects our emphasis on open communication and ensuring that employee voices are heard and valued.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a framework that focuses on good governance, our commitment to abiding by law, ensuring timely payment of employee salaries, and providing equal opportunities for all. The Company has provided various platforms to facilitate employees to express their concerns e.g. Ethics helpline, HR Connect, Dial HR, etc. Any grievances are routed to the Human Resource function and in certain cases to the Ethics Committee. Necessary actions are taken in line with underlying policies and regulations applicable to the workplace and the closure is intimated to the aggrieved person. Further, at the factory locations, system of open house forum is organized, periodically for grievance resolution.

In addition, the Code of Conduct for Employees, POSH, and the Whistle Blower Policy allows all our employees to report any kind of suspected or actual misconduct in the organization in an anonymous manner including grievances.

6. Number of Complaints on the following made by employees and workers:

	FY 23-24 Current Financial Year			FY 22-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 23-24 Current Financial Year	FY 22-23 Previous Financial Year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has equal opportunity policy statement in place. The Company has Whistle Blower Policy wherein the employees report, without fear of retaliation, any wrong practices, unethical behaviour or non-compliance which may have a detrimental effect on the organisation, including financial damage and impact on brand image. Also, the employee's Code of Conduct requires employees to behave responsibly in their action and conduct. Further, the Company has constituted Internal Complaint Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. The Company's suppliers are required to adhere to the Supplier Code of Conduct and the same is incorporated in the contracts (Purchase Order / Agreement) which entails requirement to abide by various human rights practices.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

There were no significant human rights related risks / concerns identified by Company during FY 23-24.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No complaint was received in FY23-24 for human rights violation.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

NIL. The Company is committed to safeguard and respect human rights in every stage of the value chain. The goal is to identify any human rights violations occurring anywhere in the value chain as early as possible and to mitigate identified risks responsibly. Maintaining sustainable supply chain is one of FIL's guiding principles.

The Company suppliers adheres to FIL's Code of Conduct which affirms the fundamental human rights of the suppliers' employees and human rights in the workplace. Further the Company undertook an Internal Self-Assessment Questionnaire (SAQ) of value chain partners (i.e. supplier, dealers / distributors etc.) covering confirmation in adherence to human rights principles in their respective offices/premises.

The Code of Conduct guidelines forms an integral element of all employment contracts. Every employee is responsible for respecting human rights. The Company does not tolerate discrimination, sexual harassment or any other form of personal attack on individuals or groups. In addition, the principles of equal opportunity and equal treatment apply without restriction.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, majority of the Company's premises are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	58
Discrimination at workplace	58
Child Labour	58
Forced Labour/Involuntary Labour	58
Wages	58
Others – please specify	58

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

There were no significant human rights related risks / concerns identified by Company during the FY 23-24.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) - GJ	26,037.00	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	26,037.00	-
From non-renewable sources		
Total electricity consumption (D)	2,55,097.65	2,40,526.68
Total fuel consumption (E)	40,64,980.73	41,80,503.29
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	43,20,078.38	44,21,029.97
Total energy consumed (A+B+C+D+E+F)	43,46,115.38	44,21,029.97
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0001006	0.0001005
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (GJ/INR) (Total energy consumed / Revenue from operations adjusted for PPP)	0.0020354	0.0020330
Energy intensity in terms of physical output	8.0024	8.274
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

We are not officially tagged as Designated Consumer (DC). However, FIL's Resin manufacturing plant at Ratnagiri has completed the initial assessment for tagging as a Designated Consumers (DC) through a third party appointed by Bureau of Energy Efficiency (BEE) and Targets are being set by BEE for the same and yet to be released.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	16,12,672	15,26,289
(ii) Groundwater	21,866	23480
(iii) Third party water	1,11,933.30	1,07,139.70
(iv) Seawater / desalinated water	16,01,510	17,82,478
(v) Others	5,75,440	4,16,028
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	39,23,421.30	38,55,414.70
Total volume of water consumption (in kilolitres)	21,80,721.30	21,70,912.70
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000505	0.0000493
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (KL/INR) (Total water consumption / Revenue from operations adjusted for PPP)	0.001021	0.000998
Water intensity in terms of physical output (KL / MTs)	4.015	4.063
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

4. **Provide the following details related to water discharged:**

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
(iii) To Seawater		
- No treatment	7,56,222	12,22,452
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment		
- With treatment – please specify level of treatment: Full fledged Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) is available	5,01,194.00	5,03,772.00
Total water discharged (in kilolitres)	12,57,416	17,26,224

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No, however, the Company have full-fledged effluent treatment plant and we recycle 50% of treated effluent back to process or as cooling tower make up, while rest is used for watering the green belt

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format

Parameter	Please specify unit	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
NOx	ppm	19.5	17.4
SOx	ppm	35.7	31.1
Particulate matter (PM)	mg/Nm ³	7.5	6
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	TCO ₂ e	3,81,866.39	3,97,746.00
Total Scope 2 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	TCO ₂ e	52,281.50	54,840.30
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (tCO₂e/ INR)	TCO ₂ e / rupee of turnover	0.00001005	0.00001029
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TCO ₂ e / rupee of turnover	0.0002033	0.0002081
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO ₂ e / rupee of turnover	0.7993	0.8470
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	TCO ₂ e / MTs of Pipes and fittings Manufacturing	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, as detailed below

Project No	Project Description	Unit	Energy Saving in GJ	Reduction of CO ₂ in Mt
1	Optimization of Fire Water Jockey Pump operation in ETF	KWH	120.2	11.8
2	P-1301 pump impeller trimming	KWH	350.4	34.4
3	Energy Savings through provision of daylight harvesting at VCM Maintenance shed	KWH	7.1	0.7
4	Heat Integration in PVC plant using Reactor temp ramping, centrifuge temp rise and change in operation philosophy of frequent start/stop	MT	29,728.0	2,853.9
5	Excess Air from O&U to CPP, reducing compressor venting	KWH	2,645.6	260.0
6	Operational optimization of SR-1 pumps	KWH	1,048.2	103.0
7	Transition of CPP MCT from sea water to raw water	KWH	2,718.4	267.1
8	CPP Auxiliary Power reduction by - Single MCT pump operation - Single BFW pump operation - Destaging of CEP Pump Optimization of excess air in CPP Boiler saving Coal and fan power consumption	MWH	68,785.7	6,759.6
9	Replacement of Conventional lights by LED lamps	KWH	830.6	81.6
10	RO effluent drriage to sea by gravity instead of pump	KWH	858.4	84.4

Project No	Project Description	Unit	Energy Saving in GJ	Reduction of CO2 in Mt
11	Installation of solar heater at PVC & CPP canteen inside the plant	KWH	239.9	24.1
12	Air dryer regenerator heater element operational optimization	KWH	540.8	53.1
13	Optimization of cooling tower fan (KM-8112) in ETF	KWH	143.0	14.2
14	Surge setting optimization of K9301 H compressor stopping compressor venting	KWH	2,734.9	272.5
Total			1,10,751	10,820

9. Provide details related to waste management by the entity, in the following format

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	3,393	1,092.87
E-waste (B)	2.518	5.58
Bio-medical waste (C)	0.038	0.013
Construction and demolition waste (D)	-	-
Battery waste (E)	4.69	2.3
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	1331	243.97
Other Non-hazardous waste generated (H). Please specify, if any.	6,435.48	7,579.75
(Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	11,166.6	8,923.8
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000026	0.00000020
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000005	0.0000004
Waste intensity in terms of physical output	0.020561	0.016702
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	3,434.758	1,137.585
(ii) Re-used	6,435.977	7,675.85
(iii) Other recovery operations	1122	-
Total	10,992.735	8,813.435
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) *Incineration	16.323	13.363
(ii) Landfilling	157.54	97
(iii) Other disposal operations	-	-
Total	173.863	110.363

*Note: Biomedical waste considered in incineration

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

FIL believes in enhancing the circularity of its system. All our plants maintain emissions and waste within the permissible limits. The Company segregates various categories of waste and store them appropriately at designated waste storage areas across the plants. Canteen waste is converted into manure through an organic waste processor unit. Garden waste is crushed and used along with canteen waste or used for mulching. The rest of the waste is disposed of through third-party vendors. Hazardous waste, used oil, lead acid batteries, and E-waste are disposed of through State Pollution Control Board authorized parties. Biomedical waste is disposed of through a common biomedical waste treatment and disposal facility.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable. (FIL is in compliance with all the applicable environmental law/ regulations/ guidelines)				

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

- (i) **Name of the area**

Not applicable as FIL's plants are not located in water stressed areas as per CGWA (Central Ground Water Authority) list of water stressed area 2023.

- (ii) **Nature of operations**

Not applicable as FIL's plants are not located in water stressed areas as per CGWA (Central Ground Water Authority) list of water stressed area 2023.

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	7,56,222	12,22,452
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment: Full fledged Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) is available	5,01,194	5,03,772
Total water discharged (in kilolitres)	12,57,416	17,26,224

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No independent assessment/ evaluation/assurance has been carried out by an external agency

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	21,058.75533	10,636.23053
Total Scope 3 emissions per rupee of turnover	tCO ₂ e / rupee of turnover	0.0000005	0.0000002
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e / MTs of Pipes and fittings Manufacturing	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company's plants / sites are not located in any of the ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Effluent recycling	Full-fledged effluent treatment facility upto DM plant is available	260000 m ³ recycled in FY 2023-24
2	Rain water harvesting	Large reservoirs act as catchment area	Around 315,000 m ³ rain water harvested
3	Energy conservation schemes	Please refer to Principle 6 Essential Indicator Q. No. 6	Energy saving of 110751 GJ contributing to reduction of 10,820 MT CO ₂ e
4	Use of Battery operated Forklift to avoid diesel emission	The Company switched to use of battery operated forklifts and discontinued the use of diesel operated forklifts.	Minimize the carbon emission
5	Solar panel installed over roof	514 kW solar power panel installed over roof of the company shed	Reduced the carbon foot print
6	Deployed all battery operated Material Handling equipment	1 Forklift 2 Stackers and 4 Battery operated pallet trucks	Eliminated diesel operated material handling equipment.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a Business Continuity framework in place, for inter-alia, identification, monitoring, reporting, responding and managing all risks, including business disruption risk in order to protect the interests of the Company's stakeholders, customers and employees at large. The Company continues to invest in talent, systems and processes to further strengthen the control, compliance, risk management and governance standards. The Company's IT Continuity Policy guarantees uninterrupted delivery of IT services and is designed to meet the objective of securing continuity of essential IT processes; training IT personnel to efficiently handle disaster recovery situations and keeping all stakeholders informed about the organization's capability to sustain IT operations during a disaster. Our business continuity and contingency plans, along with incident response procedures, are periodically tested to strengthen the resilience of our digital infrastructure.

The Risk Management Committee oversees the Business Continuity framework and Disaster Management plan to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate such risks associated with the business of the Company.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

In Company's internal assessment, there is no significant adverse impact to the environment arising from the Value chain.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

~58% of Value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Company's value chain comprises partners both upstream and downstream of our business. Our upstream value chain partners primarily consist of our suppliers, while our downstream value chain partners is dealers, distributors and customers.

The Company undertook an Internal Self-Assessment Questionnaire (SAQ) of value chain partners (i.e. suppliers, dealers / distributors etc.) covering various aspects such as environmental, social and governance.

The Company's majority suppliers are globally reputed suppliers who follows best ESG practices. These reputed suppliers are selected based on social, ethical and environment norms and hence Company consider their sustainability / ESG reports and practices followed.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. A. Number of affiliations with trade and industry chambers/ associations.

14

B. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Centre for Chemical Process Safety (CCPs)	International
2	Chemicals & Petrochemicals Manufacturers' Association	National
3	All India Plastic Mfg. Association (AIPMA)	National
4	The Organization of Plastics Processors of India (OPPI)	National
5	Alkali Manufacturers Association of India (AMAI)	National
6	Indo-German Chamber of Commerce	National
7	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
8	Indian Chemical Council (ICC)	National
9	Indian Vinyl Council (IVC)	National
10	Maharashtra Economic Development Council (MEDC)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of Authority	Brief of the case	Corrective actions taken
	Not Applicable	

Leadership Indicator

1. Details of public policy positions advocated by the entity:

The Company is a member of various national and state industry confederations / chambers / associations where it actively participates through senior leadership. It provide their expertise and business acumen during public policy consultations. The Company is committed to engage in the public policy advocacy process in a responsible and ethical manner.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company have nurtured a core philosophy of social responsibility born from the belief that every person has the power to change the world. Together with our partner, Mukul Madhav Foundation, the Company has been actively working with communities around our plants/location in the areas of education, healthcare, social welfare, skill development and lots more, genuinely impacting the communities to eliminate poverty and hunger, reducing inequalities and social injustice, increasing the supply of clean water and sanitation, and promoting gender equality, among others.

4. *Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 23-24 (%) (Current Financial Year)	FY 22-23 (%) (Previous Financial Year)
Directly sourced from MSMEs/ producers small	12.28	13.74
Directly from within India	40.71	31.99

*For Purchases/input material sourced calculation, we have considered direct material plus energy consumed for resin production.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 23-24 (%) (Current Financial Year)	FY 22-23 (%) (Previous Financial Year)
Rural	2	9
Semi-urban	25	5
Urban	9	23
Metropolitan	64	63

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
No negative social impact identified	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Bihar	Muzaffarpur	80,00,000
2	Gujarat	Dahod	5,41,980
3	Jammu & Kashmir	Baramula	12,93,672
4	Maharashtra	Gadchiroli	15,00,000
5	Maharashtra	Osmanabad	14,00,000
6	Uttar Pradesh	Chitrakoot	30,00,000

3. A. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No such preferential procurement policy exists as of now

- B. From which marginalized /vulnerable groups do you procure?

NIL. Considering the nature of the Company's business activity, the Company procures the raw material from best available sources.

- C. What percentage of total procurement (by value) does it constitute?

NIL

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				NIL

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		NIL

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Promoting Health care Including preventive Health <ul style="list-style-type: none"> • Supported Thallesemia Patients • Organized Blood Donation Camp • Supported with Dialysis and Cataract Surgery • Provided support with spectacles at Eye Camp 	54,794	100

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
2.	Promotion of Education <ul style="list-style-type: none"> • Provided education scholarship to students • Support to college students for plumbing courses • Supported schools with CCTV camera, Bench, Lab/hall Infrastructure etc. • Provided support with grocery bags 	63,149	100
3.	Skill Development <ul style="list-style-type: none"> • Provided support to Radiology technician • Provided support to NCC camp with grocery 	1,377	100
4.	Supporting people with determination <ul style="list-style-type: none"> • Provided access of Special Education with quality to underprivileged children with hearing impairment • Provided support to Samudayik Vivah Sohala with cup-boards • Provided support with RO purifier and Water cooler in Village • Conducted Mission Cerebral Palsy (CP) camp 	4,757	100
5.	Promoting gender equality, empowering women and measures taken for reducing inequalities faced by socially and economically backward groups <ul style="list-style-type: none"> • Establishing Milk Dairy • Preventing Child abuse and Trafficking • Creating alternative livelihood opportunities for youth & women from most Vulnerable families • Provided support with canteen material & CCTV 	20,512	100
6.	Ensuring environmental sustainability, ecological balance, protection of flora etc. <ul style="list-style-type: none"> • Tanker supply in summer season • Tree Plantation • Provided water tank support • Undertook beach cleaning initiatives 	12,250	100
7.	Animal Welfare <ul style="list-style-type: none"> • Provided Infrastructure support for Cow shed • Supported to Gaushala with Grocery • Provided financial support for Buffalo and Sewing machine Purchase 	-	-
8.	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance etc. <ul style="list-style-type: none"> • Provided Raincoat support to Devasthan • Supply of water bottles at Palkhi event 	1,300	100
9.	Measures for the benefit of armed forces veterans, war widows and their dependents <ul style="list-style-type: none"> • Provided IT infrastructure (Computer) support to Police station 	25	100

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
10.	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports <ul style="list-style-type: none"> · Provided financial assistance to sports participants · Built a state-of-the-art sports facility in collaboration with Maandeshi Foundation 	50,002	100
11.	Rural development projects/Agriculture and Rural Development <ul style="list-style-type: none"> · Distributed seeds to farmers · Provided Computer support to Digital Sewa Kendra · Provided training to women farmers for their livelihood 	5,821	100
12.	Disaster management, including relief, rehabilitation and reconstruction activities <ul style="list-style-type: none"> · Provided Raincoat support to Personnel · Provided support with snacks, cold drinks etc. to railway accident victims 	4,840	100

* Note- The number of beneficiaries are part of the society and communities surrounded in the area in which the CSR activities were carried out. The number of beneficiaries covers direct beneficiaries like hospitals, colleges, schools, villages, institutions and also its end beneficiaries.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has provided various channels for its consumers to raise complaints and feedback if any. All the customers including the end user customers can reach out to the Company via emails and toll free numbers provided on Company's website. Additionally our dealers have access to the Customer Relationship Management to raise and track any complaints.

Further the company annually obtains feedback from its customers with respect to quality of products, supplies, assessment of redressal procedure etc. The insights obtained from these feedback mechanism are given due consideration while formulating our strategic business priorities.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following:

	FY 23-24 (Current Financial Year)			FY 22-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

During the financial year 2023-24, no such instances of product recalls on account of safety issues were reported. FIL constantly endeavours to deliver products and services of the highest quality to our customers while ensuring minimal harm to the environment and society. The Company is committed to creating a better today and growing with changing times to create a stronger tomorrow.

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

YES - <https://www.finolexpipes.com/tnc/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable since no incident was reported in FY 2023-24.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches

No incident was reported in FY 23-24. The Company has adopted the "Privacy by Default" principles in its approach to data privacy i.e. privacy of data and information is upheld first by default. Further it has implemented robust data security measures and protocols to safeguard the confidentiality, integrity, and availability of sensitive information.

b. Percentage of data breaches involving personally identifiable information of customers

NIL

c. Impact, if any, of the data breaches

NIL

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

All product & services related information can be accessed at Company Website - www.finolexpipes.com/ product. As a standard practice we also circulate catalogues with dealers, customers covering product specifications and usage.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The company has taken multiple steps proactively to inform and educate the consumers about safe and responsible usage of products viz product labelling, organizing awareness programmes and informative reminders. We demonstrated a proactive approach by conducting comprehensive awareness programmes. These initiatives have aimed to educate and engage all value chain partners on a wide range of our products, specifications, safe and responsible use of its products. This enables value chain partners to have a clear understanding of the products, their intended usage, and potential applications. Further the Company while selling the product circulates catalogue to its dealers/customers covering its product specification and usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services
NA

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, products of the Company adhere to all relevant laws and applicable regulations including product labelling as per the legal requirements, It provides all the necessary information on its products labels, packaging and documentation. This includes details product specifications, usage instructions, safety precautions and any other information mandated by regulatory authorities. All the products are focused primarily on customer delight. In this regard, FIL have identified customer relationship management among its high-priority material topics. FIL continuously seek input from its customers through a robust feedback mechanism. Knowing the pulse of the customers propels the Company's innovation, thus enabling it to retain its market pole positions. The insights obtained from these feedback mechanisms are given due consideration while showcasing our strategic business priorities, thus bridging the perceived gap. Our robust customer relationship management enables us to constantly provide customer delight by providing best quality products, thus making Finolex synonymous with durable pipes and products, augmenting their user experience.

Annual Report on Corporate Social Responsibility (“CSR”)

- 1 Brief outline of Company's CSR Policy** The CSR Policy sets out our commitment and approach towards Corporate Social Responsibility of improving the quality of life of the communities we serve. Through the philosophy of Engage, Equip and Empower, which is interwoven in all the three thrust areas, i.e. Sustainable Livelihood, Community Development and issues of National Importance, we strive to enhance education, to make need-based development interventions with community participation and address issues of national importance like Disaster Management, Affirmative Action and Sanitation.

2 Composition of the CSR Committee

Name of Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
Mrs. Ritu P. Chhabria	Chairperson, Non-Executive & Non-Independent Director	5	4
Ms. Bhumika L. Batra	Member, Independent Director	5	5
Mr. Prakash P. Chhabria	Member, Executive Chairman	5	4
Mrs. Kanchan U. Chitale	Member, Independent Director	5	5
Mr. Saurabh S. Dhanorkar	Member, Non-Executive & Non-Independent Director	5	5
Dr. Deepak R. Parikh	Member, Independent Director	5	4
Mr. Pradeep R. Rathi	Member, Independent Director	5	5
Mr. Anami N. Roy	Member, Independent Director	5	4
Mr. Ajit Venkataraman ¹	Member, Managing Director	5	4
Mr. Anil V. Whabi ²	Member, Ex-Managing Director	5	1

¹ Mr. Ajit Venkataraman, Managing Director was inducted in the committee w.e.f. June 1, 2023

² Mr. Anil V. Whabi, Managing Director superannuated on May 31, 2023 and consequently ceased to be member of the Corporate Social Responsibility committee.

3 Web-link where the following are disclosed on the website of the Company:

Composition of CSR committee	https://www.finolexpipes.com/investors/corporate-governance/
CSR Policy	https://www.finolexpipes.com/site/assets/files/12926/corporate_responsibility_policy.pdf
CSR projects approved by the Board	https://www.finolexpipes.com/investors/compliance-report/

- 4 The executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.** The Company has carried out Impact Assessment for eligible CSR activities through an Independent Agency, report being available on the Company's website at <https://www.finolexpipes.com/investors/compliance-report/>

Synopsis of Impact Assessment carried out by M/s. SoulAce Consulting Private Limited on the Give with Dignity and Enhancing Neonatal Care and Diagnostic Services projects carried out in the vicinity of the Company's Plant is given hereinbelow:

Executive Summary of CSR Impact Assessment

The Company had onboarded an external agency SoulAce Consulting Private Limited to provide support and assistance for an independent review and impact assessment of their CSR initiatives for fiscal year 2020-2021 & 2021-22, mixed-method approach was employed which includes both the quantitative and qualitative research tools for primary data collection. The team conducted interactions with beneficiaries & stakeholders to understand the positive change brought in their lives, Relevance, Coherence, Effectiveness, Efficiency, Impact and Sustainability of the programs.

Sr. No	Project Name	Project Location	Total beneficiaries covered	Implementing Partner	Amount Spent (Rs.)
1	Enhancing neonatal care & diagnostic center	Pune	2,000	Mukul Madhav Foundation	₹ 1.21 Crore
2	Give with Dignity & COVID support program	Pan India	10,000	Mukul Madhav Foundation	₹ 1.77 Crore

The report showcases the following impact created at multiple levels:

- Improved access to healthcare services for NICU babies and other patients, particularly in underserved communities.
- Supporting the frontline COVID warriors, health workers, sanitation workers, and others to fight COVID-19.
- Empowered healthcare professionals with advanced skills and resources.
- Helping migrant workers and marginalized communities access nutritious food, medicines, and preventive measures.
- Long-term sustainability of healthcare programs and services, ensuring continued support for vulnerable population.

Coherence of the CSR programs:

Projects undertaken for impact assessment in the current year cover the broad areas of healthcare & COVID relief support these programs qualifying for impact assessment covers a total of around 20,000 direct & indirect beneficiaries.

They are closely aligned and support 4 UN Sustainable development goals.



5(a) Average net profit of the Company as per section 135(5)	₹717 Crore
(b) Two percent of average net profit of the Company as per Section 135(5)	₹14.34 Crore
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(d) Amount required to be set off for the financial year, if any	Nil
(e) Total CSR obligation for the financial year [5b+5c-5d]	₹14.34 Crore
6(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹25.64 Crore
(b) Amount spent in Administrative Overheads as per Section 135(5)	₹0.73 Crore
(c) Amount spent on Impact Assessment, if applicable	₹0.04 crore
(d) Total amount spent for the financial year [6a+6b+6c]	₹26.41 Crore
(e) CSR amount spent or unspent for the financial year:	

Total Amount Spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 26.41 Crore	-	-	-	-	-

(f) Excess amount for set-off, if any

Sr. No.	Particular	Amount
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	₹14.34 Crore
ii.	Total amount spent for the Financial Year	₹26.41 Crore
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	₹12.07 Crore
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹12.07 Crore

7 Details of Unspent CSR amount for the preceding three financial years

Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance amount in Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to any fund specified under Schedule VII second proviso to section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency (if any)
					Amount (in ₹)	Date of transfer		
1	FY-1 2022-23							
2	FY-2 2021-22					Nil		
3	FY-3 2020-21							

8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No

If Yes, enter the number of Capital assets created/ acquired

Not ApplicableFurnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable****9 Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135** **Not Applicable****For and on behalf of the Board of Directors****Ritu P. Chhabria**Non-Independent & Non-Executive Director
DIN: 00062144
Chairperson, CSR Committee**Ajit Venkataraman**Managing Director
DIN: 07289950
Member, CSR CommitteeDate: August 19 2024
Place: Nice, FranceDate: August 19 2024
Place: Pune

CORPORATE GOVERNANCE

In compliance with Regulation 34(3) and Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company submits the following Corporate Governance Report:

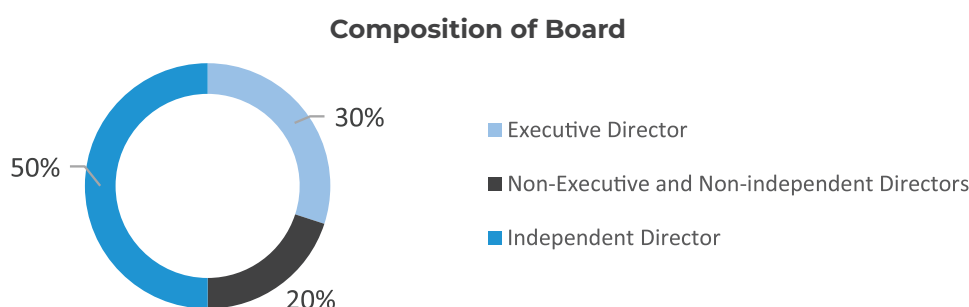
1. Company's Philosophy on Code of Governance:

The Company is committed and strives to achieve optimum performance by adhering to corporate governance practices, at all levels. We aim to maximize shareholder value, while safeguarding and promoting the interests of other stakeholders and maintaining a commitment to ethics and code of conduct. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy. The Company believes that adherence to highest standards of corporate governance is essential for sustained corporate growth. Our corporate governance practices beliefs are:

- Fair and transparent business practices;
- Effective management control by Board;
- Optimum representation from Promoter, Executive, Non-Executive, Independent and Women Directors on the Board;
- Accountability for performance;
- Monitoring of executive performance by the Board;
- Compliance of laws; and
- Transparent and timely disclosure of financial and other relevant information and performance.

2. Board of Directors ("the Board"):

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 and rules issued thereunder, with a balanced mix of eminent Executive, Non-Executive Directors with Independent Directors. Details of Board composition, category, attendance of Directors at Board Meetings and previous Annual General Meeting, Directorships and Committee positions as on March 31, 2024 are given below:



Name of Director & Category	Directorship in other public Companies ¹	No. of Committee positions held in other public Companies ²		Directorship in other listed entities (Category of Directorship)
		As Chairman	As Member	
Mr. Prakash P. Chhabria Executive Chairman	1	-	-	-
Ms. Bhumika L. Batra Independent Director	9	5	8	<ul style="list-style-type: none"> • Repro India Limited (Independent Director) • NXT Digital India Limited (Independent Director) • Sharp India Limited (Independent Director)

Name of Director & Category	Directorship in other public Companies ¹	No. of Committee positions held in other public Companies ²		Directorship in other listed entities (Category of Directorship)
		As Chairman	As Member	
				<ul style="list-style-type: none"> Jyothy Labs Limited (Independent Director) Hinduja Global Solution Limited (Independent Director) NDL Ventures Limited (Independent Director) Sanghvi Movers Limited (Independent Director)
Mrs. Ritu P. Chhabria Non-Executive & Non-Independent Director	-	-	-	-
Mr. Saumya Chakrabarti Director – Technical	-	-	-	-
Mrs. Kanchan U. Chitale Independent Director	9	5	5	<ul style="list-style-type: none"> GOCL Corporation Limited (Independent Director)
Mr. Saurabh S. Dhanorkar Non-Executive & Non-Independent Director	-	-	-	-
Dr. Deepak R. Parikh Independent Director	1	-	-	-
Mr. Pradeep R. Rathi Independent Director	3	-	1	<ul style="list-style-type: none"> Clean Science Technology Limited (Chairman & Non-Executive Director) Sudarshan Chemical Industries Limited (Chairman & Non-Executive Director)
Mr. Anami N. Roy Independent Director	9	3	8	<ul style="list-style-type: none"> Bajaj Auto Limited (Independent Director) Bajaj Finserv Limited (Independent Director) Bajaj Finance Limited (Independent Director) Glaxosmithkline Pharmaceutical Limited (Independent Director) Siemens Limited (Independent Director)
Mr. Ajit Venkataraman ³ Managing Director	-	-	-	-
Mr. Anil V. Whabi ⁴ Ex-Managing Director	-	-	-	-

¹ Does not include private companies, foreign companies and companies established under Section 8 of the Companies Act, 2013

² Represents Audit Committee and Stakeholders Relationship Committee in public companies, excluding Finolex Industries Limited

³ Mr. Ajit Venkataraman, Managing Director was inducted on the Board w.e.f. June 1, 2023.

⁴ Mr. Anil V. Whabi, Managing Director superannuated from the Company on May 31, 2023

⁵ Pursuant to relaxations provided by MCA and SEBI, Meetings were held through Video Conference / Other Audio-Visual Means.

⁶ None of the Independent Directors on the Board are serving as an Independent Director in more than seven listed companies.

⁷ Includes membership/chairmanship of Audit Committee and Stakeholder Relationship Committee (listed and unlisted public companies).

Attendance of each Director at the Meetings of the Board of Directors and the last Annual General Meeting

Name of Director	Designation/ Nature of Directorship	Number of Meetings of Board of Directors		Attendance at AGM held on Aug 28, 2023
		Held	Attended	
Mr. Prakash P. Chhabria	Executive Chairman	7	6	Yes
Ms. Bhumika L. Batra	Independent Director	7	6	Yes
Mrs. Ritu P. Chhabria	Non-Independent, Non-Executive Director	7	5	Yes
Mr. Saumya Chakrabarti	Director - Technical	7	6	Yes
Mrs. Kanchan U. Chitale	Independent Director	7	7	Yes
Mr. Saurabh S. Dhanorkar	Non-Independent, Non-Executive Director	7	5	Yes
Dr. Deepak R. Parikh	Independent Director	7	6	Yes
Mr. Pradeep R. Rathi	Independent Director	7	6	Yes
Mr. Anami N. Roy	Independent Director	7	5	Yes
Mr. Ajit Venkataraman ¹	Managing Director	7	6	Yes
Mr. Anil V. Whabi ²	Ex-Managing Director	7	1	-

¹ Mr. Ajit Venkataraman, was appointed as Managing Director w.e.f. June 1, 2023

² Mr. Anil V. Whabi, Managing Director superannuated on May 31, 2023.

Disclosure of relationships between directors inter-se

None of the directors are related to each other, except Mr. Prakash P. Chhabria , Executive Chairman and Mrs. Ritu P. Chhabria, Non-Executive and Non-Independent Director, who are also the promoters.

Number of shares and convertible instruments held by non-executive directors

The details of the equity shares of the Company held as at March 31, 2024 by the Non-Executive Directors are given below:

Name of the Director	No. of Equity Shares
Ms. Bhumika L. Batra	500
Mrs. Ritu P. Chhabria	22,250
Mrs. Kanchan U. Chitale	-
Mr. Saurabh S. Dhanorkar	28,105
Dr. Deepak R. Parikh	-
Mr. Pradeep R. Rathi	-
Mr. Anami N. Roy	-

Familiarization Programme

The Company has an orientation process/familiarization program for its Independent Directors, which includes sessions on various business and functional matters and strategy sessions. Detailed induction and familiarization programs are conducted for newly appointed Directors wherein they are briefed on their role, responsibilities, duties, obligations, nature of the industry & business, plant visits, matters relating to Corporate Governance, Code of Business Conduct, Risk Management, Compliance Programs, Internal Audit, etc.

The specifics of the familiarization programs provided to the Independent Directors are available on the Company's website and can be accessed at <https://www.finolexpipes.com/investors/compliance-report/>

Skills/competencies/expertise identified by the Board of Directors

The Board has identified the following skills/ competencies/expertise fundamental for the effective functioning of the Company which are currently available with the Board and taken into account while considering nomination of any person for Board position:

Name of Director	Business & Management	Financial, Accounting & Risk Management	Leadership & Governance	Human Resource Management, Regulatory Matters, Sustainability	Sales & Marketing
Mr. Prakash P. Chhabria	✓	✓	✓	✓	✓
Ms. Bhumika L. Batra	✓	✓	✓	✓	✓
Mrs. Ritu P. Chhabria	✓	✓	✓	✓	✓
Mr. Saumya Chakrabarti	✓	✓	✓	✓	✓
Mrs. Kanchan U. Chitale	✓	✓	✓	✓	✓
Mr. Saurabh S. Dhanorkar	✓	✓	✓	✓	✓
Dr. Deepak R. Parikh	✓	✓	✓	✓	✓
Mr. Pradeep R. Rathi	✓	✓	✓	✓	✓
Mr. Anami N. Roy	✓	✓	✓	✓	✓
Mr. Ajit Venkataraman ¹	✓	✓	✓	✓	✓
Mr. Anil V. Whabi ²	✓	✓	✓	✓	✓

¹ Mr. Ajit Venkataraman, was appointed as Managing Director w.e.f. June 1, 2023

² Mr. Anil V. Whabi, Managing Director superannuated on May 31, 2023.

Succession Planning

Succession Planning is an essential component for the survival and growth of any business and Company's effective performance through leadership continuity. The Board of Directors has adopted a 'Succession Planning Policy' for the Board and Senior Management to ensure orderly succession for appointments to the Board and to Senior Management.

Declarations

The Company has received requisite declarations from each Independent Director that they meet the criteria of independence laid down under the Companies Act and the Listing Regulations. The Board has taken on record the declaration and confirmation submitted by the independent directors after undertaking due veracity of the same and confirm that they fulfill the conditions of independence and are independent of the management of the Company.

1. Audit Committee

The composition of the Audit Committee, its powers and terms of reference are in line with the provisions of the Companies Act, 2013 and Listing Regulations.

Brief Terms of Reference of the Audit Committee is as under-

- Oversight of the Company's financial reporting process;
- reviewing with the management, the quarterly and annual financial statements and auditor's report thereon;
- reviewing the performance of statutory and internal auditors, adequacy of the internal control systems, internal audit function, risk management systems, review the functioning of the Whistle Blower mechanism, recommending appointment, remuneration and terms of appointment of auditors of the Company, review and monitor Auditor's independence, performance and effectiveness of audit process, scrutiny of inter-corporate loans and investments, appointment of the Chief Financial Officer & Internal Auditor reviewing the Management Discussion and Analysis Report, significant related party transactions, internal audit reports, etc.

Composition of the Audit Committee and details of Meetings held and attended during the year are as under -

Name of Director	Designation/ Nature of Directorship	Number of Meetings of Audit Committee held during the year	Number of Meetings of Audit Committee attended during the year
Mr. Pradeep R. Rathi	Chairman, Independent Director	6	6
Ms. Bhumika L. Batra	Member, Independent Director	6	6
Mrs. Kanchan U. Chitale	Member, Independent Director	6	6
Mr. Saurabh S. Dhanorkar	Member, Non-Executive & Non-Independent Director	6	4
Dr. Deepak R. Parikh	Member, Independent Director	6	6
Mr. Anami N. Roy	Member, Independent Director	6	5

The Audit Committee Meetings are attended by the Managing Director, Executive Directors, Chief Financial Officer, Internal Auditors and the Statutory Auditors by invitation. The Company Secretary acts as the Secretary to the Committee. The Audit Committee holds discussion with Statutory Auditors periodically without the presence of the management.

2. Nomination and Remuneration Committee

The Company has constituted a Nomination and Remuneration Committee (NRC) in accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations composition and terms of reference, are in conformity with the aforesaid provisions.

The terms of reference of the Committee inter alia is formulation of criteria for determining qualifications, positive attributes and independence of a Director, frame a Policy governing Board diversity, appointment, removal, nomination and remuneration of Directors, Key Managerial Personnel and other employees, determining criteria for evaluation of performance of independent Directors, Board and Committees thereof, review the Company's succession planning process. Further, in terms of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Nomination and Remuneration Committee also supervises the various ESOP/ ESPS Plans of the Company.

Composition, meetings held and attended during the year

Name of Director	Designation/ Nature of Directorship	Number of Meetings of NRC held during the year	Number of Meetings of NRC attended during the year
Ms. Bhumika L. Batra	Chairperson, Independent Director	3	2
Mrs. Kanchan U. Chitale	Member, Independent Director	3	3
Mr. Saurabh S. Dhanorkar	Member, Non-Executive & Non-Independent Director	3	3
Dr. Deepak R. Parikh	Member, Independent Director	3	2
Mr. Pradeep R. Rathi	Member, Independent Director	3	2
Mr. Anami N. Roy	Member, Independent Director	3	2

The Company Secretary acts as the Secretary of the Committee.

Performance Evaluation Criteria for Independent Directors:

The key criteria while evaluating the performance of Independent Directors, were individual contributions to the Board's strategic thinking, competency, effective leadership skills, commitment, knowledge of Company's business & vision, open and effective participation, etc.

Disclosures with respect to Remuneration

The details of remuneration paid to the Directors, including the details of the stock options representing the perquisite value of the options exercised during the FY 2023-24 is as under:

A. Remuneration of Executive Directors

Particulars	₹ in crore			
	Mr. Prakash P. Chhabria Executive Chairman	Mr. Ajit Venkataraman ¹ Managing Director	Mr. Saumya Chakrabarti Director - Technical	Mr. Anil V. Whabi ² Ex-Managing Director
Salary and Allowance	3.23	3.72	1.27	0.64
Contribution of PF	0.23	0.15	0.07	0.01
Performance incentive/ Bonus	0.38	0.26	0.11	0.02
Total	3.84	4.13	1.45	0.67
Commission	10.34	1.50	0.55	-
Notice period	6 months	3 months	3 months	3 months
Service Contract	Five years	Five years	Five years	One year
Severance Fees	Not Applicable	Not Applicable	Not Applicable	Not Applicable

¹ Mr. Ajit Venkataraman was appointed as Managing Director w.e.f. June 1, 2023

² Mr. Anil V. Whabi superannuated as Managing Director of the Company on May 31, 2023, hence the remuneration details are provided for the period of 2 months, excluding retirement benefits

B. Details of Remuneration to Non-Executive Directors

Sr. No.	Name	₹ in Crore	
		Commission	Sitting fees
1	Ms. Bhumika L. Batra	0.34	0.05
2	Mrs. Ritu P. Chhabria	0.34	0.02
3	Mrs. Kanchan U. Chitale	0.34	0.09
4	Mr. Saurabh S. Dhanorkar	0.34	0.08
5	Dr. Deepak R. Parikh	0.34	0.06
6	Mr. Pradeep R. Rathi	0.44	0.06
7	Mr. Anami N. Roy	0.34	0.05

The Board approves Commission to non-executive Directors of the Company after considering parameters like domain knowledge, experience, time devoted, independent judgement, contribution, etc. The proposed commission is in line with the Company's Nomination and Remuneration Policy and within the limits prescribed under Section 197 of the Companies Act, 2013.

Note:

As post-employment obligations and other long-term employee benefits obligation are computed for all employees in aggregate, the amounts relating to key management personnel cannot be individually computed and hence are not included in the above.

The non-executive directors do not receive any remuneration from the Company except for the sitting fees and commission as approved by the Board from time to time. All independent directors are experts in their respective fields and their services are beneficial to the Company.

No stock options were issued during the financial year 2023-2024.

3. Stakeholders' Relationship Committee

The constitution of the Stakeholders' Relationship Committee (SRC) and terms of reference/role is in compliance with the provisions of the Companies Act and Listing Regulations.

Composition and details of Meetings held and attended during the year

Name of Director	Designation/ Nature of Directorship	Number of Meetings of SRC held during the year	Number of Meetings of SRC attended during the year
Mr. Anami N. Roy	Chairman, Independent Director	4	3
Ms. Bhumika L. Batra	Member, Independent Director	4	4
Mr. Prakash P. Chhabria	Member, Executive Chairman	4	4
Mr. Saurabh S. Dhanorkar	Member, Non-Executive & Non-Independent Director	4	3
Dr. Deepak R. Parikh	Member, Independent Director	4	4
Mr. Pradeep R. Rathi	Member, Independent Director	4	4

The Company Secretary acts as the Secretary of the Committee.

Name and designation of Compliance Officer

Mr. Ashutosh B. Kulkarni, Company Secretary, was the Compliance Officer till his resignation i.e. January 14, 2024. The Company has appointed Mr. Dakshinamurthy Iyer, Company Secretary as the Compliance Officer w.e.f. May 10, 2024, for complying with the requirements of the Listing Regulations.

Details of Shareholders' letters/complaints during 2023-2024

Pending Complaints as on April 1, 2023	Complaints received during the year	Complaints disposed during the year	Complaints pending as on March 31, 2024
0	140	140	0

4. Risk Management Committee

The Risk Management Committee (RMC) meets the criteria of Regulation 21 of SEBI Listing Regulations. The Board has approved a detailed framework on Risk Management which *inter-alia* covers the roles and responsibilities of the Risk Management Committee.

Brief description of terms of reference: The Risk Management Committee *inter-alia* is assigned with the responsibility of formulating the Company's risk management policy, ensure appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the Company's business, monitor, evaluate the Company's business risks and oversee implementation of the risk management policy, monitor and review the risk management policy, risk management plan, cyber security, etc. based on changing industry dynamics and evolving complexity, review the appointment, removal and terms of remuneration of the Chief Risk Officer.

Composition and details of Meetings held and attended during the year

Name of Director	Designation/ Nature of Directorship	Number of Meetings of RMC held during the year	Number of Meetings of RMC attended during the year
Mrs. Kanchan U. Chitale	Chairperson, Independent Director	3	3
Ms. Bhumika L. Batra	Member, Independent Director	3	3
Mr. Prakash P. Chhabria	Member, Executive Chairman	3	2
Mr. Saurabh S. Dhanorkar	Member, Non-Executive & Non-Independent Director	3	3
Dr. Deepak R. Parikh	Member, Independent Director	3	3
Mr. Pradeep R. Rathi	Member, Independent Director	3	3
Mr. Anami N. Roy	Member, Independent Director	3	2
Mr. Ajit Venkataraman ¹	Member, Managing Director	3	2
Mr. Anil V. Whabi ²	Member, Ex-Managing Director	3	1

¹ Mr. Ajit Venkataraman was inducted as member of the Committee w.e.f. June 1, 2023.

² Mr. Anil V. Whabi, Managing Director superannuated on May 31, 2023 and consequently ceased to be member of the Risk Management Committee.

Mr. Niraj Kedia, Chief Risk Officer resigned from the services of the Company w.e.f. June 30, 2024. The Company has appointed Mr. Rachit Agarwal, as Chief Risk Officer of the Company effective from July 1, 2024. The Managing Director, Chief Financial Officer and Chief Risk Officer are permanent invitees to the meetings of the Committee. The Company Secretary acts as the Secretary of the Committee.

5. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee of the Board of Directors meets the criteria laid down under Section 135 of the Companies Act, 2013 and Rules made therein.

Brief description of terms of reference:

The CSR Committee inter-alia formulates and recommends to the Board, the Company's CSR policy, CSR expenditure and Annual Action Plan, monitoring and implementation thereof.

Composition and details of Meetings held and attended during the year

Name of Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
Mrs. Ritu P. Chhabria	Chairperson, Non-Executive & Non-Independent Director	5	4
Ms. Bhumika L. Batra	Member, Independent Director	5	5
Mr. Prakash P. Chhabria	Member, Executive Chairman	5	4
Mrs. Kanchan U. Chitale	Member, Independent Director	5	5
Mr. Saurabh S. Dhanorkar	Member, Non-Executive & Non-Independent Director	5	5
Dr. Deepak R. Parikh	Member, Independent Director	5	4
Mr. Pradeep R. Rathi	Member, Independent Director	5	5
Mr. Anami N. Roy	Member, Independent Director	5	4
Mr. Ajit Venkataraman ¹	Member, Managing Director	5	4
Mr. Anil V. Whabi ²	Member, Ex-Managing Director	5	1

¹ Mr. Ajit Venkataraman was inducted as member of the Committee w.e.f. June 1, 2023.

² Mr. Anil V. Whabi, Managing Director superannuated on May 31, 2023 and consequently ceased to be member of the Corporate Social Responsibility committee.

The Company Secretary acts as the Secretary of the Committee.

6. Share Transfer Committee

The Company has constituted a Share Transfer Committee for considering, approving, handling, etc., all matters related to transfer, transmission, issue of duplicate share certificates, split, consolidation, dematerialization and rematerialization of securities and issuance of fresh share certificates / letter of confirmations etc.

Composition of the Committee:

Name of Director	Designation
Mrs. Kanchan U. Chitale Independent Director	Chairperson
Mr. Saurabh S. Dhanorkar Independent Director	Member
Ms. Bhumika L. Batra Independent Director	Member
Mr. Prakash P. Chhabria Executive Chairman	Member

Name of Director	Designation
Dr. Deepak R. Parikh Independent Director	Member
Mr. Pradeep R. Rathi Independent Director	Member
Mr. Anami N. Roy Independent Director	Member
Mr. Ajit Venkataraman ¹ Managing Director	Member
Mr. Anil V. Whabi ² Ex-Managing Director	Member

¹ Mr. Ajit Venkataraman was inducted as member of the Committee w.e.f. June 1, 2023.

² Mr. Anil V. Whabi, Managing Director superannuated on May 31, 2023 and consequently ceased to be member of the Share Transfer committee.

The details of Meetings held during the year:

During the year 2023-24, 23 (Twenty-three) meetings of Share Transfer Committee were held on April 15, 2023; April 29, 2023; May 15, 2023; May 31, 2023; June 15, 2023; June 30, 2023; July 29, 2023; August 11, 2023; August 21, 2023; September 15, 2023; September 27, 2023; October 10, 2023; October 30, 2023; November 15, 2023; November 29, 2023; December 07, 2023; December 29, 2023; January 20, 2024; January 31, 2024; February 20, 2024; February 29, 2024; March 11, 2024; March 26, 2024.

The Company Secretary acts as the Secretary of the Committee.

7. Finance Committee

The Finance Committee *inter alia* reviews all financial proposals pertaining to investments, borrowings and makes its recommendations to the Audit Committee/Board. The committee comprises of all the Directors, except the Director Technical. The Company Secretary acts as the Secretary to the Committee. No meetings of the Finance Committee were held during the financial year 2023-24.

8. Independent Directors' Meeting

The Meeting of Independent Directors was held on March 27, 2024, which was attended by all the Independent Directors, and inter-alia reviewed –

- Performance of the Non-Independent Directors and the Board as a whole;
- Performance of the Chairman of the Company, taking into account the views of the Managing Director and Executive Directors; and
- Assessed the Quality, Quantity and Timeliness of the flow of information between the Company's Management and the Board.

9. General Body Meetings:

a) The location and time where last three Annual General Meetings were held:

Year	2022-23	2021-2022	2020-2021
Date of AGM	August 28, 2023	August 30, 2022	September 22, 2021
Time	4.00 p.m.	4.00 p.m.	4.00 p.m.
Place of AGM	Through Video Conferencing (Deemed Venue: Registered Office of the Company)	Through Video Conferencing (Deemed Venue: Registered Office of the Company)	Through Video Conferencing (Deemed Venue: Registered Office of the Company)

b) The details of special resolutions passed in the previous three Annual General Meetings:

Date of AGM	Item of special resolution
September 22, 2021	<p>a. Consent for payment of commission to Directors other than Managing Director or Executive Directors of the company, not exceeding one percent of the net profit of the Company, calculated under provisions of Section 198 of the Companies Act, 2013 with a cap of ₹4,00,00,000/- (Rupees Four Crore Only) for each financial year commencing from 1st April 2020.</p> <p>b. Approval for issuing offer(s) or invitation(s) to subscribe to debt securities as defined under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, including Non-Convertible Debentures ("NCDs") for a sum not exceeding ₹2,50,00,00,000/- (Rupees two hundred fifty crore only) on a private placement basis in one or more tranches during a period of one year from the date of passing of this resolution within the overall borrowing limits of the Company .</p>
August 30, 2022	Approval for issuing offer(s) or invitation(s) to subscribe to debt securities as defined under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, including Non-Convertible Debentures ("NCDs") for a sum not exceeding ₹ 2,50,00,00,000/- (Rupees two hundred fifty crore only) on a private placement basis in one or more tranches during a period of one year from the date of passing of this resolution within the overall borrowing limits of the Company.
August 28, 2023	Re-appointment of Mrs. Kanchan Chitale (DIN: 00007267) as an Independent Director of the Company

All resolutions were passed with requisite majority.

c) Any Special Resolution passed last year through postal ballot – details of voting pattern

No special resolution were passed during the year under review through postal ballot.

d) Person who conducted the postal ballot exercise and details of voting pattern

No postal ballot conducted during the year under review.

e) Whether any Special Resolution is proposed to be conducted through postal ballot:

No Special Resolution is proposed through postal ballot.

f) Procedure for postal ballot

No Special Resolution is proposed through postal ballot.

10. Means of communication:

- The website of the Company www.finolexpipes.com acts as the primary source of information regarding the operations of the Company.
- The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India viz. Financial Express and Loksatta.
- The results are displayed on the Company's website www.finolexpipes.com. The presentations if any made to the institutional investors / analysts are also displayed on the website. A Fact sheet providing a gist of the quarterly, half yearly and annual results of the Company is displayed on the Company's website. Further, the Financial Results and various compliance reports / information in accordance with the provisions of the Listing Regulations time are made available on the websites of the Stock Exchanges i.e. BSE Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com.

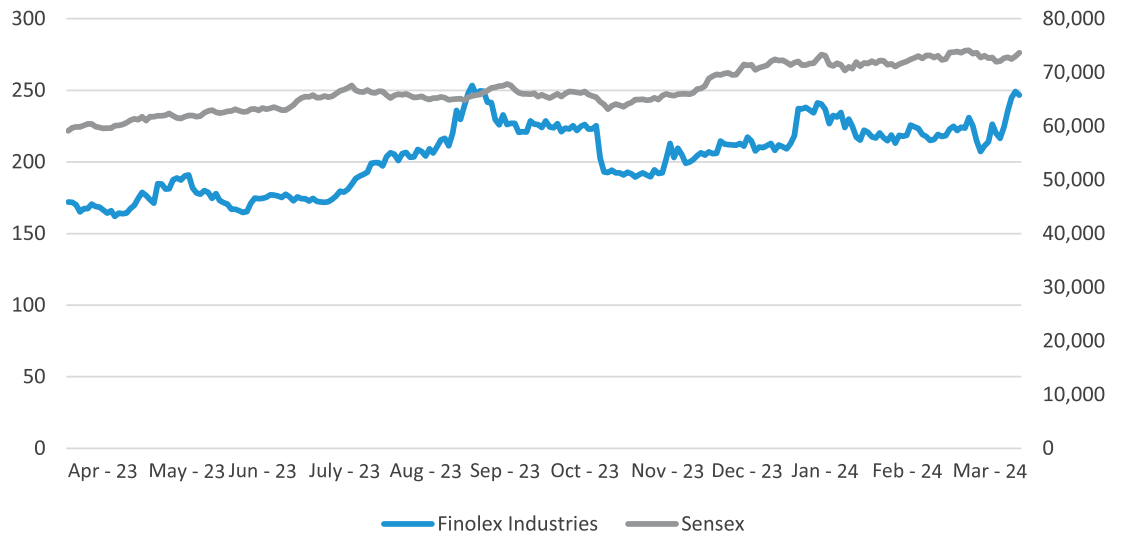
11. General shareholder information:

A Annual General Meeting date, time and venue	Date: Wednesday, September 18, 2024 Time: 4.00 p.m. (IST) Venue: In view of the relaxation provide by the regulators, the Company is conducting meeting through VC/OAVM pursuant to the MCA General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 read with subsequent latest circular issued no. 09/2023 dated September 25, 2023. The deemed venue of the ensuing Annual General Meeting shall be the Registered Office of the Company. For details of registered office address, please refer the AGM Notice.
B Financial year	April 1 to March 31 Quarter ended June 30, 2024 July 27 2024 Half year ending September 30, Second fortnight of October, 2024 2024 Quarter ending December 31, 2024 Second fortnight of January 2025 Year ending March 31, 2025 Second fortnight of May 2025
C Dividend Payment date	On or before Thursday, October 3, 2024, subject to approval of shareholders at 43 rd (Forty -Third) AGM.
D Book closure period	Thursday, September 12, 2024 to Wednesday, September 18, 2024 (both days inclusive)
E The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of the listing fees	Equity Shares National Stock Exchange of India Limited 5, Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400051 BSE Limited Floor 25 P. J. Towers Dalal Street Mumbai 400 001 The Company has paid all due annual listing fees to all Stock Exchanges where shares of the Company are listed.
F Stock Code:	NSE: Equity- FINPIPE BSE: Equity- 500940 ISIN : INE183A01024

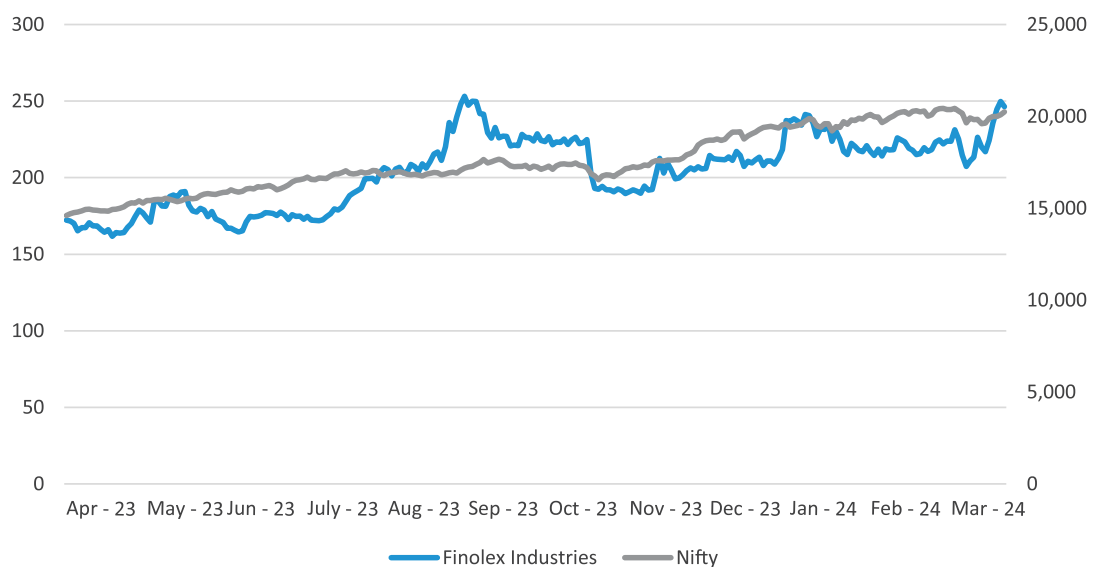
G Market Price data of Equity Shares- High, Low during each month in last financial year 2023-2024	Month	BSE		NSE	
		High (₹)	Low (₹)	High (₹)	Low (₹)
	Apr-23	176.75	161.50	176.75	161.50
	May-23	195.65	168.15	195.50	168.00
	Jun-23	180.90	163.00	180.95	163.05
	Jul-23	203.50	169.65	203.50	170.05
	Aug-23	241.25	197.00	241.35	196.80
	Sep-23	259.90	215.00	259.95	214.55
	Oct-23	233.00	185.70	232.95	185.80
	Nov-23	215.85	187.65	216.00	187.45
	Dec-23	220.00	203.30	219.90	203.00
	Jan-24	248.00	207.70	248.10	207.30
	Feb-24	229.75	210.10	229.85	210.15
	Mar-24	252.90	203.65	252.65	203.40

H Performance in comparison with broad based indices such as BSE Sensex, Nifty, etc.

Finolex share price movement v/s BSE Sensex



Finolex share price movement v/s NSE Nifty

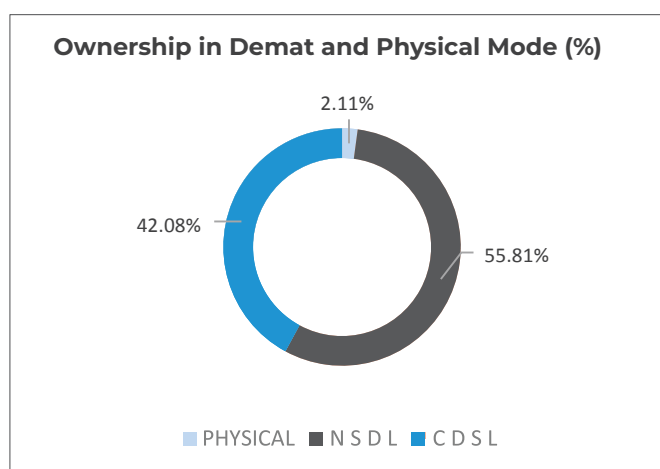


<p>I In case the securities are suspended from trading, the Director's Report shall explain the reasons thereof.</p>	<p>Securities are not suspended from trading during the period under review.</p>
<p>J Registrar to an issue and share transfer agent</p>	<p>KFin Technologies Limited (RTA) SEBI Registration no. INR000000221 Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India - 500 032</p>
<p>K Share transfer system</p>	<p>In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, Further w.e.f. January 24, 2022 transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.</p>

L	Distribution of shareholding as on March 31, 2024	Category	Total Investors	% of total B	Total Shares	% of total D
		A	B	C	D	E
		Below 5000	2,11,890	97.40	6,31,07,300	10.17
Between 5001 and 10000	3,580	1.65	1,30,04,631	2.10		
Between 10001 and 20000	1,212	0.56	87,33,762	1.41		
Between 20001 and 30000	283	0.13	35,18,089	0.57		
Between 30001 and 40000	117	0.05	21,04,455	0.34		
Between 40001 and 50000	75	0.03	17,39,204	0.28		
Between 50001 and 100000	141	0.06	51,80,680	0.83		
Above 100001	248	0.12	52,30,88,784	84.30		
Total	2,17,546	100.00	62,04,76,905	100.00		

M	Dematerialization of shares and liquidity as on March 31, 2024	Depository/ Physical	No. of shares	% of total shares
		NSDL	34,62,64,289	55.81
CDSL	26,11,09,351	42.08		
Physical	1,31,03,265	2.11		
Total	62,04,76,905	100		

Shares are regularly traded on BSE and NSE.



N	Outstanding GDR, ADR or warrants or convertible instruments, conversion date and likely impact on equity	No such issue made by the Company.
O	Commodity price risk or foreign exchange risk and hedging activities	The details are included in this report under point no.9 under the heading 'Other Disclosure'

P Plant locations	<ul style="list-style-type: none"> <u>PVC Resin & PVC Pipes Plant:</u> Ranpar – Pawas Road District Ratnagiri 415 616 Maharashtra <u>PVC Pipes</u> Gat No.399, Urse, Taluka Maval, District – Pune 410 506, Maharashtra <u>PVC Pipes Plant:</u> Village Masar, Taluka Padra, District Vadodara 391 421, Gujarat <u>Fittings Plant:</u> Gat no. 464, village Badhalwadi, Taluka Maval, near Talegaon in Pune District
Q Address for investor correspondence	<p>KFIN Technologies Limited Unit: Finolex Industries Limited Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032 WhatsApp: +91-910 009 4099 Toll Free: 1-800-309-4001 Email ID: einward.ris@kfintech.com Website: https://www.kfintech.com Corporate Registry (RIS) Website Link: https://ris.kfintech.com Investor Support Centre Link: https://ris.kfintech.com/clientservices/isc</p>
R List of all credit ratings obtained by the Company	<ul style="list-style-type: none"> Short term - CRISIL / INDIA Ratings CRISIL A1+/ IND A1+ Long term - CRISIL / INDIA Ratings CRISIL AA+/Stable / IND AA+/ Stable During the year under review, there is no revision in credit rating.

Other disclosures:

	Disclosure required	
A	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years	No such cases
B	Details of establishment of vigil mechanism/whistle blower policy, and affirmation that no personnel has been denied access to the audit committee	Vigil mechanism/whistle blower policy is in place. None of the employees are restricted from the access to the Audit Committee.
C	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	<p>The Company has complied with the applicable mandatory requirements of the SEBI Listing Regulations.</p> <p>The Company has adopted following non-mandatory requirements as specified in Part E of Schedule II of the SEBI Listing Regulations.</p> <p>a. The Company has an Executive Chairman.</p>

		<p>b. During the year under review, there was no audit qualification in the Auditors' Report on the Company's Financial Statement.</p> <p>c. The Chairman and Managing Director of the Company are different persons.</p> <p>d. The internal auditor is a permanent invitee to the audit committee and regularly attends the meetings of the Audit Committee.</p>								
D	Web link where policy for determining 'material' subsidiaries is disclosed	https://www.finolexpipes.com/site/assets/files/147251/policy_on_material_subsidary.pdf								
E	Web link where policy on dealing with related party transactions is disclosed	https://www.finolexpipes.com/site/assets/files/147246/related_transaction_policy.pdf								
F	Disclosure of commodity price risks and commodity hedging activities	The details are provided in point no. 9 of 'Other Disclosure' in this report.								
G	Details of utilization of funds raised through preferential allotment or qualified institutions placement.	The Company has not raised any funds through preferential allotment or qualified institutions placement during 2023-24.								
H	Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.	A certificate from a Company Secretary in Practice vide dated August 19, 2024 is enclosed with this report.								
I	Where the Board had not accepted any recommendation of any committee of the Board which is mandatory required, in the relevant financial year.	There are no such instances where the Board had not accepted any recommendation of any committee of the Board during the financial year 2023-24.								
J	Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	The Company does not have any subsidiary company. Total fees for all services paid to the statutory auditors are given in note no. 32 of notes to accounts under heading Payments to the auditor.								
K	Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.	<p>Details of complaints during the year 2023-24:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Number of Complaints</th> </tr> </thead> <tbody> <tr> <td>Number of complaints filed during the financial year</td> <td>Nil</td> </tr> <tr> <td>Number of complaints disposed of during the financial year</td> <td>Nil</td> </tr> <tr> <td>Number of complaints pending as on end of the financial year</td> <td>Nil</td> </tr> </tbody> </table>	Particulars	Number of Complaints	Number of complaints filed during the financial year	Nil	Number of complaints disposed of during the financial year	Nil	Number of complaints pending as on end of the financial year	Nil
Particulars	Number of Complaints									
Number of complaints filed during the financial year	Nil									
Number of complaints disposed of during the financial year	Nil									
Number of complaints pending as on end of the financial year	Nil									
L	Disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'.	The Company has not provided any loans and advances in the nature of loans to firms/companies in which directors are interested.								

2. Disclosures with respect to demat suspense account/ unclaimed suspense account

The disclosure under Schedule V (F) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

Sr. No.	Particulars	Details (in Numbers)
i.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Nil
ii.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	91 Shareholders
iii.	Number of shareholders to whom shares were transferred from suspense account during the year	91 Shareholders representing 78,840 Shares of ₹2/- each
iv.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	6,373 Shareholders representing 40,50,310 Shares of ₹2/- each

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

3. Related Party Disclosures

In terms of Para A of Schedule V to the SEBI Listing Regulations, the Related Party Disclosure is given in note no. 37 of notes to accounts.

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their Relatives, which could have had a potential conflict with the interest of the Company. The Company does not have any subsidiary but has associate companies. Transactions with related parties entered into by the Company are in the normal course of business and at an arm's length basis. The details of the transactions are periodically placed before the Audit Committee for review and approval. Members may refer to the notes to the accounts for details of related party transactions.

The Board of Directors of the Company, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations.

4. Dividend Distribution Policy

As per Regulation 43A of the SEBI Listing Regulations, the Company has formulated a Dividend Distribution Policy which has been uploaded on the Company's website https://www.finolexpipes.com/site/assets/files/12927/dividend_distribution_policy.pdf

5. Accounting Treatment

The Company has complied with all applicable Accounting Standards in the preparation of financial statements pursuant to Schedule III of the Companies Act, 2013. There are no audit qualifications in the Company's financial statements for the year under review.

6. Compliance with Regulations of capital market

The Company has complied with the requirements of the Regulatory Authorities on Capital Markets. There are no instances of non-compliance by the Company on any matters related to capital markets. No penalty or strictures have been imposed on the Company by the Regulatory Authorities or any Statutory Authority, on any matter related to capital markets, during the last three years.

7. Whistle Blower Policy

In line with the best Corporate Governance practices, the Company has put in place a system through which Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics without fear of reprisal. The Company has put in place a process by which employees have direct access to the Audit Committee Chairperson.

The Whistle-blower Policy has been displayed on the Company's notice board and is also uploaded on the Company's website https://www.finolexpipes.com/site/assets/files/12934/whistle_blower_policy-1.pdf

8. Managing Director and Chief Financial Officer's certificate

The Managing Director and Chief Financial Officer have furnished a compliance certificate to the Board of Directors under Regulation 17(8) of the SEBI Listing Regulations.

9. Disclosure of commodity price risks and commodity hedging activities

For the PVC Pipes and PVC industry, the prices and costs are linked to and are dependent on:

- Same underlying commodity (crude oil) and
- Demand supply for each component in the value chain.

Due to strong interdependence, any major change in the price of one input or output, affects the price of the rest of the components in the value chain, albeit with a short time lag. Due

to this, margins are only temporarily affected whether positively or negatively, until the price reaches an equilibrium. Generally, over a period of time, the impact of this price movement gets compensated, and results in normal margins. The commodity price movements are a temporary risk which can result in margin risk but do not pose a material risk to financial health of the Company. Hence, Company does not resort to any commodity hedging. Further, though hedges are available and actively traded for underlying commodity (crude oil) but the price of all inputs are not linearly related to price of crude and hedges on all inputs are not easily available.

Exposure of the Company to commodity and commodity risks faced by the Company throughout the year:

- Total exposure of the Company to commodities and intermediates ₹ 2,753.02 Crore

- Exposure of the Company to major commodities and intermediates:

Commodity Name / Intermediate Name	Exposure towards the particular commodity (₹ in Crores)	Exposure towards the particular commodity (Quantity in MTs)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
EDC	335.30	1,17,223	Nil	Nil	Nil	Nil	Nil
Ethylene	294.61	37,314	Nil	Nil	Nil	Nil	Nil
VCM	396.97	69,455	Nil	Nil	Nil	Nil	Nil
PVC*	1,485.81	1,96,542	Nil	Nil	Nil	Nil	Nil
Coal	189.55	2,56,928	Nil	Nil	Nil	Nil	Nil
NAPHTHA	50.78	9,876	Nil	Nil	Nil	Nil	Nil
Total exposure of the Company to commodities and intermediates	2,753.02	6,87,338					

*includes inter-divisional Transfer of 1,82,388 MT

- Commodity risks faced by the Company during the year and how they have been managed- The Company is affected by the volatility of prices of certain commodity chemicals (Ethylene and PVC) and intermediates (EDC and VCM). Its operating activities involve the ongoing purchase of Vinyl Chloride Monomer ('VCM'), Ethylene and Ethylene Dichloride ('EDC'), all being petrochemical products for manufacturing of PVC and pipes & fittings and therefore require a continuous supply of these materials. Prices of PVC manufactured by the Company are monitored by Company management and are adjusted to respond to change in import parity price of PVC in Indian market. Market price of input and output, generally get adjusted over a period of time. Accordingly, the Company is exposed to the variation in prices over short term period.

10. Foreign Exchange Risk and Hedging:

PVC pricing is on import parity and import parity value of sales of the Company exceeds the USD payables on a six-monthly rolling basis due to which a natural hedge exists and hence the Company does not generally need to resort to hedging by way of forward contracts, options, etc.

11. Compliance or otherwise of any requirement of the Corporate Governance Report

- There are no instances of non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Part C of the Listing Regulations;
- Compliance of discretionary requirements under Regulation 27 of Listing Regulations;
 - The Chairman of the Company, Mr. Prakash Chhabria is the Executive Chairman;
 - Financial results are published in the newspapers and also posted on Company's website/Stock Exchanges;
 - Financial Statements for the financial year ended March 31, 2024, do not contain any modified audit opinion;

- Mr. Ajit Venkataraman is the Company's Managing Director and not related to any Director, Key Managerial Personnel or their Relatives; and
- Internal Auditor presents quarterly Internal Audit reports to the Audit Committee.

12. Practicing Company Secretary's Corporate Governance Certificate

The Company has obtained a certificate from M/s. SVD & Associates, Practicing Company Secretaries, confirming compliance of the conditions of Corporate Governance as stipulated in Para E of Schedule V to the SEBI Listing Regulations, which is annexed to this Report.

13. Senior Management

Particulars of Senior Management including the changes therein during the Financial Year 2023-24:

Sr. No.	Name	Designation	Changes, if any
1.	Mr. Niraj Kedia	Chief Financial Officer	-
2.	Mr. Ashutosh Kulkarni	Head - Supply Chain Management	-
3.	Mr. Pradeep Vedula	Head - Sales & Marketing	-
4.	Mrs. Sarita Tripathi	Chief Human Resource Officer	-
5.	Mr. Shreedatta Albur	Plant Head	-
6.	Mr. Murali G R	Chief Information Officer	Resigned w.e.f. January 2, 2024
7.	Mr. Ashutosh Kulkarni	Company Secretary, Compliance Officer & Head Legal	Resigned w.e.f. January 14, 2024
8.	Mr. Rajeev Singh	Head - Operations	Appointed w.e.f. November 9, 2023
9.	Mr. Harish Dash	Chief Information Officer	Appointed w.e.f. November 20, 2023
10.	Mr. Swad Deshpande	President (Procurement)	Appointed w.e.f. January 18, 2024

14. Disclosure of certain types of agreements binding Listed Entities

There are no such agreement(s) which are required to be disclosed under clause 5A of paragraph A of Part A of Schedule III of the SEBI, Listing Regulations.

15. Code of Conduct and Ethics

The Company's Code of Conduct provides guidelines to be followed by all members of the Board of Directors and Senior Management to ensure the highest standards of professional conduct. Members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2024 on behalf of themselves and to the best of their knowledge and also on behalf of all the employees reporting to them. The said Code can be viewed on the Company's website https://www.finolexpipes.com/site/assets/files/147260/code_of_conduct_for_directors_and_senior_management_and_code_of_independent_directors.pdf

A declaration signed by the Managing Director of the Company to this effect is provided herein:

Declaration signed by Managing Director stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management

As required under Regulation 34(3) read with Para D of the Schedule V to the SEBI Listing Regulations, I hereby declare that the Company has adopted a Code of Conduct and Ethics for all Board Members and Senior Management of the Company, available on the Company's website.

I further declare that the Company has in respect of the financial year ended March 31, 2024, received from all the Board Members and Senior Management Personnel of the Company, an affirmation of compliance with the Code, as applicable to them.

For Finolex Industries Limited

Date: May 10, 2024

Ajit Venkataraman
Managing Director
DIN: 07289950

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,
The Members,
Finolex Industries Limited.

We have examined the compliance of conditions of Corporate Governance by **Finolex Industries Limited**, CIN L40108PN1981PLC024153 (hereinafter referred "the Company"), for the year ended March 31, 2024 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable.

We further state that, this certificate is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar

Partner

FCS No: 6156

CP No: 2664

Peer Review No: 669/2020

UDIN: F006156F000991767

Place: Pune
Date: August 19, 2024

Note: We have relied on the documents and evidences provided by electronic mode, for the purpose of issuing this certificate.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Finolex Industries Limited,
Gat No.399, Village Urse, Taluka Maval,
District Pune - 410506.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Finolex Industries Limited** (hereinafter referred to as 'the Company'), having CIN-L40108PN1981PLC024153 and having registered office at Gat No.399, Village Urse, Taluka Maval, District Pune - 410506, produced before us by the Company through an e-mail for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Company(ies) by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Original date of appointment
1	Mr. Prakash Pralhad Chhabria	00016017	March 13, 1992
2	Ms. Bhumika Lalit Batra	03502004	September 20, 2019
3	Mrs. Ritu Prakash Chhabria	00062144	March 21, 2015
4	Mrs. Kanchan Uday Chitale [§]	00007267	April 1, 2019
5	Mr. Saumya Chakrabarti	09594036	August 30, 2022
6	Mr. Saurabh Sarvottam Dhanorkar	00011322	August 11, 2017
7	Dr. Deepak Rasiklal Parikh	06504537	September 20, 2019
8	Mr. Pradeep Ramwilas Rathi	00018577	September 20, 2019
9	Mr. Anami Narayan Prema Roy	01361110	September 20, 2019
10	Mr. Ajit Venkataraman [#]	07289950	June 01, 2023
11	Mr. Anil Vithaldas Whabi [*]	00142052	December 1, 2021

Note:

^{*} Mr. Anil Vithaldas Whabi ceased as Managing Director w.e.f. May 31, 2023.

[#] Mr. Ajit Venkataraman ceased to be Chief Executive Officer w.e.f. May 31, 2023 and was appointed as Managing Director w.e.f. June 01, 2023.

[§] Mrs. Kanchan Uday Chitale was Re-appointed for a second consecutive term of 5 years as Independent Director w.e.f. August 28, 2023.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner

FCS No: 6156

C P No: 2664

Place: Pune

Date: August 19, 2024

Peer Review No.: 669/2020

UDIN: F006156F000991756

INDEPENDENT AUDITOR'S REPORT

To the Members of
Finolex Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

- 1) We have audited the accompanying standalone financial statements of Finolex Industries Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
- 2) In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the auditor of Finolex Industries Employees' Welfare Trust (the 'Welfare Trust') as referred to in paragraph 15 below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
- 5) We have determined the matter described below to be the key audit matter to be communicated in our report.

Basis for Opinion

- 3) We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the auditor of the Welfare Trust, in terms of their report referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

- 4) Key audit matters are those matters that, in our professional judgment, and based on the consideration of the report of the auditor of the Welfare Trust as referred to in paragraph 15 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Valuation of inventory

At the balance sheet date 31 March 2024, the Company held inventories comprising of raw materials and components, finished goods, work-in-progress aggregating to ₹ 728.03 crore as disclosed in note 8 to the accompanying standalone financial statements of the Company. Such inventories are carried at cost or net realisable value, whichever is lower, as per the accounting policy disclosed in note 2.7 to the aforesaid standalone financial statements.

How our audit addressed the key audit matter

Our audit procedures related to valuation of inventory included, but were not limited, to the following:

- Assessed the appropriateness of the Company's accounting policy and valuation method of inventory in accordance with Ind AS 2.
- Evaluated the design and tested the operating effectiveness of key controls (including IT automated controls) around purchase of inventory, valuation of inventory, computation of overhead, and determination of net realisable value of inventory items.

Key audit matter	How our audit addressed the key audit matter
<p>Cost of inventory comprises of cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.</p> <p>Determination of cost of conversion includes costs directly related to production of units and also includes a systematic allocation of various fixed and variable production overheads to convert raw material into finished goods. Fixed production overheads are allocated to the costs of conversion based on the normal capacity of the production facilities and variable production overheads are allocated to each unit of production based on the actual use of the production facilities, in accordance with the principles of Ind AS 2, Inventories ('Ind AS 2'), which involves management judgement and estimation.</p> <p>Further, at the end of each reporting period, the management of the Company also assesses whether the carrying value of inventory is in excess of amounts expected to be realised from their sale or use and in such cases, inventories are written down to their net realisable value in accordance with Ind AS 2.</p> <p>Considering the abovementioned complexities and materiality of amounts and management judgement involved, valuation of inventory matter is considered to be a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation and corroborated the same to our understanding of the business. • Understood and assessed the management process of determining overhead absorption rates applied by verifying the appropriateness of underlying variables used such as cost data, normal production capacity, actual production data, bill of materials and stage of production. • Verified the expenses considered as cost of conversion including estimates for apportionment of such conversion cost to different classes of finished goods and work in progress and ensured arithmetical accuracy of such workings. • Performed substantive testing for samples of raw materials' purchase transactions recorded during the year, and purchase transactions recorded before and after the year end, to ensure such purchases are booked accurately and in the correct period, by verifying the underlying documents for such selected samples, which included contracts, purchase orders, invoices, shipping documents such as lorry receipts, etc. • Obtained understanding of management process for identification of slow moving, non-moving or obsolete inventories and ensured that the same is consistently applied. Tested ageing of inventory items obtained through system reports, as applicable. • Recomputed the net realisable value of the finished goods on a sample basis and ensured the inventory is carried at lower of cost or net realizable value as per Ind AS 2. • Performed analytical procedures on current year cost of goods sold based on product-wise gross profit margin analysis, and where appropriate, conducted further enquiries and testing. • Assessed that the disclosures made in the accompanying standalone financial statements is in accordance with the applicable accounting standards.

Information other than the Financial Statements and Auditor's Report thereon

6) The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the

audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

- 7) The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 8) In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 9) The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

- 10) Our objectives are to obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- 11) As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the Company and its Welfare Trust or the business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of the Company of which we are the independent auditors. For the Welfare Trust included in the financial statements, which has been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.
- 12) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 13) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 14) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences

of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- 15) We did not audit the financial statements of the Welfare Trust included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 60.39 crore as at 31 March 2024, and the total revenues of Nil, total net profit after tax of ₹ 17.06 crore, total comprehensive income of ₹ 17.06 crore, and cash flows (net) of ₹ - crore (rounded off to nil) respectively for the year ended on that date, as considered in the standalone financial statements. This financial statements have been audited by the another auditor whose report has been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of the Welfare Trust, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid Welfare Trust, is based solely on the report of the Welfare Trust's auditor.

Our opinion above on the standalone financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the Welfare Trust's auditor.

Report on Other Legal and Regulatory Requirements

- 16) As required by section 197(16) of the Act based on our audit, and on consideration of the report of the Welfare Trust's auditor as referred to in paragraph 15 above, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- 17) As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 18) Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, and on consideration of the report of the auditor of the Welfare Trust as referred to in paragraph 15 above, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were

- necessary for the purpose of our audit of the accompanying standalone financial statements;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - c) The standalone financial statements dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 38.2 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
 - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 45 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered

reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. Further as stated in note 15 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend; and
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing

on 1 April 2023, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not enabled at database level for accounting software SAP to log any direct data change as described in note 50 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature was enabled.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

UDIN: 24058644BKFUFF7074

Place: Mumbai

Date: 10 May 2024

ANNEXURE A

referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of Finolex Industries Limited on the standalone financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and based on the consideration of the report of the auditor of Welfare Trust and to the best of our knowledge and belief, we report that:

- i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- B) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3.1 to the standalone financial statements, are held in the name of the Company.
- d) The Company has adopted cost model for its property, plant and equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii) The Company has also not provided any guarantee or security or granted any loan or advances in the nature of loans, to companies, firms or limited liability partnerships during the year. Further, the Company has made investment in companies during the year, in respect of which:
 - a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.
 - b) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company.
 - c) In respect of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal interest are regular.
 - d) In the absence of stipulated schedule of repayment of principal and payment of interest in respect of loans or advances in the nature of loans, we are unable to comment as to whether there is any

amount which is overdue for more than 90 days. Reasonable steps have been taken by the Company for recovery of such principal amounts and interest.

- e) In respect of loans granted by the Company, the schedule of repayment of principal has not been stipulated. According to the information and explanation given to us, such loans have not been demanded for repayment as on date.
- f) The Company has granted loans which are repayable on demand, as per details below:

(Amount in ₹ Crore)

Particulars	All parties
Aggregate of loans - Repayable on demand	16.83
Percentage of loans to the total loans	100%

- iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act and section 186 in respect of guarantees and security provided by it.
- v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of

Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

- vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(Amount in ₹ Crore)

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	0.05	-	Financial year ('FY') 2015-16	The Customs Excise and Service Tax Appellate Tribunal ('CESTAT')
The Customs Act, 1962	Disputes related to exemptions, classifications and others	21.61	0.34	FY 2012-13, FY 2014-15, FY 2015-16 and FY 2019-20	CESTAT
The Central Excise Act, 1944	Disallowance of CENVAT credit	9.01	0.58	FY 2008-09 to FY 2013-14, FY 2015-16,, FY 2015-16 and FY 2017-18	CESTAT

(Amount in ₹ Crore)

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Disallowance of CENVAT credit	9.82	-	FY 2002-03	Commissioner of Central Excise
The Central Excise Act, 1944	Disallowance of CENVAT credit	14.44	2.32	FY 2007-08 to FY 2011-12 and FY 2013-14	Assessing officer
Sales tax – The Maharashtra Value Added Tax Act, 2002 and The Central Sales Tax Act, 1956	Disallowance of Credit	1.33	0.06	FY 2014-15 and FY 2015-16	Joint Commissioner of State tax
Sales tax – The Maharashtra Value Added Tax Act, 2002 and The Central Sales Tax Act, 1956	Disallowance of Credit	0.78	-	FY 2006-07	The Maharashtra Sales Tax Tribunal
The Central Goods and Services Tax Act, 2017	Disallowance of input tax credit	0.49	0.02	FY 2017-18	Deputy Commissioner (State)
The Central Goods and Services Tax Act, 2017	Disallowance of input tax credit	3.86	-	FY 2017-18	Joint Commissioner
The Central Goods and Services Tax Act, 2017	Disallowance of input tax credit	3.27	-	FY 2019-20	Assessing Officer
The Income-tax Act, 1961	Disallowance of deduction under section 35 of the Income-tax Act, 1961	0.10	-	FY 1983-84	The High Court
The Income-tax Act, 1961	Disallowance under section 14A and section 37 of the Income-tax Act, 1961 and denial of brought forward losses	3.16	-	FY 1998-99 and FY 2015-16	The Income-tax Appellate Tribunal
The Income-tax Act, 1961	Disallowance of various expenses and deductions	10.78	-	FY 2016-17, FY 2019-20, FY 2020-21 and FY 2021-22	The Commissioner of Income-tax (Appeals)
The Income-tax Act, 1961	Disallowance under section 14A of the Income-tax Act, 1961	0.20	-	FY 2014-15	Assessing officer

- viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us including and representations received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

- c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates.
- f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its associate companies.
- x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv) a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- d) Based on the information and explanations given to us and as represented by the management of the Company, the Group

(as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

- xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit

report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 24058644BKFUFF7074

Place: Mumbai
Date: 10 May 2024

ANNEXURE B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Finolex Industries Limited (the 'Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that

could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

UDIN: 24058644BKFUFF7074

Place: Mumbai

Date: 10 May 2024

STANDALONE BALANCE SHEET

as at March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Note No	March 31, 2024	March 31, 2023
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	1,041.08	1,037.57
(b) Right-of-use assets	3.2	13.17	16.81
(c) Capital work-in-progress	3.3	18.87	43.82
(d) Intangible assets	3.4	1.12	0.79
(e) Financial assets			
i) Investments	4	2,550.66	2,076.98
ii) Loans	5	0.02	0.03
iii) Other financial assets	6	39.65	41.83
(f) Income-tax assets (net)	24	21.46	24.52
(g) Other non-current assets	7	39.42	47.57
Total non-current assets		3,725.45	3,289.92
2 Current assets			
(a) Inventories	8	728.03	673.15
(b) Financial assets			
i) Investments	9	1,905.15	1,772.58
ii) Trade receivables	10	457.63	297.54
iii) Cash and cash equivalents	11.1	2.15	8.56
iv) Bank balances other than (iii) above	11.2	29.50	52.78
v) Loans	12	16.83	23.13
vi) Other financial assets	13	1.70	2.72
(c) Other current assets	14	58.40	61.91
Total current assets		3,199.39	2,892.37
Assets classified as held for sale	3.5	2.88	-
Total assets		6,927.72	6,182.29
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	15	123.67	123.67
(b) Other equity	16	5,414.17	4,701.23
Total equity		5,537.84	4,824.90
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
i) Lease liabilities	17	9.54	12.21
ii) Other financial liabilities	18	0.20	0.20
(b) Provisions	19	23.30	18.12
(c) Deferred tax liabilities (net)	24	199.71	124.66
(d) Government grants	20	53.60	66.21
Total non-current liabilities		286.35	221.40
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	21	381.95	526.41
ii) Lease liabilities	17	2.46	2.10
iii) Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises		9.85	12.27
- total outstanding dues of creditors other than micro enterprises and small enterprises		278.79	277.03
iv) Other financial liabilities	18	343.69	249.46
(b) Other current liabilities	23	69.65	51.33
(c) Provisions	19	4.47	4.46
(d) Current tax liabilities (net)		0.05	0.31
(e) Government grants	20	12.62	12.62
Total current liabilities		1,103.53	1,135.99
Total liabilities		1,389.88	1,357.39
Total equity and liabilities		6,927.72	6,182.29

The accompanying notes including a summary of material accounting policies and explanatory information form an integral part of these standalone financial statements.

As per our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

**For and behalf of the Board of Directors of
Finolex Industries Limited**

Prakash P. Chhabria
Executive Chairman
DIN: 00016017
Place: Dubai

Bhumika L. Batra
Director
DIN: 03502004
Place: Mumbai

Ritu P. Chhabria
Director
DIN: 00062144
Place: London

Rajni Mundra
Partner
Membership No.: 058644
Place: Mumbai
Date: May 10, 2024

Saumya Chakrabarti
Director
DIN: 09594036
Place: Ratnagiri

Kanchan U. Chitale
Director
DIN: 00007267
Place: Mumbai

Saurabh S. Dhanorkar
Director
DIN: 00011322
Place: Nagpur

Deepak R. Parikh
Director
DIN: 06504537
Place: Florida

Pradeep R. Rathi
Director
DIN: 00018577
Place: Pune

Anami N. Roy
Director
DIN: 01361110
Place: Mumbai

Ajit Venkataraman
Managing Director
DIN: 07289950
Place: Mumbai
Date: May 10, 2024

Niraj Kedia
Chief Financial Officer
Place: Pune

Dakshinamurthy Iyer
Company Secretary
M. No.: A13004
Place: Mumbai

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Note No	March 31, 2024	March 31, 2023
INCOME			
I Revenue from operations	25	4,317.43	4,397.05
II Other income	26	181.11	121.38
III Total Income (I+II)		4,498.54	4,518.43
IV EXPENSES			
Cost of materials consumed	27	2,744.92	2,903.76
Purchase of stock-in-trade		31.99	19.36
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(40.00)	149.56
Employee benefits expense	29	211.39	189.67
Finance costs	30	36.45	27.23
Depreciation and amortisation expenses	31	116.02	89.20
Other expenses	32	784.28	842.16
Total expenses (IV)		3,885.05	4,220.94
V Profit before tax (III - IV)		613.49	297.49
VI Tax expense			
Current tax		147.85	69.19
Tax pertaining to earlier years'		(0.27)	(17.37)
Deferred tax charge		10.61	9.08
Total tax expense		158.19	60.90
VII Profit for the year (V-VI)		455.30	236.59
VIII Other comprehensive income (OCI)			
A Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans		(3.24)	(0.37)
Income-tax effect on above	24	0.81	0.11
A(i) Re-measurement of defined benefit plans, net of income-tax		(2.43)	(0.26)
Gain on equity instruments measured at fair value through OCI		418.07	966.31
Income-tax effect on above	24	(65.25)	-
A(ii) Equity instruments through OCI, net of income-tax		352.82	966.31
Total other comprehensive income [A(i)+A(ii)]		350.39	966.05
IX Total comprehensive Income for the year (VII+VIII)		805.69	1,202.64
X Earnings per equity share having nominal value per share of ₹ 2			
Basic (₹)		7.36	3.82
Diluted (₹)		7.36	3.82

The accompanying notes including a summary of material accounting policies and explanatory information form an integral part of these standalone financial statements.

As per our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

**For and behalf of the Board of Directors of
Finolex Industries Limited**

Rajni Mundra

Partner

Membership No.: 058644

Place: Mumbai

Date: May 10, 2024

Prakash P. Chhabria

Executive Chairman

DIN: 00016017

Place: Dubai

Bhumika L. Batra

Director

DIN: 03502004

Place: Mumbai

Ritu P. Chhabria

Director

DIN: 00062144

Place: London

Saumya Chakrabarti

Director

DIN: 09594036

Place: Ratnagiri

Kanchan U. Chitale

Director

DIN: 00007267

Place: Mumbai

Saurabh S. Dhanorkar

Director

DIN: 00011322

Place: Nagpur

Deepak R. Parikh

Director

DIN: 06504537

Place: Florida

Pradeep R. Rathi

Director

DIN: 00018577

Place: Pune

Anami N. Roy

Director

DIN: 01361110

Place: Mumbai

Ajit Venkataraman

Managing Director

DIN: 07289950

Place: Mumbai

Date: May 10, 2024

Niraj Kedia

Chief Financial Officer

Place: Pune

Dakshinamurthy Iyer

Company Secretary

M. No.: A13004

Place: Mumbai

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
I Cash flows from operating activities		
Profit before tax	613.49	297.49
Adjustments for		
Depreciation and amortisation expenses	116.02	89.20
Liabilities written back (net)	(1.91)	-
Profit on sale of investments (net)	(61.75)	(33.29)
Gain on fair valuation of investments	(56.78)	(37.05)
Loss / (profit) on disposal of property, plant and equipment (net)	0.52	(0.02)
Dividend income	(16.72)	(13.78)
Unwinding of government grant income	(12.62)	(12.62)
Interest income	(33.05)	(28.56)
Unrealised exchange fluctuation loss (net)	2.05	0.59
Finance costs	36.45	27.23
Operating profit before working capital changes	585.70	289.19
Changes in operating assets and liabilities		
Inventories	(54.88)	342.32
Trade receivables	(160.08)	36.92
Loans	6.65	(0.80)
Other financial assets	0.83	3.46
Other current assets	2.10	(13.03)
Government grants (net)	2.38	16.82
Trade payables	0.77	(173.73)
Provisions	1.95	2.50
Other financial liabilities	94.34	(29.28)
Other current liabilities	18.32	(98.75)
Cash (used in)/ generated from working capital changes	(87.62)	86.43
Less - Income-tax paid	(144.78)	(67.94)
Net cash generated from operating activities	353.30	307.68
II Cash flow from investing activities		
Payment for purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(86.35)	(168.74)
Proceeds from disposal of property, plant and equipment (net)	0.33	1.06
Net proceeds from (purchase)/ sale of investments	(67.66)	(172.28)
Dividend income received	16.72	13.78
Investments in fixed deposits (net)	22.55	4.33
Interest income received	31.44	28.12
Net cash used in investing activities	(82.97)	(293.73)

STANDALONE STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
III Cash flow from financing activities		
Finance costs paid	(34.52)	(25.20)
(Repayment)/ proceeds of short-term borrowings (net)	(146.03)	247.73
Payment of lease liabilities	(2.31)	(3.10)
Payment of interest on lease liabilities	(1.13)	(0.19)
Dividend paid	(92.75)	(248.19)
Net cash used in financing activities	(276.74)	(28.94)
IV Net decrease in cash and cash equivalents at the end of the year (I+II+III)	(6.41)	(14.99)
V Cash and cash equivalents at the beginning of the year	8.56	23.55
VI Cash and cash equivalents at the end of the year (IV+V)	2.15	8.56

Components of cash and cash equivalents (refer note 11.1)

Particulars	March 31, 2024	March 31, 2023
Balances with banks:		
In current accounts	2.06	8.45
Cash on hand	0.09	0.11
Total	2.15	8.56

Notes:

- The above statement of cash flows have been prepared under the indirect method set out in the Indian Accounting Standard (Ind AS) 7, 'Statement of Cash Flows'.
- Refer note 21 for reconciliation of cash flows from financing activities as required under Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes including a summary of material accounting policies and explanatory information form an integral part of these standalone financial statements.

As per our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

**For and behalf of the Board of Directors of
Finolex Industries Limited****Prakash P. Chhabria**

Executive Chairman

DIN: 00016017

Place: Dubai

Bhumika L. Batra

Director

DIN: 03502004

Place: Mumbai

Ritu P. Chhabria

Director

DIN: 00062144

Place: London

Rajni Mundra

Partner

Membership No.: 058644

Place: Mumbai

Date: May 10, 2024

Saumya Chakrabarti

Director

DIN: 09594036

Place: Ratnagiri

Kanchan U. Chitale

Director

DIN: 00007267

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Saurabh S. Dhanorkar

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Deepak R. Parikh

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DIN: 06504537

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Pradeep R. Rathi

Director

DIN: 00018577

Place: Pune

Anami N. Roy

Director

DIN: 01361110

Place: Mumbai

Ajit Venkataraman

Managing Director

DIN: 07289950

Place: Mumbai

Date: May 10, 2024

Niraj Kedia

Chief Financial Officer

Place: Pune

Dakshinamurthy Iyer

Company Secretary

M. No.: A13004

Place: Mumbai

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

A. Equity share capital (Refer note 15)

March 31, 2024

Particulars	Opening balance as at April 1, 2023	Change during the year	Closing balance as at March 31, 2024
Issued, subscribed and fully paid equity shares of ₹ 2 each	123.67	-	123.67
	123.67	-	123.67

March 31, 2023

Particulars	Opening balance as at April 1, 2022	Change during the year*	Closing balance as at March 31, 2023
Issued, subscribed and fully paid equity shares of ₹ 2 each	124.10	(0.43)	123.67
	124.10	(0.43)	123.67

* Investment cost adjustment pursuant to consolidation of the Finolex Industries Limited Employees' Welfare Trust (the 'Welfare Trust')

B. Other equity (Refer note 16)

Particulars	Reserves and Surplus					Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Equity instruments measured at fair value through other comprehensive income	
I Balance as at April 1, 2022	394.50	151.27	25.18	2,965.21	203.50	3,739.66
II Adjustment pursuant to consolidation of Welfare Trust	-	-	-	7.12	-	7.12
III Profit for the year	-	-	-	236.59	-	236.59
IV Other comprehensive income (net of tax)	-	-	-	(0.26)	966.31	966.05
V Total comprehensive income for the year (III+IV)	-	-	-	236.33	966.31	1,202.64
Transactions with the owners of the Company						
Distributions						
VI Dividend	-	-	-	(248.19)	-	(248.19)
VII Balance as at March 31, 2023 (I+II+V+VI)	394.50	151.27	25.18	2,960.47	1,169.81	4,701.23

STANDALONE STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Reserves and Surplus					Equity instruments measured at fair value through other comprehensive income	Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings			
VIII Profit for the year	-	-	-	455.30	-	455.30	
IX Other comprehensive income (net of tax)	-	-	-	(2.43)	352.82	350.39	
X Total comprehensive income for the year (VIII+IX)	-	-	-	452.87	352.82	805.69	
Transactions with the owners of the Company							
Distributions							
XI Dividend	-	-	-	(92.75)	-	(92.75)	
XII Balance as at March 31, 2024 (VII+X+XI)	394.50	151.27	25.18	3,320.59	1,522.63	5,414.17	

The accompanying notes including a summary of material accounting policies and explanatory information form an integral part of these standalone financial statements.

As per our report of even date.
For Walker Chandiok & Co LLP
 Chartered Accountants
 Firm Registration No. 001076N/N500013

**For and behalf of the Board of Directors of
 Finolex Industries Limited**

Rajni Mundra
 Partner
 Membership No.: 058644
 Place: Mumbai
 Date: May 10, 2024

Prakash P. Chhabria
 Executive Chairman
 DIN: 00016017
 Place: Dubai

Bhumika L. Batra
 Director
 DIN: 03502004
 Place: Mumbai

Ritu P. Chhabria
 Director
 DIN: 00062144
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 DIN: 00018577
 Place: Pune

Anami N. Roy
 Director
 DIN: 01361110
 Place: Mumbai

Ajit Venkataraman
 Managing Director
 DIN: 07289950
 Place: Mumbai
 Date: May 10, 2024

Niraj Kedia
 Chief Financial Officer
 Place: Pune

Dakshinamurthy Iyer
 Company Secretary
 M. No.: A13004
 Place: Mumbai

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

1. Corporate information

Finolex Industries Limited ('FIL' or 'the Company') is a company domiciled in India and incorporated under the provisions of the erstwhile Companies Act 1956. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. Its registered office is situated at Gat No.399, Village Urse, Taluka Maval, District Pune - 410506, Maharashtra, India.

The Company is engaged in the business of manufacturing PVC pipes and fittings and PVC resin. The Company has manufacturing facilities in the states of Maharashtra and Gujarat.

2. Summary of material accounting policies

2.1 Basis of preparation

The standalone financial statements comprise of the standalone balance sheet as at March 31, 2024, standalone statement of profit and loss (including other comprehensive income), standalone statement of cash flows and standalone changes in equity for year ended March 31, 2024 and notes to the standalone financial statements including material accounting policies and other explanatory information (hereinafter collectively referred to as 'standalone financial statements'). The standalone financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 (the 'Act') and the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. All amounts included in the standalone financial statements are reported in Indian Rupees ('INR') in Crore, unless otherwise stated.

The standalone financial statements were approved and were authorised for issue in accordance with a resolution of the Board of Directors on May 10, 2024.

2.2 Basis of measurement

The standalone financial statements have been prepared on going concern basis using accrual method of accounting and historical cost convention, except for:

- (i) certain financial assets and financial liabilities that are measured at fair value or amortised cost in accordance with Ind AS.

- (ii) defined benefit plans - plan assets measured at fair value.

2.3 Functional and presentation currency

The standalone financial statements are presented in INR which is the Company's functional currency.

Amounts in the standalone financial statements are presented in INR in Crore rounded off to two decimal places as permitted by Schedule III to the Act, unless otherwise stated.

2.4 Current or non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realised within twelve months after the reporting period, or
- d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non - current.

A liability is classified as current when it is:

- a. Expected to be settled in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

2.5 Critical accounting judgements, estimates and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying value of assets or liabilities in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the standalone financial statements:

Judgements

Government grant/ subsidy

The Company was entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives, for the period from April 1, 2011 to March 31, 2023. The aforesaid subsidy is in relation to investment in property, plant and equipment at Ratnagiri plant. Accordingly, the same has been classified as grant related to assets and the Company recognises the revenue from grant over the remaining useful life of the property, plant and equipment, from the date on which the Company is entitled to receive such grants.

Estimates

Defined benefit plan

The cost of defined benefit gratuity plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumption are reviewed at each reporting date.

The most sensitive parameter is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are mainly based on expected future inflation rates for the country.

Property, plant and equipment and intangible assets:

The determination of depreciation and amortisation charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Claims, provisions and contingent liabilities:

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the standalone financial statements.

Fair value measurement of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs i.e., market-observable inputs are not available, the Company engages third party valuers, where required, to perform the valuation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Impairment of financial assets:

The impairment allowance for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Deferred tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

2.6 Fair value measurements

The Company measures financial instruments, such as non-current and current investments, at fair value, at each balance sheet date.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted market prices, when available, are used as the measure of fair value. In cases where quoted market prices are not available, fair values are determined using present value estimates or other valuation techniques which maximise the use of relevant observable inputs and minimize the use of unobservable inputs, for example, the present value of estimated expected future cash flows using discount rates commensurate with the risks involved. Fair value estimation techniques normally incorporate assumptions that market participants would use in their estimates of values, future revenues, and future expenses, including assumptions about interest rates, default, prepayment and volatility. Because assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated by comparison to independent market quotes and, in many cases, the estimated fair values would not necessarily be realised in an immediate sale or settlement of the instrument.

The financial instruments carried at fair value are categorized under the three levels of the Ind AS fair value hierarchy as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

For assets and liabilities that are recognised in the standalone financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

• Raw materials and traded goods	Purchase cost on a moving weighted average basis and inward transportation. Refundable indirect taxes and discounts are excluded from cost.
• Finished goods and work in progress	Cost of direct raw materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sell.

2.8 Property, plant and equipment ('PPE')

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work-in-progress comprises cost of property, plant and equipment that are not yet installed and not ready for their intended use at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under 'Other non-current assets'.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the standalone statement of profit and loss as incurred.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised on net basis within other income/ other expenses in the standalone statement of profit and loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the standalone statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Act or technical evaluation, which are as follows:

Asset	Useful life (in years)
Plant and equipment (including moulds and dies)	3 to 25
Buildings	5 to 60
Factory building	30
Furniture and fixtures	10
Office equipment	5
Vehicles	8 to 13

In the case of Captive Power Plant, the management, based on a technical evaluation, has estimated the life of asset to be 25 years which is lower than the life prescribed in Schedule II. Also, in case of moulds and water works, management has estimated a lower life than prescribed in Schedule – II based on technical evaluation.

The management undertakes a review of the residual values, useful lives and methods of depreciation of property, plant and equipment at the end of each reporting period and any adjustments to useful lives is accounted for prospectively as a change in accounting estimate.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

2.9 Intangible assets and amortisation

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Intangible assets developed or acquired with finite useful life are amortized on straight line basis over the useful life as specified below:

Asset	Useful life (in years)
Computer Software and Licenses	3 to 6

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.10 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer based on delivery terms i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. A receivable is recognised by the

Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required. No significant element of financing is deemed present as the sales are either made with a nil credit term or with a credit period of up to 60 days. The management has ascertained that the credit period is as per normal industry practices and is not intended to finance the customers.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when the significant control of the goods have passed to the buyer, usually when goods are dispatched or on delivery, as per the terms of sale. Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

The Company presents interest income on financial assets at fair value through profit or Loss separately from fair value changes on such financials assets.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is in the year when shareholders approve the dividend.

2.11 Foreign currency transactions:

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Company operates (functional currency). The standalone financial statements are presented in INR, which is also the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item

2.12 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an item of expense, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by government or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

2.13 Taxes

Tax comprises current and deferred tax. Income-tax expense is recognised in the standalone statement of profit and loss except to the extent it relates to items directly recognised in equity or in OCI. The income-tax expense or credit for

the period is the tax payable on the current period's taxable income based on the applicable income-tax rate under the Income-tax Act, 1961 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. In which case, the tax is also recognised in other comprehensive income or equity.

Current income-tax

Current income-tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.14 Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

A lessee is required to recognise assets and liabilities for all leases with a term that is greater than twelve months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the standalone statement of profit and loss.

Initial measurement

Right-of-use assets

At the commencement date, the Company measures the right-of-use assets at cost. The cost of the right-of-use assets comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and

- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Lease liabilities

At the commencement date, the Company measures the lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent measurement

Right-of-use assets

Subsequently the Company measures the right-of-use assets at cost less any accumulated depreciation and any accumulated impairment losses.

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Lease liabilities

Subsequently the Company measures the lease liabilities by:

- increasing the carrying amount to reflect interest on the lease liability at the interest rate implicit in the lease, if that rate can be readily determined or the Company's incremental borrowing rate.
- reducing the carrying amount to reflect the lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease liabilities and right-of-use assets have been separately presented in the standalone balance sheet and lease payments have been classified as financing cash flows.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.15.1 Financial assets

Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not classified as fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are recognised in the standalone balance sheet when the Company becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised using trade date or settlement date accounting.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- a) At amortised cost
- b) At fair value through other comprehensive income ('FVOCI')

c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR method. The EIR amortisation is included in finance expense/ other income in the standalone statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss.

This category generally applies to trade receivables, loans, certain investments, security and other deposits, and other financial assets held by the Company.

(b) Financial assets classified as measured at FVOCI

A financial asset shall be measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose

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objective is achieved by both collecting contractual cash flows and selling financial assets and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets, until they are derecognised or reclassified, are subsequently measured at fair value with unrealised gains or losses recognised in OCI except for interest income, impairment gains or losses and foreign exchange gains and losses which are recognised in the standalone statement of profit and loss.

On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to standalone statement of profit and loss.

- (c) Financial assets classified as measured at FVTPL

A Financial asset is to be measured at FVTPL, unless it is measured at amortised cost or at FVOCI. The Company classifies all equity or puttable financial instruments held for trading as measured at FVTPL. Such instruments are measured at fair value at initial recognition as well as at each reporting date. The fair value changes are recognised in the standalone statement of profit and loss. Further, the Company may make an irrevocable election to designate a financial asset as FVTPL, at initial recognition, to reduce or eliminate a measurement or recognition inconsistency.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the

financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset

Impairment of financial assets

The Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets measured at amortised cost
- Financial assets measured at FVOCI, except investments in equity instruments designated as such by the Company.
- Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for

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managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.15.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case of financial liabilities not classified as measured at FVTPL, transaction costs that are attributable to the issue of the financial liability. Financial liabilities are recognised in the standalone balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(a) Financial liabilities classified as measured at FVTPL

Financial liabilities classified as measured at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading

unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the standalone statement of profit and loss. Financial liabilities designated as such upon initial recognition at the initial date of recognition, if the criteria in Ind AS 109, 'Financial Instruments' are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liabilities are recognised in the standalone statement of profit and loss.

The Company has not designated any financial liability measured at FVTPL.

(b) Financial liabilities classified as measured at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the standalone statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability

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is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.18 Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in case:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- present obligation arising from past events, when no reliable estimate is possible; or
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each standalone balance sheet date.

2.19 Provisions for employment benefits

Defined contribution plans

Under defined contribution plan, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company has the following defined contribution plans: state governed provident fund scheme and employee state insurance scheme. The contributions paid and payable under the scheme are recognised in the period when the employee renders the related service.

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Defined benefit plans

The employees' gratuity fund scheme managed by the Life Insurance Corporation of India is the Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expenses on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation under 'employee benefit expenses' in the standalone statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Provision for compensated absences

Provision for short-term compensated absences is recognised for accumulated leaves that are expected to be utilised within a period of twelve months from the balance sheet date. Long term compensated absences are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each reporting date.

2.20 Earnings per equity share

Basic earnings per equity share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.21 Dividend to equity holders of the Company

Dividends paid (including income-tax thereon) is recognised in the period in which the interim dividends are approved by the Board

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of Directors, or in respect of the final dividend when approved by shareholders.

Segment accounting policies are in line with the accounting policies of the Company.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decision.

2.23 Recent accounting pronouncements

The Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Note 3.1 : Property, plant and equipment

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying value								
Balance as at April 1, 2022	109.05	0.58	281.39	2,029.98	6.40	12.54	5.04	2,444.98
Additions during the year	3.38	-	5.66	122.71	0.20	1.73	1.26	134.94
Deletions/ adjustment during the year	-	(0.58)	-	(0.08)	(0.14)	(2.88)	(0.05)	(3.73)
Balance as at March 31, 2023	112.43	-	287.05	2,152.61	6.46	11.39	6.25	2,576.19
Additions during the year	5.17	-	13.97	97.70	0.59	0.74	1.13	119.30
Deletions/ adjustment during the year	-	-	-	(3.03)	(0.23)	(0.16)	(0.06)	(3.48)
Assets classified as held for sale (refer note 3.5)	-	-	(2.72)	(1.68)	(2.71)	-	(0.13)	(7.24)
Balance as at March 31, 2024	117.60	-	298.30	2,245.60	4.11	11.97	7.19	2,684.77
Accumulated depreciation								
Balance as at April 1, 2022	-	0.20	107.45	1,331.11	4.92	5.97	3.01	1,452.66
Depreciation for the year	-	-	9.11	76.57	0.29	0.98	1.23	88.18
Deletions during the year	-	(0.20)	-	(0.06)	(0.09)	(1.83)	(0.04)	(2.22)
Balance as at March 31, 2023	-	-	116.56	1,407.62	5.12	5.12	4.20	1,538.62
Depreciation for the year	-	-	14.28	95.80	0.29	1.00	0.90	112.27
Deletions during the year	-	-	-	(2.30)	(0.21)	(0.07)	(0.05)	(2.63)
Assets classified as held for sale (refer note 3.5)	-	-	(0.51)	(1.40)	(2.54)	-	(0.12)	(4.57)
Balance as at March 31, 2024	-	-	130.33	1,499.72	2.66	6.05	4.93	1,643.69
Net block as at March 31, 2024	117.60	-	167.97	745.88	1.45	5.92	2.26	1,041.08
Net block as at March 31, 2023	112.43	-	170.49	744.99	1.34	6.27	2.05	1,037.57

Notes:

1. Change in estimates

During the current year, consequent to the technical evaluation of the remaining useful life of the existing property, plant and equipment of the Company, in case of certain items, the management has revised its estimates of useful life and has computed depreciation accordingly. However, this change has not resulted in any significant impact on the depreciation expense of the current year and is also not expected to have any material impact in the future periods.

2. Property, plant and equipment pledged as security :

There is no charge on property, plant and equipment as at March 31, 2024 and as at March 31, 2023.

3. Title deeds of immovable properties not held in name of the Company:

There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deed is not held in the name of the Company.

4. Benami properties:

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

5. Capital commitments:

Refer Note 38.1 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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Note 3.2 : Right-of-use asset

Particulars	Leasehold land and buildings
Gross carrying value	
Balance as at April 1, 2022	-
Additions during the year	17.02
Transfer during the year	0.58
Balance as at March 31, 2023	17.60
Additions during the year	-
Deletions during the year	-
Assets classified as held for sale (refer note 3.5)	(0.34)
Balance as at March 31, 2024	17.26
Accumulated depreciation	
Balance as at April 1, 2022	-
Depreciation during the year	0.59
Transfer during the year	0.20
Balance as at March 31, 2023	0.79
Depreciation during the year	3.42
Deletions during the year	-
Assets classified as held for sale (refer note 3.5)	(0.13)
Balance as at March 31, 2024	4.09
Net block as at March 31, 2024	13.17
Net block as at March 31, 2023	16.81

Refer note 44 for disclosure on leases.

Note 3.3 : Capital work-in-progress

Particulars	Capital work-in-progress
Balance as at April 1, 2022	9.46
Additions during the year	124.51
Capitalised during the year	(90.15)
Balance as at March 31, 2023	43.82
Additions during the year	10.12
Capitalised during the year	(35.07)
Balance as at March 31, 2024	18.87

Notes:

- Capital work-in-progress ('CWIP') comprises cost of property, plant and equipment that are not yet installed or ready for their intended use at the balance sheet date.
- The Company does not have any projects which are overdue or exceeded their respective cost in comparison to its original plan.
- There are no projects which have been temporarily suspended.

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CWIP ageing schedule as at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.90	14.95	-	0.02	18.87

CWIP ageing schedule as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	38.09	0.15	5.58	-	43.82

Note 3.4 : Intangible assets

Particulars	Computer softwares
Gross carrying value	
Balance as at April 1, 2022	6.42
Additions during the year	0.34
Deletions during the year	(0.45)
Balance as at March 31, 2023	6.31
Additions during the year	0.66
Deletions during the year	(0.01)
Balance as at March 31, 2024	6.96
Accumulated amortisation	
Balance as at April 1, 2022	5.52
Amortisation for the year	0.43
Deletions during the year	(0.43)
Balance as at March 31, 2023	5.52
Amortisation for the year	0.33
Deletions during the year	(0.01)
Balance as at March 31, 2024	5.84
Net block as at March 31, 2024	1.12
Net block as at March 31, 2023	0.79

Notes:

- There are no intangible assets under development as at March 31, 2024 and as at March 31, 2023.

Note 3.5 : Assets classified as held for sale

The net carrying values of assets classified as held for sale are as follows:

Particulars	March 31, 2024	March 31, 2023
Buildings	2.21	-
Plant and equipment	0.28	-
Furniture and fixtures	0.17	-
Office equipment	0.01	-
Leasehold land	0.21	-
Total	2.88	-

The Company has classified leasehold rights on land, admeasuring approximately 25.27 acres situated at Chinchwad, Pune, along with structures thereon as 'assets classified as held for sale' as at March 31, 2024 and such assets have been measured at lower of their carrying value and fair value less costs to sell.

Subsequently, on April 2, 2024, the Company consummated the transaction and has recorded net gain of approximately ₹ 417.00 crore on such transfer.

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4 Investments : Non-current

Particulars	Face value* ₹	No of shares/ units as at *		Balance as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Quoted					
Investments in equity shares (fully paid up)					
Investments designated at FVOCI					
Finolex Cables Limited	2	2,21,87,075	2,21,87,075	2,220.93	1,802.92
Investments designated at FVTPL					
GOCL Corporation Limited	2	4,950	4,950	0.22	0.15
Gulf Oil Lubricants India Limited	2	4,950	4,950	0.47	0.20
Gold Crest Corporation Limited	10	-	12,400	-	0.25
Unquoted					
Investments designated at FVOCI					
Finolex Infrastructure Private Limited	10	53,84,686	53,73,938	12.45	12.38
Investments designated at FVTPL					
The Saraswat Co-operative Bank Limited #	10	-	1,000	-	- #
Investments measured at cost					
Associate Companies**					
Finolex Plasson Industries Private Limited	10	46,35,000	46,35,000	7.50	7.50
Pawas Port Limited	10	49,994	49,994	0.05	0.05
Investments measured at amortised cost					
Hinduja Renewables One Private Limited	10	31,36,537	-	0.29	-
Investment in fixed deposits classified at cost (Unquoted)					
Bajaj Finance Limited	-	-	-	64.12	-
Investments in bonds measured at amortised cost (Quoted)					
Perpetual bonds					
8.50% SBI Perpetual Bond	10,00,000	250	250	25.87	26.04
7.74% SBI Perpetual Bond	10,00,000	200	200	20.98	21.06
8.75% SBI Perpetual Bond	10,00,000	100	100	10.57	10.70
8.99% Bank of Baroda Perpetual Bond	10,00,000	550	250	56.54	25.77
8.25% Bank of Baroda Perpetual Bond	10,00,000	200	200	21.17	21.18
9.56% SBI Perpetual Bond	10,00,000	-	500	-	52.32
9.37% SBI Perpetual Bond	10,00,000	-	69	-	7.22
9.15% ICICI Bank Perpetual Bond	10,00,000	-	200	-	21.50
9.90% ICICI Bank Perpetual Bond	10,00,000	-	70	-	7.24
Secured non-convertible debentures					
8.05% HDB Financial Services Limited	10,00,000	-	200	-	21.01
7.905% Tata Capital Financial Services Limited	1,00,000	1500	-	15.70	-
Unsecured non-convertible debentures					
7.99% State Bank of India	10,00,000	300	-	31.73	-

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Particulars	Face value* ₹	No of shares/ units as at *		Balance as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Zero coupon bonds					
0% HDB Financial Services Limited 07 July 2025	10,00,000	350	-	39.68	-
0% HDB Financial Services Limited 13 January 2026	10,00,000	200	-	22.39	-
Tax free bonds					
7.07% Indian Railway Finance Corporation	1,000	-	60,000	-	6.61
7.19% Indian Railway Finance Corporation	10,00,000	-	50	-	5.54
7.17% Rural Electrification Corporation Limited	10,00,000	-	100	-	5.67
7.15% National Thermal Power Corporation Limited	10,00,000	-	50	-	10.87
7.07% Housing and Urban Development Corporation	10,00,000	-	100	-	10.80
Total				2,550.66	2,076.98

* Number of shares/bonds and face value are in full figures

Amount is below the rounding off norm adopted by the Company.

** The Company measures its investments in associates at cost, as per option provided by Ind AS 27, 'Separate Financial Statements'. The Company holds 46.35% and 49.99% of shareholding of Finolex Plasson Industries Private Limited and Pawas Port Limited respectively. The principal place of business of both the associate companies is India.

Particulars	March 31, 2024	March 31, 2023
Aggregate cost of quoted investments	344.48	359.70
Aggregate value of unquoted investments	84.41	19.93
Aggregate market value of quoted investments	2,466.25	2,057.05
Aggregate amount of impairment	-	-

Fair value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 39 and fair value hierarchy disclosures for investment are stated in Note 39.

Risk management strategy

Refer Note 40 on financial risk management objectives and policies for financial instruments.

5 Non-current loans

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Loans to employees	0.02	0.03
Total	0.02	0.03

There are no loans having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2024 (Nil as at March 31, 2023)

Refer note 39 for classification of financial instruments by category and into fair value level of hierarchy.

There are no loans due by directors or other officers of the Company or any of them, either severally or jointly with any other persons, or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

The Company has not granted any loans to promoters, directors, KMPs and the related parties (as defined under the Act), either severally or jointly with any other person, that are:

- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment

6 Other non-current financial assets

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Claims receivable (refer note 20)	26.45	28.82
Security deposits	13.20	13.01
Total	39.65	41.83

Refer note 39 for classification of financial instruments by category and into fair value level of hierarchy

7 Other non-current assets

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Capital advances	3.35	12.91
Advances other than capital advances:		
Prepaid expenses	4.09	1.54
Balances with government authorities	31.98	33.12
Total	39.42	47.57

There are no advances to directors or other officers of the Company, or any of them either severally or jointly with any other persons, or advances to firms or private companies respectively in which any director is a partner or a director or a member.

8 Inventories

Particulars	March 31, 2024	March 31, 2023
Raw materials (refer note a below)	317.38	294.68
Work-in-progress	64.19	79.93
Finished goods (refer note b below)	267.75	215.43
Stock-in-trade	4.83	1.41
Stores and spares	66.96	74.85
Packing material	6.92	6.85
Total	728.03	673.15

- a) Raw materials include goods in transit of ₹ 9.75 crores (March 31, 2023: ₹ 32.84 crores)
- b) Write-down of inventories to net realisable value (net of reversal) amounts to ₹ 0.33 crores (March 31, 2023 ₹ 3.55 crores).
- c) There is no hypothecation on inventories.
- d) Refer Note 2.7 for basis of valuation of inventories.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

9 Investments: Current

Particulars	Face value* ₹	No of shares/ units as at *		Balance as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investment in mutual funds classified as FVTPL (Quoted)					
Axis Treasury Advantage Fund Direct Growth	1,000	2,60,340	2,97,631	76.50	81.26
Axis Ultra Short Term Fund Direct Growth	10	-	4,80,10,122	-	63.34
Axis Corporate Debt Fund Direct Growth	10	4,75,91,648	4,75,91,648	76.97	71.26
DSP Low Duration Fund - Direct Plan - Growth		7,32,10,446	-	136.24	-
ICICI Prudential Savings Fund Direct Plan Growth	100	-	14,11,975	-	65.32
ICICI Prudential Corporate Bond Fund Direct Plan Growth	10	1,82,12,074	1,29,44,962	51.26	33.69
ICICI Prudential Nifty Pse Bond Plus SDL - September 2027 Maturity 60.: 40 Index Fund Direct Growth	10	9,94,60,957	9,94,60,957	111.64	104.15
ICICI Prudential Equity Arbitrage Fund Direct Plan Growth	10	1,48,40,037	-	49.69	-
Bandhan Money Market Fund - Growth - Direct Plan		1,38,30,530	-	54.85	-
Nippon India Floating Rate Fund Growth	10	94,08,965	1,43,55,726	40.19	56.73
Nippon India Arbitrage Fund Direct Growth	10	2,01,80,283	2,01,80,283	52.74	48.71
Nippon India Low Duration Fund Direct Growth	1,000	-	1,29,998	-	43.42
Nippon India Nifty AAA CPSE Bond Plus SDL - April 2027 Maturity 60.: 40 Index Fund Growth	10	5,70,20,207	5,70,20,207	63.04	58.75
Nippon India Corporate Bond Fund Direct Growth	10	63,89,702	63,89,702	36.04	33.30
Nippon India Money Market Fund Growth	1,000	92,893	-	35.50	-
SBI Saving Fund Direct - Growth	10	-	1,49,40,990	-	56.14
SBI CPSE Bond Plus SDL September 2026 50:50 Index Fund - Growth	10	8,80,58,640	8,80,58,640	98.34	91.72
Kotak Corporate Bond Fund Direct Plan Growth	-	89,838	-	31.76	-
Kotak Equity Arbitrage Direct Growth	10	1,44,56,510	-	52.60	-
Kotak Money Market Growth Direct Plan	1,000	-	13,64,932	-	52.25
Kotak Low Duration Fund Direct Growth	1,000	1,19,518	15,56,832	39.40	47.65
Kotak Nifty SDL April 2027 Top 12 Equal Weight Index Fund Direct Plan Growth	10	6,55,27,599	6,55,27,599	72.77	67.94
Kotak Bond Fund Direct Plan Growth	1,000	-	89,838	-	29.43
Tata Money Market Fund Direct Growth	1,000	2,63,503	1,64,186	115.02	80.46
Tata Treasury Advantage Fund Direct Plan Growth	1,000	-	1,97,343	-	67.41
Tata Ultra Short Term Fund Direct Plan Growth	10	89,41,098	4,63,82,545	12.10	58.36
Tata Arbitrage Fund Direct Growth	10	30,53,749	-	4.19	-
Aditya Birla Sun Life Money Manager Direct Plan Growth	100	23,91,558	18,75,196	81.50	59.29
Aditya Birla Sun Life Saving Fund Growth	100	-	9,04,078	-	42.52
Aditya Birla Sun Life Low Duration Fund Growth Direct	100	5,42,635	5,42,635	35.77	33.18
Aditya Birla Sun Life Corporate Bond Fund Growth Direct	10	16,24,820	16,24,820	16.78	15.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Face value* ₹	No of shares/ units as at *		Balance as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Aditya Birla Sun Life Nifty SDL Plus PSU Bond September 2026 60:40 Index Direct Fund Growth	10	5,08,53,684	5,08,53,684	57.20	53.34
HDFC Low Duration Fund Direct Growth	10	1,16,85,180	51,25,144	66.24	26.92
HDFC Liquid Fund Direct Growth	1,000	-	24,159	-	10.69
HDFC Ultra Short Term Fund Direct Growth	10	-	2,86,84,367	-	37.59
HDFC Money Market Fund Direct Growth	1,000	-	22,417	-	11.03
HSBC CRISIL IBX 50.50 Gilt Plus SDL April 2028 Index Fund Growth	10	7,48,55,836	7,48,55,836	84.01	78.15
HSBC Ultra Short Duration Fund - Direct Growth		4,40,713	-	55.11	-
UTI Banking and PSU Fund Direct Growth	10	27,58,620	27,58,620	5.56	5.18
UTI Liquid Fund Direct Growth	1,000	3,715	4,324	1.47	1.60
Investment in fixed deposits classified at cost (Unquoted)					
LIC Housing Finance Limited				-	42.41
Bajaj Finance Limited				116.39	85.08
Investment in commercial papers classified at cost (Quoted)					
Aditya Birla Finance Limited	5,00,000	1,000	400	48.19	19.25
Investments measured at amortised cost - Bonds (Quoted)					
5.75% India Infradebt Limited 15 September 2023	10,00,000	-	200	-	20.59
8.01% Rural Electrification Corporation Limited 24 September 2023	1,000	-	75,000	-	7.84
8.23% Indian Railway Finance Corporation 18 February 2024	1,000	-	1,00,000	-	11.10
8.05% HDB Financial Services Limited 28 August 2024	10,00,000	200	-	20.97	-
6.30% HDB Financial Services Limited 17 March 2025	10,00,000	400	-	39.45	-
5.65% Bajaj Finance May 10, 2024	10,00,000	250	-	26.20	-
6.70% Tata Capital Limited 28 March 2025	10,00,000	400	-	39.47	-
				1,905.15	1,772.58

Particulars	March 31, 2024	March 31, 2023
Aggregate cost of quoted investments	1,688.08	1,611.77
Aggregate market value of quoted investments	1,788.76	1,645.09
Aggregate value of unquoted investments	116.39	127.49
Aggregate amount of impairment	-	-

* Number of units and face value are in full figures

Fair value disclosures

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment are stated in Note 39.

Risk management strategy

Refer Note 40 on financial risk management objectives and policies for financial instruments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

10 Trade receivables

Particulars	March 31, 2024	March 31, 2023
Secured, considered good	1.40	1.40
Unsecured, considered good	456.23	296.14
Total	457.63	297.54

Trade receivables ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	451.17	5.04	0.02	-	-	-	456.23
Disputed, considered good	-	-	-	-	-	1.40	1.40
	451.17	5.04	0.02	-	-	1.40	457.63

Trade receivables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	280.34	15.80	-	-	-	-	296.14
Disputed, considered good	-	-	-	-	-	1.40	1.40
	280.34	15.80	-	-	-	1.40	297.54

There are no trade receivables having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2024 and as at March 31, 2023.

There are no dues from private companies in which director of the Company, is a director or a member.

Refer note 39 for classification of financial instruments by category and into levels of fair value hierarchy.

Refer note 40 for credit risk of trade receivables.

The Company's trade receivables consist of receivables from dealers and customers against sales of pipes and fittings and PVC resin. Trade receivables are mostly on terms of advance payment and in certain cases credit period is generally up to 60 days. The Company also charges interest @ 18% per annum (p.a.) in case of delay in collection of trade receivables.

The trade receivables are free from hypothecation.

There are no unbilled receivables as at March 31, 2024 and as at March 31, 2023.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

11.1 Cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Balances with banks:		
In current accounts	2.06	8.45
Cash on hand	0.09	0.11
Total	2.15	8.56

11.2 Bank balances other than cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Unpaid dividend accounts*	29.24	33.95
Deposits with original maturity more than 3 months but less than 12 months	0.26	18.83
Total	29.50	52.78

* Not due for deposit in Investor Education and Protection Fund.

Refer note 39 for classification of financial instruments by category and into fair value level of hierarchy

12 Current loans

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Loans to employees	0.31	0.45
Loans to vendors	16.52	22.68
Total	16.83	23.13

There are no loans having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2024 and as at March 31, 2023.

Refer note 39 for classification of financial instruments by category and into levels of fair value hierarchy.

There are no loans due by directors or other officers of the Company or any of them, either severally or jointly with any other persons, or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

The Company has not granted any loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

- repayable on demand; or
- without specifying any terms or period of repayment

Disclosure pursuant to section 186(4) of the Act

During the year ended March 31, 2023, the Company had granted unsecured loans to unrelated parties, towards expansion of their production capacity. These loans are repayable on demand. Further, no loans have been granted during the year. The outstanding balance as at March 31, 2024 is ₹ 16.52 crore (March 31, 2023 ₹ 22.68 crore).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

13 Other current financial assets

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Security deposits	0.49	0.49
Other receivables	1.21	2.23
Total	1.70	2.72

Refer note 39 for classification of financial instruments by category and into fair value level of hierarchy

14 Other current assets

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Advances to vendors	35.75	51.21
Prepaid expenses	19.15	7.20
Balance with government authorities	3.50	3.50
Total	58.40	61.91

There are no advances to directors or other officers of the Company or any of them, either severally or jointly with any other persons, or advances to firms or private companies respectively in which any director is a partner or a director or a member.

15 Equity share capital

Particulars	March 31, 2024		March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised equity share capital				
Equity shares of ₹ 2 each	75,00,00,000	150.00	75,00,00,000	150.00
Unclassified share capital (shares of ₹ 10 each)	8,50,00,000	85.00	8,50,00,000	85.00
Total authorised share capital	83,50,00,000	235.00	83,50,00,000	235.00
Issued, subscribed and fully paid up equity share capital of face value of ₹ 2 each	61,83,13,905	123.67	61,83,13,905	123.67

Reconciliation of number of equity shares and amount outstanding:

Particulars	March 31, 2024		March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	61,83,13,905	123.67	62,04,76,905	124.10
Cost of investment adjustment due to Welfare Trust consolidation	-	-	(21,63,000)	(0.43)
Shares outstanding at the end of the year	61,83,13,905	123.67	61,83,13,905	123.67

Number of shares held by each shareholder holding more than 5 percent of the equity shares of the Company are as follows:

Name of Shareholder	March 31, 2024		March 31, 2023	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Finolex Cables Limited	20,09,62,985	32.39%	20,09,62,985	32.39%
Orbit Electricals Private Limited	11,66,54,505	18.80%	11,66,54,505	18.80%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Number of shares held by the promoters at the reporting dates and % change during the year ended March 31, 2024 are as follows :

Name of the promoter	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Finolex Cables Limited	20,09,62,985	32.39%	20,09,62,985	32.39%	0.00%
Orbit Electricals Private Limited	11,66,54,505	18.80%	11,66,54,505	18.80%	0.00%
Vijay Kishandas Chhabria	21,51,420	0.35%	21,51,420	0.35%	0.00%
Katara Aruna Mukesh	12,88,895	0.21%	12,88,895	0.21%	0.00%
Katara Dental Private Limited	10,69,750	0.17%	10,69,750	0.17%	0.00%
Prakash Pralhad Chhabria	8,53,745	0.14%	8,53,745	0.14%	0.00%
Kavita Sanjay Raheja	4,64,395	0.07%	4,64,395	0.07%	0.00%
Deepak Kishan Chhabria	4,04,605	0.07%	4,04,605	0.07%	0.00%
Gayatri Prakash Chhabria	3,74,125	0.06%	3,74,125	0.06%	0.00%
Hansika Hiya Prakash Chhabria	3,34,875	0.05%	3,34,875	0.05%	0.00%
Priya Vijay Chhabria	3,01,000	0.05%	3,01,000	0.05%	0.00%
Katara Amrita Mukesh	2,10,375	0.03%	2,10,375	0.03%	0.00%
Katara Amit Mukesh	2,03,160	0.03%	2,03,160	0.03%	0.00%
Vini Deepak Chhabria	1,32,000	0.02%	1,32,000	0.02%	0.00%
Katara Mukesh Dolumal	1,15,150	0.02%	1,15,150	0.02%	0.00%
Ritu Prakash Chhabria	22,250	# 0.00%	22,250	# 0.00%	0.00%
Katara Mukesh Dolumal HUF	17,500	# 0.00%	17,500	# 0.00%	0.00%
Rishi Vijay Chhabria	6,750	# 0.00%	6,750	# 0.00%	0.00%
Kishandas Parashram Chhabria	1,000	# 0.00%	1,000	# 0.00%	0.00%

Number of shares held by the promoters at the reporting dates and % change during the year ended March 31, 2023 are as follows :

Name of the promoter	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Finolex Cables Limited	20,09,62,985	32.39%	20,09,62,985	32.39%	0.00%
Orbit Electricals Private Limited	11,66,54,505	18.80%	11,66,54,505	18.80%	0.00%
Vijay Kishandas Chhabria	21,51,420	0.35%	21,51,420	0.35%	0.00%
Katara Aruna Mukesh	12,88,895	0.21%	12,88,895	0.21%	0.00%
Katara Dental Private Limited	10,69,750	0.17%	10,69,750	0.17%	0.00%
Prakash Pralhad Chhabria	8,53,745	0.14%	8,53,745	0.14%	0.00%
Kavita Sanjay Raheja	4,64,395	0.07%	4,64,395	0.07%	0.00%
Deepak Kishan Chhabria	4,04,605	0.07%	4,04,605	0.07%	0.00%
Gayatri Prakash Chhabria	3,74,125	0.06%	3,74,125	0.06%	0.00%
Hansika Hiya Prakash Chhabria	3,34,875	0.05%	3,34,875	0.05%	0.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Name of the promoter	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Priya Vijay Chhabria	3,01,000	0.05%	3,01,000	0.05%	0.00%
Katara Amrita Mukesh	2,10,375	0.03%	2,10,375	0.03%	0.00%
Katara Amit Mukesh	2,03,160	0.03%	2,03,160	0.03%	0.00%
Vini Deepak Chhabria	1,32,000	0.02%	1,32,000	0.02%	0.00%
Katara Mukesh Dolumal	1,15,150	0.02%	1,15,150	0.02%	0.00%
Ritu Prakash Chhabria	22,250	# 0.00%	22,250	# 0.00%	0.00%
Katara Mukesh Dolumal HUF	17,500	# 0.00%	17,500	# 0.00%	0.00%
Rishi Vijay Chhabria	6,750	# 0.00%	6,750	# 0.00%	0.00%
Kishandas Parashram Chhabria	1,000	# 0.00%	1,000	# 0.00%	0.00%

Rounded off to 0.00%

- i) The Company has not issued any bonus shares, neither the Company has bought back any of its shares, nor any shares have been issued pursuant to contract without payment being received in cash during the five years immediately preceding the balance sheet date.
- ii) The Company has only one class of equity shares having a par value of ₹ 2 each. Each equity shareholder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- iii) The Board of Directors have recommended final dividend of ₹ 2.50 (125%) per equity share of ₹ 2 each for the year ended March 31, 2024. The dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

16 Other equity

Particulars	March 31, 2024	March 31, 2023
Reserves and surplus		
Securities premium	151.27	151.27
Capital redemption reserve	25.18	25.18
General reserve	394.50	394.50
Retained earnings	3,320.59	2,960.47
Equity instruments through other comprehensive income	1,522.63	1,169.81
Total	5,414.17	4,701.23

Nature and purpose of reserves

1. Capital redemption reserve

Capital redemption reserve is created by transferring an amount from retained earnings pursuant to buy back of equity shares, and represents nominal value of shares brought back. The reserve will be utilised in accordance with the provisions of the Act.

2. General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve does not include a component of OCI.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

3. Securities premium

Amount received (on issue of shares) in excess of the par value has been classified as securities premium. The reserve will be utilised in accordance with the provisions of the Act.

4. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, capital redemption reserve, dividends or other distributions paid to shareholders.

5. Equity instruments through OCI

Equity instruments through OCI represents unrealised fair value gain(or) loss in investments measured at FVOCI.

17 Lease liabilities

Particulars	March 31, 2024	March 31, 2023
Non-current		
Leased buildings and premises	9.54	12.21
Total	9.54	12.21
Current		
Leased buildings and premises	2.46	2.10
Total	2.46	2.10

18 Other financial liabilities

Non-current

Particulars	March 31, 2024	March 31, 2023
Security deposits	0.13	0.13
Dealer deposits	0.07	0.07
Total	0.20	0.20

Refer note 39 for classification of financial instruments by category and into fair value level of hierarchy.

Current

Particulars	March 31, 2024	March 31, 2023
Interest accrued but not due	2.96	2.16
Employee benefits payable	26.12	32.14
Payables for expenses	277.20	172.12
Payables for capital purchases	8.17	9.08
Unpaid dividend*	29.24	33.96
Total	343.69	249.46

* Not due for transfer to Investor Education and Protection Fund.

Refer Note 40 for discussion on the Company's financial risk management policies and procedures.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

19 Provisions

Non-current

Particulars	March 31, 2024	March 31, 2023
Provision for employee benefits		
Gratuity (refer note 36)	7.85	4.53
Compensated absences (refer note 36)	15.45	13.59
Total	23.30	18.12

Current

Particulars	March 31, 2024	March 31, 2023
Provision for employee benefits		
Gratuity (refer note 36)	2.00	2.00
Compensated absences (refer note 36)	2.47	2.46
Total	4.47	4.46

20 Government grants

Non-current

Particulars	March 31, 2024	March 31, 2023
Non-current	53.60	66.21
Current	12.62	12.62
Total	66.22	78.83

- a) The Company was entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives in relation to investments in property, plant and equipment at Ratnagiri plant. Accordingly, the same has been classified as grant related to assets and the Company recognises the revenue from grants over the remaining useful life of the respective property, plant and equipment, from the date on which the Company is entitled to receive such grants.

Liability movement

Particulars	March 31, 2024	March 31, 2023
As at the beginning of the year	78.83	77.78
Recognised during the year	-	13.67
Recognised in the statement of profit and loss	(12.62)	(12.62)
As at the end of the year	66.22	78.83

- b) The Company has received the eligibility certificate for the Industrial Promotion Subsidy under the package incentive scheme as mentioned above. The government grant accrued during the current year amounts to nil (March 31, 2023: ₹ 13.67 Crore)

Asset movement

Particulars	March 31, 2024	March 31, 2023
As at the beginning of the year	28.82	31.97
Add: Grant accrued during the year	-	13.67
Less: Claims received during the year	(2.37)	(16.82)
As at the end of the year	26.45	28.82

Refer note 6

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

21 Current borrowings

Particulars	March 31, 2024	March 31, 2023
Unsecured		
From Banks		
Buyers credit	381.23	526.31
Cash credit	0.72	0.10
Total	381.95	526.41

Details of terms of borrowings and security for the borrowings

Buyer's credits are part of working capital facilities. These are repayable based on the terms of each buyer's credit which is upto 90 days. The interest rate ranges from 4.97 % per annum (p.a.) to 6.10% p.a. (March 31, 2023: 0.60% p.a. to 5.21% p.a.)

Cash credits facilities have interest rate ranging from 8.70% p.a. to 9.60% p.a. (March 31, 2023: 6.60% p.a. to 9.60% p.a.)

The Company has aggregate limits of working capital borrowings of ₹ 1,916.25 crores (March 31, 2023: ₹ 1,916.25 crores) from various banks.

Borrowings from banks have been utilized for the purpose for which they were taken.

The Company has not been declared as wilful defaulter by any bank or financial institution or government or government authority.

Refer Note 40 for discussion on Company's financial risk management policies and procedures.

Reconciliation of debt in accordance with Ind AS 7, 'Statement of Cash Flows'

Particulars	Current borrowings	Lease liabilities	Interest accrued	Total
Balance as at April 1, 2022	278.03	-	0.13	278.16
Proceeds from borrowings (net)	247.73	-	-	247.73
Additions (leases)	-	17.60	-	17.60
Foreign exchange fluctuation	0.65	-	-	0.65
Finance costs	-	-	27.23	27.23
Interest paid	-	-	(25.20)	(25.20)
Payment of lease liabilities	-	(3.29)	-	(3.29)
Balance as at March 31, 2023	526.41	14.31	2.16	542.88
Repayment of borrowings (net)	(146.03)	-	-	(146.03)
Foreign exchange fluctuation	1.57	-	-	1.57
Finance costs	-	-	36.45	36.45
Interest paid	-	-	(34.52)	(34.52)
Payment of lease liabilities	-	(2.31)	(1.13)	(3.44)
Balance as at March 31, 2024	381.95	12.00	2.96	396.91

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

22 Trade payables

Particulars	March 31, 2024	March 31, 2023
Trade payables		
a) total outstanding dues of micro enterprises and small enterprises (refer note 42)	9.85	12.27
b) total outstanding dues of creditors other than micro enterprises and small enterprises	278.79	277.03
Total	288.64	289.30

Trade payables ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises - Undisputed	8.53	0.84	0.30	0.07	0.11	9.85
Other than micro enterprises and small enterprises - Undisputed	177.39	32.26	1.20	0.04	0.03	210.92
Unbilled dues - Undisputed	67.87	-	-	-	-	67.87
	253.79	33.10	1.50	0.11	0.14	288.64

Trade payables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises - Undisputed	5.51	5.90	0.48	0.25	0.13	12.27
Other than micro enterprises and small enterprises - Undisputed	117.23	32.56	0.15	0.57	1.77	152.28
Unbilled dues - Undisputed	124.75	-	-	-	-	124.75
	247.49	38.46	0.63	0.82	1.90	289.30

Trade payables are non-interest bearing and are normally settled within 30 to 45 days.

Refer Note 40 for discussion on the Company's financial risk management policies and procedures.

23 Other current liabilities

Particulars	March 31, 2024	March 31, 2023
Revenue received in advance	7.44	19.90
Statutory dues (includes indirect taxes and withholding taxes)	62.21	31.43
Total	69.65	51.33

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

24 Taxes

A Income-tax assets (net)

Particulars	March 31, 2024	March 31, 2023
Advance tax (net of provision for tax)	21.46	24.52
Total	21.46	24.52

The note below details the major components of income-tax expenses for the years ended March 31, 2024 and March 31, 2023. The note further describes the significant estimates made in relation to Company's income tax position, and also explains how the income tax expense is impacted by non-assessable and non-deductible items.

B Composition of income-tax expense is as follows:

Particulars	March 31, 2024	March 31, 2023
Statement of profit and loss		
Current tax		
Current income tax charge	147.85	69.19
Tax pertaining to earlier years'	(0.27)	(17.37)
Deferred tax		
Relating to temporary differences	10.61	9.08
Income-tax expense reported in the statement of profit and loss	158.19	60.90
OCI		
Deferred tax related to items recognised in OCI during the year		
Remeasurement gains on defined benefit plans	0.81	0.11
Fair value changes of financial assets	(65.25)	-
Income-tax charged to OCI	(64.44)	0.11

C Reconciliation between tax expense and accounting profit multiplied by tax rate

Current taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Particulars	March 31, 2024	March 31, 2023
Accounting profit before tax expense	613.49	297.49
At applicable tax rate @ 25.168%	154.40	74.87
Adjustments for:		
Donation expenses	- #	0.01
Corporate social responsibility expenses	6.45	5.57
Other non-deductible expenses	0.09	0.11
Agricultural income under section 10(1) of the Income-tax Act, 1961	(0.01)	(0.01)
Deductions allowed under the the Income-tax Act, 1961	(4.25)	(3.51)
Other income credited to statement of profit and loss, either exempt or considered separately	(0.19)	(0.73)
Prior years' tax adjustments	(0.27)	(17.37)
Other expenses	1.78	1.66
Income chargeable at different tax rates	-	0.30
Allowance against capital loss on sale of bonds	0.19	-
Tax expense as per standalone statement of profit and loss	158.19	60.90

The Company's effective tax rates for the year ended March 31, 2024 and March 31, 2023 are 25.79% and 20.47% respectively.

Amount is below the rounding off norm adopted by the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

D Composition of deferred tax assets, deferred tax liabilities and deferred tax (expense)/income

As at and for the year ended March 31, 2024

Particulars	Balance sheet		Other comprehensive income		Statement of profit and loss	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Deferred tax liabilities						
Depreciation	(130.51)	(137.01)	-	-	6.50	1.09
Fair valuation of investments measured at FVOCI	(67.01)	(13.58)	(65.25)	-	11.82	(12.69)
Fair valuation of investments measured at FVTPL	(25.92)	-	-	-	(25.92)	2.25
Right-of-use assets	-	(0.06)	-	-	0.06	(0.06)
Others	(0.26)	-	-	-	(0.26)	-
Deferred tax assets						
Government grants	16.66	19.84	-	-	(3.18)	0.26
Disallowance for MSME dues	0.34	-	-	-	0.34	-
Disallowance on account of non-deduction of tax deducted at source	-	0.26	-	-	(0.26)	(0.75)
Leave encashment	4.51	4.02	-	-	0.49	0.19
Defined benefit obligation and others	2.48	1.87	0.81	0.11	(0.20)	0.63
Deferred tax (expense)/income			(64.44)	0.11	(10.61)	(9.08)
Deferred tax liabilities (net)	(199.71)	(124.66)				

As at and for the year ended March 31, 2023

Particulars	Balance sheet		Other comprehensive income		Statement of profit and loss	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deferred tax liabilities						
Depreciation	(137.01)	(138.10)	-	-	1.09	2.75
Fair valuation of investments measured at FVOCI	(13.58)	(0.89)	-	0.11	(12.69)	-
Fair valuation of investments measured at FVTPL	-	(2.25)	-	-	2.25	(1.40)
Right-of-use assets	(0.06)	-	-	-	(0.06)	-
Deferred tax assets						
Government grants	19.84	19.58	-	-	0.26	0.74
Disallowance on account of non-deduction of tax deducted at source	0.26	1.01	-	-	(0.75)	-
Leave encashment	4.02	3.83	-	-	0.19	0.38
Defined benefit obligation and others	1.87	1.13	0.11	0.08	0.63	0.16
Deferred tax (expense)/income			0.11	0.19	(9.08)	2.63
Deferred tax liabilities (net)	(124.66)	(115.69)				

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

E Composition of deferred tax assets and deferred tax liabilities

Deferred taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income-taxes levied by the same tax authority.

Reconciliation of deferred tax liabilities (net)

Particulars	March 31, 2024	March 31, 2023
As at the beginning of the year	(124.66)	(115.69)
Tax (expense)/income		
Recognised in the statement of profit and loss	(10.61)	(9.08)
Recognised in the OCI	(64.44)	0.11
As at the end of the year	(199.71)	(124.66)

F Composition of deferred tax (expense)/ income recognised in the statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Deferred tax expense	(29.81)	(13.50)
Deferred tax income	19.20	4.42
Deferred tax expense (net)	(10.61)	(9.08)

25 Revenue from operations

Particulars	March 31, 2024	March 31, 2023
Revenue from sale of products		
Sale of products	4,274.10	4,361.26
Other operating revenue		
a) Sale of scrap	28.02	21.30
b) Recovery of port charges	2.69	1.87
c) Government grant/subsidy (refer note 20)	12.62	12.62
Total	4,317.43	4,397.05

Disclosures pursuant to Ind AS 115 - Revenue from contract with customers, are as follows:

(a) Revenue streams

The Company derives revenue form sale of pipes and fittings and PVC resin, which is disclosed in note 34 as segment revenue. Hence, no disaggregation of revenue is provided separately.

(b) Disaggregation of revenue from contracts with customers

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by product lines, timing of revenue recognition and geography:

A. Revenue by product lines and others:

Particulars	March 31, 2024	March 31, 2023
PVC	123.49	267.74
PVC pipes and fittings	4,150.61	4,093.52
Total	4,274.10	4,361.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

B. Revenue by timing of revenue recognition:

Particulars	March 31, 2024	March 31, 2023
Goods transferred at a point in time when performance obligation is satisfied	4,274.10	4,361.26
Total	4,274.10	4,361.26

C. Revenue by geography:

The Company operates in domestic market only, hence no separate geographical information has been provided.

D. Contract balance

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

Particulars	March 31, 2024	March 31, 2023
Receivables, which are included in 'trade receivables' (net of loss allowance)	457.63	297.54
Contract liabilities (includes revenue received in advance)	7.44	19.90

E. Changes in contract liabilities balance during the period are as follows:

Contract liabilities - revenue received in advance

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	19.90	10.03
Add: Addition during the year	7.44	19.90
Less: Amount of revenue recognised during the year	(19.90)	(10.03)
Balance at the end of the year	7.44	19.90

The aggregate amount of transaction price allocated to the performance obligations (yet to be completed) as at March 31, 2024 is ₹ 7.44 crore. This balance represents the advance received from customers against sale of goods. The management expects to invoice and collect the remaining balance of total consideration within next 12 months. These balances will be recognised as revenue in subsequent period as per the policy of the Company.

F. The Company does not have any significant obligations for returns, refunds or warranties.

26 Other income

Particulars	March 31, 2024	March 31, 2023
I) Interest income on financial assets measured at amortised cost:		
a) Deposit with bank and financial institution	10.67	10.93
b) Investment in bonds and commercial papers	22.20	17.40
c) Loans to vendors	0.86	0.94
d) Income-tax refund	-	3.48
e) Overdue receivables from customers	0.01	0.02
f) Others	0.18	0.23
II) Dividend from non-current investments		
a) Classified at fair value through FVTPL	0.03	0.01
b) Classified at fair value through FVOCI	15.53	13.31
c) Classified at cost - associate	1.16	0.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
III) Other non-operating income		
a) Insurance claims received	0.02	1.39
b) Net gains on fair value changes on investment classified as FVTPL	56.78	37.05
c) Net gain on sale of current investments (mutual funds) classified as FVTPL	61.75	33.29
d) Liabilities written back (net)	1.91	-
e) Profit on sale of property, plant and equipment	-	0.02
f) Others	10.01	2.85
Total	181.11	121.38

27 Cost of materials consumed

Particulars	March 31, 2024	March 31, 2023
Cost of raw materials consumed	2,704.60	2,865.39
Packing material consumed	40.32	38.37
Total	2,744.92	2,903.76

28 Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	March 31, 2024	March 31, 2023
Inventories at the end of the year		
Finished goods	267.75	215.43
Work-in-progress	64.19	79.93
Stock-in-trade	4.83	1.41
Sub total (A)	336.77	296.77
Inventories at the beginning of the year		
Finished goods	215.43	364.08
Work-in-progress	79.93	80.83
Stock-in-trade	1.41	1.42
Sub total (B)	296.77	446.33
Changes in inventories of finished goods, work-in-progress and stock in trade (B-A)	(40.00)	149.56

29 Employee benefits expense

Particulars	March 31, 2024	March 31, 2023
Salaries, wages and bonus	183.58	165.93
Contribution to provident fund and other funds (refer note 36)	10.99	9.48
Staff welfare expenses	16.82	14.26
Total	211.39	189.67

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

30 Finance costs

Particulars	March 31, 2024	March 31, 2023
Interest expense on financial liabilities measured at amortised cost:		
on borrowings	25.24	11.27
on lease liabilities	1.13	0.19
on others	0.12	0.06
Other borrowing costs	1.40	1.62
Exchange differences regarded as an adjustment to borrowing cost	8.56	14.09
Total	36.45	27.23

31 Depreciation and amortisation expense

Particulars	March 31, 2024	March 31, 2023
Depreciation on property, plant and equipment (refer note 3.1)	112.27	88.18
Depreciation of right-of-use assets (refer note 3.2)	3.42	0.59
Amortisation of intangible assets (refer note 3.4)	0.33	0.43
Total	116.02	89.20

32 Other expenses

Particulars	March 31, 2024	March 31, 2023
Power and fuel	284.82	305.18
Stores and spares consumed	49.13	75.16
Jobwork and other manufacturing expenses	147.06	136.04
Warehousing and other rental expenses	22.50	16.33
Rates and taxes	10.52	8.58
Insurance	14.70	15.85
Repairs and maintenance (buildings)	7.94	18.25
Repairs and maintenance (plant and equipment)	15.94	24.05
Repairs and maintenance (others)	14.17	20.65
Communication expenses	1.72	1.68
Travelling and conveyance	22.02	18.16
Directors' sitting fees	0.41	0.48
Commission to non-executive directors	2.50	2.00
Payments to the auditor:		
-As auditors	0.42	0.36
-Certification	0.01	0.01
-Reimbursement of expenses	0.06	0.03
Advertisement, publicity and sales promotion	105.91	97.63
Freight outward expenses	1.39	1.38
Loss on sale/discard of assets	0.52	-
Legal and professional fees	22.40	16.84
Donations	0.01	0.05
Contribution towards corporate social responsibility (CSR)(refer note 33)	25.64	22.12
Security expenses	10.08	8.83
Information technology maintenance	12.73	9.83
Net loss on foreign currency transactions and translations (other than considered as finance cost)	2.78	32.60
Miscellaneous expenses	8.90	10.07
Total	784.28	842.16

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

33 Corporate social responsibility (CSR)

As per section 135 of the Act and rules therein, the Company is required to spend at least 2% of its average net profits for the three immediately preceding years towards CSR activities. The Company has formulated a CSR committee as per the Act. The funds are utilised for the activities which are specified in Schedule VII to the Act.

Details of CSR expenditure are as follows:

Corporate social responsibility (CSR)	March 31, 2024	March 31, 2023
Contribution to Mukul Madhav Foundation Trust (related party)	24.79	20.95
Contribution to others	0.85	1.17
Total	25.64	22.12
a) Amount required to be spent during the period	14.34	15.55
b) Amount spent during the year on:	25.64	22.12
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	25.64	22.12
c) Shortfall at the end of the year	-	-
d) Total of previous years' shortfall	-	-
e) Reason of shortfall	NA	NA
f) Details of related party transactions (refer note 37)	24.79	20.95
g) Provision made with respect to any liability incurred by entering into contractual obligation, the movement of provision	-	-

Nature of CSR activities :

Agriculture and rural development, eradicating hunger and poverty, promoting education, vocational skills, and livelihood, gender equality and women empowerment, preventive healthcare, heritage art and culture, environmental sustainability, promoting sports, sanitation, hygiene and safe drinking water, animal welfare, support to differently abled, technology incubators, armed forces/veterans, contribution to river and beach cleaning.

34 Segment information

The Company is in the business of manufacturing PVC resin and PVC pipes and fittings. Therefore, as per Ind AS 108 "Operating Segments", the Company has disclosed two segments i.e. PVC resin and PVC pipes and fittings.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss that is measured consistently with profit or loss in the standalone financial statements. The Company's financing (including finance costs and finance income) and income-taxes are not allocated to operating segments.

Year ended March 31, 2024

Particulars	PVC	PVC pipes and fittings	Total	Adjustments and eliminations	Net
Revenue					
External customers	132.28	4,185.15	4,317.43	-	4,317.43
Inter-segment	1,353.53	-	1,353.53	(1,353.53)	-
Total revenue	1,485.81	4,185.15	5,670.96	(1,353.53)	4,317.43

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	PVC	PVC pipes and fittings	Total	Adjustments and eliminations	Net
Expenses					
Depreciation and amortisation	(17.34)	(82.79)	(100.13)	-	(100.13)
Segment profit	120.03	401.09	521.12	-	521.12
Total assets	804.14	1,486.75	2,290.89	-	2,290.89
Total liabilities	130.55	368.41	498.96	-	498.96
Other disclosures					
Capital expenditure	24.28	94.42	118.69	-	118.69

Year ended March 31, 2023

Particulars	PVC	PVC pipes and fittings	Total	Adjustments and eliminations	Net
Revenue					
External customers	283.77	4,113.28	4,397.05	-	4,397.05
Inter-segment	1,987.25	-	1,987.25	(1,987.25)	-
Total revenue	2,271.02	4,113.28	6,384.30	(1,987.25)	4,397.05
Expenses					
Depreciation and amortisation	(11.63)	(60.36)	(71.99)	-	(71.99)
Segment profit	91.90	154.18	246.08	-	246.08
Total assets	682.06	1,450.26	2,132.32	-	2,132.32
Total liabilities	96.09	340.75	436.84	-	436.84
Other disclosures					
Capital expenditure	21.34	183.26	204.60	-	204.60

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income, costs and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed for the Company as a whole.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to these segments as they are managed for the Company as a whole.

Capital expenditure consists of additions of property, plant and equipment and intangible assets and additions to capital work-in-progress.

Reconciliation of profit

Particulars	March 31, 2024	March 31, 2023
Segment profit	521.12	246.08
Unallocable income	179.96	120.18
Finance costs	(36.45)	(27.23)
Unallocable expense	(51.14)	(41.54)
Profit before tax	613.49	297.49

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Reconciliation of assets

Particulars	March 31, 2024	March 31, 2023
Segment operating assets	2,290.89	2,132.32
Current tax assets	21.46	24.52
Financial assets carried at FVTPL	0.69	0.60
Financial assets carried at FVTOCI	2,233.38	1,815.30
Financial assets carried at cost	7.55	7.55
Financial assets carried at amortised cost	309.04	253.53
Current investments	1,905.15	1,772.58
Cash and cash equivalents (including other bank balances)	31.65	61.34
Assets classified as held for sale	2.88	-
Other unallocated assets	125.03	114.55
Total assets	6,927.72	6,182.29

Reconciliation of liabilities

Particulars	March 31, 2024	March 31, 2023
Segment operating liabilities	498.96	436.84
Deferred tax liabilities	199.71	124.66
Trade payables	26.57	20.44
Current tax liability	0.05	0.31
Current borrowings	381.95	526.41
Financial liabilities at cost	91.65	79.77
Interest accrued	2.96	2.16
Unpaid dividend	29.24	33.96
Statutory dues	62.21	31.43
Provisions	27.77	22.58
Government grant	66.22	78.83
Other unallocated liabilities	2.59	(0.00)
Total liabilities	1,389.88	1,357.39

Capital employed : Segment assets less segment liabilities

Particulars	March 31, 2024	March 31, 2023
PVC resin	804.14	682.06
PVC pipes and fittings	1,486.75	1,450.26
Unallocable assets	4,636.83	4,049.97
Total segment assets	6,927.72	6,182.29
PVC resin	130.55	96.09
PVC pipes and fittings	368.41	340.75
Unallocable liabilities	890.92	920.55
Total segment liabilities	1,389.88	1,357.39
PVC resin	673.59	585.97
PVC pipes and fittings	1,118.34	1,109.51
Unallocable	3,745.91	3,129.42
Capital employed	5,537.84	4,824.90

Geographic information

The Company operates in domestic market only, hence no separate geographical information has been provided.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

35 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

There are no potential shares that have a dilutive effect on the EPS.

The following reflects the income and share data used in the basic EPS computation

Particulars	March 31, 2024	March 31, 2023
Basic and diluted		
Profit for the year before tax	613.49	297.49
Less : Attributable tax thereto	158.19	60.90
Net profit after tax (in ₹ crore)	455.30	236.59
Weighted average number of equity shares*	61,83,13,905	61,83,13,905
Basic EPS	7.36	3.82
Diluted EPS	7.36	3.82

36 Disclosure pursuant to employee benefits

A. Defined contribution plans:

Amount of ₹ 7.95 crores (March 31, 2023: ₹ 6.87 crores) is recognised as expenses and included in note 29 "Employee benefits expense".

The contribution are made to recognised provident fund administered by the Government of India for employees @12% p.a. of basic salary per regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual constructive obligation.

B. Defined benefit plans:

The Company has Gratuity as post employment benefit which is in the nature of defined benefit plan.

The Company operates gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to fifteen days last drawn salary for each completed year of service as per the Payment of Gratuity Act, 1972. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

March 31, 2024 : Changes in defined benefit obligation and plan assets

Particulars	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in OCI							March 31, 2024
	April 1, 2023	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer		
Gratuity													
Defined benefit obligation	27.37	2.61	1.90	4.51	(3.50)	-	-	0.33	2.86	3.19	-	31.57	
Fair value of plan assets	20.84	-	1.47	1.47	(3.25)	(0.05)	-	0.07	(0.12)	(0.05)	2.71	21.72	
Total benefit liability	6.53	2.61	0.43	3.04	(0.25)	0.05	-	0.26	2.98	3.24	(2.71)	9.85	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

March 31, 2023 : Changes in defined benefit obligation and plan assets

Particulars	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in OCI						March 31, 2023
	April 1, 2022	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	
Gratuity												
Defined benefit obligation	26.44	2.25	1.73	3.98	(3.39)	-	(0.16)	(0.59)	1.09	0.34	-	27.37
Fair value of plan assets	21.94	-	1.37	1.37	(3.05)	(0.03)	-	0.14	(0.17)	(0.03)	0.60	20.84
Total benefit liability	4.50	2.25	0.36	2.61	(0.34)	0.03	(0.16)	(0.73)	1.26	0.37	(0.60)	6.53

The major categories of plan assets of the fair value of the total plan assets of gratuity are as follows:

Particulars	March 31, 2024	March 31, 2023
Insured managed funds Life Insurance Corporation of India ('LIC')	21.72	20.84
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Company's plans is shown below:

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.20%	7.40%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	7.40%	7.00%
Expected average remaining working lives (in years)		
Gratuity	8.14	8.09
Compensated absences	8.14	8.09
Withdrawal rate		
Gratuity	9.00%	9.00%
Compensated absences	9.00%	9.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		March 31, 2024	March 31, 2023
Discount rate	1% increase	1.59	1.37
	1% decrease	(1.76)	(1.52)
Future salary increase	1% increase	(1.43)	(1.24)
	1% decrease	1.32	1.14
Withdrawal rate	1% increase	0.06	0.05
	1% decrease	(0.07)	(0.04)

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(All amounts in ₹ Crore, unless otherwise stated)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in one significant assumption at a time, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The same method has been applied for the sensitivity analysis when calculating the recognised defined benefit obligation.

The following are the expected future benefit payments for the defined benefit plan :

Particulars	March 31, 2024	March 31, 2023
Within the next 12 months (next annual reporting period)	5.08	4.99
Between 2 and 5 years	21.80	18.86
Beyond 5 years	18.38	16.72
Total expected payments	45.26	40.57

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	March 31, 2024	March 31, 2023
	Years	Years
Gratuity	7.99	7.81

The following are the expected contributions to plan assets for the next year:

Particulars	March 31, 2024	March 31, 2023
	Years	Years
Gratuity	2.00	2.00

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability risks

a. Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

d. Withdrawal

Actual withdrawal providing higher or lower than assumed withdrawal and change of withdrawal rate at subsequent valuation can impact plan's liability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amounts in ₹ Crore, unless otherwise stated)

2. Asset risks

All plan assets are maintained in a trust fund managed by LIC, a public sector insurer. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

C. Other long-term employment benefits

The Company has compensated absences plan which is covered by other long-term employee benefits.

March 31, 2024 : Changes in defined benefit obligation of compensated absences

	Cost charged to statement of profit and loss					Benefits paid	March 31, 2024
	April 1, 2023	Service cost	Interest cost	Actuarial changes arising from various assumptions	Sub-total included in statement of profit and loss (Note 29)		
Compensated absences							
Defined benefit obligation	16.05	2.41	1.08	1.25	4.74	(2.87)	17.92
Benefit liability	16.05	2.41	1.08	1.25	4.74	(2.87)	17.92

March 31, 2023 : Changes in defined benefit obligation of compensated absences

	Cost charged to statement of profit and loss					Benefits paid	March 31, 2023
	April 1, 2022	Service cost	Interest cost	Actuarial changes arising from various assumptions	Sub-total included in statement of profit and loss (Note 29)		
Compensated absences							
Defined benefit obligation	15.22	2.03	1.00	(0.20)	2.83	(2.00)	16.05
Benefit liability	15.22	2.03	1.00	(0.20)	2.83	(2.00)	16.05

37 Related party transactions

In accordance with the requirement of Ind AS 24 'Related Party Disclosures', name of related parties, their relationships, transactions and outstanding balances with them as identified and certified by the management are as follows:

A. Names of the related party and nature of relationship where control exists

There are no parties where control exists.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

B. Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Prakash P. Chhabria	Executive Chairman
Mr. Anil V. Whabi	Managing Director (with effect from June 1, 2022 and up to May 31, 2023) Chief Financial Officer (up to May 19, 2022)"
Mr. Sanjay S. Math	Managing Director (up to May 31, 2022)
Mr. Saumya Chakrabarti	Director- Technical (with effect from June 1, 2022)
Mr. Ajit Venkataraman	Managing Director (with effect from June 1, 2023) Chief Executive Officer (with effect from August 1, 2022 and up to May 31, 2023)
Mr. Niraj Kedia	Chief Financial Officer (with effect from May 20, 2022)
Mrs. Ritu P. Chhabria	Non-Executive and Non-Independent Director
Ms. Bhumika L. Batra	Independent Director
Mrs. Kanchan U. Chitale	Independent Director
Mr. Saurabh S. Dhanorkar	Non-Executive and Non-Independent Director
Dr. Deepak R. Parikh	Independent Director
Mr. Pradeep R. Rathi	Independent Director
Mr. Anami N. Roy	Independent Director
Mr. Ashutosh Kulkarni	Company Secretary (up to January 14, 2024)
Mr. Dakshinamurthy Iyer	Company Secretary (with effect from May 2, 2024)

C. Name of the related parties with whom transactions have been entered into

Name of the related party	Nature of relationship
Orbit Electricals Private Limited	Enterprise controlled by Key Management Personnel
Finolex Plasson Industries Private Limited	Associate Company
Finolex Cables Limited	Enterprise wherein the Company is an associate
Mukul Madhav Foundation (Trust)	Enterprises over which Key Management Personnel or their relatives exercise significant influence
Finolex Infrastructure Private Limited	Enterprises over which Key Management Personnel or their relatives exercise significant influence
Ms. Gayatri P. Chhabria	Relative of Key Management Personnel
Finolex Industries Limited Employees Gratuity Fund	Post employment benefit plan of Company

D. Transactions with related parties

Particulars	March 31, 2024	March 31, 2023
I. Sales, services and other income		
Dividend received	16.69	13.77
Finolex Cables Limited	15.53	13.31
Finolex Plasson Industries Private Limited	1.16	0.46
II. Expenses		
Short-term employee benefits:*		
Salary and perquisites	11.91	10.23
Mr. Prakash P. Chhabria	3.84	3.44
Mr. Sanjay S. Math	-	0.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Particulars	March 31, 2024	March 31, 2023
Mr. Anil V. Whabi ¹	0.67	1.57
Mr. Saumya Chakrabarti	1.45	1.04
Mr. Ajit Venkataraman ²	4.13	1.96
Mr. Niraj Kedia	1.21	0.95
Mr. Ashutosh Kulkarni ³	0.28	0.27
Ms. Gayatri Chhabria	0.33	0.28
Commission	14.87	13.49
Mr. Prakash P. Chhabria	10.34	8.00
Mr. Sanjay S. Math	-	-
Mr. Anil V. Whabi ¹	-	3.00
Mr. Saumya Chakrabarti	0.55	0.50
Mr. Ajit Venkataraman ²	1.50	-
Mrs. Ritu P. Chhabria	0.34	0.27
Ms. Bhumika L. Batra	0.34	0.27
Mrs. Kanchan U. Chitale	0.34	0.27
Mr. Saurabh S. Dhanorkar	0.34	0.27
Dr. Deepak R. Parikh	0.34	0.27
Mr. Pradeep R. Rathi	0.44	0.37
Mr. Anami N. Roy	0.34	0.27
Directors' sitting fees	0.41	0.48
Mrs. Ritu P. Chhabria	0.02	0.03
Ms. Bhumika L. Batra	0.05	0.06
Mrs. Kanchan U. Chitale	0.09	0.12
Mr. Saurabh S. Dhanorkar	0.08	0.12
Dr. Deepak R. Parikh	0.06	0.04
Mr. Pradeep R. Rathi	0.06	0.06
Mr. Anami N. Roy	0.05	0.05
Dividend paid	47.64	127.05
Finolex Cables Limited	30.14	80.39
Orbit Electricals Private Limited	17.50	46.66
Contribution towards CSR		
Mukul Madhav Foundation	24.79	20.95
Contributions paid		
Finolex Industries Limited Employees Gratuity Fund	2.75	0.60

¹ For the period starting April 1, 2023 till May 31, 2023

² For the period starting June 1, 2023 till March 31, 2024

³ For the period starting April 1, 2023 till January 14, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amounts in ₹ Crore, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Amount payable towards salary and perquisites, commission and sitting fees*	15.78	14.75
Mr. Prakash P. Chhabria	10.72	8.95
Mr. Sanjay S. Math	-	0.02
Mr. Anil V. Whabi	0.02	2.67
Mr. Saumya Chakrabarti	0.66	0.64
Mrs. Ritu P. Chhabria	0.34	0.27
Ms. Bhumika L. Batra	0.34	0.27
Mrs. Kanchan U. Chitale	0.34	0.27
Mr. Saurabh S. Dhanorkar	0.34	0.27
Dr. Deepak R. Parikh	0.34	0.27
Mr. Pradeep R. Rathi	0.44	0.37
Mr. Anami N. Roy	0.34	0.27
Mr. Ajit Venkataraman	1.76	0.26
Mr. Niraj Kedia	0.10	0.14
Ms. Gayatri Chhabria	0.02	0.04
Mr. Ashutosh Kulkarni	0.02	0.04

* As post employment obligations and other long-term employee benefits/obligations are computed for all employees in aggregate, the amounts relating to key management personnel cannot be individually computed and hence are not included in the above (except for Mr. Anil Whabi and Mr. Sanjay Math, where the actual amounts paid on superannuation have been included in the figures reported above).

Terms and conditions of transactions with related parties

Transaction entered into with related parties are made in ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

38 Commitments and contingencies

38.1 Commitments

a) Capital commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2024 ₹ 51.49 crore (March 31, 2023: ₹ 71.39 crore)

b) Other commitments :

Aggregate amount of bank guarantees outstanding as on March 31, 2024 is ₹ 39.07 crore (March 31, 2023: ₹ 34.40 crore).

38.2 Contingent liabilities

Particulars	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debt in respect of:		
a) Income-tax matters	14.24	13.01
b) Excise/ Customs/ Service tax matters	60.39	61.17
c) Sales tax matters	2.11	2.11
d) Consumer protection matters	0.25	0.24

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amounts in ₹ Crore, unless otherwise stated)

- 1 It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- 2 The amounts disclosed above represent the best possible estimates arrived at on the basis of available information.
- 3 The Company is contesting all of the above demands and the management believes that its positions are likely to be upheld by the respective courts. The management believes that the ultimate outcome of these proceedings are not expected to have a material impact on the Company's standalone financial statements and hence no provisions have been made in this regard.

39 Fair value of financial assets and liabilities

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at (i) fair value (ii) measured at amortised cost and for which fair values are considered to be same as the amortised costs disclosed in the financial statements. They are further classified them into Level 1 to Level 3 as required by the Ind AS and described in the significant accounting policies of the Company. Further, the note describes valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

Classification of financial instruments by category and into levels of fair value hierarchy as at March 31, 2024:

Particulars	Amortised Cost	FVTPL			FVOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current investments:							
Investment in equity shares/ bonds of :							
Quoted							
Equity instruments	-	0.69	-	-	2,220.93	-	-
Bonds and debentures	244.63	-	-	-	-	-	-
Unquoted							
Equity instruments*	7.84	-	-	-	-	12.45	-
Deposits with non banking financial institutions	64.12	-	-	-	-	-	-
Current investments:							
Investments in units of mutual funds (Quoted)	-	1,614.48	-	-	-	-	-
Bonds	126.09	-	-	-	-	-	-
Deposits with Non Banking Financial institutions	116.39	-	-	-	-	-	-
Commercial papers	48.19	-	-	-	-	-	-
Trade and other receivables	457.63	-	-	-	-	-	-
Loans	16.85	-	-	-	-	-	-
Cash and cash equivalents	2.15	-	-	-	-	-	-
Other bank balances	29.50	-	-	-	-	-	-
Other financial assets	41.35	-	-	-	-	-	-
Total	1,154.74	1,615.17	-	-	2,220.93	12.45	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Amortised Cost	FVTPL			FVOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities							
Borrowings	381.95	-	-	-	-	-	-
Trade payables	288.64	-	-	-	-	-	-
Other financial liabilities	343.89	-	-	-	-	-	-
Lease liabilities	12.00	-	-	-	-	-	-
Total	1,026.48	-	-	-	-	-	-

*In accordance with IND AS 27, 'Separate Financial Statements', the Company has carried its investment in associates at cost.

Classification of financial instruments by category and into levels of fair value hierarchy as at March 31, 2023:

Particulars	Amortised Cost	FVTPL			FVOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current investments:							
Investment in equity shares of :							
Quoted							
Equity instruments	-	0.60	-	-	1,802.92	-	-
Bonds	253.53						
Unquoted							
Equity instruments	7.55	-	-	-	-	12.38	-
Current investments:							
Investments in units of mutual funds (Quoted)	-	1,586.31	-	-	-	-	-
Bonds	39.53						
Deposit with Non Banking Financial institutions	127.49	-	-	-	-	-	-
Commercial paper	19.25						
Trade and other receivables	297.54	-	-	-	-	-	-
Loans	23.16	-	-	-	-	-	-
Cash and cash equivalents	8.56	-	-	-	-	-	-
Other bank balances	52.78	-	-	-	-	-	-
Other financial assets	44.55	-	-	-	-	-	-
	873.94	1,586.91	-	-	1,802.92	12.38	-
Financial liabilities							
Borrowings	526.41	-	-	-	-	-	-
Trade and other payables	289.30	-	-	-	-	-	-
Other financial liabilities	249.66	-	-	-	-	-	-
Lease liabilities	14.31	-	-	-	-	-	-
Total	1,079.68	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Valuation techniques used to determine the fair value of each financial instrument:

Fair value of financial instruments classified at amortised cost:

The management assessed that the fair values of cash and bank, loans, trade receivables, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Carrying value of non-current financial liabilities are considered to be same as their fair value due to discounting at rate which are an approximation of incremental borrowing rate.

Fair value of financial instruments classified at FVTPL:

These financial instruments consist of investments in quoted equity instruments and units of mutual funds. The fair value of quoted equity instruments is based on the respective quoted price in the active markets as at the measurement date and fair value of investments in mutual funds is determined using the quoted price Net Asset Value ('NAV') of the respective units in the active market at the measurement date.

Fair value of financial instruments classified at FVOCI:

These financial instruments consist of investments in equity instruments. The fair value of quoted equity instruments is based on the respective quoted price in the active markets as at the measurement date. The fair value of investments in unquoted equity shares has been estimated using the net asset method. The valuation requires to consider the cost of replacement of an asset as an indication of the fair market value of that asset.

During the year ended March 31, 2024 and March 31, 2023, there were no transfers between hierarchies of fair value measurements.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuations, including independent price validation for certain instruments.

40 Financial risk management objective and policies

Risk Category	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, trade receivables and other financial assets.	Ageing analysis, credit ratings	Diversification of bank deposits, portfolio diversification for investments, credit limits.
Liquidity risk	Borrowings, trade payables, lease liabilities and other financial liabilities	Rolling cash flow forecasts	Management ensures that the future cash flow needs are met through cash flow from the operating activities and current borrowings from banks.
Market risk-interest rate risk	No risk since Company has no exposure of long term borrowings	Not applicable	Not applicable
Market risk-currency risk	Recognised financial liabilities not denominated in Indian Rupee	Sensitivity analysis	Natural hedge
Market risk-price risk	Commodity and Investments	Sensitivity analysis	Natural hedge and portfolio diversification respectively

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(All amounts in ₹ Crore, unless otherwise stated)

The Company's principal financial liabilities comprise current borrowings, trade payables, lease liabilities and other financial liabilities. The Company's principal financial assets include investments, trade receivables, cash and cash equivalents and other bank balances that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework. The risk management committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies appetite. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company evaluates credit risk with respect to trade receivables as significantly low, as its payment terms are mostly advance basis.

a) Trade receivables

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counter party or any group of counter parties having similar characteristics. Trade receivables consist of a large number of customers. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment, the Company adjust it's exposure to various counterparties. The Company's maximum exposure to credit risk for the other components of balance sheet is the carrying amount as disclosed below:

Particulars	Asset group	Carrying amount net of impairment provision	
		March 31, 2024	March 31, 2023
Financial assets for which credit risk has not increased significantly from inception	Investments	4,455.81	3,849.56
	Loans	16.85	23.16
	Other financial assets	41.35	44.55

ii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and by monitoring rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The following tables summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

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as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

As at March 31, 2024

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Current borrowings	-	381.95	-	-	381.95
Trade payables	34.85	253.79	-	-	288.64
Lease liabilities	-	0.89	2.73	10.43	14.05
Other financial liabilities	29.24	75.59	238.86	0.20	343.89

As at March 31, 2023

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Current borrowings	-	526.41	-	-	526.41
Trade payables	41.81	219.07	28.42	-	289.30
Lease liabilities	-	0.84	2.60	14.05	17.49
Other financial liabilities	33.96	77.08	138.42	0.20	249.66

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include borrowings, trade and other payables, trade receivables, investments, other financial liabilities.

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, proportion of financial instruments in foreign currencies are all constant at March 31, 2024.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, other post retirement obligations and provisions Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

a) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities on account of import of raw materials.

PVC pricing is on import parity and import parity value of sales of the Company exceeds the USD payables on a six monthly rolling basis and hence the Company does not generally need to resort to hedging by way of forward contracts, options, etc.

Details of foreign currency exposures (unhedged)

Nature of exposure	Currency	As at March 31, 2024	As at March 31, 2023
Financial liabilities			
Borrowings (Unsecured)	USD	4.57	6.41
Interest on borrowings	USD	0.04	0.03
Trade payables	USD	1.40	0.80
Trade payables	GBP	-	- #
Trade payables	EURO	0.01	0.03

USD - United States Dollar

GBP - Great Britain Pound

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Currency wise net exposure (liabilities - assets)

Currency	Amount in Foreign Currency	
	As at March 31, 2024	As at March 31, 2023
USD	6.00	7.24
EURO	0.01	0.03
GBP	-	- #

Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the profit before tax.

Particulars	March 31, 2024	March 31, 2023
Net hedged exposure in INR		
USD	500.58	594.67
EURO	0.54	2.53
GBP	-	- #

As at	Change in USD rate	Impact on profit before tax and equity	Impact on profit after tax and equity
March 31, 2024	+5%	25.03	18.73
	-5%	(25.03)	(18.73)
March 31, 2023	+5%	29.73	22.25
	-5%	(29.73)	(22.25)

As at	Change in Euro rate	Impact on profit before tax and equity	Impact on profit after tax and equity
March 31, 2024	+5%	0.03	0.02
	-5%	(0.03)	(0.02)
March 31, 2023	+5%	0.13	0.09
	-5%	(0.13)	(0.09)

As at	Change in GBP rate	Impact on profit before tax and equity	Impact on profit after tax and equity
March 31, 2024	+5%	0.00 #	0.00 #
	-5%	0.00 #	0.00 #
March 31, 2023	+5%	0.00 #	0.00 #
	-5%	0.00 #	0.00 #

Amount is below the rounding off norm adopted by the Company.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has current borrowings with fixed interest rates and hence the future cash-flows of relevant financial instrument are not affected by changes in market interest rate.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

c) Price risk

i) Commodity price risk

The Company is affected by the volatility of prices of certain commodity chemicals [(Ethylene and PVC) and intermediate goods (Ethylene and Ethylene Dichloride ('EDC') and Vinyl Chloride Monomer ('VCM'))]. Its operating activities involve the ongoing purchase of VCM, EDC, all being petrochemical products for manufacturing of PVC and pipes and fittings and therefore require a continuous supply of these materials. Prices of PVC manufactured by the Company are monitored by the Company's management and are adjusted to respond to change in import parity price of PVC in Indian market. Market price of input and output, generally get adjusted over a period of time. Accordingly, the Company is exposed to the variation in prices over short term period.

Commodity price sensitivity

The following table shows the effect of price changes for VCM, Ethylene EDC:

	Change in year-end price	Effect on profit before tax
March 31, 2024		
VCM	+5%	19.85
	-5%	(19.85)
Ethylene	+5%	14.73
	-5%	(14.73)
EDC	+5%	16.76
	-5%	(16.76)
March 31, 2023		
VCM	+5%	25.20
	-5%	(25.20)
Ethylene	+5%	17.16
	-5%	(17.16)
EDC	+5%	23.77
	-5%	(23.77)

ii) Equity price risk

The Company's listed and unlisted equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The equity securities held by the Company are strategic in nature. The Company's Board of Directors reviews and approves all equity investment decisions.

Particulars	March 31, 2024	March 31, 2023	
Fair value			
Unquoted equity securities	12.45	12.38	
Quoted equity securities	2,221.62	1,803.52	
	Change in year-end price	Effect on profit before tax	Effect on OCI
March 31, 2024			
Unquoted equity securities	+10%	-	1.25
	-10%	-	(1.25)
Quoted equity securities	+10%	0.07	222.09
	-10%	(0.07)	(222.09)
March 31, 2023			
Unquoted equity securities	+10%	-	1.24
	-10%	-	(1.24)
Quoted equity securities	+10%	0.06	180.29
	-10%	(0.06)	(180.29)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

41 Capital management

Capital includes equity shares and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure its ability to continue as going concern, maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company is not subject to externally imposed capital requirement. The Company manages its capital structure and makes adjustments to maintain efficient financing structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Company monitors capital using a gearing ratio, which is total debt divided by total capital plus other equity.

Particulars	March 31, 2024	March 31, 2023
Borrowings-Buyer's credit and cash credit	381.95	526.41
Debt	381.95	526.41
Share capital	123.67	123.67
Other equity	5,414.17	4,701.23
Total equity	5,537.84	4,824.90
Debt/equity ratio	6.90%	10.91%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

(Net debt)/ surplus reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2024

Particulars	March 31, 2024	March 31, 2023
Cash and other liquid assets	1,907.56	1,799.98
Current borrowings	(381.95)	(526.41)
Net surplus	1,525.61	1,273.57

Particulars	Other Assets	Liabilities from financing activity	Total
	Cash and Cash Equivalents	Current Borrowings	
(Net debt)/Surplus as on April 01, 2023	1,799.98	(526.41)	1,273.57
Cash Inflow	107.58	144.46	252.04
(Net debt)/Surplus as on March 31, 2024	1,907.56	(381.95)	1,525.61

42 Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006 (as amended)

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the year end has been made in the standalone financial statements based on information received and available with the Company and has been relied upon by the statutory auditor.

Particulars	March 31, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	9.85	12.27
Principal amount outstanding and overdue out of above	1.34	4.02
Interest due on above	0.04	0.01
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	4.34	8.22
Interest due and payable for overdue payments made during the year	0.19	0.06
Total Interest accrued and remaining unpaid	0.19	0.06
Amount of further interest remaining due and payable in succeeding years	0.49	0.30

* Mainly includes retention money

43 Ratios

Ratios	Numerator	Denominator	Description	March 31, 2024	March 31, 2023	Variance	Reason for variance
Current Ratio	Operating current assets ⁽¹⁾	Current liabilities	The current ratio indicates Company's overall liquidity position	1.15	0.94	22.02%	Refer note below
Debt-Equity Ratio	Total debt ⁽²⁾	Shareholders' equity	Debt-to-equity ratio compares Company's total debt to shareholders equity	0.07	0.11	(36.78%)	Debt equity ratio improved due to repayment of debt and increase in reserves.
Debt Service Coverage Ratio	Earnings available for debt service ⁽³⁾	Debt service ⁽⁴⁾	Debt Service coverage ratio is used to analyse the Company's ability to payoff current interest and instalments	1.44	0.54	163.99%	Debt Service Coverage Ratio improved due to improvement in profitability.
Return on Equity Ratio	Profit after tax	Shareholders' equity	It measures the profitability of equity funds invested in the Company	8.22%	4.90%	67.67%	The improvement in profitability in the current year as compared with previous year is attributable to lower fluctuation in raw material prices in the current year compared to sharp decline in raw material prices in the previous financial year. Further, the Company benefited from operating leverage due to increase in volumes.
Inventory Turnover Ratio	Cost of goods sold	Average inventory	This ratio measures the efficiency with which a Company utilizes or manages its inventory.	3.91	3.64	7.35%	Refer note below
Trade Receivables Turnover Ratio	Revenue from operations	Average accounts receivables	This ratio measures the efficiency at which the Company is managing the receivables.	11.43	13.91	(17.83%)	Refer note below
Trade Payables Turnover Ratio	Net Purchases ⁽⁵⁾	Average trade payables	This ratio indicates the number of times trade payables have been paid during a period.	9.57	7.77	23.16%	Refer note below

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Ratios	Numerator	Denominator	Description	March 31, 2024	March 31, 2023	Variance	Reason for variance
Net Capital Turnover Ratio	Revenue from operations	Average working capital ⁽⁶⁾	This ratio indicates the Company's effectiveness in using its working capital.	93.62	52.31	78.98%	Net Capital Turnover Ratio increased due to improvement in average working capital deployed in the business.
Net Profit Ratio	Profit after tax	Revenue from operations	This ratio measures the relationship between net profit and sales of the business.	10.55%	5.38%	95.99%	The improvement in profitability in the current year as compared with previous year is attributable to lower fluctuation in raw material prices in the current year compared to sharp decline in raw material prices in the previous financial year. Further, the Company benefited from operating leverage due to increase in volumes.
Return on Capital Employed	Earning before Interest and Tax (EBIT) ⁽⁷⁾	Capital employed ⁽⁸⁾	Return on capital employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders	34.27%	17.26%	98.51%	The improvement in profitability in the current year as compared with previous year is attributable to lower fluctuation in raw material prices in the current year compared to sharp decline in raw material prices in the previous financial year. Further, the Company benefited from operating leverage due to increase in volumes.
Return on Investments	Income generated from invested funds	Average invested funds in treasury investments	Return on investment (ROI) is a financial ratio used to calculate the benefit as investor will receive in relation to their investment cost	7.73%	5.70%	35.61%	Increase in return on investments is attributable to improvement in yields on increase in average investment.

(1) Operating current assets = Total current assets - current investments - other bank balances

(2) Total debt = Current borrowings

(3) Earnings available for debt service = Profit before tax + finance cost + depreciation and amortisation - other income - exception income

(4) Debt service = Principal + interest

(5) Net Purchases = Consumption of Raw materials, Stores and Spares ('RSS') - Opening RSS + Closing RSS

(6) Working Capital = Operating current assets - current liabilities

(7) EBIT = Profit before tax + finance cost - other income - exception income

(8) Capital employed = Total assets - non current investment - current investment - fixed deposits - current liabilities

Note:

Since the variation is less than or equal to 25%, no explanation is required to be furnished.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

44 Disclosure pursuant to Ind AS 116

- (a) The Company as a lessee has obtained certain assets such as immovable properties on leasing arrangements for the purposes of a manufacturing unit. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-to-use asset and corresponding lease liability. Variable lease payment which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right-of-use assets. The Company has presented its right-of-use assets separately from other assets. Each lease generally imposes a restriction that unless there is a contractual right for the Company to sub-lease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term.
- (b) **Additional information on extension/ termination options:** Extension and termination options are included in a number of property lease arrangements of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable based on consent of the Company.
- (c) There are no leases which are yet to commence as on March 31, 2024 and as on March 31, 2023.
- (d) Lease payments, not included in measurement of liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	March 31, 2024	March 31, 2023
Short-term leases	2.01	1.35
Cancellable leases	-	-
Variable lease payments	-	-
	2.01	1.35

- (e) Total undiscounted future lease payments relating to underlying leases are as follows:

Particulars	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
As at March 31, 2024					
Lease payments	3.62	3.80	6.63	-	14.05
As at March 31, 2023					
Lease payments	3.44	3.62	10.43	-	17.49

- (f) **Amount recognised in the Statement of Balance sheet:**

Particulars	March 31, 2024	March 31, 2023
(i) Right-of-use assets		
Leased premises and buildings	13.17	16.81
Total	13.17	16.81
(ii) Lease liabilities		
Non-current	9.54	12.21
Current	2.46	2.10
Total	12.00	14.31

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

(g) Amount recognised in the standalone statement of profit and loss:

Particulars	March 31, 2024	March 31, 2023
(i) Depreciation expense	3.42	0.59
(ii) Interest expense (included in finance costs)	1.13	0.19
Total	4.55	0.78

(h) Information about extension and termination options (except short-term leases)

Right-of-use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Building premises	2	4	3	2	0	2

45 Utilization of borrowed funds

During the years ended March 31, 2024 and March 31, 2023:

- (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 Undisclosed income :

There are no transactions that have not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961

47 Details of Crypto Currency or Virtual currency :

The Company has not traded or invested in crypto currency or virtual currency during the current year and previous year.

48 Transactions with struck-off companies :

The Company does not have any transaction or outstanding balance with struck-off companies under section 248 of the Act or section 560 of Companies Act, 1956, during current and previous year.

49 Registration/satisfaction of charges with Registrar :

There are no charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period in the current as well as in the previous year.

50 Recording audit trail :

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

The Company uses the accounting software SAP for maintaining its books of account. During the year ended 31 March 2024, the Company had not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes on account of recommendation in the accounting software administration guide which states that enabling the same all the time consume storage space on the disk and can impact database performance significantly. The users of the Company do not have any access to database IDs with DML (Data Manipulation Language) authority which can make direct data changes (create, change, delete) at database level. Audit trail (edit log) is enabled at the application level.

51 Previous year comparatives

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classifications / disclosures. The impact of such regroupings/ reclassifications are not material to the standalone financial statements.

The accompanying notes including a summary of material accounting policies and explanatory information form an integral part of these standalone financial statements.

As per our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

**For and behalf of the Board of Directors of
Finolex Industries Limited**

Prakash P. Chhabria

Executive Chairman
DIN: 00016017
Place: Dubai

Bhumika L. Batra

Director
DIN: 03502004
Place: Mumbai

Ritu P. Chhabria

Director
DIN: 00062144
Place: London

Rajni Mundra

Partner
Membership No.: 058644
Place: Mumbai
Date: May 10, 2024

Saumya Chakrabarti

Director
DIN: 09594036
Place: Ratnagiri

Kanchan U. Chitale

Director
DIN: 00007267
Place: Mumbai

Saurabh S. Dhanorkar

Director
DIN: 00011322
Place: Nagpur

Deepak R. Parikh

Director
DIN: 06504537
Place: Florida

Pradeep R. Rathi

Director
DIN: 00018577
Place: Pune

Anami N. Roy

Director
DIN: 01361110
Place: Mumbai

Ajit Venkataraman

Managing Director
DIN: 07289950
Place: Mumbai
Date: May 10, 2024

Niraj Kedia

Chief Financial Officer
Place: Pune

Dakshinamurthy Iyer

Company Secretary
M. No.: A13004
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of
Finolex Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

- We have audited the accompanying consolidated financial statements of Finolex Industries Limited (the 'Holding Company') and its associate, Finolex Plasson Industries Private Limited, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the associate and Finolex Industries Employees' Welfare Trust (the 'Welfare Trust'), the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Holding company and its associate, as at 31 March 2024, and their consolidated profit (including other comprehensive income),
- We have determined the matter described below to be the key audit matter to be communicated in our report.

consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

- Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the associate and the Welfare Trust, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Valuation of inventory

At the balance sheet date 31 March 2024, the Holding Company held inventories comprising of raw materials and components, finished goods, work-in-progress aggregating to Rs. 728.03 crores as disclosed in note 8 to the accompanying consolidated financial statements of the Holding Company.

How our audit addressed the key audit matter

Our audit procedures related to valuation of inventory included, but were not limited, to the following:

- Assessed the appropriateness of the Holding Company's accounting policy and valuation method of inventory in accordance with Ind AS 2.

Key audit matter	How our audit addressed the key audit matter
<p>Such inventories are carried at cost or net realisable value whichever is lower, as per the accounting policy disclosed in note 2.7 to the aforesaid consolidated financial statements.</p> <p>Cost of inventory comprise of cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.</p> <p>Determination of cost of conversion includes costs directly related to production of units and also includes a systematic allocation of various fixed and variable production overheads to convert raw material into finished goods. Fixed production overheads are allocated to the costs of conversion based on the normal capacity of the production facilities and variable production overheads are allocated to each unit of production based on the actual use of the production facilities, in accordance with the principles of Ind AS 2, Inventories ('Ind AS 2'), which involves management judgement and estimation.</p> <p>Further, at the end of each reporting period, the management of the Holding Company also assesses whether the carrying value of inventory is in excess of amounts expected to be realised from their sale or use and in such cases inventories are written down to their net realisable value in accordance with Ind AS 2. Considering the abovementioned complexities and materiality of amounts and management judgement involved, valuation of inventory matter is considered to be a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of key controls (including IT automated controls) around purchase of inventory, valuation of inventory, computation of overhead, and determination of net realizable value of inventory items. • Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation and corroborated the same to our understanding of the business. • Understood and assessed the management process of determining overhead absorption rates applied by verifying the appropriateness of underlying variables used such as cost data, normal production capacity, actual production data, bill of materials and stage of production. • Verified the expenses considered as cost of conversion including estimates for apportionment of such conversion cost to different classes of finished goods and work in progress and ensured arithmetical accuracy of such workings. • Performed substantive testing for samples of raw materials purchase transactions recorded during the year, and purchase transactions recorded before and after year end, to ensure such purchases are booked accurately and in the correct period, by verifying the underlying documents for such selected samples, which included contracts, purchase orders, invoices, shipping documents such as lorry receipts, etc. • Obtained understanding of management process for identification of slow moving, non-moving or obsolete inventories and ensured that the same is consistently applied. Tested ageing of inventory items obtained through system reports, as applicable. • Recomputed the net realisable value of the finished goods on a sample basis and ensured the inventory is carried at lower of cost or net realisable value as per Ind AS 2. • Performed analytical procedures on current year cost of goods sold based on product-wise gross profit margin analysis, and where appropriate, conducted further enquiries and testing. • Assessed that the disclosures made in the accompanying consolidated financial statements is in accordance with the applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

- The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

- The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Holding Company including its associate in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the Holding Company and its associate company covered under

the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its associate company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

- In preparing the consolidated financial statements, the respective Board of Directors of the Holding Company and of its associate are responsible for assessing the ability of the Holding Company and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Holding Company or to cease operations, or has no realistic alternative but to do so.
- Those respective Board of Directors are also responsible for overseeing the financial reporting process of the Holding Company and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

- Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
- As part of an audit in accordance with Standards on Auditing specified under section 143(10) of

the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associate to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Holding Company, the Welfare Trust and its associate, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of the Welfare Trust included in the financial statements of the Holding Company, whose financial statements reflect total assets of Rs. 60.39 crore as at 31 March 2024, total revenues of Nil and net cash inflows amounting Rs. - crore (rounded off to nil) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Holding

Company's share of net profit (including other comprehensive income) of Rs. 28.51 crore for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate and the Welfare Trust, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid associate and the Welfare Trust, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The accompanying consolidated financial statements does not include the Holding Company's share in profit of an associate, Pawas Port Limited. In our opinion and according to the information and explanations given to us by the management, the said associate is not material to the Holding Company.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the associate, we report that the Holding Company has paid remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to one associate incorporated in India whose financial statements have been audited under the Act, since such company is not a public company as defined under section 2(71) of the Act.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order report issued by us and by the other auditor as mentioned in paragraph 15 above, of companies included
- in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the associate incorporated in India and the Welfare Trust whose financial statements have been audited under the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its associate, covered under the Act, none of the directors of the Holding Company and its associate company, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - The modification relating relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 19(b) above on reporting under section 143(3)(b) of the Act and paragraph 19(h)(vi) below on reporting

under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its associate covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the associate incorporated in India and the Welfare Trust whose financial statements have been audited under the Act:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its associate as detailed in Note 38.2 to the consolidated financial statements;
 - ii. The Holding Company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its associate during the year ended 31 March 2024;
 - iv. a. The respective managements of the Holding Company and its associate incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such associate respectively that, to the best of their knowledge and belief, as disclosed in note 46 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds)

by the Holding Company or its associate to or in any person(s) or entity(ies), including foreign entities (the 'intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or its associate (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The respective managements of the Holding Company and its associate incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such associate respectively that, to the best of their knowledge and belief, as disclosed in the note 46 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its associate from any person(s) or entity(ies), including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or its associate shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us and that performed by the auditor of the associate, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The final dividend paid by the Holding Company and its associate during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

Further, as stated in note 15 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend; and

- vi. As stated in note 50 to the consolidated financial statements and based on our examination

which included test checks and that performed by us on the Holding Company and by the auditor of the associate of the Holding Company which is a company incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company and its associate, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and the auditor of the above referred associate did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature was enabled.

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled at the database level for accounting software (SAP) to log any direct data changes, used for maintenance of all accounting records by the Holding Company.
Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility	The accounting software (Sensys) and the spreadsheets used for maintenance of payroll records of the associate does not have a feature of recording audit trail (edit log) facility.
Instances of accounting software maintained by the third party where we are unable to comment on the audit trail feature	The accounting software (TCS iON) used for maintenance of books of account of an associate which is operated and maintained by a third-party software service provider. In the absence of the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation), the respective auditor of the associate is unable to comment on whether audit trail feature at the database level of the said software was enabled and operated throughout the year.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 24058644BKFUFG2945

Place: Mumbai
Date: 10 May 2024

ANNEXURE A

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Finolex Industries Limited (the 'Holding Company') and its associate, as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its associate company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its associate company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the financial statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the respective company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its associate company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent

applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its associate as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions

are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to the financial statements of the associate company, the Holding Company and its associate company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the

internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. The consolidated financial statements includes the Holding Company's share of net profit (including other comprehensive income) of Rs. 28.51 crore for the year ended 31 March 2024, in respect of one associate company, which is a company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such associate company have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its associate company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such associate company is based solely on the reports of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

UDIN: 24058644BKFUFG2945

Place: Mumbai

Date: 10 May 2024

CONSOLIDATED BALANCE SHEET

as at March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Note No	March 31, 2024	March 31, 2023
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	1,041.08	1,037.57
(b) Right-of-use assets	3.2	13.17	16.81
(c) Capital work-in-progress	3.3	18.87	43.82
(d) Intangible assets	3.4	1.12	0.79
(e) Investment in associate accounted using equity method	4.1	137.63	110.28
(f) Financial assets			
i) Investments	4	2,543.16	2,069.48
ii) Loans	5	0.02	0.03
iii) Other financial assets	6	39.65	41.83
(f) Income-tax assets (net)	24	21.46	24.52
(g) Other non-current assets	7	39.42	47.57
Total non-current assets		3,855.58	3,392.70
2 Current assets			
(a) Inventories	8	728.03	673.15
(b) Financial assets			
i) Investments	9	1,905.15	1,772.58
ii) Trade receivables	10	457.63	297.54
iii) Cash and cash equivalents	11.1	2.15	8.56
iv) Bank balances other than (iii) above	11.2	29.50	52.78
v) Loans	12	16.83	23.13
vi) Other financial assets	13	1.70	2.72
(c) Other current assets	14	58.40	61.91
Total current assets		3,199.39	2,892.37
Assets classified as held for sale	3.5	2.88	-
Total assets		7,057.85	6,285.07
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	15	123.67	123.67
(b) Other equity	16	5,510.60	4,779.40
Total equity		5,634.27	4,903.07
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
i) Lease liabilities	17	9.54	12.21
ii) Other financial liabilities	18	0.20	0.20
(b) Provisions	19	23.30	18.12
(c) Deferred tax liabilities (net)	24	233.41	149.27
(d) Government grants	20	53.60	66.21
Total non-current liabilities		320.05	246.01
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	21	381.95	526.41
ii) Lease liabilities	17	2.46	2.10
iii) Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises		9.85	12.27
- total outstanding dues of creditors other than micro enterprises and small enterprises		278.79	277.03
iv) Other financial liabilities	18	343.69	249.46
(b) Other current liabilities	23	69.65	51.33
(c) Provisions	19	4.47	4.46
(d) Current tax liabilities (net)		0.05	0.31
(e) Government grants	20	12.62	12.62
Total current liabilities		1,103.53	1,135.99
Total liabilities		1,423.58	1,382.00
Total equity and liabilities		7,057.85	6,285.07

The accompanying notes including a summary of material accounting policies and explanatory information form an integral part of these consolidated financial statements.

As per our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

**For and behalf of the Board of Directors of
Finolex Industries Limited**

Prakash P. Chhabria

Executive Chairman
DIN: 00016017
Place: Dubai

Bhumika L. Batra

Director
DIN: 03502004
Place: Mumbai

Ritu P. Chhabria

Director
DIN: 00062144
Place: London

Rajni Mundra

Partner
Membership No.: 058644
Place: Mumbai
Date: May 10, 2024

Saumya Chakrabarti

Director
DIN: 09594036
Place: Ratnagiri

Kanchan U. Chitale

Director
DIN: 00007267
Place: Mumbai

Saurabh S. Dhanorkar

Director
DIN: 00011322
Place: Nagpur

Deepak R. Parikh

Director
DIN: 06504537
Place: Florida

Pradeep R. Rathi

Director
DIN: 00018577
Place: Pune

Anami N. Roy

Director
DIN: 01361110
Place: Mumbai

Ajit Venkataraman

Managing Director
DIN: 07289950
Place: Mumbai
Date: May 10, 2024

Niraj Kedia

Chief Financial Officer
Place: Pune

Dakshinamurthy Iyer

Company Secretary
M. No.: A13004
Place: Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Note No	March 31, 2024	March 31, 2023
INCOME			
I Revenue from operations	25	4,317.43	4,397.05
II Other income	26	179.95	120.92
III Total Income (I+II)		4,497.38	4,517.97
IV EXPENSES			
Cost of materials consumed	27	2,744.92	2,903.76
Purchase of stock-in-trade		31.99	19.36
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(40.00)	149.56
Employee benefits expense	29	211.39	189.67
Finance costs	30	36.45	27.23
Depreciation and amortisation expenses	31	116.02	89.20
Other expenses	32	784.28	842.16
Total expenses (IV)		3,885.05	4,220.94
V Profit before share of net profit of investment in an associate accounted for using equity method and tax (III-IV)		612.33	297.03
VI Share of profit of investment in an associate accounted for using equity method		38.22	24.26
VII Profit before tax (V+VI)		650.55	321.29
VIII Tax expense	24		
Current tax		157.88	74.98
Tax pertaining to earlier years'		(0.31)	(16.86)
Deferred tax charge		19.39	12.47
Total tax expense		176.96	70.59
IX Profit for the year (VII-VIII)		473.59	250.70
X Other comprehensive income (OCI)			
A Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans		(3.27)	(0.35)
Income-tax effect on above	24	0.81	0.11
A(i) Re-measurement of defined benefit plans, net of income-tax		(2.46)	(0.24)
Gain on equity instruments measured at fair value through OCI		418.07	966.31
Income-tax effect on above	24	(65.25)	-
A(ii) Equity instruments through OCI, net of income-tax		352.82	966.31
Total other comprehensive income [A(i)+A(ii)]		350.36	966.07
XI Total comprehensive Income for the year (IX+X)		823.95	1,216.77
XII Earnings per equity share having nominal value per share of ₹ 2	35		
Basic (₹)		7.66	4.04
Diluted (₹)		7.66	4.04

The accompanying notes including a summary of material accounting policies and explanatory information form an integral part of these consolidated financial statements.

As per our report of even date.

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

**For and behalf of the Board of Directors of
Finolex Industries Limited**

Rajni Mundra

Partner

Membership No.: 058644

Place: Mumbai

Date: May 10, 2024

Prakash P. Chhabria

Executive Chairman

DIN: 00016017

Place: Dubai

Saumya Chakrabarti

Director

DIN: 09594036

Place: Ratnagiri

Deepak R. Parikh

Director

DIN: 06504537

Place: Florida

Ajit Venkataraman

Managing Director

DIN: 07289950

Place: Mumbai

Date: May 10, 2024

Bhumika L. Batra

Director

DIN: 03502004

Place: Mumbai

Kanchan U. Chitale

Director

DIN: 00007267

Place: Mumbai

Pradeep R. Rathi

Director

DIN: 00018577

Place: Pune

Niraj Kedia

Chief Financial Officer

Place: Pune

Ritu P. Chhabria

Director

DIN: 00062144

Place: London

Saurabh S. Dhanorkar

Director

DIN: 00011322

Place: Nagpur

Anami N. Roy

Director

DIN: 01361110

Place: Mumbai

Dakshinamurthy Iyer

Company Secretary

M. No.: A13004

Place: Mumbai

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
I Cash flows from operating activities		
Profit before tax	650.55	321.29
Adjustments for		
Share of profit from associate before tax	(38.22)	(24.26)
Depreciation and amortisation expenses	116.02	89.20
Liabilities written back (net)	(1.91)	-
Profit on sale of investments (net)	(61.75)	(33.29)
Gain on fair valuation of investments	(56.78)	(37.05)
Loss / (profit) on disposal of property, plant and equipment (net)	0.52	(0.02)
Dividend income	(15.56)	(13.32)
Unwinding of government grant income	(12.62)	(12.62)
Interest income	(33.05)	(28.56)
Unrealised exchange fluctuation loss (net)	2.05	0.59
Finance costs	36.45	27.23
Operating profit before working capital changes	585.70	289.19
Changes in operating assets and liabilities		
Inventories	(54.88)	342.32
Trade receivables	(160.08)	36.92
Loans	6.65	(0.80)
Other financial assets	0.83	3.46
Other current assets	2.10	(13.03)
Government grants (net)	2.38	16.82
Trade payables	0.77	(173.73)
Provisions	1.95	2.50
Other financial liabilities	94.34	(29.28)
Other current liabilities	18.32	(98.75)
Cash (used in)/ generated from working capital changes	(87.62)	86.43
Less - Income-tax paid	(144.78)	(67.94)
Net cash generated from operating activities	353.30	307.68
II Cash flow from investing activities		
Payment for purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(86.35)	(168.74)
Proceeds from disposal of property, plant and equipment (net)	0.33	1.06
Net proceeds from (purchase)/ sale of investments	(67.66)	(172.28)
Dividend income received	16.72	13.78
Investments in fixed deposits (net)	22.55	4.33
Interest income received	31.44	28.12
Net cash used in investing activities	(82.97)	(293.73)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
III Cash flow from financing activities		
Finance costs paid	(34.52)	(25.20)
(Repayment)/ proceeds of short-term borrowings (net)	(146.03)	247.73
Payment of lease liabilities	(2.31)	(3.10)
Payment of interest on lease liabilities	(1.13)	(0.19)
Dividend paid	(92.75)	(248.19)
Net cash used in financing activities	(276.74)	(28.94)
IV Net decrease in cash and cash equivalents at the end of the year (I+II+III)	(6.41)	(14.99)
V Cash and cash equivalents at the beginning of the year	8.56	23.55
VI Cash and cash equivalents at the end of the year (IV+V)	2.15	8.56

Components of cash and cash equivalents (refer note 11.1)

Particulars	March 31, 2024	March 31, 2023
Balances with banks:		
In current accounts	2.06	8.45
Cash on hand	0.09	0.11
Total	2.15	8.56

Notes:

- The above statement of cash flows have been prepared under the indirect method set out in the Indian Accounting Standard (Ind AS) 7, 'Statement of Cash Flows'
- Refer note 21 for reconciliation of cash flows from financing activities as required under Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes including a summary of material accounting policies and explanatory information form an integral part of these consolidated financial statements.

As per our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

**For and behalf of the Board of Directors of
Finolex Industries Limited****Prakash P. Chhabria**Executive Chairman
DIN: 00016017
Place: Dubai**Bhumika L. Batra**Director
DIN: 03502004
Place: Mumbai**Ritu P. Chhabria**Director
DIN: 00062144
Place: London**Rajni Mundra**Partner
Membership No.: 058644
Place: Mumbai
Date: May 10, 2024**Saumya Chakrabarti**Director
DIN: 09594036
Place: Ratnagiri**Kanchan U. Chitale**Director
DIN: 00007267
Place: Mumbai**Saurabh S. Dhanorkar**Director
DIN: 00011322
Place: Nagpur**Deepak R. Parikh**Director
DIN: 06504537
Place: Florida**Pradeep R. Rathi**Director
DIN: 00018577
Place: Pune**Anami N. Roy**Director
DIN: 01361110
Place: Mumbai**Ajit Venkataraman**Managing Director
DIN: 07289950
Place: Mumbai
Date: May 10, 2024**Niraj Kedia**Chief Financial Officer
Place: Pune**Dakshinamurthy Iyer**Company Secretary
M. No.: A13004
Place: Mumbai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

A. Equity share capital (Refer note 15)

March 31, 2024

Particulars	Opening balance as at April 1, 2023	Change during the year	Closing balance as at March 31, 2024
Issued, subscribed and fully paid equity shares of ₹ 2 each	123.67	-	123.67
	123.67	-	123.67

March 31, 2023

Particulars	Opening balance as at April 1, 2022	Change during the year*	Closing balance as at March 31, 2023
Issued, subscribed and fully paid equity shares of ₹ 2 each	124.10	(0.43)	123.67
	124.10	(0.43)	123.67

* Investment cost adjustment pursuant to consolidation of the Finolex Industries Limited Employees' Welfare Trust (the 'Welfare Trust')

B. Other equity (Refer note 16)

Particulars	Reserves and Surplus					Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Equity instruments measured at fair value through other comprehensive income	
I Balance as at April 1, 2022	394.50	151.27	25.18	3,029.25	203.50	3,803.70
II Adjustment pursuant to consolidation of Welfare Trust	-	-	-	7.12	-	7.12
III Profit for the year	-	-	-	250.70	-	250.70
IV Other comprehensive income (net of tax)	-	-	-	(0.24)	966.31	966.07
V Total comprehensive income for the year (III+IV)	-	-	-	250.46	966.31	1,216.77
Transactions with the owners of the Holding Company						
Distributions						
VI Dividend	-	-	-	(248.19)	-	(248.19)
VII Balance as at March 31, 2023 (I+II+V+VI)	394.50	151.27	25.18	3,038.64	1,169.81	4,779.40

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Reserves and Surplus					Equity instruments measured at fair value through other comprehensive income	Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings			
VIII Profit for the year	-	-	-	473.59	-	473.59	
IX Other comprehensive income (net of tax)	-	-	-	(2.46)	352.82	350.36	
X Total comprehensive income for the year (VIII+IX)	-	-	-	471.13	352.82	823.95	
Transactions with the owners of the Holding Company							
Distributions							
XI Dividend	-	-	-	(92.75)	-	(92.75)	
XII Balance as at March 31, 2024 (VII+X+XI)	394.50	151.27	25.18	3,417.02	1,522.63	5,510.60	

The accompanying notes including a summary of material accounting policies and explanatory information form an integral part of these consolidated financial statements.

As per our report of even date.
For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm Registration No. 001076N/N500013

**For and behalf of the Board of Directors of
 Finolex Industries Limited**

Rajni Mundra
 Partner
 Membership No.: 058644
 Place: Mumbai
 Date: May 10, 2024

Prakash P. Chhabria
 Executive Chairman
 DIN: 00016017
 Place: Dubai

Bhumika L. Batra
 Director
 DIN: 03502004
 Place: Mumbai

Ritu P. Chhabria
 Director
 DIN: 00062144
 Place: London

Saumya Chakrabarti
 Director
 DIN: 09594036
 Place: Ratnagiri

Kanchan U. Chitale
 Director
 DIN: 00007267
 Place: Mumbai

Saurabh S. Dhanorkar
 Director
 DIN: 00011322
 Place: Nagpur

Deepak R. Parikh
 Director
 DIN: 06504537
 Place: Florida

Pradeep R. Rathi
 Director
 DIN: 00018577
 Place: Pune

Anami N. Roy
 Director
 DIN: 01361110
 Place: Mumbai

Ajit Venkataraman
 Managing Director
 DIN: 07289950
 Place: Mumbai
 Date: May 10, 2024

Niraj Kedia
 Chief Financial Officer
 Place: Pune

Dakshinamurthy Iyer
 Company Secretary
 M. No.: A13004
 Place: Mumbai

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

1. Corporate information

The consolidated financial statements comprise financial statements of Finolex Industries Limited ('the Holding Company') and its associate, Finolex Plasson Industries Private Limited (the 'associate'), as at and for the year ended March 31, 2024. The Holding Company is domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956 and its equity shares are listed on BSE Limited and The National Stock Exchange of India. Its registered office is situated at Gat No.399, Village Urse, Taluka Maval, District Pune - 410506, Maharashtra, India. The Holding Company is engaged in the business of manufacturing PVC pipes & fittings and PVC resin. The Holding Company has manufacturing facilities in the states of Maharashtra and Gujarat.

The associate is also a company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. The associate is engaged in manufacturing of micro irrigation systems, fittings, accessories and range of irrigation components and offers a wide range of products suitable for different sectors of agricultural activity.

2. Summary of material accounting policies

2.1 Basis of preparation

The consolidated financial statements comprise of the consolidated balance sheet as at March 31, 2024, consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flows and consolidated changes in equity for year ended March 31, 2024 and notes to the consolidated financial statements including material accounting policies and other explanatory information (hereinafter collectively referred to as 'consolidated financial statements'). The consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 (the 'Act') and the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. All amounts included in the consolidated financial statements are reported in Indian Rupees ('INR') in Crore, unless otherwise stated.

The consolidated financial statements were approved and were authorised for issue in accordance with a resolution of the Board of Directors on May 10, 2024.

2.2 Basis of measurement

The consolidated financial statements have been prepared on going concern basis using accrual method of accounting and historical cost convention, except for:

- (i) certain financial assets and financial liabilities that are measured at fair value or amortised cost in accordance with Ind AS.
- (ii) defined benefit plans - plan assets measured at fair value.

2.3 Functional and presentation currency

The consolidated financial statements are presented in INR which is the Holding Company's functional currency.

Amounts in the consolidated financial statements are presented in INR in Crore rounded off to two decimal places as permitted by Schedule III to the Act, unless otherwise stated.

2.4 Current or non-current classification

The Holding Company presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realised within twelve months after the reporting period, or
- d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non - current.

A liability is classified as current when it is:

- a. Expected to be settled in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Due to be settled within twelve months after the reporting period, or

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Holding Company and its associate have identified twelve months as their operating cycle.

2.5 Critical accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying value of assets or liabilities in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Holding Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the consolidated financial statements:

Judgements

Government grant/ subsidy

The Holding Company was entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives, for the period from April 1, 2011 to March 31, 2023. The aforesaid subsidy is in relation to investment in property, plant and equipment at Ratnagiri plant. Accordingly, the same has been classified as grant related to assets and the Holding Company recognises the revenue from grant over the remaining useful life of the property, plant and equipment,

from the date on which the Holding Company is entitled to receive such grants.

Estimates

Defined benefit plan

The cost of defined benefit gratuity plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumption are reviewed at each reporting date.

The most sensitive parameter is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are mainly based on expected future inflation rates for the country.

Property, plant and equipment and intangible assets:

The determination of depreciation and amortisation charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Claims, provisions and contingent liabilities:

The Holding Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the consolidated financial statements.

Fair value measurement of financial instruments:

Some of the Holding Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Holding Company uses market-observable data to the extent it is available. Where Level 1 inputs i.e., market-observable inputs are not available, the Holding Company engages third party valuers, where required, to perform the valuation.

Impairment of financial assets:

The impairment allowance for financial assets are based on assumptions about risk of default and expected cash loss rates. The Holding Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Holding Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Deferred tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

2.6 Investment in associate and principles of consolidation

An associate is an entity over which the Holding Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Holding Company's investments in its associate are accounted for using the equity

method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Holding Company's share of net assets of the associate, since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Holding Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Holding Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Holding Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Holding Company and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Holding Company's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Holding Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Holding Company.

After application of the equity method, the Holding Company determines whether it is necessary to recognise an impairment loss on its investment in the associate. At each reporting date, the Holding Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Holding Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit or loss of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Holding Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

investment and proceeds from disposal is recognised in profit or loss.

Intercompany transactions, balances and unrealized gains on transactions between the Holding Company and associate are eliminated. The Consolidated Financial Statements are prepared using uniform accounting policy for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, have been made in the Consolidated Financial Statements.

Detail of associate considered in the consolidated financial statements:

Name of the associate	Country of incorporation	% holding as at March 31, 2024	% holding as at March 31, 2023
Finolex Plasson Industries Private Limited	India	46.35%	46.35%

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials and traded goods: Purchase cost on a moving average basis and inward transportation. Refundable indirect taxes and discounts are excluded from cost.
- Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sell.

2.8 Fair value measurements

The Holding Company measures financial instruments, such as non-current and current

investments, at fair value, at each balance sheet date.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted market prices, when available, are used as the measure of fair value. In cases where quoted market prices are not available, fair values are determined using present value estimates or other valuation techniques which maximise the use of relevant observable inputs and minimize the use of unobservable inputs, for example, the present value of estimated expected future cash flows using discount rates commensurate with the risks involved. Fair value estimation techniques normally incorporate assumptions that market participants would use in their estimates of values, future revenues, and future expenses, including assumptions about interest rates, default, prepayment and volatility. Because assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated by comparison to independent market quotes and, in many cases, the estimated fair values would not necessarily be realised in an immediate sale or settlement of the instrument.

The financial instruments carried at fair value are categorized under the three levels of the Ind AS fair value hierarchy as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Holding Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). These inputs reflect the Holding Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

the Holding Company's own data. The Holding Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Holding Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Holding Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.9 Property, plant and equipment ('PPE')

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work-in-progress comprises cost of property, plant and equipment that are not yet installed and not ready for their intended use at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under 'Other non-current assets'.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Holding Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of the day-to-day servicing of property, plant and equipment are recognised in the consolidated statement of profit and loss as incurred.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised on net basis within other income/other expenses in the consolidated statement of profit and loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Act or technical evaluation, which are as follows:

Asset	Useful life (in years)
Plant and equipment (including moulds and dies)	3 to 25
Buildings	5 to 60
Factory building	30
Furniture and fixtures	10
Office equipment	5
Vehicles	8 to 13

In the case of Captive Power Plant, the management, based on a technical evaluation, has estimated the life of asset to be 25 years which is lower than the life prescribed in Schedule II. Also, in case of moulds and water works, management has estimated a lower life than prescribed in Schedule – II based on technical evaluation.

The management undertakes a review of the residual values, useful lives and methods of depreciation of property, plant and equipment at the end of each reporting period and any adjustments to useful lives is accounted for prospectively as a change in accounting estimate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

2.10 Intangible assets and amortisation

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Holding Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Holding Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Holding Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Intangible assets developed or acquired with finite useful life are amortized on straight line basis over the useful life as specified below:

Asset	Useful life (in years)
Computer Software and Licenses	3 to 6

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.11 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer based on delivery terms i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The Holding Company is generally the principal as it typically controls the goods or services before transferring them to the customer. A receivable is recognised by the Holding Company when the control is transferred as this is the case of

point in time recognition where consideration is unconditional because only the passage of time is required. No significant element of financing is deemed present as the sales are either made with a nil credit term or with a credit period of up to 60 days. The management has ascertained that the credit period is as per normal industry practices and is not intended to finance the customers.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when the significant control of the goods have passed to the buyer, usually when goods are dispatched or on delivery, as per the terms of sale. Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Holding Company as part of the contract.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

The Holding Company presents interest income on financial assets at fair value through profit or Loss separately from fair value changes on such financial assets.

Dividends

Revenue is recognised when the Holding Company's right to receive the payment is established, which is in the year when shareholders approve the dividend.

2.12 Foreign currency transactions:

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Holding Company operates (functional currency). The consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

are presented in INR, which is also the Holding Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

2.13 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an item of expense, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by government or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

2.14 Taxes

Tax comprises current and deferred tax. Income-tax expense is recognised in the consolidated statement of profit and loss except to the extent it relates to items directly recognised in equity or in OCI. The income-tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable

income-tax rate under the Income-tax Act, 1961 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. In which case, the tax is also recognised in other comprehensive income or equity.

Current income-tax

Current income-tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.15 Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

A lessee is required to recognise assets and liabilities for all leases with a term that is greater than twelve months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the consolidated statement of profit and loss.

Initial measurement

Right-of-use assets

At the commencement date, the Holding Company measures the right-of-use assets at cost. The cost of the right-of-use assets comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs

the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Lease liabilities

At the commencement date, the Holding Company measures the lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Holding Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Holding Company under residual value guarantees;
- the exercise price of a purchase option if the Holding Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent measurement

Right-of-use assets

Subsequently the Holding Company measures the right-of-use assets at cost less any accumulated depreciation and any accumulated impairment losses.

Lease liabilities

Subsequently the Holding Company measures the lease liabilities by:

- increasing the carrying amount to reflect interest on the lease liability at the interest rate implicit in the lease, if that rate can be readily determined or the Holding Company's incremental borrowing rate.

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- reducing the carrying amount to reflect the lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease liabilities and right-of-use assets have been separately presented in the consolidated balance sheet and lease payments have been classified as financing cash flows.

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.16.1 Financial assets

Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not classified as fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are recognised in the consolidated balance sheet when the Holding Company becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised using trade date or settlement date accounting.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- At amortised cost
- At fair value through other comprehensive income ('FVOCI')
- At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is

to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR method. The EIR amortisation is included in finance expense/other income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss.

This category generally applies to trade receivables, loans, certain investments, security and other deposits, and other financial assets held by the Holding Company.

(b) Financial assets classified as measured at FVOCI

A financial asset shall be measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets, until they are derecognised or reclassified, are subsequently measured at fair value with unrealised gains or losses recognised in OCI except for interest income, impairment gains or losses and foreign exchange gains and losses which are recognised in the consolidated statement of profit and loss.

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On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to consolidated statement of profit and loss.

(c) Financial assets classified as measured at FVTPL

A financial asset is to be measured at FVTPL, unless it is measured at amortised cost or at FVOCI. The Holding Company classifies all equity or puttable financial instruments held for trading as measured at FVTPL. Such instruments are measured at fair value at initial recognition as well as at each reporting date. The fair value changes are recognised in the consolidated statement of profit and loss. Further, the Holding Company may make an irrevocable election to designate a financial asset as FVTPL, at initial recognition, to reduce or eliminate a measurement or recognition inconsistency.

De-recognition

The Holding Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Holding Company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset

Impairment of financial assets

The Holding Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets measured at amortised cost
- Financial assets measured at FVOCI, except investments in equity instruments designated as such by the Holding Company.
- Trade receivables

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

For recognition of impairment loss on other financial assets and risk exposure, the Holding Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Reclassification of financial assets

The Holding Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Holding Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Holding Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Holding Company either begins or ceases to perform an activity that is significant to its operations. If the Holding Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Holding Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.16.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case of financial liabilities not classified as measured at FVTPL, transaction costs that are attributable to the issue of the financial liability. Financial liabilities are recognised in the consolidated balance sheet when the Holding Company becomes a party to the contractual provisions of the instrument.

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(d) Financial liabilities classified as measured at FVTPL

Financial liabilities classified as measured at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Holding Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss. Financial liabilities designated as such upon initial recognition at the initial date of recognition, if the criteria in Ind AS 109, 'Financial Instruments' are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the consolidated statement of profit and loss. However, the Holding Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liabilities are recognised in the consolidated statement of profit and loss.

The Holding Company has not designated any financial liability measured at FVTPL.

(e) Financial liabilities classified as measured at amortised cost

This is the most relevant category to the Holding Company. The Holding Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.17 Impairment of non-financial assets

The Holding Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Holding Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with banks and short-term deposits with a maturity of three months or

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less, which are subject to an insignificant risk of changes in value.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.19 Provisions and contingent liabilities

A provision is recognised when the Holding Company has a present obligation as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in case:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- present obligation arising from past events, when no reliable estimate is possible; or
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each consolidated balance sheet date.

2.20 Provisions for employment benefits

Defined contribution plans

Under defined contribution plan, the Holding Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Holding Company has the following defined contribution plans: state governed provident fund scheme and employee state insurance scheme. The contributions paid and payable under the scheme are recognised in the period when the employee renders the related service.

Defined benefit plans

The employees' gratuity fund scheme managed by the Life Insurance Corporation of India is

the Holding Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expenses on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Holding Company recognises the following changes in the net defined benefit obligation under 'employee benefit expenses' in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

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Provision for compensated absences

Provision for short-term compensated absences is recognised for accumulated leaves that are expected to be utilised within a period of twelve months from the balance sheet date. Long term compensated absences are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each reporting date.

2.21 Earnings per equity share

Basic earnings per equity share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.22 Dividend to equity holders of the Holding Company

Dividends paid (including income-tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decision.

Segment accounting policies are in line with the accounting policies of the Holding Company.

2.24 Recent accounting pronouncements

The Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Holding Company.

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Note 3.1 : Property, plant and equipment

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying value								
Balance as at April 1, 2022	109.05	0.58	281.39	2,029.98	6.40	12.54	5.04	2,444.98
Additions during the year	3.38	-	5.66	122.71	0.20	1.73	1.26	134.94
Deletions/ adjustment during the year	-	(0.58)	-	(0.08)	(0.14)	(2.88)	(0.05)	(3.73)
Balance as at March 31, 2023	112.43	-	287.05	2,152.61	6.46	11.39	6.25	2,576.19
Additions during the year	5.17	-	13.97	97.70	0.59	0.74	1.13	119.30
Deletions/ adjustment during the year	-	-	-	(3.03)	(0.23)	(0.16)	(0.06)	(3.48)
Assets classified as held for sale (refer note 3.5)	-	-	(2.72)	(1.68)	(2.71)	-	(0.13)	(7.24)
Balance as at March 31, 2024	117.60	-	298.30	2,245.60	4.11	11.97	7.19	2,684.77
Accumulated depreciation								
Balance as at April 1, 2022	-	0.20	107.45	1,331.11	4.92	5.97	3.01	1,452.66
Depreciation for the year	-	-	9.11	76.57	0.29	0.98	1.23	88.18
Deletions during the year	-	(0.20)	-	(0.06)	(0.09)	(1.83)	(0.04)	(2.22)
Balance as at March 31, 2023	-	-	116.56	1,407.62	5.12	5.12	4.20	1,538.62
Depreciation for the year	-	-	14.28	95.80	0.29	1.00	0.90	112.27
Deletions during the year	-	-	-	(2.30)	(0.21)	(0.07)	(0.05)	(2.63)
Assets classified as held for sale (refer note 3.5)	-	-	(0.51)	(1.40)	(2.54)	-	(0.12)	(4.57)
Balance as at March 31, 2024	-	-	130.33	1,499.72	2.66	6.05	4.93	1,643.69
Net block as at March 31, 2024	117.60	-	167.97	745.88	1.45	5.92	2.26	1,041.08
Net block as at March 31, 2023	112.43	-	170.49	744.99	1.34	6.27	2.05	1,037.57

Notes:

1. Change in estimates

During the current year, consequent to the technical evaluation of the remaining useful life of the existing property, plant and equipment of the Holding Company, in case of certain items, the management has revised its estimates of useful life and has computed depreciation accordingly. However, this change has not resulted in any significant impact on the depreciation expense of the current year and is also not expected to have any material impact in the future periods.

2. Property, plant and equipment pledged as security :

There is no charge on property, plant and equipment as at March 31, 2024 and as at March 31, 2023.

3. Benami properties:

No proceedings have been initiated or pending against the Holding Company and its associate for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

5. Capital commitments:

Refer Note 38.1 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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Note 3.2 : Right-of-use asset

Particulars	Leasehold land and buildings
Gross carrying value	
Balance as at April 1, 2022	-
Additions during the year	17.02
Transfer during the year	0.58
Balance as at March 31, 2023	17.60
Additions during the year	-
Deletions during the year	-
Assets classified as held for sale (refer note 3.5)	(0.34)
Balance as at March 31, 2024	17.26
Accumulated depreciation	
Balance as at April 1, 2022	-
Depreciation during the year	0.59
Transfer during the year	0.20
Balance as at March 31, 2023	0.79
Depreciation during the year	3.42
Deletions during the year	-
Assets classified as held for sale (refer note 3.5)	(0.13)
Balance as at March 31, 2024	4.09
Net block as at March 31, 2024	13.17
Net block as at March 31, 2023	16.81

Refer note 44 for disclosure on leases.

Note 3.3 : Capital work-in-progress

Particulars	Capital work-in-progress
Balance as at April 1, 2022	9.46
Additions during the year	124.51
Capitalised during the year	(90.15)
Balance as at March 31, 2023	43.82
Additions during the year	10.12
Capitalised during the year	(35.07)
Balance as at March 31, 2024	18.87

Notes:

- Capital work-in-progress ('CWIP') comprises cost of property, plant and equipment that are not yet installed or ready for their intended use at the balance sheet date.
- The Holding Company does not have any projects which are overdue or exceeded their respective cost in comparison to its original plan.
- There are no projects which have been temporarily suspended.

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CWIP ageing schedule as at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.90	14.95	-	0.02	18.87

CWIP ageing schedule as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	38.09	0.15	5.58	-	43.82

Note 3.4 : Intangible assets

Particulars	Computer softwares
Gross carrying value	
Balance as at April 1, 2022	6.42
Additions during the year	0.34
Deletions during the year	(0.45)
Balance as at March 31, 2023	6.31
Additions during the year	0.66
Deletions during the year	(0.01)
Balance as at March 31, 2024	6.96
Accumulated amortisation	
Balance as at April 1, 2022	5.52
Amortisation for the year	0.43
Deletions during the year	(0.43)
Balance as at March 31, 2023	5.52
Amortisation for the year	0.33
Deletions during the year	(0.01)
Balance as at March 31, 2024	5.84
Net block as at March 31, 2024	1.12
Net block as at March 31, 2023	0.79

Notes:

There are no intangible assets under development as at March 31, 2024 and as at March 31, 2023.

Note 3.5 : Assets classified as held for sale

The net carrying values of assets classified as held for sale are as follows:

Particulars	March 31, 2024	March 31, 2023
Buildings	2.21	-
Plant and equipment	0.28	-
Furniture and fixtures	0.17	-
Office equipment	0.01	-
Leasehold land	0.21	-
Total	2.88	-

The Holding Company has classified leasehold rights on land, admeasuring approximately 25.27 acres situated at Chinchwad, Pune, along with structures thereon as 'assets classified as held for sale' as at March 31, 2024 and such assets have been measured at lower of their carrying value and fair value less costs to sell.

Subsequently, on April 2, 2024, the Holding Company consummated the transaction and has recorded net gain of approximately ₹ 417.00 crore on such transfer.

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4 Investments : Non-current

Particulars	Face value* ₹	No of shares/ units as at *		Balance as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Quoted					
Investments in equity shares (fully paid up)					
Investments designated at FVOCI					
Finolex Cables Limited	2	2,21,87,075	2,21,87,075	2,220.93	1,802.92
Investments designated at FVTPL					
GOCL Corporation Limited	2	4,950	4,950	0.22	0.15
Gulf Oil Lubricants India Limited	2	4,950	4,950	0.47	0.20
Gold Crest Corporation Limited	10	-	12,400	-	0.25
Unquoted					
Investments designated at FVOCI					
Finolex Infrastructure Private Limited	10	53,84,686	53,73,938	12.45	12.38
Investments designated at FVTPL					
The Saraswat Co-operative Bank Limited #	10	-	1,000	-	- #
Investments measured at cost					
Associate Companies**					
Pawas Port Limited	10	49,994	49,994	0.05	0.05
Investments measured at amortised cost					
Hinduja Renewables One Private Limited	10	31,36,537	-	0.29	-
Investment in fixed deposits classified at cost (Unquoted)					
Bajaj Finance Limited	-	-	-	64.12	-
Investments in bonds measured at amortised cost (Quoted)					
Perpetual bonds					
8.50% SBI Perpetual Bond	10,00,000	250	250	25.87	26.04
7.74% SBI Perpetual Bond	10,00,000	200	200	20.98	21.06
8.75% SBI Perpetual Bond	10,00,000	100	100	10.57	10.70
8.99% Bank of Baroda Perpetual Bond	10,00,000	550	250	56.54	25.77
8.25% Bank of Baroda Perpetual Bond	10,00,000	200	200	21.17	21.18
9.56% SBI Perpetual Bond	10,00,000	-	500	-	52.32
9.37% SBI Perpetual Bond	10,00,000	-	69	-	7.22
9.15% ICICI Bank Perpetual Bond	10,00,000	-	200	-	21.50
9.90% ICICI Bank Perpetual Bond	10,00,000	-	70	-	7.24
Secured non-convertible debentures					
8.05% HDB Financial Services Limited	10,00,000	-	200	-	21.01
7.905% Tata Capital Financial Services Limited	1,00,000	1500	-	15.70	-
Unsecured non-convertible debentures					
7.99% State Bank of India	10,00,000	300	-	31.73	-
Zero coupon bonds					
0% HDB Financial Services Limited 07 July 2025	10,00,000	350	-	39.68	-

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Particulars	Face value* ₹	No of shares/ units as at *		Balance as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
0% HDB Financial Services Limited 13 January 2026	10,00,000	200	-	22.39	-
Tax free bonds					
7.07% Indian Railway Finance Corporation	1,000	-	60,000	-	6.61
7.19% Indian Railway Finance Corporation	10,00,000	-	50	-	5.54
7.17% Rural Electrification Corporation Limited	10,00,000	-	100	-	5.67
7.15% National Thermal Power Corporation Limited	10,00,000	-	50	-	10.87
7.07% Housing and Urban Development Corporation	10,00,000	-	100	-	10.80
Total				2,543.16	2,069.48

*Number of shares/bonds and face value are in full figures

Amount is below the rounding off norm adopted by the Holding Company.

** The Holding Company does not consolidate its 49.99% equity stake (corresponding investment amounting ₹ 0.05 crore as at March 31, 2024 and March 31, 2023) in Pawas Port Limited since the associate has not commenced operations and the same is not material to the Holding Company.

4.1 Investments accounted for using equity method

Particulars	No of shares		Value of investments	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Associate company				
Equity shares of ₹ 10 each in				
a) Finolex Plasson Industries Private Limited	46,35,000	46,35,000	110.28	91.86
Dividend received			(1.16)	(0.46)
Share in profit			38.22	24.26
Share in tax expenses			(9.68)	(5.40)
Share in OCI			(0.03)	0.02
Total value of investment in associate			137.63	110.28

Particulars	March 31, 2024	March 31, 2023
Aggregate cost of quoted investments	344.48	359.70
Aggregate value of unquoted investments	76.91	12.43
Aggregate market value of quoted investments	2,466.25	2,057.05
Aggregate amount of impairment	-	-

Fair value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 39 and fair value hierarchy disclosures for investment are stated in Note 39.

Risk management strategy

Refer Note 40 on financial risk management objectives and policies for financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

5 Non-current loans

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Loans to employees	0.02	0.03
Total	0.02	0.03

There are no loans having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2024 (Nil as at March 31, 2023)

Refer note 39 for classification of financial instruments by category and into fair value level of hierarchy.

There are no loans due by directors or other officers of the Holding Company and its associate or any of them, either severally or jointly with any other persons, or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

The Holding Company and its associate have not granted any loans to promoters, directors, KMPs and the related parties (as defined under the Act), either severally or jointly with any other person, that are:

- repayable on demand; or
- without specifying any terms or period of repayment

6 Other non-current financial assets

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Claims receivable (refer note 20)	26.45	28.82
Security deposits	13.20	13.01
Total	39.65	41.83

Refer note 39 for classification of financial instruments by category and into fair value level of hierarchy.

7 Other non-current assets

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Capital advances	3.35	12.91
Advances other than capital advances:		
Prepaid expenses	4.09	1.54
Balances with government authorities	31.98	33.12
Total	39.42	47.57

There are no advances to directors or other officers of the Holding Company and its associate, or any of them either severally or jointly with any other persons, or advances to firms or private companies respectively in which any director is a partner or a director or a member.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

8 Inventories

Particulars	March 31, 2024	March 31, 2023
Raw materials (refer note a below)	317.38	294.68
Work-in-progress	64.19	79.93
Finished goods (refer note b below)	267.75	215.43
Stock-in-trade	4.83	1.41
Stores and spares	66.96	74.85
Packing material	6.92	6.85
Total	728.03	673.15

- a) Raw materials include goods in transit of ₹ 9.75 crores (March 31, 2023: ₹ 32.84 crores)
- b) Write-down of inventories to net realisable value (net of reversal) amounts to ₹ 0.33 crores (March 31, 2023 ₹ 3.55 crores).
- c) There is no hypothecation on inventories.
- d) Refer Note 2.7 for basis of valuation of inventories.

9 Investments: Current

Particulars	Face value* ₹	No of shares/ units as at *		Balance as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investment in mutual funds classified as FVTPL (Quoted)					
Axis Treasury Advantage Fund Direct Growth	1,000	2,60,340	2,97,631	76.50	81.26
Axis Ultra Short Term Fund Direct Growth	10	-	4,80,10,122	-	63.34
Axis Corporate Debt Fund Direct Growth	10	4,75,91,648	4,75,91,648	76.97	71.26
DSP Low Duration Fund - Direct Plan - Growth		7,32,10,446	-	136.24	-
ICICI Prudential Savings Fund Direct Plan Growth	100	-	14,11,975	-	65.32
ICICI Prudential Corporate Bond Fund Direct Plan Growth	10	1,82,12,074	1,29,44,962	51.26	33.69
ICICI Prudential Nifty Pse Bond Plus SDL - September 2027 Maturity 60.: 40 Index Fund Direct Growth	10	9,94,60,957	9,94,60,957	111.64	104.15
ICICI Prudential Equity Arbitrage Fund Direct Plan Growth	10	1,48,40,037	-	49.69	-
Bandhan Money Market Fund - Growth - Direct Plan		1,38,30,530	-	54.85	-
Nippon India Floating Rate Fund Growth	10	94,08,965	1,43,55,726	40.19	56.73
Nippon India Arbitrage Fund Direct Growth	10	2,01,80,283	2,01,80,283	52.74	48.71
Nippon India Low Duration Fund Direct Growth	1,000	-	1,29,998	-	43.42
Nippon India Nifty AAA CPSE Bond Plus SDL - April 2027 Maturity 60.: 40 Index Fund Growth	10	5,70,20,207	5,70,20,207	63.04	58.75
Nippon India Corporate Bond Fund Direct Growth	10	63,89,702	63,89,702	36.04	33.30
Nippon India Money Market Fund Growth	1,000	92,893	-	35.50	-

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as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Face value* ₹	No of shares/ units as at *		Balance as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
SBI Saving Fund Direct - Growth	10	-	1,49,40,990	-	56.14
SBI CPSE Bond Plus SDL September 2026 50:50 Index Fund - Growth	10	8,80,58,640	8,80,58,640	98.34	91.72
Kotak Corporate Bond Fund Direct Plan Growth	-	89,838	-	31.76	-
Kotak Equity Arbitrage Direct Growth	10	1,44,56,510	-	52.60	-
Kotak Money Market Growth Direct Plan	1,000	-	13,64,932	-	52.25
Kotak Low Duration Fund Direct Growth	1,000	1,19,518	15,56,832	39.40	47.65
Kotak Nifty SDL April 2027 Top 12 Equal Weight Index Fund Direct Plan Growth	10	6,55,27,599	6,55,27,599	72.77	67.94
Kotak Bond Fund Direct Plan Growth	1,000	-	89,838	-	29.43
Tata Money Market Fund Direct Growth	1,000	2,63,503	1,64,186	115.02	80.46
Tata Treasury Advantage Fund Direct Plan Growth	1,000	-	1,97,343	-	67.41
Tata Ultra Short Term Fund Direct Plan Growth	10	89,41,098	4,63,82,545	12.10	58.36
Tata Arbitrage Fund Direct Growth	10	30,53,749	-	4.19	-
Aditya Birla Sun Life Money Manager Direct Plan Growth	100	23,91,558	18,75,196	81.50	59.29
Aditya Birla Sun Life Saving Fund Growth	100	-	9,04,078	-	42.52
Aditya Birla Sun Life Low Duration Fund Growth Direct	100	5,42,635	5,42,635	35.77	33.18
Aditya Birla Sun Life Corporate Bond Fund Growth Direct	10	16,24,820	16,24,820	16.78	15.53
Aditya Birla Sun Life Nifty SDL Plus PSU Bond September 2026 60:40 Index Direct Fund Growth	10	5,08,53,684	5,08,53,684	57.20	53.34
HDFC Low Duration Fund Direct Growth	10	1,16,85,180	51,25,144	66.24	26.92
HDFC Liquid Fund Direct Growth	1,000	-	24,159	-	10.69
HDFC Ultra Short Term Fund Direct Growth	10	-	2,86,84,367	-	37.59
HDFC Money Market Fund Direct Growth	1,000	-	22,417	-	11.03
HSBC CRISIL IBX 50.50 Gilt Plus SDL April 2028 Index Fund Growth	10	7,48,55,836	7,48,55,836	84.01	78.15
HSBC Ultra Short Duration Fund - Direct Growth		4,40,713	-	55.11	-
UTI Banking and PSU Fund Direct Growth	10	27,58,620	27,58,620	5.56	5.18
UTI Liquid Fund Direct Growth	1,000	3,715	4,324	1.47	1.60
Investment in fixed deposits classified at cost (Unquoted)					
LIC Housing Finance Limited				-	42.41
Bajaj Finance Limited				116.39	85.08
Investment in commercial papers classified at cost (Quoted)					
Aditya Birla Finance Limited	5,00,000	1,000	400	48.19	19.25

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(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Face value* ₹	No of shares/ units as at *		Balance as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investments measured at amortised cost -					
Bonds (Quoted)					
5.75% India Infradebt Limited 15 September 2023	10,00,000	-	200	-	20.59
8.01% Rural Electrification Corporation Limited 24 September 2023	1,000	-	75,000	-	7.84
8.23% Indian Railway Finance Corporation 18 February 2024	1,000	-	1,00,000	-	11.10
8.05% HDB Financial Services Limited 28 August 2024	10,00,000	200	-	20.97	-
6.30% HDB Financial Services Limited 17 March 2025	10,00,000	400	-	39.45	-
5.65% Bajaj Finance May 10, 2024	10,00,000	250	-	26.20	-
6.70% Tata Capital Limited 28 March 2025	10,00,000	400	-	39.47	-
				1,905.15	1,772.58

Particulars	March 31, 2024	March 31, 2023
Aggregate cost of quoted investments	1,688.08	1,611.77
Aggregate market value of quoted investments	1,788.76	1,645.09
Aggregate value of unquoted investments	116.39	127.49
Aggregate amount of impairment	-	-

* Number of units and face value are in full figures

Fair value disclosures

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment are stated in Note 39.

Risk management strategy

Refer Note 40 on financial risk management objectives and policies for financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

10 Trade receivables

Particulars	March 31, 2024	March 31, 2023
Secured, considered good	1.40	1.40
Unsecured, considered good	456.23	296.14
Total	457.63	297.54

Trade receivables ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	451.17	5.04	0.02	-	-	-	456.23
Disputed, considered good	-	-	-	-	-	1.40	1.40
	451.17	5.04	0.02	-	-	1.40	457.63

Trade receivables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	280.34	15.80	-	-	-	-	296.14
Disputed, considered good	-	-	-	-	-	1.40	1.40
	280.34	15.80	-	-	-	1.40	297.54

There are no trade receivables having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2024 and as at March 31, 2023.

There are no dues from private companies in which director of the Holding Company and its associate, is a director or a member.

Refer note 39 for classification of financial instruments by category and into levels of fair value hierarchy.

Refer note 40 for credit risk of trade receivables.

The Holding Company's trade receivables consist of receivables from dealers and customers against sales of pipes and fittings and PVC resin. Trade receivables are mostly on terms of advance payment and in certain cases credit period is generally up to 60 days. The Holding Company also charges interest @ 18% per annum (p.a.) in case of delay in collection of trade receivables.

The trade receivables are free from hypothecation.

There are no unbilled receivables as at March 31, 2024 and as at March 31, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

11.1 Cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Balances with banks:		
In current accounts	2.06	8.45
Cash on hand	0.09	0.11
Total	2.15	8.56

11.2 Bank balances other than cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Unpaid dividend accounts*	29.24	33.95
Deposits with original maturity more than 3 months but less than 12 months	0.26	18.83
Total	29.50	52.78

* Not due for deposit in Investor Education and Protection Fund.

Refer note 39 for classification of financial instruments by category and into fair value level of hierarchy

12 Current loans

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Loans to employees	0.31	0.45
Loans to vendors	16.52	22.68
Total	16.83	23.13

There are no loans having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2024 and as at March 31, 2023.

Refer note 39 for classification of financial instruments by category and into levels of fair value hierarchy.

There are no loans due by directors or other officers of the Holding Company and its associate or any of them, either severally or jointly with any other persons, or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

The Holding Company has not granted any loans to promoters, directors, KMPs and the related parties (as defined under the Act), either severally or jointly with any other person, that are:

- repayable on demand; or
- without specifying any terms or period of repayment

Disclosure pursuant to section 186(4) of the Act

During the year ended March 31, 2023, the Holding Company had granted unsecured loans to unrelated parties, towards expansion of their production capacity. These loans are repayable on demand. Further, no loans have been granted during the year. The outstanding balance as at March 31, 2024 is ₹ 16.52 crore (March 31, 2023 ₹ 22.68 crore).

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(All amounts in ₹ Crore, unless otherwise stated)

13 Other current financial assets

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Security deposits	0.49	0.49
Other receivables	1.21	2.23
Total	1.70	2.72

Refer note 39 for classification of financial instruments by category and into fair value level of hierarchy

14 Other current assets

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Advances to vendors	35.75	51.21
Prepaid expenses	19.15	7.20
Balance with government authorities	3.50	3.50
Total	58.40	61.91

There are no advances to directors or other officers of the Holding Company and its associate or any of them, either severally or jointly with any other persons, or advances to firms or private companies respectively in which any director is a partner or a director or a member.

15 Equity share capital

Particulars	March 31, 2024		March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised equity share capital				
Equity shares of ₹ 2 each	75,00,00,000	150.00	75,00,00,000	150.00
Unclassified share capital (shares of ₹ 10 each)	8,50,00,000	85.00	8,50,00,000	85.00
Total authorised share capital	83,50,00,000	235.00	83,50,00,000	235.00
Issued, subscribed and fully paid up equity share capital of face value of ₹ 2 each	61,83,13,905	123.67	61,83,13,905	123.67

Reconciliation of number of equity shares and amount outstanding:

Particulars	March 31, 2024		March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	61,83,13,905	123.67	62,04,76,905	124.10
Cost of investment adjustment due to Welfare Trust consolidation	-	-	(21,63,000)	(0.43)
Shares outstanding at the end of the year	61,83,13,905	123.67	61,83,13,905	123.67

Number of shares held by each shareholder holding more than 5 percent of the equity shares of the Holding Company are as follows:

Name of Shareholder	March 31, 2024		March 31, 2023	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Finolex Cables Limited	20,09,62,985	32.39%	20,09,62,985	32.39%
Orbit Electricals Private Limited	11,66,54,505	18.80%	11,66,54,505	18.80%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Number of shares held by the promoters at the reporting dates and % change during the year ended March 31, 2024 are as follows :

Name of the promoter	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Finolex Cables Limited	20,09,62,985	32.39%	20,09,62,985	32.39%	0.00%
Orbit Electricals Private Limited	11,66,54,505	18.80%	11,66,54,505	18.80%	0.00%
Vijay Kishandas Chhabria	21,51,420	0.35%	21,51,420	0.35%	0.00%
Katara Aruna Mukesh	12,88,895	0.21%	12,88,895	0.21%	0.00%
Katara Dental Private Limited	10,69,750	0.17%	10,69,750	0.17%	0.00%
Prakash Pralhad Chhabria	8,53,745	0.14%	8,53,745	0.14%	0.00%
Kavita Sanjay Raheja	4,64,395	0.07%	4,64,395	0.07%	0.00%
Deepak Kishan Chhabria	4,04,605	0.07%	4,04,605	0.07%	0.00%
Gayatri Prakash Chhabria	3,74,125	0.06%	3,74,125	0.06%	0.00%
Hansika Hiya Prakash Chhabria	3,34,875	0.05%	3,34,875	0.05%	0.00%
Priya Vijay Chhabria	3,01,000	0.05%	3,01,000	0.05%	0.00%
Katara Amrita Mukesh	2,10,375	0.03%	2,10,375	0.03%	0.00%
Katara Amit Mukesh	2,03,160	0.03%	2,03,160	0.03%	0.00%
Vini Deepak Chhabria	1,32,000	0.02%	1,32,000	0.02%	0.00%
Katara Mukesh Dolumal	1,15,150	0.02%	1,15,150	0.02%	0.00%
Ritu Prakash Chhabria	22,250	# 0.00%	22,250	# 0.00%	0.00%
Katara Mukesh Dolumal HUF	17,500	# 0.00%	17,500	# 0.00%	0.00%
Rishi Vijay Chhabria	6,750	# 0.00%	6,750	# 0.00%	0.00%
Kishandas Parashram Chhabria	1,000	# 0.00%	1,000	# 0.00%	0.00%

Number of shares held by the promoters at the reporting dates and % change during the year ended March 31, 2023 are as follows :

Name of the promoter	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Finolex Cables Limited	20,09,62,985	32.39%	20,09,62,985	32.39%	0.00%
Orbit Electricals Private Limited	11,66,54,505	18.80%	11,66,54,505	18.80%	0.00%
Vijay Kishandas Chhabria	21,51,420	0.35%	21,51,420	0.35%	0.00%
Katara Aruna Mukesh	12,88,895	0.21%	12,88,895	0.21%	0.00%
Katara Dental Private Limited	10,69,750	0.17%	10,69,750	0.17%	0.00%
Prakash Pralhad Chhabria	8,53,745	0.14%	8,53,745	0.14%	0.00%
Kavita Sanjay Raheja	4,64,395	0.07%	4,64,395	0.07%	0.00%
Deepak Kishan Chhabria	4,04,605	0.07%	4,04,605	0.07%	0.00%
Gayatri Prakash Chhabria	3,74,125	0.06%	3,74,125	0.06%	0.00%
Hansika Hiya Prakash Chhabria	3,34,875	0.05%	3,34,875	0.05%	0.00%

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(All amounts in ₹ Crore, unless otherwise stated)

Name of the promoter	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Priya Vijay Chhabria	3,01,000	0.05%	3,01,000	0.05%	0.00%
Katara Amrita Mukesh	2,10,375	0.03%	2,10,375	0.03%	0.00%
Katara Amit Mukesh	2,03,160	0.03%	2,03,160	0.03%	0.00%
Vini Deepak Chhabria	1,32,000	0.02%	1,32,000	0.02%	0.00%
Katara Mukesh Dolumal	1,15,150	0.02%	1,15,150	0.02%	0.00%
Ritu Prakash Chhabria	22,250	# 0.00%	22,250	# 0.00%	0.00%
Katara Mukesh Dolumal HUF	17,500	# 0.00%	17,500	# 0.00%	0.00%
Rishi Vijay Chhabria	6,750	# 0.00%	6,750	# 0.00%	0.00%
Kishandas Parashram Chhabria	1,000	# 0.00%	1,000	# 0.00%	0.00%

Rounded off to 0.00%

i) The Holding Company has not issued any bonus shares, neither the Holding Company has bought back any of its shares, nor any shares have been issued pursuant to contract without payment being received in cash during the five years immediately preceding the balance sheet date.

ii) The Holding Company has only one class of equity shares having a par value of ₹ 2 each. Each equity shareholder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) The Board of Directors of the Holding Company have recommended final dividend of ₹ 2.50 (125%) per equity share of ₹ 2 each for the year ended March 31, 2024. The dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Holding Company.

16 Other equity

Particulars	March 31, 2024	March 31, 2023
Reserves and surplus		
Securities premium	151.27	151.27
Capital redemption reserve	25.18	25.18
General reserve	394.50	394.50
Retained earnings	3,417.02	3,038.64
Equity instruments through other comprehensive income	1,522.63	1,169.81
Total	5,510.59	4,779.39

Nature and purpose of reserves

1. Capital redemption reserve

Capital redemption reserve is created by transferring an amount from retained earnings pursuant to buy back of equity shares, and represents nominal value of shares brought back. The reserve will be utilised in accordance with the provisions of the Act.

2. General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve does not include a component of OCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

3. Securities premium

Amount received (on issue of shares) in excess of the par value has been classified as securities premium. The reserve will be utilised in accordance with the provisions of the Act.

4. Retained earnings

Retained earnings are the profits that the Holding Company has earned along with share of profit of its associate till date, less any transfers to general reserve, capital redemption reserve, dividends or other distributions paid to shareholders.

5. Equity instruments through OCI

Equity instruments through OCI represents unrealised fair value gain(or) loss in investments measured at FVOCI.

17 Lease liabilities

Particulars	March 31, 2024	March 31, 2023
Non-current		
Leased buildings and premises	9.54	12.21
Total	9.54	12.21
Current		
Leased buildings and premises	2.46	2.10
Total	2.46	2.10

18 Other financial liabilities

Non-current

Particulars	March 31, 2024	March 31, 2023
Security deposits	0.13	0.13
Dealer deposits	0.07	0.07
Total	0.20	0.20

Refer note 39 for classification of financial instruments by category and into fair value level of hierarchy.

Current

Particulars	March 31, 2024	March 31, 2023
Interest accrued but not due	2.96	2.16
Employee benefits payable	26.12	32.14
Payables for expenses	277.20	172.12
Payables for capital purchases	8.17	9.08
Unpaid dividend*	29.24	33.96
Total	343.69	249.46

* Not due for transfer to Investor Education and Protection Fund.

Refer Note 40 for discussion on the Holding Company's financial risk management policies and procedures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19 Provisions

Non-current

Particulars	March 31, 2024	March 31, 2023
Provision for employee benefits		
Gratuity (refer note 36)	7.85	4.53
Compensated absences (refer note 36)	15.45	13.59
Total	23.30	18.12

Current

Particulars	March 31, 2024	March 31, 2023
Provision for employee benefits		
Gratuity (refer note 36)	2.00	2.00
Compensated absences (refer note 36)	2.47	2.46
Total	4.47	4.46

20 Government grants

Non-current

Particulars	March 31, 2024	March 31, 2023
Non-current	53.60	66.21
Current	12.62	12.62
Total	66.22	78.83

- a) The Holding Company was entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives in relation to investments in property, plant and equipment at Ratnagiri plant. Accordingly, the same has been classified as grant related to assets and the Holding Company recognises the revenue from grants over the remaining useful life of the respective property, plant and equipment, from the date on which the Holding Company is entitled to receive such grants.

Liability movement

Particulars	March 31, 2024	March 31, 2023
As at the beginning of the year	78.83	77.78
Recognised during the year	-	13.67
Recognised in the statement of profit and loss	(12.62)	(12.62)
As at the end of the year	66.22	78.83

- b) The Holding Company has received the eligibility certificate for the Industrial Promotion Subsidy under the package incentive scheme as mentioned above. The government grant accrued during the current year amounts to nil (March 31, 2023: ₹ 13.67 Crore)

Asset movement

Particulars	March 31, 2024	March 31, 2023
As at the beginning of the year	28.82	31.97
Add: Grant accrued during the year	-	13.67
Less: Claims received during the year	(2.37)	(16.82)
As at the end of the year	26.45	28.82

Refer note 6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

21 Current borrowings

Particulars	March 31, 2024	March 31, 2023
Unsecured		
From Banks		
Buyers credit	381.23	526.31
Cash credit	0.72	0.10
Total	381.95	526.41

Details of terms of borrowings and security for the borrowings

Buyer's credits are part of working capital facilities. These are repayable based on the terms of each buyer's credit which is upto 90 days. The interest rate ranges from 4.97 % per annum (p.a.) to 6.10% p.a. (March 31, 2023: 0.60% p.a. to 5.21% p.a.)

Cash credits facilities have interest rate ranging from 8.70% p.a. to 9.60% p.a. (March 31, 2023: 6.60% p.a. to 9.60% p.a.)

The Holding Company has aggregate limits of working capital borrowings of ₹ 1,916.25 crores (March 31, 2023: ₹ 1,916.25 crores) from various banks.

Borrowings from banks have been utilized for the purpose for which they were taken.

The Holding Company has not been declared as wilful defaulter by any bank or financial institution or government or government authority.

Refer Note 40 for discussion on financial risk management policies and procedures.

Reconciliation of debt in accordance with Ind AS 7, 'Statement of Cash Flows'

Particulars	Current borrowings	Lease liabilities	Interest accrued	Total
Balance as at April 1, 2022	278.03	-	0.13	278.16
Proceeds from borrowings (net)	247.73	-	-	247.73
Additions (leases)	-	17.60	-	17.60
Foreign exchange fluctuation	0.65	-	-	0.65
Finance costs	-	-	27.23	27.23
Interest paid	-	-	(25.20)	(25.20)
Payment of lease liabilities	-	(3.29)	-	(3.29)
Balance as at March 31, 2023	526.41	14.31	2.16	542.88
Repayment of borrowings (net)	(146.03)	-	-	(146.03)
Foreign exchange fluctuation	1.57	-	-	1.57
Finance costs	-	-	36.45	36.45
Interest paid	-	-	(34.52)	(34.52)
Payment of lease liabilities	-	(2.31)	(1.13)	(3.44)
Balance as at March 31, 2024	381.95	12.00	2.96	396.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

22 Trade payables

Particulars	March 31, 2024	March 31, 2023
Trade payables		
a) total outstanding dues of micro enterprises and small enterprises (refer note 42)	9.85	12.27
b) total outstanding dues of creditors other than micro enterprises and small enterprises	278.79	277.03
Total	288.64	289.30

Trade payables ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises - Undisputed	8.53	0.84	0.30	0.07	0.11	9.85
Other than micro enterprises and small enterprises - Undisputed	177.39	32.26	1.20	0.04	0.03	210.92
Unbilled dues - Undisputed	67.87	-	-	-	-	67.87
	253.79	33.10	1.50	0.11	0.14	288.64

Trade payables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises - Undisputed	5.51	5.90	0.48	0.25	0.13	12.27
Other than micro enterprises and small enterprises - Undisputed	117.23	32.56	0.15	0.57	1.77	152.28
Unbilled dues - Undisputed	124.75	-	-	-	-	124.75
	247.49	38.46	0.63	0.82	1.90	289.30

Trade payables are non-interest bearing and are normally settled within 30 to 45 days.

Refer Note 40 for discussion on financial risk management policies and procedures.

23 Other current liabilities

Particulars	March 31, 2024	March 31, 2023
Revenue received in advance	7.44	19.90
Statutory dues (includes indirect taxes and withholding taxes)	62.21	31.43
Total	69.65	51.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

24 Taxes

A Income-tax assets (net)

Particulars	March 31, 2024	March 31, 2023
Advance tax (net of provision for tax)	21.46	24.52
Total	21.46	24.52

The note below details the major components of income-tax expenses for the years ended March 31, 2024 and March 31, 2023. The note further describes the significant estimates made in relation to the Holding Company and its associate's income tax position, and also explains how the income tax expense is impacted by non-assessable and non-deductible items.

B Composition of income-tax expense is as follows:

Particulars	March 31, 2024	March 31, 2023
Statement of profit and loss		
Current tax		
Current income tax charge	157.88	74.98
Tax pertaining to earlier years'	(0.31)	(16.86)
Deferred tax		
Relating to temporary differences	19.39	12.47
Income-tax expense reported in the statement of profit and loss	176.96	70.59
OCI		
Deferred tax related to items recognised in OCI during the year		
Remeasurement gains on defined benefit plans	0.81	0.11
Fair value changes of financial assets	(65.25)	-
Income-tax charged to OCI	(64.44)	0.11

C Reconciliation between tax expense and accounting profit multiplied by tax rate

Current taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Particulars	March 31, 2024	March 31, 2023
Accounting profit before tax expense	650.55	321.29
At applicable tax rate @ 25.168%	163.73	80.86
Adjustments for:		
Donation expenses	- #	0.01
Corporate social responsibility expenses	6.45	5.57
Other non-deductible expenses	0.09	0.11
Agricultural income under section 10(1) of the Income-tax Act, 1961	(0.01)	(0.01)
Deductions allowed under the the Income-tax Act, 1961	(4.25)	(3.51)
Other income credited to statement of profit and loss, either exempt or considered separately	(0.19)	(0.73)
Prior years' tax adjustments	(0.31)	(16.86)
Deferred tax on consolidation	9.09	4.29
Other expenses	2.17	0.56
Income chargeable at different tax rates	-	0.30
Allowance against capital loss on sale of bonds	0.19	-
Tax expense as per consolidated statement of profit and loss	176.96	70.59

The effective tax rates for the year ended March 31, 2024 and March 31, 2023 are 27.20% and 21.97% respectively.

Amount is below the rounding off norm adopted by the Holding Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

D Composition of deferred tax assets, deferred tax liabilities and deferred tax (expense)/income

As at and for the year ended March 31, 2024

Particulars	Balance sheet		Other comprehensive income		Statement of profit and loss	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Deferred tax liabilities						
Depreciation	(130.51)	(137.01)	-	-	6.50	1.09
Fair valuation of investments measured at FVOCI	(67.01)	(13.58)	(65.25)	-	11.82	(12.69)
Fair valuation of investments measured at FVTPL	(25.92)	-	-	-	(25.92)	2.25
Right-of-use assets	-	(0.06)	-	-	0.06	(0.06)
Others	(0.26)	-	-	-	(0.26)	-
Deferred tax on consolidation	(33.70)	(24.61)	-	-	(9.09)	(4.29)
Deferred tax assets						
Government grants	16.66	19.84	-	-	(3.18)	0.26
Disallowance for MSME dues	0.34	-	-	-	0.34	-
Disallowance on account of non-deduction of tax deducted at source	-	0.26	-	-	(0.26)	(0.75)
Leave encashment	4.51	4.02	-	-	0.49	0.19
Defined benefit obligation and others	2.48	1.87	0.81	0.11	(0.20)	0.63
Deferred tax (expense)/income			(64.44)	0.11	(19.70)	(13.36)
Deferred tax liabilities (net)	(233.41)	(149.27)				

As at and for the year ended March 31, 2023

Particulars	Balance sheet		Other comprehensive income		Statement of profit and loss	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deferred tax liabilities						
Depreciation	(137.01)	(138.10)	-	-	1.09	2.75
Fair valuation of investments measured at FVOCI	(13.58)	(0.89)	-	0.11	(12.69)	-
Fair valuation of investments measured at FVTPL	-	(2.25)	-	-	2.25	(1.40)
Right-of-use assets	(0.06)	-	-	-	(0.06)	-
Deferred tax on consolidation	(24.61)	(20.32)	-	-	(4.29)	0.62
Deferred tax assets						
Government grants	19.84	19.58	-	-	0.26	0.74
Disallowance on account of non-deduction of tax deducted at source	0.26	1.01	-	-	(0.75)	-
Leave encashment	4.02	3.83	-	-	0.19	0.38
Defined benefit obligation and others	1.87	1.13	0.11	0.08	0.63	0.16
Deferred tax (expense)/income			0.11	0.19	(13.36)	3.25
Deferred tax liabilities (net)	(149.27)	(136.02)				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

E Composition of deferred tax assets and deferred tax liabilities

Deferred taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period. The Holding Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income-taxes levied by the same tax authority.

Reconciliation of deferred tax liabilities (net)

Particulars	March 31, 2024	March 31, 2023
As at the beginning of the year	(149.27)	(136.02)
Tax (expense)/income		
Recognised in the statement of profit and loss	(19.39)	(12.47)
Share of associate	(0.31)	(0.89)
Recognised in the OCI	(64.44)	0.11
As at the end of the year	(233.41)	(149.27)

F Composition of deferred tax (expense)/ income recognised in the statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Deferred tax expense	(38.91)	(17.78)
Deferred tax income	19.21	4.42
Share of associate	0.31	0.89
Deferred tax expense (net)	(19.39)	(12.47)

25 Revenue from operations

Particulars	March 31, 2024	March 31, 2023
Revenue from sale of products		
Sale of products	4,274.10	4,361.26
Other operating revenue		
a) Sale of scrap	28.02	21.30
b) Recovery of port charges	2.69	1.87
c) Government grant/subsidy (refer note 20)	12.62	12.62
Total	4,317.43	4,397.05

Disclosures pursuant to Ind AS 115 - Revenue from contract with customers, are as follows:

(a) Revenue streams

The Holding Company derives revenue from sale of pipes and fittings and PVC resin, which is disclosed in note 34 as segment revenue. Hence, no disaggregation of revenue is provided separately.

(b) Disaggregation of revenue from contracts with customers

The Holding Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by product lines, timing of revenue recognition and geography:

A. Revenue by product lines and others:

Particulars	March 31, 2024	March 31, 2023
PVC	123.49	267.74
PVC pipes and fittings	4,150.61	4,093.52
Total	4,274.10	4,361.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

B. Revenue by timing of revenue recognition:

Particulars	March 31, 2024	March 31, 2023
Goods transferred at a point in time when performance obligation is satisfied	4,274.10	4,361.26
Total	4,274.10	4,361.26

C. Revenue by geography:

The Holding Company operates in domestic market only, hence no separate geographical information has been provided.

D. Contract balance

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

Particulars	March 31, 2024	March 31, 2023
Receivables, which are included in 'trade receivables' (net of loss allowance)	457.63	297.54
Contract liabilities (includes revenue received in advance)	7.44	19.90

E. Changes in contract liabilities balance during the period are as follows:

Contract liabilities - revenue received in advance

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	19.90	10.03
Add: Addition during the year	7.44	19.90
Less: Amount of revenue recognised during the year	(19.90)	(10.03)
Balance at the end of the year	7.44	19.90

The aggregate amount of transaction price allocated to the performance obligations (yet to be completed) as at March 31, 2024 is ₹ 7.44 crore. This balance represents the advance received from customers against sale of goods. The management of the Holding Company expects to invoice and collect the remaining balance of total consideration within next 12 months. These balances will be recognised as revenue in subsequent period as per the policy of the Holding Company.

F. The Holding Company does not have any significant obligations for returns, refunds or warranties.

26 Other income

Particulars	March 31, 2024	March 31, 2023
I) Interest income on financial assets measured at amortised cost:		
a) Deposit with bank and financial institution	10.67	10.93
b) Investment in bonds and commercial papers	22.20	17.40
c) Loans to vendors	0.86	0.94
d) Income-tax refund	-	3.48
e) Overdue receivables from customers	0.01	0.02
f) Others	0.18	0.23
II) Dividend from non-current investments		
a) Classified at fair value through FVTPL	0.03	0.01
b) Classified at fair value through FVOCI	15.53	13.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
III) Other non-operating income		
a) Insurance claims received	0.02	1.39
b) Net gains on fair value changes on investment classified as FVTPL	56.78	37.05
c) Net gain on sale of current investments (mutual funds) classified as FVTPL	61.75	33.29
d) Liabilities written back (net)	1.91	-
e) Profit on sale of property, plant and equipment	-	0.02
f) Others	10.01	2.85
Total	179.95	120.92

27 Cost of materials consumed

Particulars	March 31, 2024	March 31, 2023
Cost of raw materials consumed	2,704.60	2,865.39
Packing material consumed	40.32	38.37
Total	2,744.92	2,903.76

28 Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	March 31, 2024	March 31, 2023
Inventories at the end of the year		
Finished goods	267.75	215.43
Work-in-progress	64.19	79.93
Stock-in-trade	4.83	1.41
Sub total (A)	336.77	296.77
Inventories at the beginning of the year		
Finished goods	215.43	364.08
Work-in-progress	79.93	80.83
Stock-in-trade	1.41	1.42
Sub total (B)	296.77	446.33
Changes in inventories of finished goods, work-in-progress and stock in trade (B-A)	(40.00)	149.56

29 Employee benefits expense

Particulars	March 31, 2024	March 31, 2023
Salaries, wages and bonus	183.58	165.93
Contribution to provident fund and other funds (refer note 36)	10.99	9.48
Staff welfare expenses	16.82	14.26
Total	211.39	189.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

30 Finance costs

Particulars	March 31, 2024	March 31, 2023
Interest expense on financial liabilities measured at amortised cost:		
on borrowings	25.24	11.27
on lease liabilities	1.13	0.19
on others	0.12	0.06
Other borrowing costs	1.40	1.62
Exchange differences regarded as an adjustment to borrowing cost	8.56	14.09
Total	36.45	27.23

31 Depreciation and amortisation expense

Particulars	March 31, 2024	March 31, 2023
Depreciation on property, plant and equipment (refer note 3.1)	112.27	88.18
Depreciation of right-of-use assets (refer note 3.2)	3.42	0.59
Amortisation of intangible assets (refer note 3.4)	0.33	0.43
Total	116.02	89.20

32 Other expenses

Particulars	March 31, 2024	March 31, 2023
Power and fuel	284.82	305.18
Stores and spares consumed	49.13	75.16
Jobwork and other manufacturing expenses	147.06	136.04
Warehousing and other rental expenses	22.50	16.33
Rates and taxes	10.52	8.58
Insurance	14.70	15.85
Repairs and maintenance (buildings)	7.94	18.25
Repairs and maintenance (plant and equipment)	15.94	24.05
Repairs and maintenance (others)	14.17	20.65
Communication expenses	1.72	1.68
Travelling and conveyance	22.02	18.16
Directors' sitting fees	0.41	0.48
Commission to non-executive directors	2.50	2.00
Payments to the auditor:		
-As auditors	0.42	0.36
-Certification	0.01	0.01
-Reimbursement of expenses	0.06	0.03
Advertisement, publicity and sales promotion	105.91	97.63
Freight outward expenses	1.39	1.38
Loss on sale/discard of assets	0.52	-
Legal and professional fees	22.40	16.84
Donations	0.01	0.05
Contribution towards corporate social responsibility (CSR)(refer note 33)	25.64	22.12
Security expenses	10.08	8.83
Information technology maintenance	12.73	9.83
Net loss on foreign currency transactions and translations (other than considered as finance cost)	2.78	32.60
Miscellaneous expenses	8.90	10.07
Total	784.28	842.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

33 Corporate social responsibility (CSR)

As per section 135 of the Act and rules therein, the Holding Company is required to spend at least 2% of its average net profits for the three immediately preceding years towards CSR activities. The Holding Company has formulated a CSR committee as per the Act. The funds are utilised for the activities which are specified in Schedule VII to the Act.

Details of CSR expenditure are as follows:

Corporate social responsibility (CSR)	March 31, 2024	March 31, 2023
Contribution to Mukul Madhav Foundation Trust (related party)	24.79	20.95
Contribution to others	0.85	1.17
Total	25.64	22.12
a) Amount required to be spent during the period	14.34	15.55
b) Amount spent during the year on:	25.64	22.12
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	25.64	22.12
c) Shortfall at the end of the year	-	-
d) Total of previous years' shortfall	-	-
e) Reason of shortfall	NA	NA
f) Details of related party transactions (refer note 37)	24.79	20.95
g) Provision made with respect to any liability incurred by entering into contractual obligation, the movement of provision	-	-

Nature of CSR activities :

Agriculture and rural development, eradicating hunger and poverty, promoting education, vocational skills, and livelihood, gender equality and women empowerment, preventive healthcare, heritage art and culture, environmental sustainability, promoting sports, sanitation, hygiene and safe drinking water, animal welfare, support to differently abled, technology incubators, armed forces/veterans, contribution to river and beach cleaning.

34 Segment information

The Holding Company is in the business of manufacturing PVC resin and PVC pipes and fittings. Therefore, as per Ind AS 108 "Operating Segments", the Holding Company has disclosed two segments i.e. PVC resin and PVC pipes and fittings.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss that is measured consistently with profit or loss in the Consolidated financial statements. The Holding Company's financing (including finance costs and finance income) and income-taxes are not allocated to operating segments.

Year ended March 31, 2024

Particulars	PVC	PVC pipes and fittings	Total	Adjustments and eliminations	Net
Revenue					
External customers	132.28	4,185.15	4,317.43	-	4,317.43
Inter-segment	1,353.53	-	1,353.53	(1,353.53)	-
Total revenue	1,485.81	4,185.15	5,670.96	(1,353.53)	4,317.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	PVC	PVC pipes and fittings	Total	Adjustments and eliminations	Net
Expenses					
Depreciation and amortisation	(17.34)	(82.79)	(100.13)	-	(100.13)
Segment profit	120.03	401.09	521.12	-	521.12
Total assets	804.14	1,486.75	2,290.89	-	2,290.89
Total liabilities	130.55	368.41	498.96	-	498.96
Other disclosures					
Capital expenditure	24.28	94.42	118.69	-	118.69

Year ended March 31, 2023

Particulars	PVC	PVC pipes and fittings	Total	Adjustments and eliminations	Net
Revenue					
External customers	283.77	4,113.28	4,397.05	-	4,397.05
Inter-segment	1,987.25	-	1,987.25	(1,987.25)	-
Total revenue	2,271.02	4,113.28	6,384.30	(1,987.25)	4,397.05
Expenses					
Depreciation and amortisation	(11.63)	(60.36)	(71.99)	-	(71.99)
Segment profit	91.90	154.18	246.08	-	246.08
Total assets	682.06	1,450.26	2,132.32	-	2,132.32
Total liabilities	96.09	340.75	436.84	-	436.84
Other disclosures					
Capital expenditure	21.34	183.26	204.60	-	204.60

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income, costs and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed for the Holding Company as a whole.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to these segments as they are managed for the Holding Company and its associate as a whole.

Capital expenditure consists of additions of property, plant and equipment and intangible assets and additions to capital work-in-progress.

Reconciliation of profit

Particulars	March 31, 2024	March 31, 2023
Segment profit	521.12	246.08
Unallocable income	178.80	119.72
Finance costs	(36.45)	(27.23)
Share in profit of an associate	38.22	24.26
Unallocable expense	(51.14)	(41.54)
Profit before tax	650.55	321.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Reconciliation of assets

Particulars	March 31, 2024	March 31, 2023
Segment operating assets	2,290.89	2,132.32
Current tax assets	21.46	24.52
Financial assets carried at FVTPL	0.69	0.60
Financial assets carried at FVTOCI	2,233.38	1,815.30
Financial assets carried at cost	0.05	0.05
Financial assets carried at amortised cost	309.04	253.53
Current investments	1,905.15	1,772.58
Cash and cash equivalents (including other bank balances)	31.65	61.34
Assets classified as held for sale	2.88	-
Other unallocated assets	262.66	224.83
Total assets	7,057.85	6,285.07

Reconciliation of liabilities

Particulars	March 31, 2024	March 31, 2023
Segment operating liabilities	498.96	436.84
Deferred tax liabilities	199.71	124.66
Trade payables	26.57	20.44
Current tax liability	0.05	0.31
Current borrowings	381.95	526.41
Financial liabilities at cost	91.65	79.77
Interest accrued	2.96	2.16
Unpaid dividend	29.24	33.96
Statutory dues	62.21	31.43
Provisions	27.77	22.58
Government grant	66.22	78.83
Other unallocated liabilities	36.29	24.61
Total liabilities	1,423.58	1,382.00

Capital employed : Segment assets less segment liabilities

Particulars	March 31, 2024	March 31, 2023
PVC resin	804.14	682.06
PVC pipes and fittings	1,486.75	1,450.26
Unallocable assets	4,766.96	4,152.75
Total segment assets	7,057.85	6,285.07
PVC resin	130.55	96.09
PVC pipes and fittings	368.41	340.75
Unallocable liabilities	924.62	945.16
Total segment liabilities	1,423.58	1,382.00
PVC resin	673.59	585.97
PVC pipes and fittings	1,118.34	1,109.51
Unallocable	3,842.34	3,207.59
Capital employed	5,634.27	4,903.07

Geographic information

The Holding Company and its associate operates in domestic market only, hence no separate geographical information has been provided.

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(All amounts in ₹ Crore, unless otherwise stated)

35 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

There are no potential shares that have a dilutive effect on the EPS.

The following reflects the income and share data used in the basic EPS computation

Particulars	March 31, 2024	March 31, 2023
Basic and diluted		
Profit for the year before tax	650.55	321.29
Less : Attributable tax thereto	176.96	70.59
Net profit after tax (in ₹ crore)	473.59	250.70
Weighted average number of equity shares*	61,83,13,905	61,83,13,905
Basic EPS	7.66	4.04
Diluted EPS	7.66	4.04

36 Disclosure pursuant to employee benefits

A. Defined contribution plans:

Amount of ₹ 7.95 crores (March 31, 2023: ₹ 6.87 crores) is recognised as expenses and included in note 29 "Employee benefits expense".

The contribution are made to recognised provident fund administered by the Government of India for employees @12% p.a. of basic salary per regulations. The obligation of the Holding Company is limited to the amount contributed and it has no further contractual constructive obligation.

B. Defined benefit plans:

The Holding Company has Gratuity as post employment benefit which is in the nature of defined benefit plan.

The Holding Company operates gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to fifteen days last drawn salary for each completed year of service as per the Payment of Gratuity Act, 1972. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

March 31, 2024 : Changes in defined benefit obligation and plan assets

Particulars	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in OCI							March 31, 2024
	April 1, 2023	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer		
Gratuity													
Defined benefit obligation	27.37	2.61	1.90	4.51	(3.50)	-	-	0.33	2.86	3.19	-	31.57	
Fair value of plan assets	20.84	-	1.47	1.47	(3.25)	(0.05)	-	0.07	(0.12)	(0.05)	2.71	21.72	
Total benefit liability	6.53	2.61	0.43	3.04	(0.25)	0.05	-	0.26	2.98	3.24	(2.71)	9.85	

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March 31, 2023 : Changes in defined benefit obligation and plan assets

Particulars	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in OCI						March 31, 2023
	April 1, 2022	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	
Gratuity												
Defined benefit obligation	26.44	2.25	1.73	3.98	(3.39)	-	(0.16)	(0.59)	1.09	0.34	-	27.37
Fair value of plan assets	21.94	-	1.37	1.37	(3.05)	(0.03)	-	0.14	(0.17)	(0.03)	0.60	20.84
Total benefit liability	4.50	2.25	0.36	2.61	(0.34)	0.03	(0.16)	(0.73)	1.26	0.37	(0.60)	6.53

The major categories of plan assets of the fair value of the total plan assets of gratuity are as follows:

Particulars	March 31, 2024	March 31, 2023
Insured managed funds Life Insurance Corporation of India ('LIC')	21.72	20.84
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Holding Company's plans is shown below:

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.20%	7.40%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	7.40%	7.00%
Expected average remaining working lives (in years)		
Gratuity	8.14	8.09
Compensated absences	8.14	8.09
Withdrawal rate		
Gratuity	9.00%	9.00%
Compensated absences	9.00%	9.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		March 31, 2024	March 31, 2023
Discount rate	1% increase	1.59	1.37
	1% decrease	(1.76)	(1.52)
Future salary increase	1% increase	(1.43)	(1.24)
	1% decrease	1.32	1.14
Withdrawal rate	1% increase	0.06	0.05
	1% decrease	(0.07)	(0.04)

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The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in one significant assumption at a time, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The same method has been applied for the sensitivity analysis when calculating the recognised defined benefit obligation.

The following are the expected future benefit payments for the defined benefit plan :

Particulars	March 31, 2024	March 31, 2023
Within the next 12 months (next annual reporting period)	5.08	4.99
Between 2 and 5 years	21.80	18.86
Beyond 5 years	18.38	16.72
Total expected payments	45.26	40.57

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	March 31, 2024	March 31, 2023
	Years	Years
Gratuity	7.99	7.81

The following are the expected contributions to plan assets for the next year:

Particulars	March 31, 2024	March 31, 2023
	Years	Years
Gratuity	2.00	2.00

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability risks

a. Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Holding Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

d. Withdrawal

Actual withdrawal providing higher or lower than assumed withdrawal and change of withdrawal rate at subsequent valuation can impact plan's liability.

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2. Asset risks

All plan assets are maintained in a trust fund managed by LIC, a public sector insurer. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The Holding Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Holding Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

C. Other long-term employment benefits

The Holding Company has compensated absences plan which is covered by other long-term employee benefits.

March 31, 2024 : Changes in defined benefit obligation of compensated absences

	Cost charged to statement of profit and loss					Benefits paid	March 31, 2024
	April 1, 2023	Service cost	Interest cost	Actuarial changes arising from various assumptions	Sub-total included in statement of profit and loss (Note 29)		
Compensated absences							
Defined benefit obligation	16.05	2.41	1.08	1.25	4.74	(2.87)	17.92
Benefit liability	16.05	2.41	1.08	1.25	4.74	(2.87)	17.92

March 31, 2023 : Changes in defined benefit obligation of compensated absences

	Cost charged to statement of profit and loss					Benefits paid	March 31, 2023
	April 1, 2022	Service cost	Interest cost	Actuarial changes arising from various assumptions	Sub-total included in statement of profit and loss (Note 29)		
Compensated absences							
Defined benefit obligation	15.22	2.03	1.00	(0.20)	2.83	(2.00)	16.05
Benefit liability	15.22	2.03	1.00	(0.20)	2.83	(2.00)	16.05

37 Related party transactions

In accordance with the requirement of Ind AS 24 'Related Party Disclosures', name of related parties, their relationships, transactions and outstanding balances with them as identified and certified by the management are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in ₹ Crore, unless otherwise stated)

A. Names of the related party and nature of relationship where control exists

There are no parties where control exists.

B. Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Prakash P. Chhabria	Executive Chairman
Mr. Anil V. Whabi	Managing Director (with effect from June 1, 2022 and up to May 31, 2023) Chief Financial Officer (up to May 19, 2022)"
Mr. Sanjay S. Math	Managing Director (up to May 31, 2022)
Mr. Saumya Chakrabarti	Director- Technical (with effect from June 1, 2022)
Mr. Ajit Venkataraman	Managing Director (with effect from June 1, 2023) Chief Executive Officer (with effect from August 1, 2022 and up to May 31, 2023)
Mr. Niraj Kedia	Chief Financial Officer (with effect from May 20, 2022)
Mrs. Ritu P. Chhabria	Non-Executive and Non-Independent Director
Ms. Bhumika L. Batra	Independent Director
Mrs. Kanchan U. Chitale	Independent Director
Mr. Saurabh S. Dhanorkar	Non-Executive and Non-Independent Director
Dr. Deepak R. Parikh	Independent Director
Mr. Pradeep R. Rathi	Independent Director
Mr. Anami N. Roy	Independent Director
Mr. Ashutosh Kulkarni	Company Secretary (up to January 14, 2024)
Mr. Dakshinamurthy Iyer	Company Secretary (with effect from May 2, 2024)

C. Name of the related parties with whom transactions have been entered into

Name of the related party	Nature of relationship
Orbit Electricals Private Limited	Enterprise controlled by Key Management Personnel
Finolex Cables Limited	Enterprise wherein the Holding Company is an associate
Mukul Madhav Foundation (Trust)	Enterprises over which Key Management Personnel or their relatives exercise significant influence
Finolex Infrastructure Private Limited	Enterprises over which Key Management Personnel or their relatives exercise significant influence.
Ms. Gayatri P. Chhabria	Relative of Key Management Personnel
Finolex Industries Limited Employees Gratuity Fund	Post employment benefit plan of the Holding Company

D. Transactions with related parties

Particulars	March 31, 2024	March 31, 2023
I. Sales, services and other income		
Dividend received	15.53	13.31
Finolex Cables Limited	15.53	13.31
II. Expenses		
Short-term employee benefits:*		
Salary and perquisites	11.91	10.23
Mr. Prakash P. Chhabria	3.84	3.44
Mr. Sanjay S. Math	-	0.72

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Particulars	March 31, 2024	March 31, 2023
Mr. Anil V. Whabi ¹	0.67	1.57
Mr. Saumya Chakrabarti	1.45	1.04
Mr. Ajit Venkataraman ²	4.13	1.96
Mr. Niraj Kedia	1.21	0.95
Mr. Ashutosh Kulkarni ³	0.28	0.27
Ms. Gayatri Chhabria	0.33	0.28
Commission	14.87	13.49
Mr. Prakash P. Chhabria	10.34	8.00
Mr. Sanjay S. Math	-	-
Mr. Anil V. Whabi ¹	-	3.00
Mr. Saumya Chakrabarti	0.55	0.50
Mr. Ajit Venkataraman ²	1.50	-
Mrs. Ritu P. Chhabria	0.34	0.27
Ms. Bhumika L. Batra	0.34	0.27
Mrs. Kanchan U. Chitale	0.34	0.27
Mr. Saurabh S. Dhanorkar	0.34	0.27
Dr. Deepak R. Parikh	0.34	0.27
Mr. Pradeep R. Rathi	0.44	0.37
Mr. Anami N. Roy	0.34	0.27
Directors' sitting fees	0.41	0.48
Mrs. Ritu P. Chhabria	0.02	0.03
Ms. Bhumika L. Batra	0.05	0.06
Mrs. Kanchan U. Chitale	0.09	0.12
Mr. Saurabh S. Dhanorkar	0.08	0.12
Dr. Deepak R. Parikh	0.06	0.04
Mr. Pradeep R. Rathi	0.06	0.06
Mr. Anami N. Roy	0.05	0.05
Dividend paid	47.64	127.05
Finolex Cables Limited	30.14	80.39
Orbit Electricals Private Limited	17.50	46.66
Contribution towards CSR		
Mukul Madhav Foundation	24.79	20.95
Contributions paid		
Finolex Industries Limited Employees Gratuity Fund	2.75	0.60

¹ For the period starting April 1, 2023 till May 31, 2023

² For the period starting June 1, 2023 till March 31, 2024

³ For the period starting April 1, 2023 till January 14, 2024

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Particulars	March 31, 2024	March 31, 2023
Amount payable towards salary and perquisites, commission and sitting fees*	15.78	14.75
Mr. Prakash P. Chhabria	10.72	8.95
Mr. Sanjay S. Math	-	0.02
Mr. Anil V. Whabi	0.02	2.67
Mr. Saumya Chakrabarti	0.66	0.64
Mrs. Ritu P. Chhabria	0.34	0.27
Ms. Bhumika L. Batra	0.34	0.27
Mrs. Kanchan U. Chitale	0.34	0.27
Mr. Saurabh S. Dhanorkar	0.34	0.27
Dr. Deepak R. Parikh	0.34	0.27
Mr. Pradeep R. Rathi	0.44	0.37
Mr. Anami N. Roy	0.34	0.27
Mr. Ajit Venkataraman	1.76	0.26
Mr. Niraj Kedia	0.10	0.14
Ms. Gayatri Chhabria	0.02	0.04
Mr. Ashutosh Kulkarni	0.02	0.04

* As post employment obligations and other long-term employee benefits/obligations are computed for all employees in aggregate, the amounts relating to key management personnel cannot be individually computed and hence are not included in the above (except for Mr. Anil Whabi and Mr. Sanjay Math, where the actual amounts paid on superannuation have been included in the figures reported above).

Terms and conditions of transactions with related parties

Transaction entered into with related parties are made in ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

38 Commitments and contingencies

38.1 Commitments

a) Capital commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2024 ₹ 51.49 crore (March 31, 2023: ₹ 71.39 crore)

b) Other commitments :

Aggregate amount of bank guarantees outstanding as on March 31, 2024 is ₹ 39.07 crore (March 31, 2023: ₹ 34.40 crore).

38.2 Contingent liabilities

Particulars	March 31, 2024	March 31, 2023
Claims against the Holding Company not acknowledged as debt in respect of:		
a) Income-tax matters	14.24	13.01
b) Excise/ Customs/ Service tax matters	60.39	61.17
c) Sales tax matters	2.11	2.11
d) Consumer protection matters	0.25	0.24

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- 1 It is not practicable for the Holding Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- 2 The amounts disclosed above represent the best possible estimates arrived at on the basis of available information.
- 3 The Holding Company is contesting all of the above demands and the management believes that its positions are likely to be upheld by the respective courts. The management believes that the ultimate outcome of these proceedings are not expected to have a material impact on the Holding Company's consolidated financial statements and hence no provisions have been made in this regard.

39 Fair value of financial assets and liabilities

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at (i) fair value (ii) measured at amortised cost and for which fair values are considered to be same as the amortised costs disclosed in the financial statements. They are further classified them into Level 1 to Level 3 as required by the Ind AS and described in the significant accounting policies of the Holding Company. Further, the note describes valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

Classification of financial instruments by category and into levels of fair value hierarchy as at March 31, 2024:

Particulars	Amortised Cost	FVTPL			FVOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current investments:							
Investment in equity shares/ bonds of :							
Quoted							
Equity instruments	-	0.69	-	-	2,220.93	-	-
Bonds and debentures	244.63	-	-	-	-	-	-
Unquoted							
Equity instruments	0.34	-	-	-	-	12.45	-
Deposits with non banking financial institutions	64.12	-	-	-	-	-	-
Current investments:							
Investments in units of mutual funds (Quoted)	-	1,614.48	-	-	-	-	-
Bonds	126.09	-	-	-	-	-	-
Deposits with Non Banking Financial institutions	116.39	-	-	-	-	-	-
Commercial papers	48.19	-	-	-	-	-	-
Trade and other receivables	457.63	-	-	-	-	-	-
Loans	16.85	-	-	-	-	-	-
Cash and cash equivalents	2.15	-	-	-	-	-	-
Other bank balances	29.50	-	-	-	-	-	-
Other financial assets	41.35	-	-	-	-	-	-
Total	1,147.24	1,615.17	-	-	2,220.93	12.45	-

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Particulars	Amortised Cost	FVTPL			FVOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities							
Borrowings	381.95	-	-	-	-	-	-
Trade payables	288.64	-	-	-	-	-	-
Other financial liabilities	343.89	-	-	-	-	-	-
Lease liabilities	12.00	-	-	-	-	-	-
Total	1,026.48	-	-	-	-	-	-

Classification of financial instruments by category and into levels of fair value hierarchy as at March 31, 2023:

Particulars	Amortised Cost	FVTPL			FVOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current investments:							
Investment in equity shares of :							
Quoted							
Equity instruments	-	0.60	-	-	1,802.92	-	-
Bonds	253.53						
Unquoted							
Equity instruments	0.05	-	-	-	-	12.38	-
Current investments:							
Investments in units of mutual funds (Quoted)	-	1,586.31	-	-	-	-	-
Bonds	39.53						
Deposit with Non Banking Financial institutions	127.49	-	-	-	-	-	-
Commercial paper	19.25	-	-	-	-	-	-
Trade and other receivables	297.54	-	-	-	-	-	-
Loans	23.16	-	-	-	-	-	-
Cash and cash equivalents	8.56	-	-	-	-	-	-
Other bank balances	52.78	-	-	-	-	-	-
Other financial assets	44.55	-	-	-	-	-	-
	866.44	1,586.91	-	-	1,802.92	12.38	-
Financial liabilities							
Borrowings	526.41	-	-	-	-	-	-
Trade and other payables	289.30	-	-	-	-	-	-
Other financial liabilities	249.66	-	-	-	-	-	-
Lease liabilities	14.31	-	-	-	-	-	-
Total	1,079.68	-	-	-	-	-	-

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Valuation techniques used to determine the fair value of each financial instrument:

Fair value of financial instruments classified at amortised cost:

The management assessed that the fair values of cash and bank, loans, trade receivables, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Carrying value of non-current financial liabilities are considered to be same as their fair value due to discounting at rate which are an approximation of incremental borrowing rate.

Fair value of financial instruments classified at FVTPL:

These financial instruments consist of investments in quoted equity instruments and units of mutual funds. The fair value of quoted equity instruments is based on the respective quoted price in the active markets as at the measurement date and fair value of investments in mutual funds is determined using the quoted price Net Asset Value ('NAV') of the respective units in the active market at the measurement date.

Fair value of financial instruments classified at FVOCI:

These financial instruments consist of investments in equity instruments. The fair value of quoted equity instruments is based on the respective quoted price in the active markets as at the measurement date. The fair value of investments in unquoted equity shares has been estimated using the net asset method. The valuation requires to consider the cost of replacement of an asset as an indication of the fair market value of that asset.

During the year ended March 31, 2024 and March 31, 2023, there were no transfers between hierarchies of fair value measurements.

The Holding Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Holding Company internally reviews valuations, including independent price validation for certain instruments.

40 Financial risk management objective and policies

Risk Category	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, trade receivables and other financial assets.	Ageing analysis, credit ratings	Diversification of bank deposits, portfolio diversification for investments, credit limits.
Liquidity risk	Borrowings, trade payables, lease liabilities and other financial liabilities	Rolling cash flow forecasts	Management ensures that the future cash flow needs are met through cash flow from the operating activities and current borrowings from banks.
Market risk-interest rate risk	No risk since Company has no exposure of long term borrowings	Not applicable	Not applicable
Market risk-currency risk	Recognised financial liabilities not denominated in Indian Rupee	Sensitivity analysis	Natural hedge
Market risk-price risk	Commodity and Investments	Sensitivity analysis	Natural hedge and portfolio diversification respectively

The Holding Company's principal financial liabilities comprise current borrowings, trade payables, lease liabilities and other financial liabilities. The Holding Company's principal financial assets include investments, trade receivables, cash and cash equivalents and other bank balances that arrive directly from its operations.

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The Holding Company is exposed to market risk, credit risk and liquidity risk. The Holding Company's management oversees the management of these risks. The Holding Company's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework. The risk management committee provides assurance to the Holding Company's management that the Holding Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Holding Company's policies appetite. It is the Holding Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Holding Company evaluates credit risk with respect to trade receivables as significantly low, as its payment terms are mostly advance basis.

a) Trade receivables

In respect of trade receivables, the Holding Company is not exposed to any significant credit risk exposure to any single counter party or any group of counter parties having similar characteristics. Trade receivables consist of a large number of customers. The Holding Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Holding Company's treasury department in accordance with the Holding Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Holding Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment, the Holding Company adjust it's exposure to various counterparties. The Holding Company's maximum exposure to credit risk for the other components of balance sheet is the carrying amount as disclosed below:

Particulars	Asset group	Carrying amount net of impairment provision	
		March 31, 2024	March 31, 2023
Financial assets for which credit risk has not increased significantly from inception	Investments	4,448.31	3,842.06
	Loans	16.85	23.16
	Other financial assets	41.35	44.55

ii) Liquidity risk

Liquidity risk is the risk that the Holding Company may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. The Holding Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. The Holding Company closely monitors its liquidity position and deploys a robust cash management system.

The Holding Company manages liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and by monitoring rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Holding Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The following tables summarise the maturity profile of the Holding Company's financial liabilities based on contractual undiscounted payments.

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As at March 31, 2024

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Current borrowings	-	381.95	-	-	381.95
Trade payables	34.85	253.79	-	-	288.64
Lease liabilities	-	0.89	2.73	10.43	14.05
Other financial liabilities	29.24	75.59	238.86	0.20	343.89

As at March 31, 2023

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Current borrowings	-	526.41	-	-	526.41
Trade payables	41.81	219.07	28.42	-	289.30
Lease liabilities	-	0.84	2.60	14.05	17.49
Other financial liabilities	33.96	77.08	138.42	0.20	249.66

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include borrowings, trade and other payables, trade receivables, investments, other financial liabilities.

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, proportion of financial instruments in foreign currencies are all constant at March 31, 2024.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, other post retirement obligations and provisions the Holding Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

a) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Holding Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities on account of import of raw materials.

PVC pricing is on import parity and import parity value of sales of the Holding Company exceeds the USD payables on a six monthly rolling basis and hence the Holding Company does not generally need to resort to hedging by way of forward contracts, options, etc.

Details of foreign currency exposures (unhedged)

Nature of exposure	Currency	As at March 31, 2024	As at March 31, 2023
Financial liabilities			
Borrowings (Unsecured)	USD	4.57	6.41
Interest on borrowings	USD	0.04	0.03
Trade payables	USD	1.40	0.80
Trade payables	GBP	-	-#
Trade payables	EURO	0.01	0.03

USD - United States Dollar

GBP - Great Britain Pound

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Currency wise net exposure (liabilities - assets)

Currency	Amount in Foreign Currency	
	As at March 31, 2024	As at March 31, 2023
USD	6.00	7.24
EURO	0.01	0.03
GBP	-	- #

Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP and EURO exchange rates, with all other variables held constant. The impact on the Holding Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Holding Company's pre-tax equity is due to changes in the profit before tax.

Particulars	March 31, 2024	March 31, 2023
Net hedged exposure in INR		
USD	500.58	594.67
EURO	0.54	2.53
GBP	-	- #

As at	Change in USD rate	Impact on profit before tax and equity	Impact on profit after tax and equity
March 31, 2024	+5%	25.03	18.73
	-5%	(25.03)	(18.73)
March 31, 2023	+5%	29.73	22.25
	-5%	(29.73)	(22.25)

As at	Change in Euro rate	Impact on profit before tax and equity	Impact on profit after tax and equity
March 31, 2024	+5%	0.03	0.02
	-5%	(0.03)	(0.02)
March 31, 2023	+5%	0.13	0.09
	-5%	(0.13)	(0.09)

As at	Change in GBP rate	Impact on profit before tax and equity	Impact on profit after tax and equity
March 31, 2024	+5%	- #	- #
	-5%	- #	- #
March 31, 2023	+5%	- #	- #
	-5%	- #	- #

Amount is below the rounding off norm adopted by the Holding Company.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Holding Company has current borrowings with fixed interest rates and hence the future cash-flows of relevant financial instrument are not affected by changes in market interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

c) Price risk

i) Commodity price risk

The Holding Company is affected by the volatility of prices of certain commodity chemicals [(Ethylene and PVC) and intermediate goods (Ethylene and Ethylene Dichloride ('EDC') and Vinyl Chloride Monomer ('VCM'))]. Its operating activities involve the ongoing purchase of VCM, EDC, all being petrochemical products for manufacturing of PVC and pipes and fittings and therefore require a continuous supply of these materials. Prices of PVC manufactured by the Holding Company are monitored by the Holding Company's management and are adjusted to respond to change in import parity price of PVC in Indian market. Market price of input and output, generally get adjusted over a period of time. Accordingly, the Holding Company is exposed to the variation in prices over short term period.

Commodity price sensitivity

The following table shows the effect of price changes for VCM, Ethylene EDC:

	Change in year-end price	Effect on profit before tax
March 31, 2024		
VCM	+5%	19.85
	-5%	(19.85)
Ethylene	+5%	14.73
	-5%	(14.73)
EDC	+5%	16.76
	-5%	(16.76)
March 31, 2023		
VCM	+5%	25.20
	-5%	(25.20)
Ethylene	+5%	17.16
	-5%	(17.16)
EDC	+5%	23.77
	-5%	(23.77)

ii) Equity price risk

The Holding Company's listed and unlisted equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The equity securities held by the Holding Company are strategic in nature. The Holding Company's Board of Directors reviews and approves all equity investment decisions.

Particulars	March 31, 2024	March 31, 2023
Fair value		
Unquoted equity securities	12.45	12.38
Quoted equity securities	2,221.62	1,803.52

	Change in year-end price	Effect on profit before tax	Effect on OCI
March 31, 2024			
Unquoted equity securities	+10%	-	1.25
	-10%	-	(1.25)
Quoted equity securities	+10%	0.07	222.09
	-10%	(0.07)	(222.09)
March 31, 2023			
Unquoted equity securities	+10%	-	1.24
	-10%	-	(1.24)
Quoted equity securities	+10%	0.06	180.29
	-10%	(0.06)	(180.29)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

41 Capital management

Capital includes equity shares and other equity attributable to the equity holders of the Holding Company. The primary objective of the Holding Company's capital management is to ensure its ability to continue as going concern, maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Holding Company is not subject to externally imposed capital requirement. The Holding Company manages its capital structure and makes adjustments to maintain efficient financing structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Holding Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Holding Company monitors capital using a gearing ratio, which is total debt divided by total capital plus other equity.

Particulars	March 31, 2024	March 31, 2023
Borrowings-Buyer's credit and cash credit	381.95	526.41
Debt	381.95	526.41
Share capital	123.67	123.67
Other equity	5,510.60	4,779.40
Total equity	5,634.27	4,903.07
Debt/equity ratio	6.78%	10.74%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

(Net debt)/ surplus reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2024

Particulars	March 31, 2024	March 31, 2023
Cash and other liquid assets	1,907.56	1,799.98
Current borrowings	(381.95)	(526.41)
Net surplus	1,525.61	1,273.57

Particulars	Other Assets	Liabilities from financing activity	TOTAL
	Cash and Cash Equivalents	Current Borrowings	
(Net debt)/Surplus as on April 01, 2023	1,799.98	(526.41)	1,273.57
Cash Inflow	107.58	144.46	252.04
(Net debt)/Surplus as on March 31, 2024	1,907.56	(381.95)	1,525.61

42 Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006 (as amended)

The management of the Holding Company has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the year end has been made in the consolidated financial statements based on information received and available with the Holding Company and has been relied upon by the statutory auditor.

Particulars	March 31, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	9.85	12.27
Principal amount outstanding and overdue out of above	1.34	4.02
Interest due on above	0.04	0.01
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	4.34	8.22
Interest due and payable for overdue payments made during the year	0.19	0.06
Total Interest accrued and remaining unpaid	0.19	0.06
Amount of further interest remaining due and payable in succeeding years	0.49	0.30

* Mainly includes retention money

4.3 Ratios

Ratios	Numerator	Denominator	Description	March 31, 2024	March 31, 2023	Variance	Reason for variance
Current Ratio	Operating current assets ⁽¹⁾	Current liabilities	The current ratio indicates overall liquidity position	1.15	0.94	22.02%	Refer note below
Debt-Equity Ratio	Total debt ⁽²⁾	Shareholders' equity	Debt-to-equity ratio compares total debt to shareholders equity	0.07	0.11	(36.86%)	Debt equity ratio improved due to repayment of debt and increase in reserves.
Debt Service Coverage Ratio	Earnings available for debt service ⁽³⁾	Debt service ⁽⁴⁾	Debt Service coverage ratio is used to analyse ability to payoff current interest and installments	1.44	0.54	163.99%	Debt Service Coverage Ratio improved due to improvement in profitability.
Return on Equity Ratio	Profit after tax	Shareholders' equity	It measures the profitability of equity funds	8.41%	5.11%	64.39%	The improvement in profitability in the current year as compared with previous year is attributable to lower fluctuation in raw material prices in the current year compared to sharp decline in raw material prices in the previous financial year. Further, the Holding Company benefited from operating leverage due to increase in volumes.
Inventory Turnover Ratio	Cost of goods sold	Average inventory	This ratio measures the efficiency with which inventory is managed or utilised.	3.91	3.64	7.35%	Refer note below
Trade Receivables Turnover Ratio	Revenue from operations	Average accounts receivables	This ratio measures the efficiency at which receivables are managed.	11.43	13.91	(17.83%)	Refer note below
Trade Payables Turnover Ratio	Net Purchases ⁽⁵⁾	Average trade payables	This ratio indicates the number of times trade payables have been paid during a period.	9.57	7.77	23.16%	Refer note below
Net Capital Turnover Ratio	Revenue from operations	Average working capital ⁽⁶⁾	This ratio indicates effectiveness in using working capital.	93.62	52.31	78.99%	Net Capital Turnover Ratio increased due to improvement in average working capital deployed in the business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Ratios	Numerator	Denominator	Description	March 31, 2024	March 31, 2023	Variance	Reason for variance
Net Profit Ratio	Profit after tax	Revenue from operations	This ratio measures the relationship between net profit and sales of the business.	10.97%	5.70%	92.39%	The improvement in profitability in the current year as compared with previous year is attributable to lower fluctuation in raw material prices in the current year compared to sharp decline in raw material prices in the previous financial year. Further, the Holding Company benefited from operating leverage due to increase in volumes.
Return on Capital Employed	Earning before Interest and Tax (EBIT) ⁽⁷⁾	Capital employed ⁽⁸⁾	Return on capital employed indicates the ability of management to generate returns for both the debt holders and the equity holders	31.14%	15.78%	97.25%	The improvement in profitability in the current year as compared with previous year is attributable to lower fluctuation in raw material prices in the current year compared to sharp decline in raw material prices in the previous financial year. Further, the Holding Company benefited from operating leverage due to increase in volumes.
Return on Investments	Income generated from invested funds	Average invested funds in treasury investments	Return on investment (ROI) is a financial ratio used to calculate the benefit as investor will receive in relation to their investment cost	7.73%	5.70%	35.61%	Increase in return on investments is attributable to improvement in yields on increase in average investment.

(1) Operating current assets = Total current assets - current investments - other bank balances

(2) Total debt = Current borrowings

(3) Earnings available for debt service = Profit before tax + finance cost + depreciation and amortisation - other income - exception income

(4) Debt service = Principal + interest

(5) Net Purchases = Consumption of Raw materials, Stores and Spares ('RSS') - Opening RSS + Closing RSS

(6) Working Capital = Operating current assets - current liabilities

(7) EBIT = Profit before tax + finance cost - other income - exception income

(8) Capital employed = Total assets - non current investment - current investment - fixed deposits - current liabilities

Note:

Since the variation is less than or equal to 25%, no explanation is required to be furnished.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

44 Disclosure pursuant to Ind AS 116

(a) The Holding Company as a lessee has obtained certain assets such as immovable properties on leasing arrangements for the purposes of a manufacturing unit. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-to-use asset and corresponding lease liability. Variable lease payment which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right-of-use assets. The Holding Company has presented its right-of-use assets separately from other assets. Each lease generally imposes a restriction that unless there is a contractual right for the Holding Company to sub-lease the asset to another party, the right-of-use asset can only be used by the Holding Company. Some leases contain an option to extend the lease for a further term.

(b) **Additional information on extension/ termination options:** Extension and termination options are included in a number of property lease arrangements of the Holding Company. These are used to maximise operational flexibility in terms of managing the assets used in the Holding Company's operations. The majority of extension and termination options held are exercisable based on consent of the Holding Company.

(c) There are no leases which are yet to commence as on March 31, 2024 and as on March 31, 2023.

(d) Lease payments, not included in measurement of liability

The Holding Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	March 31, 2024	March 31, 2023
Short-term leases	2.01	1.35
Cancellable leases	-	-
Variable lease payments	-	-
	2.01	1.35

(e) Total undiscounted future lease payments relating to underlying leases are as follows:

Particulars	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
As at March 31, 2024					
Lease payments	3.62	3.80	6.63	-	14.05
As at March 31, 2023					
Lease payments	3.44	3.62	10.43	-	17.49

(f) **Amount recognised in the Statement of Balance sheet:**

Particulars	March 31, 2024	March 31, 2023
(i) Right-of-use assets		
Leased premises and buildings	13.17	16.81
Total	13.17	16.81
(ii) Lease liabilities		
Non-current	9.54	12.21
Current	2.46	2.10
Total	12.00	14.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

(g) Amount recognised in the consolidated statement of profit and loss:

Particulars	March 31, 2024	March 31, 2023
(i) Depreciation expense	3.42	0.59
(ii) Interest expense (included in finance costs)	1.13	0.19
Total	4.55	0.78

(h) Information about extension and termination options (except short-term leases)

Right-of-use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Building premises	2	4	3	2	0	2

45 Investment in associate

The Holding Company has a 46.35% holding in its associate, Finolex Plasson Industries Private Limited which is consolidated using equity method. The aforesaid associate company has its registered office and principal place of business at Urse, near Pune in India. The aforementioned associate is engaged in manufacturing of micro irrigation systems, fittings, accessories and range of irrigation components.

Summarised financial information of the above mentioned associate is as below:

Particulars	March 31, 2024	March 31, 2023
Cash and cash equivalents	3.06	8.02
Current assets	369.09	316.63
Non-current assets	67.90	52.37
Current liabilities	136.16	135.02
Non-current liabilities	6.95	4.07
Net assets	296.94	237.93
Proportion of the Holding Company's ownership	46.35%	46.35%
Proportion of the Holding Company's ownership in net assets	137.63	110.28
Revenue from operations	511.08	462.40
Profit after tax	61.57	40.70
Other comprehensive income for the year	(0.06)	0.04
Total comprehensive income for the year	61.51	40.74
Holding Company's share of total comprehensive income for the year	28.51	18.88
Dividends received from the associate	1.16	0.46

Reconciliation to carrying amounts:

Particulars	March 31, 2024	March 31, 2023
Net assets as at April 1, 2023	237.93	198.19
Profit after tax	61.57	40.70
Other comprehensive income for the year	(0.06)	0.04
Dividends paid including dividend distribution tax	(2.50)	(1.00)
Net assets as at March 31, 2024	296.94	237.93
Proportion of the Holding Company's ownership	46.35%	46.35%
Proportion of the Holding Company's ownership in net assets	137.63	110.28
Carrying amount of investment in the associate	137.63	110.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

Summarized statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Total revenue	515.62	469.81
Total expenses	433.15	417.47
Profit for the year	61.57	40.70
Other comprehensive income	(0.06)	0.04
Total comprehensive income	61.51	40.74

Share in capital commitments and contingent liabilities of associate:

Particulars	March 31, 2024	March 31, 2023
a) Share in capital commitments (net of capital advances)	2.36	1.92
b) Share in claims against the associate company not acknowledged as debts - matters adjudged		
i) Share of sales tax matters	0.11	0.11
ii) Share in other matters	0.35	0.35
Total	2.82	2.38

46 Utilization of borrowed funds

During the years ended March 31, 2024 and March 31, 2023:

- (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) No funds have been received by the Holding Company and its associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

47 Undisclosed income :

There are no transactions that have not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961

48 Details of Crypto Currency or Virtual currency :

The Holding Company has not traded or invested in crypto currency or virtual currency during the current year and previous year.

49 Transactions with struck-off companies :

The Holding Company does not have any transaction or outstanding balance with struck-off companies under section 248 of the Act or section 560 of Companies Act, 1956, during current and previous year.

50 Recording audit trail :

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2024

(All amounts in ₹ Crore, unless otherwise stated)

creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding Company uses the accounting software SAP for maintaining its books of account. During the year ended 31 March 2024, the Holding Company had not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes on account of recommendation in the accounting software administration guide which states that enabling the same all the time consume storage space on the disk and can impact database performance significantly. The users of the Holding Company do not have any access to database Ids with DML (Data Manipulation Language) authority which can make direct data changes (create, change, delete) at database level. Audit trail (edit log) is enabled at the application level.

The associate uses the accounting software (TCS iON) used for maintaining its books of account which is maintained by a third party service provider. In the absence of 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' (Type 2 report), the management of the associate is unable to confirm whether audit trail feature at the database level of the said software was enabled and operated throughout the year. Further, the associate has used another software (Sensys) and spreadsheets for maintaining payroll records which did not have feature of audit trail.

51 Previous year comparatives

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classifications / disclosures. The impact of such regroupings/ reclassifications are not material to the consolidated financial statements.

The accompanying notes including a summary of material accounting policies and explanatory information form an integral part of these consolidated financial statements.

As per our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

**For and behalf of the Board of Directors of
Finolex Industries Limited**

Prakash P. Chhabria

Executive Chairman
DIN: 00016017
Place: Dubai

Bhumika L. Batra

Director
DIN: 03502004
Place: Mumbai

Ritu P. Chhabria

Director
DIN: 00062144
Place: London

Rajni Mundra

Partner
Membership No.: 058644
Place: Mumbai
Date: May 10, 2024

Saumya Chakrabarti

Director
DIN: 09594036
Place: Ratnagiri

Kanchan U. Chitale

Director
DIN: 00007267
Place: Mumbai

Saurabh S. Dhanorkar

Director
DIN: 00011322
Place: Nagpur

Deepak R. Parikh

Director
DIN: 06504537
Place: Florida

Pradeep R. Rathi

Director
DIN: 00018577
Place: Pune

Anami N. Roy

Director
DIN: 01361110
Place: Mumbai

Ajit Venkataraman

Managing Director
DIN: 07289950
Place: Mumbai
Date: May 10, 2024

Niraj Kedia

Chief Financial Officer
Place: Pune

Dakshinamurthy Iyer

Company Secretary
M. No.: A13004
Place: Mumbai

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ in Crore)

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

The Company does not have subsidiary Company, hence this part is not applicable.

Notes:

The following information shall be furnished at the end of the statement:

- 1 Names of subsidiaries which are yet to commence operations
- 2 Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates / Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation (only holding % considered) (-ve indicate loss)
1	Finolex Plasson Industries Private Limited	31.03.2024	46,35,000	2	46.35	3	4	5	6	Nil
				7.50		Voting power	N.A.	137.63	28.54	

₹ in Crores

Names of associates or joint ventures which are yet to commence operations: Pawas Port Limited

For and on behalf of the Board of Directors

Prakash P. Chhabria Executive Chairman DIN: 00016017 Dubai	Bhumika L. Batra Director DIN: 03502004 Mumbai	Ritu P. Chhabria Director DIN: 00062144 London	Saumya Chakrabarti Director DIN: 09594036 Ratnagiri	Kanchan U. Chitale Director DIN: 00007267 Mumbai	Saurabh S. Dhanorkar Director DIN: 00011322 Nagpur	Deepak R. Parikh Director DIN: 06504537 Florida
Pradeep R. Rathi Director DIN: 00018577 Pune	Anami N. Roy Director DIN: 01361110 Pune	Ajit Venkataraman Managing Director DIN: 07289950 Mumbai	Niraj Kedia Chief Financial Officer Pune	Dakshinamurthy Iyer Company Secretary M. No.: A13004 Mumbai May 10, 2024		

NOTICE

NOTICE is hereby given that the Forty-Third (43rd) Annual General Meeting (AGM) of the Members of Finolex Industries Limited (the "Company") is scheduled on Wednesday, September 18, 2024, at 4.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

Ordinary Business

1. To receive, consider and adopt

- a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 and the Reports of the Board of Directors and the Auditors thereon.
- b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 and the Report of the Auditors thereon.

2. Declaration of Dividend

To declare dividend on equity shares for the financial year ended March 31, 2024.

3. Re-appointment of Mrs. Ritu P. Chhabria (DIN: 00062144) as a Director liable to retire by rotation

To appoint a Director in place of Mrs. Ritu P. Chhabria (DIN: 00062144) who retires by rotation, and being eligible, offers herself for re-appointment.

Special Business

4. To ratify the remuneration of M/s. S.R. Bhargave & Co., the Cost Auditors for the financial year ending March 31, 2025

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s) modification(s) or re-enactment thereof for the time being in force) and subject to guidelines and approvals as may be required from the Central Government, a remuneration of ₹5.00 lakhs (Rupees Five lakhs only) plus applicable taxes and reimbursement of out of pocket expenses at actuals to be paid to M/s. S.R. Bhargave & Co., Cost Accountants, Pune, (Firm Registration No. 000218) the Cost Auditors appointed by the

Board of Directors (the "Board") of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025, be and is hereby ratified, approved and confirmed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things and give such directions as may be considered, proper, necessary, relevant, usual, customary and/or expedient to give effect to this Resolution."

5. Re-appointment of Ms. Bhumika L. Batra (DIN: 03502004) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Qualification of Directors), Rules, 2014 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended from time to time, and any other applicable provisions, if any and the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Ms. Bhumika L. Batra (DIN: 03502004), who was appointed as an Independent Director of the Company at the 39th Annual General Meeting of the Company for a term of five years (i.e. up to September 19, 2024), and is eligible for re-appointment and meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160(1) of the Act proposing her candidature for re-appointment and considering the report of her performance evaluation for the year 2023-24, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for second consecutive term of 5 (Five)

years commencing from September 20, 2024 to September 19, 2029 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be deemed or considered, proper, necessary, usual, relevant, customary and expedient to give effect to this Resolution.”

6. Re-appointment of Dr. Deepak R. Parikh (DIN: 06504537) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Qualification of Directors), Rules, 2014 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended from time to time and any other applicable provisions, if any and the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Dr. Deepak R. Parikh (DIN: 06504537), who was appointed as an Independent Director of the Company at the 39th Annual General Meeting of the Company for a term of five years (i.e. up to September 19, 2024), and is eligible for re-appointment and meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160(1) of the Act proposing his candidature for the re-appointment and considering the report of his performance evaluation for the year 2023-24, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the second consecutive term of 5 (Five) years commencing from September 20, 2024 to September 19, 2029 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be deemed or considered,

proper, necessary, usual, relevant, customary and expedient to give effect to this Resolution.”

7. Re-appointment of Mr. Pradeep R. Rathi (DIN: 00018577) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Qualification of Directors), Rules, 2014, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended from time to time and any other applicable provisions, if any, and the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Pradeep R. Rathi (DIN: 00018577), who was appointed as an Independent Director of the Company at the 39th Annual General Meeting of the Company for a term of five years (i.e. up to September 19, 2024), and is eligible for re-appointment and meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160(1) of the Act proposing his candidature for the re-appointment and considering the report of his performance evaluation for the year 2023-24, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the second consecutive term of 5 (Five) years commencing from September 20, 2024 to September 19, 2029 (both days inclusive).

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of SEBI Listing Regulations, (including any statutory amendments, modifications(s) or re-enactment(s) thereof for the time being in force), approval of the members be and is hereby accorded for continuation of directorship of Mr. Pradeep R. Rathi (DIN: 00018577) beyond May 20, 2028 to September 19, 2029, as an Independent Director of the Company, on account of attaining the age of 75 years on May 20, 2028.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be deemed or considered, proper, necessary, usual, relevant, customary and expedient to give effect to this Resolution.”

8. Re-appointment of Mr. Anami N. Roy (DIN: 01361110) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Qualification of Directors), Rules, 2014, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended from time to time and any other applicable provisions, if any and the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Anami N. Roy (DIN: 01361110), who was appointed as an Independent Director of the Company at the 39th Annual General Meeting of the Company for a term of five years (i.e. up to September 19, 2024), and is eligible for re-appointment and meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a

declaration to that effect and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160(1) of the Act proposing his candidature for the re-appointment and considering the report of his performance evaluation for the year 2023-24, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the second consecutive term of 5 (Five) years commencing from September 20, 2024 to September 19, 2029 (both days inclusive).

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of SEBI Listing Regulations (including any statutory amendments, modifications(s) or re-enactment(s) thereof for the time being in force), approval of the members be and is hereby accorded for continuation of directorship of Mr. Anami N. Roy (DIN: 01361110) beyond May 15, 2025 to September 19, 2029, as an Independent Director of the Company, on account of attaining the age of 75 years on May 15, 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be deemed or considered, proper, necessary, usual, relevant, customary and expedient to give effect to this Resolution.”

By Order of the Board of Directors
For **Finolex Industries Limited**

Dakshinamurthy Iyer

Company Secretary

& Head Legal

M. No.: AI3004

Place: Pune

Date: August 19, 2024

NOTES:

1. The Ministry of Corporate Affairs ('MCA'), *inter-alia*, vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 read with subsequent latest circular 09/2023 dated September 25, 2023 in this regard (collectively referred to as 'MCA Circulars') has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue.

Further, the Securities and Exchange Board of India ('SEBI'), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and October 7, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, if any, have provided relaxations from compliance with certain provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

In compliance with the applicable provisions of the Act, MCA Circulars and SEBI Listing Regulations, the **Forty-Third (43rd)** Annual General Meeting (AGM) of the Company is being held through VC/OAVM on **Wednesday, September 18, 2024 at 04:00 p.m. (IST)**. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at Gat No.399, Village Urse, Taluka Maval, District Pune – 410 506 (Maharashtra).

2. The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') setting out material facts concerning the business with respect to Item Nos. 4 to 8 forms part of this Notice. Additional information, pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard-2 on General Meetings, issued by The Institute of Company Secretaries of India, in respect of Director(s) seeking appointment(s)/re-appointment(s) at the 43rd Annual General Meeting ('Meeting' or 'AGM') is annexed to this Notice. As per the provisions of Clause 3.A.II. of the General Circular No. 20/2020 dated May 5, 2020, the matters of special business as appearing at Item No.(s) 4 to 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence forming part of this Notice. Kindly note that in this notice, the terms member(s) or shareholder(s) are used interchangeably.

3. Pursuant to the provisions of the Companies Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since, this AGM is being held pursuant to the MCA circulars through VC or OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.

4. Members desirous of obtaining any information concerning the accounts and operations of the Company for the financial year ended March 31, 2024 are requested to address their questions to the Company Secretary at investors@finolexind.com so as to reach us on or before Friday, September 13, 2024. This will ensure that the requested information may be made available.

5. **Unclaimed Dividend:** Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends for 7 consecutive years are also liable to be transferred to the Demat account of the IEPF Authority. In view of this, members/claimants are requested to claim their unpaid/unclaimed dividends from FY 2016-17 till date, on or before Saturday, September 14, 2024.

The Members, whose unclaimed dividends/shares have been transferred to IEPF, may write to the Company/RTA for advising the procedure for Claiming the shares/dividend from IEPF Authorities. On the shareholder/Claimant compiling with the procedure advised and submitting the required documents, the Company shall issue Entitlement Letter. The Members can submit the Entitlement Letter along with Form IEPF 5 and other required documents as mentioned at www.iepf.gov.in and claim their shares from IEPF Authority.

For details, please refer to the Corporate Governance section, which forms part of this Annual Report and the investor page on the Company's website <https://www.finolexpipes.com/investors/compliance-report/>

6. All documents referred to in the notice and the explanatory statement annexed thereto requiring the approval of the members at the Meeting will be made available for inspection.

Electronic copies of necessary statutory registers, certificate(s) agreement(s) and other documents, if any, will be available for inspection by the members during the AGM through KFin platform.

7. The recorded transcript of the AGM shall also be made available as soon as possible on the website of the Company at www.finolexpipes.com.

8. Information relating to obtaining Annual Report through e-mail.

In line with the MCA and SEBI Circulars, Notice of the AGM along with the Annual Report for Financial Year 2023-24 will be sent only through electronic mode to those members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the Notice and Annual Report for Financial Year 2023-24 for calling the AGM will be uploaded on the website of the Company at <https://www.finolexpipes.com/investors/financials/>. The Notice of the AGM can also be accessed from the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at <https://www.bseindia.com/> and <https://www.nseindia.com/> respectively and the same is also available on the website of e-voting agency KFin Technologies Limited at <https://evoting.kfintech.com/>. The Company shall send the physical copy of Annual report of FY 2023-24 to those members who request the same at the email address of the company at investors@finolexind.com mentioning their Folio No./DP ID and Client ID.

The Company will also publish an advertisement in newspaper containing the details about e-AGM i.e. the conduct of AGM through VC/OAVM, date and time of AGM, availability of notice of AGM at the Company's and manner of registering the e-mail IDs of those Members who have not registered their email addresses with the Company/RTA.

We urge all shareholders to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail. Members holding shares in dematerialised form, who have not yet registered their e-mail addresses

are requested to register their e-mail addresses with their respective Depository Participants. Members holding shares in physical form are requested to update their KYC details.

9. Information relating to attendance at the e-AGM (Meeting)

Pursuant to the circular(s) of MCA on the VC/OAVM (e-AGM), please note the following relating to attendance at the e-AGM:

- a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.
- b. Since the e-AGM is being held pursuant to MCA circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Appointment of proxy to attend and cast vote on behalf of the member is not available and hence the Proxy Form and Attendance Slip are not annexed to this notice.
- c. Bodies Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate and cast their votes through e-voting.
- d. Corporate and/or Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to attend and vote, to the Scrutinizer at e-mail ID: cs@svdandassociates.com with a copy marked to evoting@kfintech.com and investors@finolexind.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT No. 8315". The documents should reach the Scrutinizer on or before Monday, September 16, 2024 (5.00 p.m.) IST.
- e. Members can join the e-AGM, 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- f. Up to 1000 members will be able to join e-AGM on FIFO basis.

- g. No restrictions on account of FIFO entry into e-AGM will apply in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
- h. The attendance of the Members (member logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- i. The facility of attending e-AGM through VC/OAVM shall be closed within 15 minutes after the meeting is concluded.
- iv. If you opt to log-in through Registered Mobile OTP, you will be required to "Select the Meeting" from the drop-down like – 'FINOLEX INDUSTRIES LIMITED';
- v. Post selection, you will be required to enter the registered Mobile no. and click on "Send OTP";
- vi. On successful validation of the OTP, you will be placed in the meeting home page based on the Folio selected;
- vii. After logging in click on 'Video Conference' option;
- viii. Then click on camera icon appearing against AGM event of Finolex Industries Limited, to attend the Meeting.

10. Instructions for the Members for attending the e-AGM through VC/OAVM:

- a. Member will be able to attend the e-AGM through VC / OAVM platform provided by KFin Technologies Limited by using their e-voting login credentials and selecting the EVEN for the Company's AGM and by following the process as detailed hereunder:
 - i. Member will be provided with a facility to attend the AGM through VC/OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech.

After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same.
 - ii. On the home page, the options to login via DP ID Client ID/Folio No. through Password/Mobile OTP will be available;
 - iii. You may Enter DP ID Client ID/Folio No. and password or opt for login using mobile OTP;
 - b. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
 - c. Further, Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
 - d. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
 - e. Members who do not have USER ID and Password for E-voting or have forgotten the User ID and Password may retrieve the same by following the procedure provided in the E-voting instructions.

11. Speaker Registration for e-AGM

- a. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting at <https://emeetings.kfintech.com> and by clicking on the tab 'Speaker Registration' during the period starting from Saturday, September 14, 2024 (9.00 a.m. IST) to Monday, September 16, 2024, (5.00 p.m. IST) (both days inclusive).
- b. Only those members who have registered themselves as a speaker will be allowed to

express their views/ask questions during the e-AGM.

- c. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date i.e. Saturday, September 7, 2024 will be considered.

12. E-Voting (Voting through electronic means):

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-voting facility provided by Listed Companies”, e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby facilitating not only seamless authentication but also ease and convenience of participating in e-voting process.

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to offer e-voting facility which will enable all the Members to cast their votes electronically on the resolutions mentioned in the Notice of the Forty Third (43rd) Annual General Meeting of the Company. Necessary arrangements have been made by the Company with KFin Technologies Limited to facilitate e-voting. Members who have cast their votes by e-voting prior to the AGM may attend the AGM, however shall not be

entitled to cast their votes again. The Company has appointed Mr. Sridhar Mudaliar, Partner or failing him Ms. Sheetal Joshi, Partner of M/s. SVD & Associates, Company Secretaries, Pune, as the Scrutinizer for analysing and conducting e-voting process in a fair and transparent manner.

E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on Tuesday, September 10, 2024 (i.e. “cut-off” date). In case a person has become a member of the Company after dispatch of AGM notice, but on or before the cut-off date for e-voting i.e. Tuesday, September 10, 2024, such person may obtain the User ID and password from KFIN by email request on einward.ris@kfintech.com. However, if the member is already registered with KFin for remote e-voting then member may use his/her existing User ID and Password for casting their vote.

The voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

In case of joint holders attending the AGM, only such joint holder who is higher in the order of names in the Register of Members of the Company will be entitled to vote.

The remote e-voting period commence from Sunday, September 15, 2024 (9.00 a.m. IST) and will conclude on Tuesday, September 17, 2024 (5.00 p.m. IST), both the days inclusive. The voting module shall be disabled by KFIN for e-voting thereafter. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

Instructions for remote e-voting are as under: -

Type of members	Login method
Individual members holding equity shares in demat mode with NSDL	A) Existing Internet-based Demat Account Statement (“IDeAS”) facility Users
	i) Visit the e-services website of NSDL, https://eservices.nsdl.com .
	ii) Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. Thereafter enter the existing user id and password
	iii) After successful authentication, Members will be able to see e-Voting services under ‘Value Added Services’. Please click on “Access to e-Voting” under e-Voting services
	iv) Click on Company name i.e., ‘Finolex Industries Limited’ or e-Voting service provider i.e. KFin.
	v) Members will be re-directed to KFin’s website for casting their vote during the remote e-Voting period and e-Voting during the AGM.

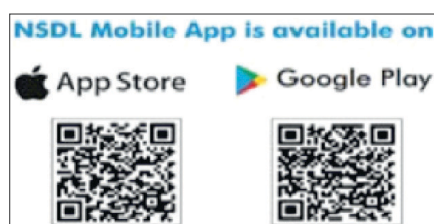
Type of members	Login method
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B) Users not registered under IDeAS e-Services

- i) Visit <https://eservices.nsdl.com> for registering.
- ii) Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- iii) After successful registration, please follow the steps given in point no. 1 above to cast your vote.

C) By visiting the e-Voting website of NSDL:

- i) Visit the e-Voting website of NSDL <https://www.evoting.nsdl.com/>
- ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
- iii) Members will have to enter their User ID (i.e., the sixteen-digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen.
- iv) After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-Voting page.
- v) Click on company name i.e., Finolex Industries Limited or e-Voting service provider name i.e., KFin after which the Member will be redirected to e-Voting service provider website for casting their vote during the remote e-Voting period and e-Voting during the AGM.
- vi) Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



Individual Members holding equity shares in demat mode with CDSL

A) Existing user who has opted for electronic access to securities information ("Easi / Easiest") facility:

- i. Visit <https://web.cdslindia.com/myeasitoken/home/login> or www.cdslindia.com.
- ii. Click on new system My Easi.
- iii. Login to My Easi option under quick login.
- iv. Login with the registered user ID and password.
- v. Members will be able to view the e-voting Menu.

The Menu will have links of KFin e-voting portal and will be redirected to the e-Voting page of KFin to cast their vote without any further authentication.

B) Users who have not opted for Easi / Easiest:

- i. Visit <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> for registering.
- ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc.
- iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote.

Type of members	Login method
	<p>C) By visiting the e-Voting website of CDSL:</p> <ol style="list-style-type: none"> Visit https://www.cdslindia.com/ Provide demat Account Number and PAN System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. After successful authentication, please enter the e-Voting module of CDSL. Click on the e-Voting link available against the name of the Company, viz. 'Finolex Industries Limited' or select KFin. Members will be re-directed to the e-Voting page of KFin to cast their vote without any further authentication.
Individual Members (holding equity shares in demat mode) logging through their DPs	<ol style="list-style-type: none"> Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-Voting facility. Once logged-in, Members will be able to view e-Voting option. Upon clicking on e-Voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-Voting feature. Click on options available against Finolex Industries Limited or KFin. Members will be redirected to e-Voting website of KFin for casting their vote during the remote e-Voting period without any further authentication.

Important Note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID or Forgot Password option(s) available at website of respective depository(ies).

Helpdesk for Individual Members holding securities in demat mode who need assistance for any technical issues related to login through Depository i.e. NSDL and CDSL:

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL	Members facing any technical issue / query pertaining to e-voting – KFin
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 or 1800 224 430.	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at evoting@cdslindia.com or contact on 022- 23058738 or 022-23058542-43.	Members may visit Help & FAQ's section available at KFIN's website https://evoting.kfintech.com or contact KFIN's at Tel. No. 1800 309 4001 (toll free).

- I) Login method for remote e-voting for members other than individual members holding equity shares in demat mode and members holding equity shares in physical mode**
- Launch internet browser and type the URL: <https://evoting.kfintech.com>
 - Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a member is registered with Kfin for e-Voting, they can use their existing User ID and password for casting the vote.
 - After entering the correct details, click on LOGIN.
 - Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt the Member to change their password and update their contact details viz. mobile number, email id etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password

in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.

- v. Members would need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the 'EVENT' i.e. 8315 Finolex Industries Limited' and click on 'submit'
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding of the Member as on the cut-off date. A Member may also choose the option ABSTAIN. If a member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. Member may then cast votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate and / or Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy

(PDF Format) of Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to attend and vote, to the Scrutinizer at e-mail ID: cs@svdandassociates.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT No.". The documents should reach the Scrutinizer on or before Monday, September 16, 2024 5.00 p.m. (IST).

II) Members whose email IDs are not registered with the Company/DPs and consequently the Annual Report, Notice of AGM and e-Voting instructions cannot be serviced, will have to follow the following process:

In case e-mail ID of a Member is not registered with the Company/ Depository Participant(s), then such Member is requested to register/ update their e-mail addresses with the Depository Participant (in case of shares held in dematerialised form) or with KFin (in case of Shares held in physical form) by following the procedure as envisaged in the point no. 3(i) hereinabove.

In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual available at <https://evoting.kfintech.com/public/Faq.aspx> or contact KFin on 1-800-309-4001 (toll free).

- a. Once the vote on a resolution is cast by a Member, thereafter Member shall not be allowed to change it subsequently. Further, Members who have cast their vote through remote e-voting shall not be allowed to vote again at the AGM.
- b. Voting at the e-AGM: Members who unable to vote through remote e-voting may avail the e-voting system provided by KFin Technologies Limited, at the time of e-AGM.

Member(s) / shareholder(s), who will be present in the e-AGM through Video Conference facility and have not casted their vote through remote

e-voting are eligible to vote through e-voting in the e-AGM.

However, members who have voted through Remote e-voting will be eligible to attend the e-AGM.

- c. The scrutiniser shall, immediately after the conclusion of voting, first count the votes cast at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses, who are not in the employment of the company and make, a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him who shall countersign the same.

The Scrutinizer shall submit his report to the Chairman or a person authorised by him in writing, who shall declare the result of the voting. The results declared along with the Scrutinizer's report shall be placed on the Company's website <https://www.finolexpipes.com/investors/compliance-report/> and on the website of KFin at <https://evoting.kfintech.com>. The results shall simultaneously be communicated to the BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The resolutions shall be deemed to be passed at the AGM of the Company.

13. Book Closure and Dividend

The register of members and the share transfer books of the Company will remain closed from Thursday, September 12, 2024 to Wednesday, September 18, 2024 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2024.

Subject to the provisions of Section 126 of the Act, dividend on equity shares, if declared at the AGM, will be credited/dispensed on or before Thursday, October 3, 2024 as under:

- a) to all those shareholders holding shares in physical form, as per the details provided by share transfer agent of the Company i.e. KFin Technologies Limited ("KFin") to the Company, as of or before the closing hours on Tuesday, September 10, 2024; and
- b) to all those beneficial owners holding shares in electronic form, as per the

beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Tuesday, September 10, 2024

14. GENERAL INSTRUCTIONS/ADVISORY

1. Regulation 40 of the SEBI Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has clarified that listed companies, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, subdivision/consolidation of share certificates, etc. In view of this, Members holding shares in physical form are requested to submit duly filled Form ISR-4 for the above mentioned service requests along with Form ISR-1, ISR-2, ISR-3, SH-13, as may be applicable, the format of which is available on the website of KFin at <https://ris.kfintech.com/clientservices/isc/>. Further, to eliminate all risks associated with physical shares and for ease of portfolio management and improved liquidity, Members holding equity shares in physical form are requested to consider converting their holdings to demat mode.
2. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14. The said form can be downloaded from the Company's website at <https://www.finolexpipes.com/investors/investors-relations-centre/>. Members are requested to submit the said form to their DP's in case the shares are held by them in electronic form and to the Company's RTA at einward.ris@kfintech.com in case the shares are held in physical form, quoting folio number.

3. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates and self-attested copies of the PAN card of the holders for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making the requisite changes. The consolidation will be processed in demat form.
4. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
5. Members are requested to make all correspondence in connection with equity shares by sending an email to Kfin at einward.ris@kfintech.com or at investors@finolexind.com quoting Folio number or DP ID and Client ID, as the case may be.
6. We urge Members to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail. Members holding shares in dematerialized form, who have not registered their e-mail addresses are requested to register their e-mail addresses with their respective Depository Participants and Members holding shares in physical form are requested to update their e-mail addresses as per the procedure provided in point 3(i) hereinabove for receiving all communication, including Annual Reports, Notices, Circulars, etc. from the Company electronically.
7. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/ CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/ OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://www.finolexpipes.com/investors/investors-relations-centre/>.

8. **Dividend related information:**

Members may note that as per Income Tax Act, 1961, (the 'IT Act') as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of Members. The Company is also required to deduct Tax at Source ('TDS') in respect of approved payment of dividend to its Members (resident as well as non-resident).

To enable compliance with TDS requirements, members holding shares in electronic mode are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants and in case shares are held in physical form, by sending documents to the Company on or before Wednesday, September 11, 2024 (upto 5.00 p.m. IST).

For the detailed process and formats of declaration, please refer FAQs on Tax Deduction at Source on Dividends available on the Company's website at <https://www.finolexpipes.com/investors/investors-relations-centre/>

Members are requested to refer the Company's email sent in this regard, and submit the documents on or before Wednesday, September 11, 2024 for tax determination/ deduction of TDS at applicable rates. The details / information for submission of documents is available on the website of the Company <https://www.finolexpipes.com/investors/investors-relations-centre/> SEBI vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023 has mandated that with effect from April 01, 2024 dividend to shareholders holding shares in physical form shall be paid only through electronic mode. Such payment shall be made only if the folio is KYC compliant i.e. the details of PAN,

choice of nomination, contact details, mobile number, complete bank details and specimen signatures are registered with the RTA.

In case of non-updation of PAN or Choice of Nomination or Contact Details or Bank Account Details or Specimen Signature in respect of physical folio's, dividend / interest etc. shall be paid upon furnishing all the aforesaid details in entirety.

To receive the dividend on time, Members holding shares in physical form should be KYC compliant and receive the dividends directly in their bank accounts through Electronic Clearing Service or any other means. Members are requested to send the following documents to our RTA – KFin Technologies Limited, so as to reach the RTA before the record date i.e. Tuesday, September 10, 2024.

- a. Form No. ISR-1 duly filled and signed by the holders stating their name, folio number, complete address with pincode, and the following details relating to the bank account in which the dividend is to be received:
 - i. Name of Bank and Bank Branch;
 - ii. Bank Account Number & Type allotted by your bank after implementation of Core Banking Solutions;
 - iii. 11-digit IFSC Code; and
 - iv. 9-digit MICR Code.
- b. Original copy of cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. Self-attested copy of the PAN Card of all holders; and
- d. Self-attested copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.
- e. Form ISR - 2 duly filled signed. The signature of holders should be attested by the Bank Manager
- f. Form SH 13 – Nomination form or ISR - 3- to opt out from Nomination The above Investor Service Request Forms (ISR) are available at RTA's website at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx> and at the Company's website <https://www.finolexpipes.com/investors/investors-relations-centre/>

To ensure timely credit of dividend through electronic mode or physical instrument such as banker's cheque or demand draft, members are requested to notify change of address or particulars of their bank account, if any, to share transfer agent - KFin and to their respective depository participants.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividends as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/ addition/deletion in such bank details. Accordingly, the Members holding shares in Demat form are requested to update their Electronic Bank Mandate with their respective DPs. Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applied to the dividend paid on shares held in electronic form.

IN VIEW OF EASE OF PARTICIPATION BY MEMBERS FOLLOWING ARE KEY DETAILS REGARDING THE 43RD AGM :

Sr. No.	Particulars	Details and URL's for Access
1.	Link for participation through Video Conferencing (VC) at the AGM	https://emeetings.kfintech.com by using e-Voting credentials and clicking on video conference
2.	Link for posting AGM queries and speaker registration and period of registration	https://emeetings.kfintech.com by using e-Voting credentials and clicking on "post your queries" / "Speaker registration" as the case may be
	Period of registration	Commence from: 9.00 a.m. on Saturday, September 14, 2024 Concludes on: 5.00 p.m. on Monday, September 16, 2024
3.	Link for remote e-Voting	Members may refer to the instructions provided under "Procedure and Instructions for E-Voting" section of this Notice
4.	Username and password for VC	Members may attend the AGM through VC by accessing the link https://emeetings.kfintech.com by using the remote e-Voting credentials. Please refer the instructions provided in the Notice
5.	Helpline number for VC participation and e-Voting	Contact KFin Technologies Limited at 1800 309 4001 or write to them at evoting@kfintech.com
6.	Cut-off date for e-Voting	Tuesday, September 10, 2024
7.	Time period for remote e-Voting	Remote e-Voting commence at: 9.00 a.m. on Sunday, September 15, 2024 Remote e-Voting concludes at: 5.00 p.m on Tuesday, September 17, 2024
8.	Publishing results of remote e-Voting and e-Voting during the AGM	Within 2 working days from conclusion of the AGM.
9.	Registrar and Transfer Agent – Contact Details	M/s KFin Technologies Limited Unit: Finolex Industries Limited Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032 Tel: +91 40 6716 1630 Toll Free no: 1800-309-4001 WhatsApp: +91 910 009 4099 E-mail id- einward.ris@kfintech.com Website: https://www.kfintech.com/
10.	Finolex Industries Limited – Contact details	Corporate Office: Finolex Industries Limited, IndiQube 'The Kode' - 11th Floor, S. No. 134, Hissa No. 1/38 Baner Pashan Link Road, Pune - 411 045, Maharashtra, India Tel: +91 20-27408200 Email: investors@finolexind.com Registered Office: Gat No. 399, Village Urse, Tal. Maval, Dist. Pune – 410 506, Maharashtra, India Tel: +91 2114 237251 / 237253

Explanatory Statement pursuant to Section 102 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The following Statement sets out all material facts relating to Item Nos. 4 to 8 mentioned in the accompanying Notice.

Item No. 4

On the recommendation of the Audit Committee, the Board of Directors, at its meeting held on May 10, 2024 approved the appointment of M/s. S. R. Bhargave & Co., Cost Accountants, Pune, (Firm Registration No. 000218) as the Cost Auditors of the Company to conduct the audit of the cost accounting records of the Company for the financial year 2024-25 pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014. It is proposed to pay ₹5,00,000 (Rupees Five Lakhs only) plus applicable taxes and reimbursement of actual out of pocket expenses as remuneration to the Cost Auditors for the financial year 2024-25.

M/s. S. R. Bhargave & Co., have consented to act as the Cost Auditors of the Company for the financial year 2024-25 and have furnished a certificate regarding their eligibility for appointment. The Firm has vast experience in the field of cost audit.

In terms of provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be ratified by the members of the Company.

None of the directors or key managerial personnel of the Company and/or their respective relatives are concerned or interested financially or otherwise in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the resolution set out at item no. 4 of the notice as an Ordinary Resolution for approval of the members.

Item No. 5 & 6 Re-appointment of Ms. Bhumika L. Batra (DIN: 03502004) and Dr. Deepak R. Parikh (DIN: 06504537) as Independent Directors of the Company

The Members of the Company at its 39th Annual General Meeting approved the appointment of Ms. Bhumika L. Batra and Dr. Deepak R. Parikh, Independent Directors, not liable to retire by rotation. The Board at its meeting held on August 19, 2024, based on the recommendation of the Nomination and Remuneration Committee and considering the skills, experience and knowledge and the performance evaluation report, approved the re-appointment of Ms. Bhumika L. Batra and Dr. Deepak R. Parikh, as Independent Directors of the Company,

not liable to retire by rotation, for a second term of 5 (five) consecutive years, as detailed hereunder:

Name of Director	First term of 5 (five) consecutive years	Second term of 5 (five) consecutive years effective from
Ms. Bhumika L. Batra	September 20, 2019 till	September 20, 2024 till
Dr. Deepak R. Parikh	September 19, 2024	September 19, 2029

In accordance with Section 149(10) and (11) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. Further, with effect from January 1, 2022, as per regulation 25(2A) of the SEBI Listing Regulations, appointment or re-appointment of an independent director shall be subject to approval of shareholders by way of a special resolution. Ms. Bhumika L. Batra and Dr. Deepak R. Parikh fulfils the requirement of an independent director as laid down under Section 149(6) of the Act and Regulation 16 and 25 of the SEBI Listing Regulations. Additional information in respect of the proposed appointee(s), pursuant to the Listing Regulations, the Act and the Secretarial Standard on General Meetings are given herein as an Annexure and forms part of the Notice.

Based on the Performance Evaluation of proposed appointees, the Nomination and Remuneration Committee and the Board, are of the view that, given the knowledge, experience, contributions, skills and expertise, that the aforesaid Independent Directors bring to the Board, their continued association would be immensely beneficial to the Company, in its pursuit of growth and hence recommend the members to approve their re-appointment as Independent Directors for a second term.

The Company has received following declaration/disclosures from the respective proposed appointee(s):

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Act and;
- A declaration to the effect that they meet the criteria of independence as provided under Section 149(6) of the Act and Rules framed

thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. The Board has taken it on record after due assessment.

In the opinion of the Board, the aforesaid Directors fulfill the conditions specified in the Act, Rules thereunder and Listing Regulations, and considering the significant benefits reaped by the Company from their experience, expertise, guidance and advice to the Company, during their tenure as an independent director, the Board recommends continuation of directorship of Ms. Bhumika L. Batra and Dr. Deepak R. Parikh as an Independent Director for a further period of five years.

Further, the aforesaid Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties as an Independent Director of the Company. Further, they also confirmed that they are not debarred from holding the office of a Director by virtue of any order passed by SEBI or any such authority and are not disqualified from being appointed as a Director in terms of Section 164 of the Act. Also, they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

Ms. Bhumika L. Batra and Dr. Deepak R. Parikh shall be entitled to sitting fees and/or other remuneration with other Independent Directors of the Company and/or as per the Nomination and Remuneration policy of the Company. The details of the remuneration paid to them are provided in the Corporate Governance Report.

The terms and conditions of re-appointment of respective appointee(s), would be made available for inspection to the Members on sending a request mentioning DP/Client ID or Folio No. from the registered e-mail address to the Company at investors@finolexind.com.

None of the directors and Key Managerial Personnel of the Company or their respective relatives are in anyway concerned or interested financially or otherwise, except Ms. Bhumika L. Batra and Dr. Deepak R. Parikh and their relative(s) to the extent of their shareholding interest, if any, are concerned or interested in the Resolution set out at item no. 5 & 6 of the Notice.

The Board recommends the resolution set out at item no. 5 & 6 of the notice as a Special Resolution for approval of the members.

Item No. 7 & 8 Re-appointment of Mr. Pradeep R. Rathi (DIN: 00018577) and Mr. Anami N. Roy (DIN: 01361110) as an Independent Director of the Company

The Members at the 39th Annual General Meeting of the Company approved the appointment of Mr. Pradeep R. Rathi and Mr. Anami N. Roy as Independent Directors of the Company, not liable to retire by rotation. The Board at its meeting held on August 19, 2024, based on the recommendations of the Nomination and Remuneration Committee and considering the skills, experience, knowledge and the performance evaluation report, approved the re-appointment of Mr. Pradeep R. Rathi and Mr. Anami N. Roy as Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years, as detailed hereunder:

Name of Director	First term of 5 (five) consecutive years	Second term of 5 (five) consecutive years effective from
Mr. Pradeep R. Rathi	September 20, 2019 till	September 20, 2024 till
Mr. Anami N. Roy	September 19, 2024	September 19, 2029

In accordance with Section 149(10) and (11) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. Further, with effect from January 1, 2022, as per regulation 25(2A) of the Listing Regulations, appointment or re-appointment of an independent director shall be subject to approval of shareholders by way of a special resolution. Mr. Pradeep R. Rathi and Mr. Anami N. Roy, fulfil the requirements of an independent director as laid down under Section 149(6) of the Act and Regulation 16 and 25 of the Listing Regulations. Additional information in respect of the proposed appointee(s), pursuant to the Listing Regulations, the Act and the Secretarial Standard on General Meetings are given herein as an Annexure and forms part of the Notice.

Based on the Performance Evaluation of the proposed appointees, the Nomination and Remuneration Committee and the Board, are of the view that, given the knowledge, experience, contribution, skills and expertise, that the aforesaid Directors bring to the Board, their continued association would be immensely beneficial to the Company, in its pursuit of growth and hence recommend to the members to approve their re-appointment as Independent Directors for a second term.

The Company has received following declaration / disclosures from the respective proposed appointee(s):

- Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Act and;
- A declaration to the effect that they meet the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. The Board has taken it on record after due assessment.

In the opinion of the Board, the aforesaid Directors fulfill the conditions specified in the Act, Rules thereunder and the Listing Regulations. Pursuant to Regulation 17(1A) of amended Listing Regulations, and considering the significant benefits the Company has reaped from their valuable guidance and advice during their tenure as an independent director, the Board recommends continuation of directorship of Mr. Pradeep R. Rathi and Mr. Anami N. Roy, for a further period of five years (including for the period after they attain the age of 75 years, i.e. beyond May 20, 2028 and beyond May 15, 2025, respectively upto September 19, 2029.)

Further, the aforesaid Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties as an Independent Director of the Company. Further, they have also confirmed that they are not debarred from holding the office of a Director by virtue of any order passed by SEBI or any such authority and are not disqualified from being appointed as a Directors in terms of Section 164 of the Act. Also, they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and

Qualification of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

Mr. Pradeep R. Rathi and Mr. Anami N. Roy shall be entitled to sitting fees and/or other remuneration with other Independent Directors of the Company and/or as per the Nomination and Remuneration policy of the Company. The details of the remuneration paid to them are provided in the Corporate Governance Report.

The terms and conditions of re-appointment of Mr. Pradeep R. Rathi and Mr. Anami N. Roy, would be made available for inspection to the Members on sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at investors@finolexind.com.

None of the directors and Key Managerial Personnel of the Company or their respective relatives are in anyway concerned or interested financially or otherwise in the resolution, except Mr. Pradeep R. Rathi and Mr. Anami N. Roy and their relative(s) to the extent of their shareholding, if any, are concerned or interested in the Resolution set out at item no. 7 & 8 of the Notice.

The Board recommends the Special Resolution set out at item no. 7 & 8 of the Notice, for approval by the Members of the Company.

By Order of the Board of Directors
For **Finolex Industries Limited**

Dakshinamurthy Iyer

Company Secretary

& Head Legal

M. No.: A13004

Place: Pune

Date: August 19, 2024

Additional information of the Directors seeking appointment/re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings (SS-2)



Mrs. Ritu P. Chhabria

a) Brief resume

Mrs. Ritu P. Chhabria, 57, holds a double major in Economics and Marketing from Richmond College, London and also holds a degree in Public Relations. She was coopted as a director of the Company with effect from 21st March, 2015. She is the Managing Trustee of Mukul Madhav Foundation, the CSR partner of the Company. She looks after the day-to-day activities of Mukul Madhav Foundation.

b) Nature of her expertise in specific functional areas

In 1999, Mrs. Ritu P. Chhabria established Mukul Madhav Foundation to channelize social welfare programmes. She has been instrumental in providing assistance in the field of health care, education, social & community welfare and sanitation to the economically and socially underprivileged sections of the society to improve their quality of life.

c) Disclosure of relationships between directors inter-se

Mrs. Ritu P. Chhabria is the spouse of Mr. Prakash P. Chhabria, Executive Chairman of the Company and also part of the Promoters' Group.

d) Names of other entities in which the person also holds the directorship and the membership of Committees of the board of directors

Mrs. Ritu P. Chhabria is a member of Corporate Social Responsibility Committee of the Company. She does not hold any directorship or committee membership in any other listed company.

e) Name of listed entities from which the person has resigned in the past three Years

Nil

f) Shareholding in the Company including shareholding as a beneficial owner

Mrs. Ritu P. Chhabria holds 22,250 equity shares of the Company.

*** Note:** For other details such as number of meetings of the board attended during the year, remuneration drawn, please refer to the corporate governance report section which forms integral part of this Annual Report.



Ms. Bhumika L. Batra

a) Brief resume

Ms. Bhumika L. Batra, 43, is a law graduate and member of the Institute of Company Secretaries of India. She is also recipient of management program from Cornell University, USA . She is a Partner of Crawford Bayley & Co., one of the oldest law firms of India. She possesses over 20 years of experience in regulatory and legal practice, specializing in corporate laws. She has coauthored the book "Treatise on Company Law" in 2014 and "Transfer and Transmission of Shares" in 2004. She is a regular feature writer in India Business Law Journal. She has also contributed in various other writings, like Company Law Ready Reckoner, Asia Business Law Journal, etc.

b) Nature of her expertise in specific functional areas

She has over 20+ years of experience serving large and mid-sized clients in several sectors in areas of corporate governance, corporate advisory, M&A and restructuring. She is serving on the Boards of reputed companies.

c) Disclosure of relationships between directors inter-se

None of the directors are related to Ms. Bhumika L. Batra

d) Names of other entities in which the person also holds the directorship and the membership of Committees of the board of directors

Ms. Bhumika L. Batra holds directorship in following Companies:

- (i) Repro India Limited; (ii) NXTDIGITAL Limited; (iii) Sharp India Limited; (iv) Jyothy Labs Limited (v) Hinduja Global Solutions Limited (vi) Axis Securities Limited (vii) NDL Ventures Limited (viii) Oerlikon Textile India Private Limited (ix) Behr Bircher Cellpack BBC India Private Limited; (xi) Sanghvi Movers Limited

Name of Company	Name of Committee	Chairperson / Member
NDL Ventures Limited	Stakeholders Relationship Committee	Chairperson
	Risk Management Committee	Chairperson
	Audit Committee	Member
	Nomination and remuneration committee	Member
Repro India Limited	Nomination and remuneration committee	Chairperson
	Stakeholders Relationship Committee	Chairperson
	Risk Management Committee	Member
Sharp India Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Member
	Stakeholders Relationship Committee	Member
Jyothy Labs Limited	Audit Committee	Chairperson
	Nomination and remuneration Committee	Chairperson
	Corporate Social Responsibility Committee	Chairperson
Hinduja Global Solutions Limited	Stakeholders Relationship Committee	Chairperson
	Risk Management Committee	Chairperson
	Audit Committee	Member
	Nomination and remuneration Committee	Member

e) Name of listed entities from which the person has resigned in the past three Years

Ms. Bhumika L. Batra had resigned from Sanghvi Movers Limited as Director in the past 3 years

f) Shareholding in the Company including shareholding as a beneficial owner

Ms. Bhumika L. Batra holds 500 equity shares of the Company.

g) Key terms and conditions of appointment and remuneration proposed to be paid

As per the resolution at Item No. 5 of this notice read with explanatory statement thereto.

h) Skills and capabilities required for the role and the manner in which the proposed person meets such requirements

As per the resolution at Item No. 5 of this notice read with explanatory statement thereto.

* **Note:** For other details such as number of meetings of the board attended during the year, remuneration drawn, please refer to the corporate governance report section which forms integral part of this Annual Report.



Dr. Deepak R. Parikh

a) Brief resume

Dr. Deepak R. Parikh, 63, well rounded, PE focused, global C-suite executive and board director, Dr. Deepak Parikh has 30+ years of experience in the chemicals, materials, packaging, life science, renewable energy, recycling, industrial and personal care industries, and a strong record of delivering operational excellence, strategic/profitable growth, new platform creation and scientific out-of-the-box approaches.

Dr. Parikh's expertise includes strong corporate governance, M&A activities, divestments/portfolio restructuring; outsourcing; digitalization; cultural integration and leadership development.

Dr. Parikh has a Ph.D. in Materials Science & Engineering from the University of Tennessee, and a B.S. in Chemical Eng. from UDCT, Mumbai, India. Dr. Parikh is one of the co-inventors of Artificial Heart at University of Utah and holds 45+ USA Patents

b) Nature of his expertise in specific functional areas

Dr. Parikh possesses expertise in chemical engineering. He is a dynamic strategist and a global leader and is well known for transforming organization, driving change management,

creating new platforms, mergers and acquisitions, divestiture, etc.

c) Disclosure of relationships between directors inter-se

None of the directors are related to Dr. Deepak R. Parikh.

d) Names of other entities in which the person also holds the directorship and the membership of Committees of the board of directors

Dr. Parikh is a Director in Kumar Organic Products Limited. He does not hold any committee membership in any other listed Company.

e) Name of listed entities from which the person has resigned in the past three Years

Dr. Parikh had resigned from Sudarshan Chemical Industries Limited as Director in the past 3 years

f) Shareholding in the Company including shareholding as a beneficial owner

Dr. Deepak Parikh does not hold any equity shares of the Company.

g) Key terms and conditions of appointment and remuneration proposed to be paid

As per the resolution at Item No. 6 of this notice read with explanatory statement thereto.

h) Skills and capabilities required for the role and the manner in which the proposed person meets such requirements

As per the resolution at Item No. 6 of this notice read with explanatory statement thereto.

*** Note:** For other details such as number of meetings of the board attended during the year, remuneration drawn, please refer to the corporate governance report section which forms integral part of this Annual Report.



Mr. Pradeep R. Rathi

a) Brief resume

Mr. Pradeep R. Rathi, 71 has completed his MS in Chemical Engineering from MIT, USA and MBA from Columbia University, USA. He was actively involved with Indian Chemical Manufacturers' Association previously.

Mr. Rathi is a past Chairman of Dyes and Dye Intermediate Sub-Committee and Planning and Development and Exports Sub-Committee. He was also the past president of Rotary Club of Poona.

Mr. Rathi acted as Chairman of the Foreign Trade Sub-Committee of Maharashtra Chamber of Commerce, Industries and Agriculture.

Mr. Rathi has been associated with Sudarshan for more than four decades and he retired as the Managing Director of the Company in 2018. Mr Rathi also holds Directorship positions in other listed entities.

b) Nature of his expertise in specific functional areas

Mr. Pradeep R. Rathi is having expertise in the field of Chemical Engineering and general Management.

c) Disclosure of relationships between directors inter-se

None of the directors are related to Mr. Pradeep R. Rathi.

d) Names of other entities in which the person also holds the directorship and the membership of Committees of the board of directors

Mr. Pradeep R. Rathi holds directorship in following Companies:

- (i) RIECO Industries Limited (ii) PRR Finance Pvt. Limited (iv) Clean Science & Technology Limited (v) Sanghvi Movers Limited (vii) Sudarshan Chemical Industries Limited (viii) Rabro Speciality Chemicals Private Limited (ix) Matrix Life Science Private Limited

Name of Company	Name of Committee	Chairman / Member
Sanghvi Movers Limited	Nomination Remuneration Committee	Chairman
	Audit Committee	Member
Clean Science and Technology Limited	Risk Management Committee	Chairman
	Nomination and remuneration committee	Member
Sudarshan Chemical Industries Limited	Stakeholders Relationship Committee	Member
	Corporate Social Responsibility Committee	Member
	Risk Management Committee	Member
	Finance Committee	Member
	Shares Committee	Member

e) Name of listed entities from which the person has resigned in the past three Years

Mr. Pradeep R. Rathi had resigned from Kirloskar Oil Engines Limited as Director in the past 3 years

f) Shareholding in the Company including shareholding as a beneficial owner

Mr. Pradeep R. Rathi does not hold any equity shares of the Company.

g) Key terms and conditions of appointment and remuneration proposed to be paid

As per the resolution at Item No. 7 of this notice read with explanatory statement thereto.

h) Skills and capabilities required for the role and the manner in which the proposed person meets such requirements.

As per the resolution at Item No. 7 of this notice read with explanatory statement thereto.

*** Note:** For other details such as number of meetings of the board attended during the year, remuneration drawn, please refer to the corporate governance report section which forms integral part of this Annual Report.



Mr. Anami N. Roy

a) A brief resume

Mr. Anami N. Roy, 74 years, holds a Masters Degree in History from University of Allahabad and an M Phil in Public Administration.

During his nearly four decades of dedicated tenure in the Indian Police Service, Mr. Roy held many diverse challenging assignments both in Government of India and the state of Maharashtra and the city of Mumbai, including Police Commissioner of Mumbai, Pune, Navi Mumbai and Aurangabad and Director General of Police Maharashtra state and in the elite Special Protection Group in New Delhi. He retired as Director General of Police, Maharashtra. He set up many citizen-friendly schemes and systems to resolve and fulfil people's problems and expectations like Citizen Facilitation Centres, Mumbai Police Infoline, Elderline.

Mr. Roy was appointed by the President of India as Advisor to Governor of combined state of Andhra Pradesh and Telangana in 2014 when the state was under President's rule. During this period, he performed the role of Minister of 16 different departments of the state government including Home, Industry and Mining, Housing, Health, Medical Education, etc.

Mr. Roy serves as member of the Board of Directors of several prominent companies.

Mr. Roy also consults with the India offices of international financial institutions, private equity funds prominent organizations in the financial sector. He also contributes time and his bandwidth with India's first sustainability fund, certain startups and charitable organizations.

He is the co-founder of Vandana Foundation (a not-for-profit organization).

b) Nature of his expertise in specific functional areas

Nature of expertise in specific functional areas: Management & Strategy, Human Resources & Industrial Relations, Corporate Governance & Ethics, Regulatory, Government & Security matters, CSR, Sustainability & public service/relations.

c) Disclosure of relationships between directors inter-se

None of the directors are related to Mr. Anami N. Roy.

d) Names of other entities in which the person also holds the directorship and the membership of Committees of the board of directors

Mr. Anami N. Roy holds directorship in following Companies:

- (i) Glaxosmithkline Pharmaceuticals Limited (ii) Bajaj Finance Limited (iii) Bajaj Finserv Limited (iv) Bajaj Auto Limited (v) Bajaj Housing Finance Limited (vi) Bajaj Allianz General Insurance Company Limited (vii) Bajaj Allianz Life Insurance Company Limited (viii) Good Host Spaces Private Limited (ix) Vandana Foundation (x) Siemens Limited

Name of Company	Name of Committee	Chairman / Member
Bajaj Auto Limited	Audit Committee	Chairman
	Risk Management Committee	Chairman
Glaxosmithkline Pharmaceuticals Limited	Nomination and Remuneration Committee	Chairman
	Corporate Social Responsibility Committee	Member
Bajaj Finance Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee	Member
	Risk Management Committee	Member
	Identification Committee	Member
	Review Committee for wilful Defaulter's	Member
	Strategic Investment Committee	Member
Bajaj Housing Finance Limited (Debt Listed)	Stakeholders Relationship Committee	Chairman
	Audit Committee	Chairman
	Corporate Social Responsibility Committee	Chairman
	Nomination and Remuneration Committee	Member
Bajaj Allianz General Insurance Co Limited	Risk Management Committee	Member
	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member
Bajaj Fiserv Limited	Corporate Social Responsibility Committee	Member
	Audit Committee	Member
	Nomination and Remuneration Committee	Chairman
Bajaj Allianz Life insurance Co. Ltd	Corporate Social Responsibility Committee	Member
	Audit Committee	Member
	Nomination and Remuneration Committee	Member
Siemens Limited	Corporate Social Responsibility Committee	Member
	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Real Estate Committee	Member
	Committee of Directors	Member

e) Name of listed entities from which the person has resigned in the past three Years

Mr. Anami N. Roy had resigned from Bajaj Holdings & Investment as Director in past 3 years

f) Shareholding in the Company including shareholding as a beneficial owner

Mr. Anami N. Roy does not hold any equity shares of the Company.

g) Key terms and conditions of appointment and remuneration proposed to be paid

As per the resolution at Item No. 8 of this notice read with explanatory statement thereto.

h) Skills and capabilities required for the role and the manner in which the proposed person meets such requirements

As per the resolution at Item No. 8 of this notice read with explanatory statement thereto.

* **Note:** For other details such as number of meetings of the board attended during the year, remuneration drawn, please refer to the corporate governance report section which forms integral part of this Annual Report.

By Order of the Board of Directors
For **Finolex Industries Limited**

Dakshinamurthy Iyer
Company Secretary
& Head Legal
M. No.: A13004

Place: Pune
Date: August 19, 2024

FINOLEX

PIPES & FITTINGS

Finolex Industries Limited

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