Registered Office / Urse Plant
Finolex Industries Limited
Gat No. 399, Village Urse, Tal.-Maval,
Dist. Pune 410 506, Maharashtra, India
CIN L40108PN1981PLC024153

Tel +91 2114 237251 / 237253
Toll Free 1800 200 3466
Fax +91 2114 237252
Email investors@finolexind.com
Web finolexpipes.com

FinOlex INDUSTRIES

FIL/SEC/SEs/2021-22/039
31st August, 2021

National Stock Exchange of India Limited Manager – Listing Department 5, Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400051	BSE Limited Manager – Listing Department Registered Office: Floor 25 P.J.Towers, Dalal Street Mumbai 400 001
Scrip Code: Equity: FINPIPE	Scrip Code: Equity: 500940/FINOLEXIND

Sub : Notice of 40th Annual General Meeting and 40th Annual Report of the Company

Ref : Regulation 30 & Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In terms of the subject referred Regulations read with MCA & SEBI Circulars, enclosed herewith is the notice of 40th Annual General Meeting (AGM) and the 40th Annual Report for the financial year 2020-21, which are circulated to the shareholders through the electronic mode today i.e. 31st August, 2021. The 40th AGM will be held on Wednesday, 22nd September, 2021 at 4.00 p.m. (IST), through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM").

The Schedule of AGM is as set out below:

Event – 40th AGM	**Details**	**Time (IST)**
Date and time of AGM	Wednesday, 22nd September, 2021	4.00 p.m.
Mode	Video conferencing and other audio visual means	-
Participation through video conferencing	https://emeetings.kfintech.com/	-
Cut-off date for e-voting	Wednesday, 15th September, 2021	-
E-voting start date and time	Sunday, 19th September, 2021	9.00 a.m.
E-voting end date and time	Tuesday, 21st September, 2021	5.00 p.m.
E-voting website of KFin Technologies Private Limited	https://evoting.kfintech.com/	-
Record date for Dividend	Wednesday, 15th September, 2021	-
Dividend Payment date	Monday, 4th October, 2021	-

Please note that the said notice of the 40th AGM and 40th Annual Report of the Company for the Financial Year 2020-21, are also available on the website of the Company at www.finolexpipes.com.

You are requested to kindly take the above on your records.

Thanking you,

Yours Truly,

For Finolex Industries Limited

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Encl: As above

FINOLEX INDUSTRIES LTD. CHINCHWAD

Corporate Office
Finolex Industries Limited
D-1 / 10, M.I.D.C.

Tel +91 20 27408200
Fax +91 20 27474444

DNV·GL DNV·GL

MOVING FORWARD WITH FORTITUDE

ANNUAL REPORT 2020-21

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

भगवद् गीता अ. 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

SHRI PRALHAD P. CHHABRIA

(12.03.1930-05.05.2016)

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

Contents

Company Overview

Statutory Reports

Financial Statements

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

Mrs. Kanchan U. Chitale
Independent Director

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

Mr. Sanjay S. Math
Managing Director

Dr. Deepak R. Parikh
Independent Director

Mr. Pradeep R. Rathi
Independent Director

Mr. Anami N. Roy
Independent Director

Mr. Anil V. Whabi
Director – Finance & CFO

Mr. Ashutosh B. Kulkarni
Company Secretary

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
Mr. Sanjay S. Math
Dr. Deepak R. Parikh
Mr. Pradeep R. Rathi
Mr. Anami N. Roy

Stakeholders' Relationship Committee

Mr. Anami N. Roy
Chairman

Ms. Bhumika L. Batra
Mr. Prakash P. Chhabria
Mrs. Kanchan U. Chitale
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
Mr. Sanjay S. Math
Dr. Deepak R. Parikh
Mr. Pradeep R. Rathi
Mr. Anami N. Roy
Mr. Anil V. Whabi

Auditors

Statutory Auditors: P G Bhagwat LLP, Pune
Internal Auditors: Ernst & Young LLP, Pune
Secretarial Auditors: SVD & Associates, Pune
Cost Auditors: S. R. Bhargave & Co., Pune

Solicitors & Advocates

Crawford Bayley & Co., Mumbai

Bankers

Bank of India
ICICI Bank Limited
Bank of Baroda
Citibank N.A.
Bank of Maharashtra
Corporation Bank

Corporate Office

D1/10, MIDC Chinchwad, Pune 411 019
Maharashtra, India
Tel. No.: 020-27408200/27408572
Fax No.: 020-27474444/27479000

Registered Office

Gat No. 399, Village Urse, Taluka Maval
District Pune 410 506
Maharashtra, India
Tel. No.: 02114-237251
Fax No.: 02114-237252

Registrar and Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B,
Plot No. 31 & 32,
Gachibowli Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, India.
Toll Free: 1800 309 4001
Email ID: einward.ris@kfintech.com
Website: www.kfintech.com

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

Corporate Identity No.
(CIN) L40108PN1981PLC024153

Email
investors@finolexind.com

Website
www.finolexpipes.com

Board of Directors

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Independent Director

Mr. Anami N. Roy
Independent Director

Mr. Anil V. Whabi
Director - Finance & Chief Financial Officer

Ten Year Financial Highlights
(Standalone)

₹ in Crore

PARTICULARS	INDIA - AS						IGAAP			
	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
Profit and Loss Account Data										
Revenue from operations (Net of Taxes)	3,463	2,985	3,091	2,738	2,602	2,482	2,476	2,453	2,145	2,100
EBITDA*	989	447	604	484	563	404	213	397	359	217
EBIT**	912	374	534	423	508	354	155	334	304	141
Profit before tax	977	393	536	439	517	373	81	242	190	97
Profit after tax	728	324	350	299	352	254	48	170	136	75
Dividend (including tax on dividend if applicable)	248	150	150	150	172	149	30	102	79	43
Balance Sheet Data										
Share capital	124	124	124	124	124	124	124	124	124	124
Net worth	3,073	1,930	2,528	2,765	2,291	1,570	787	790	721	662
Loan funds	204	283	90	101	94	112	587	656	711	1,012
Gross block	2,391	2,334	2,199	2,064	1,982	1,923	1,894	1,850	1,771	1,626
Operating Capital Employed	1,402	1,668	1,681	1,473	1,330	1,113	966	1,009	841	823
Key Ratios										
EBITDA (%)	28.57%	14.99%	19.55%	17.68%	21.63%	16.30%	8.62%	16.17%	16.73%	10.32%
Return on Operating capital employed (%)	65.03%	22.39%	31.77%	28.75%	38.19%	31.78%	16.01%	33.12%	36.18%	17.15%
Earnings per share (₹)***	11.73	5.23	5.64	4.81	5.68	4.10	0.77	2.74	2.19	1.21
Debt to equity	0.07	0.15	0.04	0.04	0.04	0.07	0.75	0.83	0.99	1.53
Dividend payout (%)	34.09%	46.15%	42.77%	50.11%	48.77%	58.71%	62.33%	59.73%	58.27%	57.57%
Interest coverage(times)	136.08	39.67	49.24	49.30	36.69	9.05	3.57	5.98	6.97	2.89
Book value per share (₹)***	49.52	31.10	40.75	44.56	36.93	25.30	12.69	12.73	11.62	10.67
Market Capitalisation (₹)	7,864	4,848	6,071	8,187	7,185	4,519	3,521	2,370	1,190	624

* EBITDA - Earnings before exceptional item, Interest, Tax , Depreciation and Amortisation

** EBIT - Earnings before exceptional item and Interest

*** EPS/Book Value has been adjusted for share split

Know Us

India's largest and only backward integrated PVC pipes and fittings manufacturer

Finolex Industries is India's most trusted brand in pipes and fittings with a production capacity of 3,70,000 MT per annum and a leading producer of PVC resin with production capacity of 2,72,000 MT per annum. We offer a wide range of PVC pipes and fittings suitable for applications in agriculture and plumbing and sanitation. With three state-of-the-art manufacturing facilities in Maharashtra and Gujarat, we leverage our wide distribution network supported by dealers and sub dealers to cater to our growing customer base.

Products

Plumbing and Sanitation Pipes and Fittings

CPVC Pipes & Fittings

Plumbing Pipes & Fittings

Sewerage Pipes

SWR Pipes & Fittings

Agricultural Pipes and Fittings

Agricultural PVC-U Pipes & Fittings

Casing Pipes

Column Pipes

Solvent Cement, Primer & Lubricant

Our Pan-India Reach

9
Branch Offices

900
Dealers in India

21,000+
Retailers

Our Offices and Works

- Corporate Office at Pune
- Plants
- Branch Offices

Numbers that define us

40 YEARS
of sustained business growth

1,377
Employees as on 31st March 2021

₹ 7,864 CRORES
Market capitalization value as on 31st March 2021

CRISIL AA/IND AA
Maintained long term credit rating – CRISIL/ India ratings

CRISIL A1+/IND A1+
Maintained short term credit rating – CRISIL/ India ratings

ZERO
Long-term debt as on 31st March 2021

3

Manufacturing facilities (Pune, Ratnagiri and Masar)

₹ 728 CRORES

Profit After Tax in 2020-21

29%

EBITDA Margin

Chairman's Message

> **Without the support of all our employees and external stakeholders it would not have been possible to surpass the expectations incumbent on a market leader and improve our brand's image**

Dear Shareholders,

I hope you and your family are taking the utmost precautions and keeping safe. I wish a speedy recovery to everyone who has been affected by this crisis.

Despite these exceptional times, I am pleased to present before you the 40th Annual Report of your Company.

It gives me immense pleasure to announce that with the vision of our beloved founder Late Shri. Pralhad P. Chhabria, your Company is celebrating its 40th anniversary. I would say rather, that it is a celebration of his visionary entrepreneurship. The journey has been exciting as well as challenging as your Company continued to fulfil his vision as a well-established premium brand in the PVC Pipes and Fittings segment. While we may pause to reflect for a moment, we are always looking ahead to set ourselves higher standards and greater goals, in order to take your Company onward into the future.

Soon after the WHO declared the Coronavirus pandemic in January 2020, countries across the world, gradually went into a lockdown mode to try to contain the virus. The economic shutdown compounded the pandemic crisis by affecting not just our health but also the social and economic fabric of our communities. The disruption of international trade and the global supply chain hugely impacted our production centres. We faced challenges in serving our end customers due to logistical obstacles. Your Company's markets were also impacted by these forces, which resulted in reduction in volumes, although total revenues were higher than previous year. In these challenging circumstances, your Company has worked tirelessly to adjust to the new environment. We have made structural changes and implemented the reforms needed to succeed and evolve with the times. We became more agile and adaptable in order to create solutions through business processes and innovations. Continuing with these changes your Company is taking concrete steps towards Company's digital transformation including state of the art CRM / Dealer Management system, improving efficiencies in logistics and supply chain and creating a tech savvy culture across the organisation.

In FY 2020-21 your Company's total revenue increased by 16% to ₹ 3,463 crores and EBITDA more than doubled to ₹ 989 crores - the highest ever since your Company's inception. This was driven by an

Chairman's Message

increase in PVC prices, better realisations, lower costs and significant improvements in all operating parameters.

It gives me great pleasure to announce that your Board has recommended a final dividend at 100% i.e. ₹ 2/- per equity share and special dividend at 100% i.e. ₹ 2/- per equity share for FY 2020-21 i.e. total dividend at 200%. This will be subject to the approval of the Shareholders at the ensuing Annual General Meeting, and the deduction of income tax at source, as applicable. The total dividend disbursement will amount to ₹ 248.19 Crores.

The Government of India's various initiatives such as 'Jal Jeevan Mission Scheme', 'Pradhan Mantri Avas Yojana', 'PM Jan Arogya Yojana', 'Swachh Bharat Mission' for the Irrigation sector, Rural Water Management and the focus on affordable housing, will remain one of the major drivers for growth in the PVC pipe industry. In response to this, your Company intends to increase its presence in the plumbing & sanitation sector and scale fresh heights in the agriculture sector. To this end we have embarked on a transformation process to align our product pipeline, our distribution reach, and our partners to serve our customers better and enhance profitability. In line with this in the coming years, our efforts will be focused on capturing the expected increase in demand, expanding our distribution network throughout the country and promoting brand and quality consciousness amongst consumers.

The global crisis has reinstilled our faith in humanity, as people, organizations and governments across the world collaborated under a shared responsibility to fight the virus. We have been working with the Mukul Madhav Foundation (MMF), our CSR arm and sustainability partner, to supply healthcare kits, PPE kits, safety kits and groceries to people in need. Cumulatively, under pan India 'Give with Dignity' initiative, we supported by distributing 29,990 grocery kits across 24 states and supported 120 small businesses across the country. Under the Prasadam Project, we also distributed safety kits, masks, PPE kits, oxygen concentrators, ventilators, sanitizers, temperature guns, face shields, gloves, medical equipment, warrior kits and organized food drives. During FY 2020-21, your Company in association with MMF, spent ₹ 9 Crores (as against the mandatory minimum of ₹ 8.81 Crores) towards various CSR initiatives. This year we also continued with our CSR activities in the areas of: healthcare, vocation skills, environmental sustainability, working towards the eradication of hunger, gender equality, support to differently-abled and education. In addition we provided disaster relief to locales in Odisha affected by the cyclone. I would like to thank your Director Mrs. Ritu P. Chhabria and her dedicated team at Mukul Madhav Foundation for their tireless work.

Given the challenges posed by the pandemic, your Company put in place several initiatives to augment the wellness and safety of its employees. Apart from social distancing & strict safety protocols, your Company undertook various health initiatives to address the physical, mental, and emotional well-being of its employees including the flexibility to work from home. During these tough times, your Company has paid full salaries and wages to its staff and workers and also given increments. Your Company has provided medical and healthcare facilities to employees who were infected with COVID-19.

Without the support of all our employees and external stakeholders it would not have been possible to surpass the expectations incumbent on a market leader and improve our brand's image. It was so encouraging to witness the rapidity with which the team was able to switch gears and platforms to a new way of working. I sincerely thank our extended family members who supported us throughout the year even as our homes turned into offices overnight.

I would like to express my sincere appreciation to the Board of Directors of the Company for their active participation and guidance.

I would also like to express my heartiest gratitude to all our investors, customers, retailers, dealers, suppliers, employees and other stakeholders for their continued support and faith in Finolex.

Warm Regards,

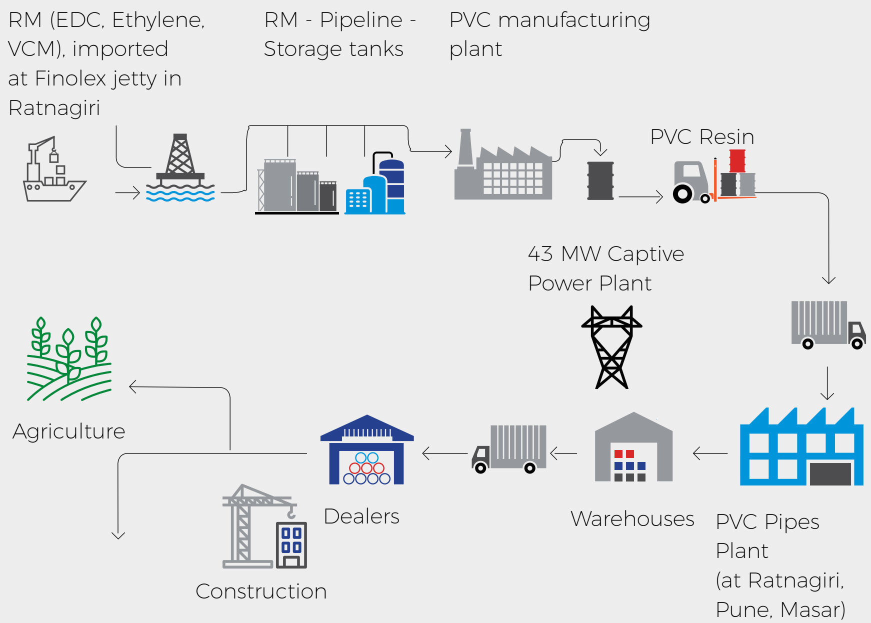
Prakash Pralhad Chhabria
Executive Chairman

Business Model –
How we create and sustain value

Input

1. Equity capital and Reserves
2. Water, energy and land
3. Support of vendors
4. A network of dealers, distributors and sub-dealers
5. Skills and expertise of our people
6. Community support

Business process



Output

2,25,035 MT
Total production of PVC Resin

2,12,706 MT
Total production of PVC Pipes and Fittings

₹ 3,463 CRORE
Revenue from Operations

₹ 728 CRORE
Profit after tax

₹ 11.73
Earnings per share

Branding during the pandemic

Covid-19 deeply impacted the past financial year, creating economic upheaval across the world. Finolex remains cognizant of the effects of Covid on our communities, our team, our dealer network, and our customers. The past year has been reflective of our core values of putting customers first, working collaboratively as a team, and adapting to help our employees adjust to the new normal. Our marketing efforts also shifted to address the customer requirements in these difficult times.

The pandemic disrupted the lives and livelihoods of communities, both socially and economically, at an unprecedented scale. Finolex understood the effect this pandemic and the lockdowns would have on its customers. The Finolex team combined its reach and vast network to provide staple grocery items in a kit to the end-customers to address and lessen the impact.

Each grocery kit contained basics staples like rice, dal, atta, and oil. The team effortlessly executed this ambitious plan and distributed several thousand kits to plumbers across the country. Our employees volunteered to distribute these kits, giving back to the community and easing challenges in a small but significant way.

Finolex also undertook an initiative to spread awareness and to emphasise the importance of staying safe and maintaining social distancing norms at our point of sale (POS). Finolex provided all our dealers with posters, stickers, and relevant signages illustrating the safe distance to be maintained, the importance of frequent hand sanitization, and the importance of wearing masks. Our dealer partners received this activity very positively, and they appreciated the brand's efforts in helping them stay safe.

Instructional signage at a dealer

As the Covid situation worsened through the year, the need for relief kits became even more critical. Finolex carried out several on-ground activities to provide sanitation kits and relief material. One such move was in Maharashtra, one of the worst-hit states, where we donated sanitation kits to our front-line warriors- the police force. Our sales teams also distributed these sanitation kits and relief material amongst the Wari pilgrims.

Sanitation kit distribution at a police station

Our branding activity in select markets was undertaken towards the end of the financial year and included a massive print campaign recreating the irreplaceable connection between Finolex, the farming, and construction communities. We advertised in leading national, regional, and agriculture-focused publications across several states and regions.

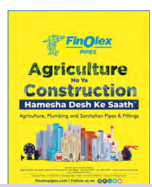
We measured the campaign effectiveness on three aspects- Awareness, Interest, and Action and saw a positive uptick on all these aspects. The campaign effectiveness was verified by independent sources, indicating increased engagement with our customers and an increased interest from our end-buyers.

"Finolex Fortune" column in the Times of India

Finolex maintains a strong connection in its area of operations with focused information activities and its support to annual properties for the past several years. We have an ongoing agreement with the Times of India for its feature of the Horoscope column by Anupam Kapil called "Finolex Fortune," making us a part of several crore households every day.

Besides this, Finolex continues to support associations and trade publications with advertising and event sponsorships.

Our on-ground efforts towards the end customers continued with support for all critical religious and national celebrations with advertising campaigns and event sponsorships.



Advertisement in the IPT magazine

Branding during the pandemic

Employee Guardianship

The past year has been difficult with the onslaught of the COVID-19 pandemic. The rampaging pandemic has severely impacted our lives and livelihoods. The pandemic also changed the way we worked, affecting the lives of our employees at work.

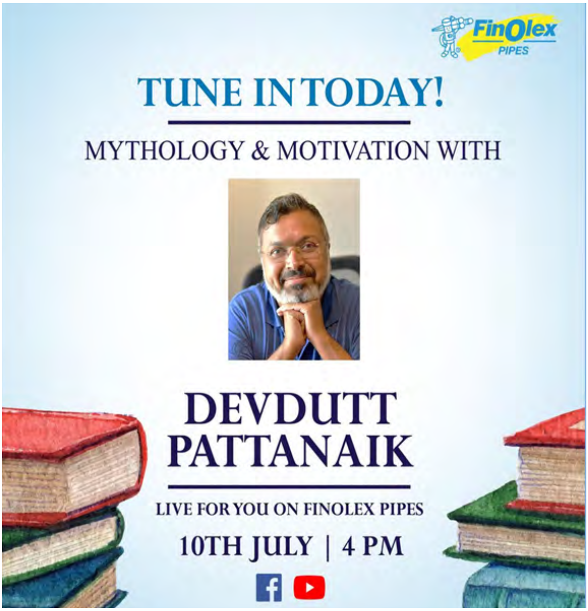
During the harsh economic times caused by the pandemic fallout, Finolex announced increments and promotions during the year. As a mark of our 40th year of successful operations, we paid a special employee incentive to usher in this commemorative year.

We are proud to share that we have had no reduction in the workforce due to Covid or its related economic impact. The organization has been empathetic towards any employee affected by the pandemic, without the need for any policy-mandated leaves.

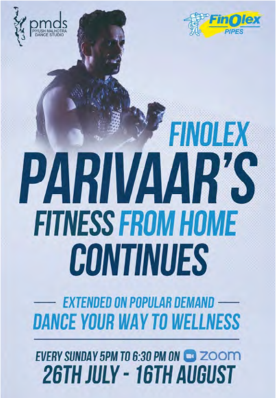
We have set up facilities at all our sites, to deliver medical attention to all staff promptly. We also have undertaken vaccination drives as per government regulations for all eligible employees.

We have been responsive and proactive to the needs of our employees, enabling them to work in a hybrid model based on their comfort and the need to be in the office.

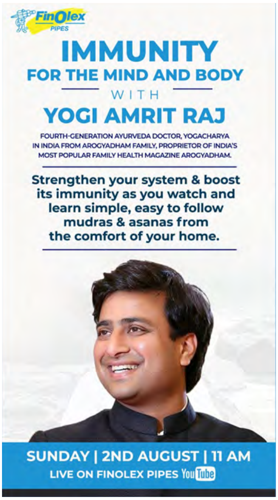
On the aspect of mental and physical health of the employees, as an organization, we had set up several online sessions, ranging from dance fitness to motivational speakers, and yoga sessions. These sessions were extended to our employees, dealer partners, and retailers, and made available to all on the Finolex Pipes YouTube channel for ease of access.

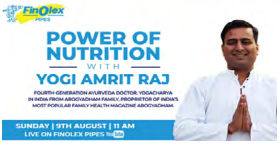


Mythology session by Mr. Devdutt Pattanaik



Dance and Fitness sessions by Piyush Malhotra Dance Studio





The wellness series by Yogi Amrit Raj.

Online concert by Mr. Kailash Kher

Branding during the pandemic

Give with Dignity™

Finolex endorsed Mukul Madhav Foundation's pan India initiative 'Give with Dignity', supporting the initiative from its start in October 2020 till March 2021.

Diwali, the "festival of gifting," was turned into the "festival of giving." Give with Dignity worked on a two pronged approach, identifying local communities that have been most impacted by the pandemic, and supporting them with necessities. And second; revive small-scale producers, small and medium size farmers, and home-based industries by buying their goods for the ration kits. The "Revival for Survival" effort helped sustain 120 small businesses by purchasing locally and sourcing from small to medium businesses.

Give with Dignity was a unique initiative that promoted collaboration amongst several corporations to alleviate the ongoing suffering with Finolex in the lead.

Give with Dignity beneficiaries

This campaign fulfilled its goal of making a viable difference by spreading hope and smiles during Diwali and was magnanimously supported by individual donations, corporate support, and also in kind with the volunteer effort in disbursing the kits. It not only provided support to the marginalized communities but also helped the plumber community, which was impacted adversely.

Give with Dignity beneficiaries

Finolex supported:

29,990	24	120
Ration kits	States	Self help groups

Corporate Social Responsibility

Powered by our core philosophy of shared responsibility for sustainable development, Finolex transcends its CSR obligations, spreading hope and happiness in communities around our areas of operations. We believe in people and their power to change the world for the better. With our community impact activities, we strive to instill hope and restore smiles.

Driven by the passion to carve a better tomorrow, Finolex has been working conscientiously towards uplifting society since its inception. In partnership with our CSR Partner, the Mukul Madhav Foundation (MMF), we have been actively working in the areas of Healthcare, Education, Social Welfare, Skill Development and Water Conservation in villages and communities near our areas of operations in Ratnagiri, Urse - Pune, Masar - Vadodara, Gujarat, and other parts of country.

Combining our passion, energy and expertise to make a positive change in the community, we have consistently reached out to an ever-increasing number of people. This year, our efforts have also expanded to include Covid relief. We have undertaken support activities via ration kits, medical gear, and educational support for underprivileged children.

While our areas of community outreach are as given below, our on ground efforts with MMF often encompass more areas and create a lasting impact in the lives of individuals, households and communities.

COVERING 14 OUT OF THE 16 CSR MANDATES

- Agriculture & rural development projects
- Ensuring environmental sustainability
- Eradicating extreme hunger and poverty
- Promotion of education
- Promotion of vocational skills and livelihoods
- Promoting gender equality and empowering women
- Safe drinking water and sanitation
- Support for the Differently-abled
- Promoting preventive healthcare
- Technology incubators
- Armed forces/veterans
- Contribution to Swachh Bharat Kosh Clean Ganga Fund
- Animal Welfare
- Promoting sports
- Heritage Art and Culture
- PM National Relief Fund

COMMITMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS

Agriculture & Rural Development Projects

We have been focusing on creating opportunities for farmers and supporting their financial independence by helping them to better understand their soil in order to optimise land usage and providing them access to additional expertise.

BAIF Development Research Foundation – Nashik

A joint initiative of Finolex, Mukul Madhav Foundation, and Bharatiya Agro Industries Foundation (BAIF) Institute of Sustainable Livelihoods and Development (BISLD), Maharashtra, to build a cadre of empowered rural women farmers.

It is an uplifting model where 100 women farmers were trained to enhance their crop productivity and were introduced to farm mechanization at the grass-roots level in Sinnar, in the district of Nashik, Maharashtra. Our aim is that these 100 women champions will, in turn, train a 1,000 more women farmers.

Seed sowing underway at a farm

Osmanabad Project

We supported 312 widowed women farmers in Osmanabad. We ensured that the agricultural land entitlement was correctly documented to the beneficiaries. Through "Mahabeej" we also donated tuvar and soya seeds in June 2019, 2020, and again in 2021.

They have also been provided with training in basic farming techniques, marketing, and pricing through the Krishi Vighyan Kendra, Osmanabad.

Seed distribution event at Osmanabad

312

widowed farmers in Osmanabad supported from 2019 to 2021

100

women farmers supported in Sinnar, Nashik through Bhartiya Agro Industries Foundation (BAIF) in 2019-2020

Ensuring Environmental Sustainability 2017-2021

In order to address the severe scarcity of water in Maharashtra, Finolex and MMF initiated work in water conservation. From 2008, the Foundation has implemented many water schemes across rural Maharashtra, enriching the lives of thousands of villagers.

The extent of assistance provided includes digging new wells, reviving old wells, installing electric pumps, and supplying water through tankers to villages, as well as setting up water filtration units, cleaning and creating existing Cement Nala Bunds (CNB) while building new ones along with water tanks. We have also installed water harvesting kits in the following villages: Sordi in Sangli; Rede, Kalamwadi and Kondbavi in Solapur; Katgun in Satara district; and Wadgaon Anand in Pune District.

Water conservation project launch at Katgun village, in Satara district

Inauguration of the water project at Katfal village in Solapur

Some of our activities include:

- De-silting existing reservoirs and old Cement Nala Bunds (CNB)
- Cleaning reservoirs and doubling their storage capacity
- We distributed the residual mixture collected during the cleaning process to the farmers to enrich their land. This mixture increased the soil fertility and brought about a superior harvest which benefitted 12,300 households.

Ensuring Environmental Sustainability 2017-2021

Key Projects

- Rainwater Harvesting: Maharashtra and Gujarat
- Water reservoir: Wadgaon Anand, Pune, Maharashtra
- Water tankers to villages: Ratnagiri, Maharashtra
- Tree plantation: Maharashtra and Gujarat
- Khadakwasla Dam rejuvenation project: In collaboration with Green Thumb. We supported 2 km of desilting.
- Bend-Nala rejuvenation: In collaboration with Madha Welfare association, 35,500 meters of the river were cleaned in Solapur
- Katfal village water conservation project: repairing 1 CNB
- Khed-Shivapur village: a water supply scheme was initiated. It included repairing the KT Wyre Bandhara.

Water Projects

Year	Households benefitted	Total Projects
2016-17	4,600	2
2017-18	11,322	7
2019-20	8,500	4
2020-21	2,500	2

Project Details

Sr. No	Project	Project details	Number of beneficiaries	Year
1	Summer Water Tanker Supply Scheme	Bhatye, Phansop Kolambe, Gram Panchyat	Bhatye, Phansop, Kolambe, Golap 150, 195, 75 and 100 households respectively	2012-17
2	Punyadham Ashram, Kondhwa Pune	Rain water harvesting	100 people	2016-17
3	Water Tankers at Ratnagiri	Water provision	4,500 people in Gavkhadi Kumbharwadi, Purnagad Azad Mohalla, Phanshop Muslim Mohala	2016-17
4	Muslim Mohalla Water Scheme	Water tank	2,500 people	2017-18
5	Katgun, Satara Water project	10 bigha odha, length 3,000, width 2, depth 1.5, cubic 9,000	433 households	2017-18
6	Rede, Kondbavi and Kalamwadi at Solapur	New CNB/cleaning of existing reservoir	7,684 households	2017-18
7	Rejuvenation of water ponds, Sordi Sangali	De-silting of pond	684 households	2017-18
8	Wadgaon Anand Junnar	360 pipe lines	1,896 households	2017-18
9	Group Gram Panchayat Water Filter Project, Indapur, Gram Panchayat Vadapuri	Water filter support	2,500 people	2017-18
10	RO at different schools at Indapur, Baramati, Shirwal, Ratnagiri and Masar	School RO	27,300 students	2017-18
11	Khadakwasla dam	De-silting of 1 Km	Pune city and Solapur belt	2019
12	Bend Nala De-silting - Madha Solapur	De-silting and widening of 4.5 Km	More than 30,000 population of 13 villages	2019
13	Village Rede, Solapur	Cleaning of CNB	600 families	2019
14	Sordi	De-silting of reservoir	650 families	2019
15	Katfal, Solapur	CNB construction	750 families	2020
16	Khed Shivapur	Water Supply Scheme	7,000 people	2020-21
17	Katfal, Solapur	New CNB creation	750 families	2021

Eradicating Extreme Hunger and Poverty

Eradicating hunger and malnutrition is one of the great challenges of our time. Insufficient food and unhealthy eating habits result in inadequate nutrition and also affect development and growth.

Finolex and MMF have taken the initiative of addressing extreme hunger and poverty by providing ongoing grocery support to 30 institutes such as homes for the visually impaired, the differently abled, vulnerable women, and other marginalised sections of society in Pune and Ratnagiri.

Daily Feeding

- 150 meals per day, 4 times a week, and 115 meals per day, 7 days a week at Gurukulam Day Care Centre through the Annamrita Foundation
- 130 meals, 4 times a week through Sadhu Waswani Mission, Pune
- 100 meals, 7 times a week for homeless individuals through Amit Caterers, Pune
- 120 meals once a week at Ram Ashray orphanage in Shirdi

Beneficiaries of the daily feeding initiative

30	615
institutes	people fed on average daily

Promotion of Education

Our Dream Project – Mukul Madhav Vidyalaya

In 2010, Mukul Madhav Vidyalaya (MMV) was established in Golap, Ratnagiri, to provide quality English education at an affordable cost to 151 students from the local community.

In 2020, amidst the pandemic, our Junior College was inaugurated offering Science and Commerce streams to the students.

- Online classes conducted during COVID-19 pandemic
- Alongside academics, importance is given to extra-curricular activities
- German is offered along with Hindi, Marathi and English
- Tablets provided to students at a subsidised cost so that their education can continue uninterrupted

Upgrade of School Infrastructure

- Refurbished the library at BJ Medical College, parent body of Sassoon General Hospital, Pune.
- Initiated educational assistance to deserving students in 2012.
- "Lift for Upliftment" project, where we provided free coaching for underprivileged students to appear for the NEET exam.
- BT Shahani Primary School: We supported them by refurbishing and renovating classrooms in the English department. We set up a computer lab, built toilets for boys and girls, and also built a multi-purpose hall.

Images from the newly established Zilla Parishad School at Nidhal, Satara

Promotion of Education

- Anna Saheb Kadu Vidyalay, Satral, Ahmednagar: We provided safe and clean drinking water, toilet facilities and a new computer lab
- ZP School: Support to the Nidhal Primary School to construct a new building
- Finolex Academic Management Technology: Centre of Excellence provided funds for CNC machines.
- 30 computers donated to 14 schools in Ratnagiri.
- ZP School: Refurbished the computer lab and a borewell, Urse, Pune. We also provided 13 computers to the school.
- Samplawala School, Masar: 5 computers donated
- Pre-nursery block created in Henk Bruna Swami Vivek Anand Round Table School, Bengaluru

Teacher Development

- Teacher training at Panchgani and Mahabaleshwar Municipal School.
- Teacher training at Masar.
- We supported the ROBA Trust, Dehradun, with English language teacher training for students appearing for their NDA examination.
- Supported 5 teachers in Mahatma Gandhi School, Pune, with salaries for 5 months

Mahatma Gandhi School, Pune

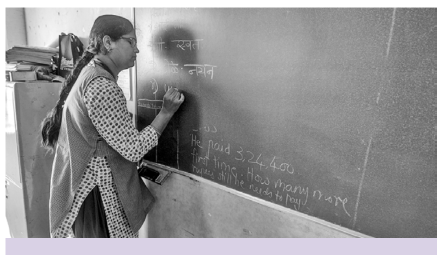
Scholarship Support to date:

- Since 2019, 76 BSc and MSc Agriculture students at Mahatma Phule Krishi Vidyapeeth have received the Late Smt. Mohini P Chhabria scholarship.
- 5 students at the Lila Poonawala Foundation received scholarships since 2019. These students are supported throughout the 4-year BSc Agriculture and 4-year BSc Nursing streams.
- 2 students at Symbiosis Nursing College, Pune, have received a scholarship for nursing since 2018.
- Scholarships provided to Udayan Foundation for school education since 2018.
- Scholarships provided to SOS Children's Village, Yerwada, since 2018.
- 18 students have received a scholarship at Samparc NGO, Pune, since 2018.

Science on Wheels

We support the demonstration of science experiments at schools that do not have suitable infrastructure for a science lab. A professor travels from school to school demonstrating experiments.

Digital Aid: Tablets provided to students



Classroom session underway at MMV School

Chotti Si Asha

A joint initiative by Rotary India, Rotary Club of Bombay and Wizcraft International, "Chhoti Si Asha" was launched to improve the future of disadvantaged children. The fundraiser launched during the COVID-19 pandemic is focused and committed to immediate relief projects as well as creating long-term projects in the areas of nutrition, health, education and skill development.

Promotion of Education

A unique art initiative by Indiaart and Khula Aasmaan

Since 2015, we have a collaboration with Khulla Aasmaan where we support their art initiatives.

"Art in the time of Corona" is a one-of-a-kind initiative where several lakh participants from diverse backgrounds and across all ages participated in an online art competition. School children, college students, working professionals and homemakers, all created art using readily available materials during the lockdown.

250 students from MMV also participated in this event.

Supported BT Shahani School students with Robotex India

We collaborated with Robotex India to conduct a robotics workshop at BT Shahani School, which aimed at helping students build their own robotics projects. Robotex is a non-profit advancing STEM, Robotics and Artificial Intelligence, Machine Learning and IoT to Government Schools in urban, tribal and rural areas.

76 students from BT Shahani School were trained in developing projects from scratch, and the workshop promoted experiential learning through hands-on activities.

Educational assistance to individuals

We support students from various streams and institutes – A total of 2,561 students have been supported since 2002 till date.

641 MMV Students (2020-2021)	2,561 scholarships including individual support since 2002	66 institutes supported
76 agriculture scholarships	₹ 57,128 average educational assistance per month	7 states: Andhra Pradesh, Karnataka, Maharashtra, Gujarat, Orissa, West Bengal, Kerala

Promotion of Vocational Skills and Livelihoods

Over the years, we have organized skill development courses in computers and tailoring at Ratnagiri and Masar, empowering more than 500 women and thereby giving them a means of financial independence. We collaborate with partner organizations on various initiatives to train women and youth in various trades.

Women Entrepreneur and Development Programme

Family Planning Association of India, Pune

14 HIV positive women were provided with and trained on sewing machines. Kashka, an international garment brand volunteered to further up-skill these women. The brand has empowered many of the women and sourced their products. As a result, this has encouraged the women and increased their employability.

Yuva Parivartan

Finolex and Mukul Madhav Foundation have ventured into a new project to support women in rural, tribal, and Naxal-affected Gadchiroli District, near Nagpur, Maharashtra. This is a project in collaboration with Yuva Parivartan, a Mumbai based NGO, where women are trained on sewing machines to sew sanitary pads. During the COVID-19 pandemic, these women donated 2,000 three-ply khadi face masks to the Government health department.

Women Entrepreneurship Development in Osmanabad, Maharashtra

In collaboration with the Science and Technology Park, Pune, women farmers were trained to produce soya milk. Then, in May 2019, we collaborated with Maharashtra Khadi Gram Udyog to train women farmers to produce, collect and market honey.

Skill Development Centre in Masar, Gujarat

Sewing classes at Masar and Abhor villages commenced in September 2016 and concluded in September 2018. A new centre was inaugurated at Gavasad village in November 2018 and continues to date.

A total of 13 batches were trained in which 160 women received training from Sewing Skill Development Centres at Masar, Abhor, and Gavasad villages. Likewise, through 7 batches of computer skill development, 89 individuals have been trained.

At present, around 70% of the women who have received training have bought their own sewing machines. which they now use to make and fix garments for their families, friends, and neighbors. This has helped in generating interest in their work and an income.

Skill Development Centre in Ratnagiri

The Finolex Skill Development Centre was inaugurated in 2014 in the vicinity of the plant at Golap, Ratnagiri. This centre serves the surrounding villages such as Phansop, Bhatye, Golap and Kolambe. The aim of this centre has been to encourage local women to use their time and develop their talents for a better livelihood.

Since 2014, more than 250 women have taken advantage of this scheme and over 30 of them have become independent by started their household businesses.

Support to Yashyashri Self-Help Group

Women from Yashyashri Self-Help Group, Ratnagiri, came forward to make brooms. Finolex provided the group with a truck full of coconut fronds to make brooms. These ladies now sell them for ₹50 and earn a profit of ₹20.

Another such venture was to provide ingredients for the midday meals that the Ashradevi Ladies Group from Pawas village wanted to provide for the women.

Vocational Skill Development Programme:

a. Aradhana Skills, Pune – an Institute for Radiology Training

Since 2018, we have collaborated with Aradhana Skills to sponsor 10 individuals for their training in Radiology. So far, 100% of them have been placed in institutions in Pune.

b. Finolex Call Centre - Technical Training

Our centre has employed 8 visually impaired women to be the back-office support for Finolex Industries. The training and supervision has been in collaboration with Poona Blind Mens Association. This initiative began in 2017.

Support to Women prisoners in Yerwada Jail, Pune

Employment opportunities were provided to 20 inmates. They were given the task of stitching Finolex branded cloth bags.

Lok Sadhana Public Charitable Trust, Chikhalgaon, Dapoli, Ratnagiri

Diploma in Basic Rural Technology (DBRT)

A residential course conducted by the Trust, Finolex has so far supported 9 students.

Supported 30 Women at the ITI Girls College for Government Certified Plumbing Course , Aundh Pune

ITI Girls College in February 2020 started a plumbing programme that Finolex enhanced with added training. We also supported their online sessions starting May 2020.

In addition to this,

Promotion of Vocational Skills and Livelihoods

Finolex worked with the Indian Plumbing Association, Pune chapter, to provide further expertise.

Livelihood Support to Migrants in Palghar - June 2020

Finolex and MMF have supported 150 migrants and their families with the System Rice Intensification (SRI) and to improve the yield of kitchen gardens. They have been provided with a startup kit of paddy seed, urea briquettes, and vegetable saplings.

Farmers at work in Palghar

Sewing machine training at Aundh Military Station, Pune

150 **migrant farmers and families supported in Palghar**	30 **young women plumbers supported for training through ITI Girls College Pune**	500 **women, on average, skilled since 2018 in Ratnagiri, Pune and Masar**

Promoting Gender Equality and Empowering Women

We have been actively working to promote gender equality and empower women by setting up homes and hostels for women and orphans. We have also been training women in different skills and vocations so they can become financially independent. We have also organized old-age homes, daycare centres and other such facilities for senior citizens.

Bicycle Donation

It was observed that, due to the lack of transport, students were not attending school. We donated 200 bicycles to girls students across various ZP schools in Madha Block in Solapur with an aim to reduce drop-out rates of girl students.

Warkari Support 2019

On a yearly basis, we embark on a journey to support pilgrims and the Pandharpur Yatra. Finolex Industries and Mukul Madhav Foundation constructed 3 sheds for Pandharpur pilgrims at Loni Kalbhor, Pirachi Kuroli and Wakhari. These sheds are maintained by the Gram Panchayats of the respective villages. Pilgrims traveling from Alandi to Pandharpur can easily access these sheds to rest.

Widow Support

Finolex Industries and MMF have been supporting widows for over 2 years.

1) 312 widow farmers supported in Osmanabad with soya and tuvar seeds donation since 2019.

2) 60 widows were supported with groceries in Srinagar, Kashmir, through a local NGO - Shepherd's Crafts.

3) 178 widows supported with groceries and other essentials at :

- Anusaya Mahila Ashram, Ratnagiri
- Mahila Seva Mandal and Maher Institute, Pune

In addition to this, 8 senior citizen homes are supported with diaper provisions on a monthly basis.

Anandmayee Ashram, Pune

The "Yoga Centre" at Shri. Shri. Anandamayee Ashram, Pune, was renovated in the loving memory of Late Mohini and Pralhad P Chhabria, on 14th January 2017. Yoga and meditation classes are conducted here.

Finolex supports Breakthrough to fight child marriage

One of the key focus areas that the Breakthrough organization works on is the alarming issue of early marriage in India. Girls in these marriages go on to face a lifetime of ill-health, neglect, and violence. Girls who are married early are twice as likely to become victims of domestic violence because of the unequal power dynamics they experience when they are married to older men.

Today, Breakthrough reaches over 4,00,000 adolescents across 5 states to help change this situation by building the agency of young girls and by ensuring that their families and communities value them.

Finolex sponsored their fundraising event in August 2019 and also donated some amount towards the initiative.

Infrastructure development that supports 750 residents

- Samajik Vikas Kendra - Old age home, Mauli
- Vastalya Trust – Orphanage, Alibaug
- NAB Lion – Blind people's old age home, Khandala
- Abhalmaya - Old age home, Devtaru
- Nisargik Shiksha Sanshodhan Prashikshan Sanstha - Orphan and single parent children's home - Devle Gaon, Malvli
- Umed Care - Residential home for the mentally-challenged, Pune
- Sangola Dharmshala - accommodation for Pandharpur pilgrims
- Patanshah Baba Darga, Khandala
- Anandghar - Old-age home, Ratnagiri
- Somgiri Guru Samadhi, Soradi, Sangli

Promoting Gender Equality and Empowering Women

Ongoing support to various institutions

- Savali Day Care Centre, Kolhapur

  We supported the Savali Day Care Centre with a water therapy pool, infrastructure development and sports equipment for differently-abled children.

- Mahila Seva Mandal, Pune, a home for women, was supported with household electrical appliances like fans, mixers, etc.

- Support to homeless people by distributing sweaters, blankets in the winter, Pune.

- We arrange movie outings for senior citizen from old-aged homes and for partially-blind girls from NFBM Jagruti School for the Blind, Pune.

- Bal Kalyan Sanstha - new water tank and CCTV, Pune.

- Nakshatra event Bhumi; an independent youth volunteer organisation sponsored an event for underprivileged children, Pune.

- Pipes donatated to Sadhu Vaswani Mission, Pune.

- Art of Living- An NGO by Sri Sri Ravi Shankar: was supported for their initiative to educate rural children.

Period Positive Holiday Homes, Gadchiroli

In collaboration with Yuva Parivartan, we have been working in the tribal villages of Palghar district, Maharashtra for the last 4 years to create better sanitation facilities.

Extending this collaboration, we envisaged a new concept -'Eco-friendly homes for menstruating women' in the village of Gadchiroli.

The purpose of this home is to enable women to feel safe, happy, healthy, motivated, and increase their self-reliance with various skill development activities.

The inner room accommodates 8 beds with solar fans and has a bathroom with solar lights. The design allows for natural ventilation and lights. The walls are made from sustainable products.

The first such home was inaugurated in 2020.

World Menstrual Day

Empowering women with safe hygiene practices on World Menstrual Day – 28th May

To support the women in our society, Finolex Industries and Mukul Madhav Foundation supported over 7000 girls by providing them with sanitary napkins and educating them on good hygiene practices. The napkins were procured from Krishi Vidyan Kendra, Baramati, under the Sobati Initiative.

They have also been distributed in the urban slum areas of Pune and across rural Pune districts.

Sanitary napkin distribution

Other Initiatives

Helmet Distribution (Pune and Ahmednagar)

In 2017, 1,600 helmets and face masks were distributed to the Pune Police and the Pune Traffic Department.
In 2018, 500 helmets were distributed to the Ahmednagar police force.

Helmet distribution

Promoting Gender Equality and Empowering Women

Bhatakya Vimukta Jati Shikshan Sanstha (BVJSS)
This Ashram Shala in Wagholi, Pune, is an orphanage that houses 400 children. We collaborated with them to renovate their 4 kitchens, the dining area, and to waterproof the entire house. We also purchased 8 new cupboards, repaired existing doors and windows, and installed new ones where needed. A donation of 60 bunk-beds, 120 mattresses and pillows, 400 uniforms, 400 bed sheets with pillow covers, and 400 Sholapuri chaddars for the children was also made. We also painted the Sai Baba statue outside the ashram.

Warkari shed inauguration at Pune

2,100
helmets distributed in Pune and Ahmednagar

582
women supported by 9 period positive Holiday Homes

9,000
sanitary napkins packets distributed

9
senior citizen homes supported

200
cycles donated to school girls in Solapur

Safe Drinking Water and Sanitation

A. Since 2017, Finolex Industries has constructed 450 individual toilets equipped with solar lights at Wada and Jawahar blocks of Palghar district, which is a tribal belt in Maharashtra. This initiative is in collaboration with individual families who have contributed small amounts of money to support the construction. These toilets have soak pits which will only need cleaning after 10 years. This can later be used as manure. 4 out of 13 villages are now open-defecation-free. These steps taken towards better sanitation have

Inaugural plaque at Panwadi

Solar water pump at Panawadi

inculcated better hygiene practices in young girls and women of the families.

Alongside the toilets, a solar pump was provided to Vadavli village which caters to the farming and

Safe Drinking Water and Sanitation

domestic needs of a population of 500. It will save people from walking long distances and can be run manually.

B. Toilet facilities to schools in Ratnagiri, Satara, ZP School in Umbraj, and Khandala in Maharashtra as well as in Masar in Gujarat. A total of 18 schools, benefitting 7,846 students.

C. A toilet block constructed at Rajkiya Uccha Madhyamik Vidyalay, a school for boys and girls at the Kela Ka Bass village near Jaipur, Rajasthan. This village is unique as most of its residents are engaged in the profession of plumbing.

School toilets

RO Unit

D. Reverse Osmosis (RO) units provided to various institutions in Maharashtra and Gujarat since 2017.

A total of 26,537 students have benefitted through this initiative.

E. Support provided at Shri Ramkrishna Mission, Orissa, with the construction of a toilet and bathroom block in 2018.

RO support at Masar, Gujarat

450	76	18
individual toilets in Wada and Jawahar blocks of Palghar District	**schools supported with RO and water filtration units in Maharashtra and Gujarat since 2017 to date**	**schools supported with sanitation facilities**

Support for the Differently-abled

Mission Cerebral Palsy

In November 2015, Finolex and Mukul Madhav Foundation began a unique project to help 1,012 children with Cerebral Palsy (CP) in the district of Satara. By 2017, this mission had progressed to Ratnagiri and, by 2021, had reached Baroda, Gujarat.

A backward integration and analysis was conducted to ascertain the causes of CP. From the results, we determined that knowledge sharing and training would make the greatest impact in reducing the incidence of CP. In collaboration with Symbiosis College of Nursing, Pune, an effective programme was developed to train Asha and ANM nurses in 26 Primary Health Centers (PCH). This was carried out with the full cooperation and permissions of the District Health Officers and the District Collector.

By January 2020, a total of 1,060 Asha nurses had been trained in 26 PHCs, which cater to 713 Gram Panchayats of 6 blocks in the Satara district. The programme has reduced complicated ANC (Antenatal Care) cases and referrals to Pune and other peripheral cities.

The Royal College of Pediatrics and Child Health (RCPCH) (UK) approached MMF to take part in the CP mission. Their interest was to study the causes and incidences

1,012

CP Children in Gujarat and Maharashtra

Support for the Differently-abled

of CP in the communities of rural Maharashtra. A focus panel discussion was organized on 5th March 2018 to assess a number of related issues and the current environment in India, which might explain the prevalence of CP; early screening and diagnosis; Government /Private healthcare policy for early screening; primary causes of CP specific to India; what is being done to reduce CP incidence - were all areas examined. A 3-day workshop was organized in Satara, where the RCPCH team networked with the local care givers, therapists, medical officers, and parents.

During the first wave of the COVID-19 pandemic, when all the physiotherapy centers were closed, Mukul Madhav Foundation, on behalf of Finolex Industries, initiated online speech therapy and physiotherapy sessions for patients.

This guidance and generous support by therapists gave much relief to parents for at-home treatments via Skype, WhatsApp and video calls.

Despite the lockdown and unavailability of internet connection, we have been committed to ensure that our CP children had access to regular therapies. We were able to provide home-based physiotherapy by streaming the sessions on KTV, which is a local channel in Ratnagiri. These sessions were conducted by an expert team from Sancheti Hospital, Pune. Mental health awareness sessions were carried out by a team of professionals.

Cochlear Implants

Since 2010, we have been sponsoring cochlear implants at Bharati Hospital, KEM Hospital, Cochlea Pune, Morya Hospital, and Deenanath Hospital in Pune. Additionally Dr Uppal Hospital and Indoorwala Hospital in Nasik, Shrawani Speech and Hearing Centre, Nair Hospital, in Mumbai. Till date 304 cochlear implant surgeries have been conducted.

304
Cochlear Implants

Support to Institutions for the Visually Challenged

Finolex has been supporting The Poona School and Home for the Blind Trust, Koregaon Park, Kothrud Blind School, Jivhala Boys and Girls Residential Home in Pune, and National Association of the Blind (NAB) in Khandala, by providing monthly groceries, education assistance and infrastructure development.

385
visually challenged individuals benefit monthly

Support for the Differently-abled

Supporting Sevadham Matimand School, Swargiya Vedprakash Goyal Matimand School, Jeevan Vardhini Matimand School, and Aniket Sevabhavi Sanstha with groceries and educational support on a monthly basis.

Bal Kalyan Sanstha

The Bal Kalyan Sanstha, Pune established in 1979, is a unique institution, working for the welfare of their special children. There are 78 institutes registered in Bal Kalyan Sanstha, who work for the differently-abled in Pune District. Bal Kalyan Sanstha supports these institutes in their care of these children.

On a yearly basis, Finolex supports their activities on World Disability Day. In 2020, Finolex provided a water tank and CCTV to the Bal Kalyan Sanstha in Pune.

Individual Support Provided to the Differently-abled

- Wheel chair donation in Ratnagiri: 4 wheelchairs donated in Ratngairi to Hemiplegic beneficiaries.
- In Pune, 2 wheelchairs were donated to the Swabhiman NGO, which is working for children with disability.
- 1 wheelchair was donated to Mr Mayur Gaikwad who was afflicted with polio at birth and sells agarbattis by the road side.
- Supported Jyotirmay Centre for Skills Training Therapy and Recreation for Adults with Disabilities in Mumbai with 5 wheel chairs.
- Mr Sagar Fulkumar Chauhan, a 29-year-old, was supported with a donation of artificial prosthetics.
- A prosthetic leg was donated to a minor student at Apang Sanstha Nigadi, Pune, which enables him to walk independently.

Parents with their children at the Mission Cerebral Palsy assessment camp

Promoting Preventive Healthcare

Over the years we have been striving to make quality and affordable healthcare accessible to one and all.

Our activities include:

- Upgrading infrastructure at existing and new hospitals in both the Government and private sectors (rural and urban)
- Creating and upgrading NICUs in both the Government and private sectors (rural and urban)
- Blood donation drives
- Cataract surgeries
- Pediatric heart surgeries
- Supporting cancer patients
- Cochlear implants
- Support to diabetics and monthly diabetic camps
- Mental health training
- Mission Cerebral Palsy (in Maharashtra and Gujarat)
- Regular health checkups for school students
- Supporting thalassemia and leukemia patients
- Training Asha and ANM nurses at primary healthcare centres
- Vaccination drives
- Mammography camps in Ratnagiri and Pune
- Geriatric health camps in PHCs of Satara and Ratnagiri
- Mother and child healthcare programmes and support, especially in tribal areas in collaboration with SEARCH
- Pregnant women support in collaboration with the Ladies Circle India (Janani Suraksha) Coimbatore
- Upgrading the skills and training of front-line health workers

Pune

KEM Hospital

- Built the first PICU in KEM Hospital in 2001
- 328 children have received treatment at the Sonali Ward in KEM NICU since 2012
- 14 fellowships for doctors at KEM hospital on yearly basis since 2008
- Donated Nanoduct and NRIS Machine in 2019
- Monthly Diabetic Camp – supporting pediatric blood tests and insulin since 2013
- Since 2011, support was given to patients from rural areas through Life Care Chemist with funds for those who have an immediate need for medication
- Supporting cochlear implant surgeries since 2011
- Play room established in 2001
- Renovation of Pediatric OPD in 2005
- Supporting patient appeals since 2001

Sassoon Hospital

- Supporting patient appeals since 2012
- Supporting BJ Medical students since 2011
- In 2017, we created a 59 bed NICU in Sassoon General Hospital and equipped it with state-of-the-art life saving equipment
- More than 6,000 babies have received treatment at the Sassoon NICU till date
- Supporting Neonatologists with honorariums
- Upgraded various units within Sassoon Hospital.
    - Laser Dental Unit in collaboration with a like-minded donor
    - Liver transplant unit
    - Gastro unit
- Created 3 waiting areas with fans, lights and better sanitation facilities.
- Supporting diabetic patients with monthly gluco strips
- Opthalmic Unit: In collaboration with Sassoon General Hospital, we donated opthalmic equipment and chairs to Community Eye Care Centre, Sant Tukaram Maharaj Gatha Mandir Dehu, Pune in 2019
- Finolex Industries began its second initiative and funded a 14 bed NICU in Rajiv Gandhi Hospital and a bed facility at Sonawane Hospital of the Pune Municipal Corporation
- We trained 49 nurses and 13 pediatric doctors in the field of NICU care at Bharati Hospital, Deenanath Hospital, and Sassoon Hospital in Pune

Police Hospital, Pune

In 2018 we upgraded hospital facilities with equipment, dental chairs, X-Ray machine, ophthalmology ECG machine, BP apparatus and chairs in the waiting area

Promoting Preventive Healthcare

Hemophilia Society of Maharashtra, Pune
4 channel Semi Automated Coagulation Analyzer donated

Prashanti Cancer Care Hospital, Pune
5 electric chemotherapy chairs donated

Sundarlal Jain Hospital, Delhi
Supported with funds for a CRM Machine in 2014

ECHS Poly Clinic, Pune
Supported with physiotherapy equipment in 2017

The Command Hospital, Pune
Supported with Human Milk Bank in 2021

Jupiter Hospital, Pune
Supporting Pediatric heart surgeries on a monthly basis. Since 2018, 49 patients have benefitted

Ratnagiri

Civil Hospital, Ratnagiri
Supported Civil Hospital with an RO plant for a dialysis unit in 2019. This unit supports 400 patients on average per month.

Vaccination Drive

In 2019 we carried out Cervical cancer vaccination at Venkateshwara School in Pune in association with the Rotary Club of Pune.

An MMR vaccination camp was also organized in 2018 at Mukul Madhav Vidyalay, Ratnagiri.

In 2016, we carried out a Rubella vaccination drive in Panchgani and Ratnagiri. A total of 1,444 girls benefitted from it.

Health Camps

School Health Camp
Since 2008 health camps are being conducted in 53 rural schools in Pune, Satara and Ratnagiri

Free Mammography and Colonoscopy Camps for Women
From 2014 to 2019 Finolex and Mukul Madhav Foundation in association with Prashanti Cancer Care Mission, Pune, conducted a unique programme called, "Cancer Diagnosis at your Doorstep" for rural women in Ratnagiri and Pune.

3,304
women benefitted

Oral Cancer Detection Camps-2019
2019 - Oral Cancer Detection Camps have been organised for employees of Finolex Industries in Chinchwad, Urse, and Ratnagiri. The camp consists of a presentation to spread awareness about the hazards of chewing tobacco and smoking followed by a free check-up.

Strengthening and Developing Skills and Abilities of Healthcare Workers

- ASHA training in Satara district for Antenatal and Post Natal care –2018-19.

- ASHA Training in Ratnagiri: Training on self-examination for breast cancer by Prashanti Cancer Care, Pune headed by senior oncologist Dr CB Kopikar.

- Trained 49 Nurses and 13 pediatric doctors in the field of NICU care at Bharati Hospital, Deenanath Hospital and Sassoon Hospital Pune in 2018.

- Training by Dr Deepa Panjwani from the UK and the team at BJ Nursing College, Symbiosis Nursing College and at Dr Ranjit Jagtap Heart Care Centre in 2018

  A team of 2 consultants and 1 nurse from a tertiary teaching hospital in the East Midlands, UK, (The University Hospital of Leicester) were invited by Finolex and MMF to deliver practical and theoretical sessions. These sessions included administrative and clinical role of the sister in charge of the NNU, infection prevention practices (including care of IV lines, PICC, umbilical lines), drug administration practices, skin care in neonates, respiratory care, and nutrition management.

- Training to Dr Rema Nagpal (neonatologist at Sassoon) on Neurological development, in 2018 at Mumbai.

- ASHA Training in Ratnagiri conducted by Dr Saloni Raje in 2019 - To identify children with Cerebral Palsy.

- Training on vasectomy benefits for Finolex employees and Satara PHCs in collaboration with the Family Planning Association of India (FPAI), Pune in 2019.

- In association with the Indian Medical Association, we organized the first Continuous Medical Education (CME) in Ratnagiri in 2019

  150 medical professionals attended the CME on Cerebral Palsy, which was conducted with an objective to highlight the importance of early diagnosis and on-time referral.

- In September 2019, Dr Bader and Mrs. Shoris from Israel trained nurses and doctors from the Sassoon General Hospital NICU team, informing them on the importance of how to control infections in the ICU, birth asphyxia, pediatric surgery, radiation and antibiotic policy.

Promoting Preventive Healthcare

Cataract Surgeries

- Since 2018, we have carried out monthly cataract surgeries at Bharati Hospital, Pune. To date, we have supported 2,068 patients.
- Monthly cataract surgeries at HV Desai Eye Hospital since 2014. To date, we have supported 1,680 patients.
- Finolex supported HV Desai Hospital, Pune with funds for 3,500 Pediatric Cataract Surgeries in 2017-2018
- A total of 600 adult cataract surgeries were performed in Nav Bharat Jagruti Kendra, Jharkhand

Cataract Surgeries

Diabetic camp underway

Thalassemia support

30 patients supported monthly at the Indian Red Cross, Pune	**35** pediatric patients supported monthly at The Wishing Factory, Baroda
20 patients supported monthly at the Bharti Hospital, Pune	**69** patients at the Thalassemia Society Pune supported with medicine and filters

Public-Private-Partnership (PPP) - Cardiac Surgeries

Finolex Industries and Mukul Madhav Foundation created a partnership for the wellbeing of newborn babies with heart diseases in Sassoon General Hospital. We have support from Jupiter Hospital for conducting pediatric heart surgery. This Public Private Partnership , which started in 2018, has resulted in 51 successful surgeries till date.

Along with other hospitals and partners, a total of 745 pediatric heart surgeries have been completed since 2014.

Sassoon NICU

Mental Health

Concern for Mental Health, UK, (CFMH) collaborated with MMF in 2015 to provide training to psychologists, psychiatrists, primary healthcare workers and other professionals in the mental health field using the Gap protocols.

Since 2014, 5 training sessions have been conducted on a yearly basis aiding 600 health care givers

In 2018, the UK team showed interest to go to rural Satara to train teachers. MMF designed a relevant programme in association with Sassoon General Hospital for 230 primary teachers of Zilla Parishad Schools in Satara and Wai block of the Satara district.

Promoting Preventive Healthcare

745
pediatric heart surgeries since 2014

1,750
medical professionals in Pune trained since 2018

600
mental health professionals in Pune and Satara trained since 2014

304
cochlear implants

5,000+
cataract surgeries in the last 10 years

154
thalassemia patients supported monthly

1,012
children with Cerebral Palsy in Satara and Ratnagiri in Maharashtra and Masar in Gujarat

1,026
ASHA and ANM trained in Satara in 2018 and 2019

59
bedded NICU at Sassoon General Hospital

6
beds at Sonali ward in KEM Hospital, Pune

9
beds in PICU

Technology incubators

Finolex Industries supported Science and Technology Park, Pune, which has developed technology under the NIDHI PRAYAS programme initiated by the Department of Science and Technology (DST).

The start-up, J Clean Weather Tech Pvt. Ltd., developed a negative ion generator called SciTech Airon, which helps control virus, bacteria, and fungal infections in any closed environment. This technology also cleans air and disinfects areas that are exposed to the infection. This was a tremendous support during the pandemic and Finolex Industries kindly donated 46 SciTech Airons to dedicated Covid Hospitals in Pune such as Sassoon General Hospital, Naidu Hospital and KEM Hospital, along with some police stations and institutions for Armed Forces and veterans.

46

SciTech Airons donated to Covid Hospitals and Police Station

SciTech Airon air purifier machine donation

Armed Forces and Veterans

20 widows of brave hearts who lost their lives in the Galwan Valley tragedy have been supported with funds of ₹ 30,000 each in 2020. This support continues in the year 2021 as well.

Tents to the Indian Army

Finolex and its CSR Partner Mukul Madhav Foundation donated 35 high altitude tents with self-contained facilities which can house 280 Jawans. This will help our troops stationed at the peaks as high as 18,000 feet. At this high altitude harsh winters and storms are a common occurrence and temperatures can plummet to -40 degree Celsius.

Sewing machines to Skill Centre at Aundh Military Station, Pune

We have provided 7 sewing machines to the Aundh Military Station in March 2021. In addition to this, training and guidance is being provided.

Sanitation Facilities

We provided 12 portable toilets to the following army hospitals in Pune:

- CTC Wanowrie – 4 units
- Military Hospital Khadki - 4 units
- Command Hospital – 4 units.

Milk Bank

As a part of healthcare for children, we supported the Command Hospital Pune with a human milk bank for better neonatal and maternal healthcare.

Hydrotherapy Swimming Pool

Finolex and MMF support our war heroes at the Paraplegic Rehabilitation Centre (PRC), Kirkee, Pune.

Responding to an appeal received from Col . Kaushik Ray and the Veterans Node, HQ Dakshin Maharashtra, we supported the PRC with the installation of a solar heating unit for their hydrotherapy swimming pool.

This helps with underwater physiotherapy, neuromuscular revival, and strengthening of the muscles of paraplegic and quadriplegic patients who reside here.

Human milk bank at Command Hospital Pune

Hydrotherapy pool at PRC, Kirkee, Pune

Portable sanitation units at CTC, Wanowrie

35	7	12
tents to house 280 Jawans	sewing machines to Aundh Military Station	portable toilets to Army Hospitals in Pune

Contribution to the Swachh Bharat Kosh Clean Ganga Fund (Beach / River Cleaning)

Since 2015, Finolex and MMF are committed to the clean beach movement. This is done in an all-inclusive manner with a mix of high-level and grassroots level activities.

As a part of the clean beach initiative, there is a daily clean-up drive at Bhatye beach in Ratnagiri sponsored by Finolex Industries. To dissuade visitors from littering the shore, we have also donated 10 dustbins and appointed a person to clean the beach daily. Besides this, we also support the Coast Guard in its high-level efforts to clean beaches on an annual basis.

We have organized teams of school, college students, staff from the collector's office. ZP office staff, panchayat samiti staff, police personnel, villagers, and Finolex employees to contribute to the efforts as volunteers.

River cleaning

In collaboration with Pooja Anand, Corporator Khadki Cantonment Board and volunteers from schools and colleges, we have been actively involved in cleaning operations of the Mula Mutha river at Khadki, Pune.

As a token of our appreciation, we supported the crew with refreshments.

Beach cleaning underway at Bhatye beach, Ratnagiri

Animal Welfare

Daily feeding for 100 cows since March 2020.

Provided fodder for 460 horses in Matheran, District Raigad during the COVID-19 second wave.

Cow feeding at Pune

Horse feeding during the pandemic at Matheran, near Mumbai

Promoting Sports

Apart from encouraging academics, MMF actively supports sports among students from schools in low-income areas. We have sponsored these 5 marathons:

- FICCI FLO Pune Half Marathon, Pune, to support the cause of women's empowerment – 2018 and 2019.
- Yuva Daud Pune – Jan 2019.
- Lokmat Marathon Pune Feb 2019 - Support for the differently-abled.
- Ratnagiri District Police Dept. organised the District Level Coastal Marathon, "Run for Unity", on November, 2019.

Some of the sports players supported are:

1. Arunima Sinha, Mountaineering
2. Annirudha Vaid, Skating
3. Manasi Joshi, Parabadminton
4. Mehuli Ghosh, Shooting
5. Dhanashri Mahadik, Weightlifting
6. Suchita Tendulkar, Weight lifting

We have also been supporting individuals in pursuit of their careers in sports.

Over and above, Finolex also extended financial support to Bengaluru's Yash Aradhya, who represented India at the French Formula 4 championship racing circuit.

Shrikant Jadhav, an employee of Finolex Industries, has been supported in his passion of trekking since 2017. So far, we have supported 2 of his 6 expeditions.

Finolex employee Shrikant Jadhav at a summit

Support During Natural Calamities

We have been actively supporting people impacted by natural calamities with relief and rehabilitation. Our efforts include immediate grocery and hygiene-essential support to those affected. Thereafter, we help the displaced with rehabilitation and rebuilding efforts.

Over 30,000 individuals supported during these natural calamities:

- Nepal Earthquake, 2015
- Kerala Floods, 2018
- Pune Floods, 2019
- Assam Floods, 2019 and 2020
- Orissa Floods, 2019
- Cyclone Amphan, 2020
- Cyclone Nisarga, 2020
- Cyclone YAAS, 2021
- Maharashtra Floods, 2021

Relief supplies provided post Amphan cyclone

Flood relief provisions at Raigad Fort

Covid Relief

Covid Support Wave 1
February 2020 till October 2020

Finolex Industries worked relentlessly towards supporting various needs, from hospitals including high-end equipment, which was a critical need, medical hygiene essentials, ration to migrants, and support to those who had lost their jobs due to this pandemic. We collaborated with various corporates, partners and volunteers to increase the reach of support.

Covid Relief Efforts Second Wave 2
April 2021 onwards

With the surge in COVID-19 cases, the second wave of the pandemic was deadlier than ever, costing lives and bringing life to a standstill.

Amidst all the deprivation, loss of life, and lack of access to basic needs, MMF initiated a crowd fundraising campaign. In turn, Finolex Industries gave a matching grant for the initiative. Finolex Industries and MMF supported the marginalized communities, hospitals, and frontline warriors with oxygen concentrators, ventilators and grocery kits. We also distributed kindness and PPE kits for front-line warriors and cooked meals for caregivers.

COVID Support - Wave 1 & 2

22,056 ration kits	88,224 masks	3,500 LTRS sanitizer
5,550 warrior kits	68 ventilators	478 oxygen concentrators
226 medical equipment	8,335 PPE suits	

CSR Awards & Achievements

November 2020: Mrs. Ritu P Chhabria awarded the President's Award for exceptional Philanthropy by British Association of Physicians of Indian Origin (BAPIO), London

January 2021: Lokmat Women Achievers recognition award to Mrs. Ritu P Chhabria

February 2021: Award on World CSR Day under the category of "Outreach In Rural Areas" - Business Leader of the Year

March 2021: Social Entrepreneurship Award to Mrs. Ritu P Chhabria by Pune Zilla Congress Committee on International Women's Day

April 2021: Changemaker Award by the Governor of Gujarat for the Give with Dignity™ initiative

April 2021: Tilak Maharashtra Vidyapeeth conferred the "D. Litt" award to our Executive Chairman, Mr. Prakash P Chhabria, for his contribution to the field of Commerce and Industry. This award also acknowledged his philanthropic work through MMF.

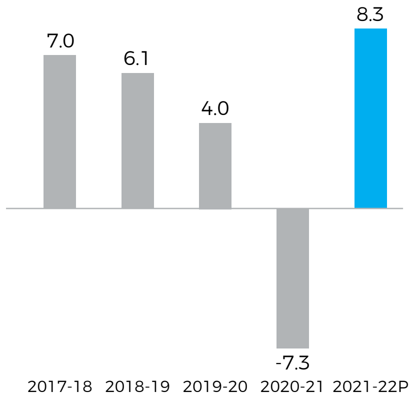
MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy

India's GDP is estimated to have shrunk by over -7.3% in FY 2020-21 amidst an unprecedented health crisis affecting lives and livelihoods. At the start of the FY 2020-21 a country-wide lockdown was enforced to curb the spread of COVID-19. Economic output suffered a deep contraction as industrial production and services experienced supply chain disruption and demand contraction. Contact-intensive sectors such as airlines, hospitality and tourism were the hardest hit along with the manufacturing sector. The Agriculture sector witnessed continuity in growth momentum aided by an above normal rainfall, rabi and kharif harvests. However, the sector was not untouched, as transportation issues and price fluctuations moderated the output growth.

The economy dipped into recession with a record -23.9% decline in the first quarter FY 2020-21 when the lockdown was at its peak. The unlocking of the economy with partial restrictions was reflected by the turnaround in the GDP, which slipped past its inflection point in Q3FY21 due to pent-up demand. High frequency indicators such as e-way bills, rail freight, GST collections and power consumption soared past their pre-pandemic levels during this period.

GDP Growth Rate (%)



(Source : World Bank)

The Government retreated from its fiscal consolidation path to cushion the sinking economy as the Central Bank shifted levers to provide the fiscal space. The accommodative monetary policy of the Central Bank, yield control measures, helped to reduce the cost of borrowing while regulatory support provided extensions to debt holders.

The Government resorted to consumption spending to propel private investment, overall demand and consumer sentiments. Aiming for a USD 5 trillion economy by 2025 amidst a deteriorating geopolitical environment, the Government emphasised the need for a self-reliant economy, becoming a global manufacturing hub and promoting domestic businesses.

Production Linked Incentive (PLI) schemes for exports, manufacturing and high capital expenditure for infrastructure creation is expected to trickle down into various sectors of the economy to increase the output, besides creating job opportunities. The proposed structural reforms in the Agriculture sector such as new farm laws, amendments in the Essential Commodities Act as well as an INR 1 trillion Agri-fund bodes well for the rural economy.

With the rollout of a large-scale vaccination programme and normalisation in economic activities, GDP of the economy is forecasted to grow by 8.30 % in FY2021-22. The inflation projection will depend on the south-west monsoon season in FY22, the incidence of domestic taxes on petroleum products and the high international commodity prices along with logistic costs. These could build upward pressure on input costs. However, the recovery will depend on mitigating the crisis from subsequent waves of infections, as well as successfully shielding consumer spending from cost pressures, especially of petrol and diesel.

Outlook

In 2021, global growth is projected at 5.6%. This is expected to moderate to 4.3 percent in 2022. The Indian Economy is also projected to share this growth in the coming year. There are a few re-emerging concerns for the Indian Economy like that of the lockdowns caused by new waves of the COVID-19 pandemic. The second wave of the pandemic has resulted in the RBI lowering its earlier double digit GDP projection of 10.5% to 9.5% for 2022. However, Central Government keeps support and relief efforts ongoing for the Indian Economy to showcase sustainable growth. Recovery rates are estimated to increase especially after effective vaccination of the population across the country sponsored by Central & State Governments. As per IMF forecasts, India is also projected to become the fastest growing economy in the next two years. The re-opening of the country is expected to gradually accelerate economic activity to a level greater than 2020, with manufacturing output likely to improve and demand expected to pick up, both in the Indian and International markets. Controlled inflation, higher demand from partner economies, stable currency rates and favourable fiscal stimulus can help to further boost the projected recovery. Recovery in global demand is also anticipated to add impetus to the export sector.

Industry structure, developments and outlook

Finolex Industries Limited (FIL) is the largest producer of PVC Pipes & Fittings in India and is leading manufacturer of PVC Resin. The Company offers the latest range of superior quality and durable PVC-U pipes and fittings used in agriculture, construction and industrial operations. Its product portfolio consists of two major divisions:

- PVC Pipes and Fittings
- PVC Resin

PVC Pipes & Fittings

PVC pipes are amongst the most widely used plastic pipes all over the world. PVC pipes are durable, cost-effective, light weight, hard to damage, easy to install and long lasting. They are commonly used for plumbing, sewerage, irrigation and water supply. The Indian PVC pipes market is segmented into chlorinated, plasticized and un-plasticized.

The global PVC pipes market reached a volume of 24.51 million tons in 2020. The market is expected to grow at a Compound Annual Growth Rate (CAGR) of around 4.3% during the period 2021-2026, to reach a volume of 30.25 million tons by 2026 as per Expert Market Research. The market is currently being driven by growing urbanisation, a demand for larger and cost effective sewage lines, rising construction activities and infrastructure developments.

The Government of India's initiative for affordable housing, irrigation sector and focus on rural water management will remain one of the major drivers for the growth of the PVC pipe industry in the country.

The plastic pipes sector has shown resilience by recovering from the COVID-19 induced slowdown in the first two quarters of FY21. In the second half of FY 2020-21, plastic pipes & fittings witnessed a sharp recovery in their volumes, mainly on the back of a sustained rise in demand. The Indian PVC pipe industry has witnessed greater realisation supported by a sharp rise in PVC prices in FY21. However PVC prices have now started easing and may stabilise in the near future.

In the coming years, different end-user applications, value-added products, a shift from metal to plastic pipes, ongoing consolidation and infrastructure demand will help the large plastic pipe manufacturers to post healthy double-digit volume growth. It is believed that large organised manufacturers with pan-India facilities will take advantage of this opportunity to increase market share over the coming years.

There are several Central Government initiatives in the pipeline which include investments in irrigation, water supply, housing and sanitation through schemes such as Housing for All, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Swachh Bharat Mission, Jal Jeevan Mission and Pradhan Mantri Krishi Sinchayee Yojana (PMKSY). The pandemic has underlined the need for sustainable infrastructure, piping products for water management, sanitation, sewage treatment etc. which will result in a greater demand for PVC pipes. PVC pipes are extensively used in the Agricultural sector for field irrigation.

Housing, Construction and Infrastructure Sector

ASTM pipes and fittings

Finolex ASTM pipes are manufactured using the latest technology and high-grade raw material. These pipes are ideal for transportation and distribution of water in households including potable water, industrial process lines, saltwater lines, swimming pools, pipes used for hand pumps and in down-take lines in plumbing systems.

Manufactured with added strength

and crafting precision, Finolex PVC-U pipes have a prolonged life advantage over conventional pipes, surpassing most traditional metal and other plastic pipes. This lightweight product's abrasion resistance, mechanical strength, toughness and durability are the key reasons why 'Finolex Pipes' is a leader of housing and potable water applications in the plumbing industry.

These pipes are manufactured using a lead-free compound and are environmentally -friendly.

CPVC pipes and fittings

Finolex CPVC pipes are manufactured using high-grade raw material and the latest technology, making these ideal for hot and cold-water applications. These pipes can withstand higher temperatures as compared to many other plastic piping systems.

Finolex CPVC pipes are better than conventional metal pipes because they are lightweight, they do not corrode and are long-lasting. These pipes are manufactured using a lead-free compound and hence are environmentally -friendly.

They are extensively used in individual homes, residential apartments, hotels, resorts, hospitals, high and low rise buildings, corporate and commercial houses, swimming pools, academic institutes etc.

Some of the main features of CPVC pipes include the following:

- CPVC pipes are suitable for hot water up to 82°C
- These pipes are manufactured using lead free and environmentally friendly CPVC compound
- UV stabilised
- Leak proof joints
- Low thermal expansion
- Safe for potable water

SWR pipes and fittings

Finolex SWR pipes are specially designed and manufactured using high-grade raw materials and are an ideal solution for efficient removal of waste without leakage in drainage systems. SWR pipes and fittings are used for non-pressure plumbing applications such as transportation of soil, waste and rainwater, non-pressure industrial drainage applications, and waste discharge systems in residential and commercial complexes, resorts, and hospitals.

The Finolex SWR system is an ideal replacement for CI and GI piping systems because it is lightweight, economical, non-corrosive and UV stabilised making it very durable. It offers extreme climate resistance and a smooth inner surface to facilitate anti-clogging. These pipes are manufactured as per IS 13592 and are offered with Integrated Ringfit and Selfit socket systems.

Sewerage pipes

Finolex underground drainage and sewerage pipes are intended to carry soil and waste from building to sewers or drains and then to treatment plants or disposal points. Finolex underground drainage and sewerage pipes are recommended for buildings where hygiene is a prerequisite like hospitals, hotels, schools, etc. They can also be used for rainwater collection and disposal. Finolex sewerage pipes are specially designed for underground non-pressure applications like gravity drainage, sewer flow and transportation of soil and waste discharge.

Finolex underground drainage and sewerage pipes are an ideal replacement of CI and GI piping systems because they are lightweight, corrosion free and long-lasting. These pipes are watertight and leak-proof, which makes them free from ingress and seepage of water, thus ensuring hygiene.

Opportunities in the Housing, Construction and Infrastructure Sector

Housing Initiatives

- The total funds earmarked for urban development have gone up from ₹ 50,040 crore in FY 2020–21 to ₹ 54,581 crore in FY 2021–22, an overall increase of 9.07 percent.
- Under the 'Jal Jeevan Mission Urban Scheme', the Government aims to provide a universal water supply in all 4,378 urban local bodies with 2.86 crore household tap connections, as well as liquid waste management in 500 AMRUT cities. It will be implemented over 5 years, with an outlay of ₹ 2,87,000 crores.
- Allocation for 'Jal Jeevan Mission' / 'National Rural Drinking Water' has increased significantly to approximately ₹ 50,011 crore in the FY 2021-22 along with the 15th Finance Commission tied grants of ₹ 36,022 crore, available to PRIs for 'water and sanitation' in 2021–22.
- 'Housing for All' income tax rebates of ₹ 1.5 lakh for individual home buyers were extended until March 2022.
- The allocation for AMRUT and Smart Cities Mission remained static between FY 2020–21 and 2021-22. In FY 2021-22, both the missions were allocated the same amount as the previous year – ₹ 13,750 crore: ₹ 6,450 crore for the Smart Cities and ₹ 7,300 crore for AMRUT.

The above factors are expected to substantially bolster the demand for PVC pipes and fittings in plumbing and sanitation sector.

Agriculture Sector

- **PVC-U Selfit Pipes -** One end of this pipe is self-socketed and the other is plain. This allows for a snug fit, without the use of any couplers. The strong solvent cement joint is permanent and trouble-free and eliminates the inconvenience of loose couplers and thereby saves both time and cost.
- **PVC-U Ringfit Pipes -** This unique range of PVC-U pipes was introduced by Finolex in India. They are specially designed for higher diameter requirements and eliminate the need for solvent cement.
- **Casing Pipes -** Finolex offers a wide range of Casing & Ribbed Screen Pipes which are manufactured using a special PVC-U compound.

This makes them ideal for the transportation of hard, salty, sandy, or chemically-aggressive water. These pipes are also anti-corrosive, which prevents the chemicals in the soil from affecting them. This range of PVC-U plain casing and ribbed screen pipes are specially designed to protect water lines from soil conditions.

Finolex casing and ribbed screen pipes are far superior to conventional metal pipes as they are lightweight, corrosion free and long-lasting. These pipes do not alter the water quality and are recyclable. Casing pipes are easy to install as the threaded ends make sure that the pipes can be interlocked without the use of cements or adhesives.

- **Column Pipes -** Finolex PVC-U column pipes are uniquely designed for water extraction from bore wells and are manufactured using lead-free compounds, on advanced state-of-the-art CNC machines. Our column pipes can withstand system loads including the weight of the pump, water, and pipes with an adequate factor of safety.

  Column pipes are lightweight, having a high tensile load capacity, leak proof joints, long- life, and are extremely economical. Its square threaded coupling joint ensures ease of joining as well as an optimum load-holding capacity. A high torque-resistant locking system and specially designed rubber "O" ring ensure trouble-free operations.

- **Solvent Cement -** Finolex solvent cement facilitates a strong and consistent joint between pipe-to-pipe, fitting-to-fitting, or pipe-to-fitting combinations. It can be dependably used in agriculture, sanitation, PVC-U and CPVC plumbing.

  Finolex offers the high-quality solvent cement that is easy to apply and is environmentally friendly and beneficial to the applicator

Opportunities in Agricultural Sector Budget Allocation

- Agro-credit up to ₹16.50 lakh crore would be available in FY 2021-22.
- Enhancing the allocation to the Rural Infrastructure Development Fund from ₹ 30,000 crores to ₹40,000 crores.
- To double the Micro Irrigation Fund corpus by another ₹ 5,000 crores.
- Under the 'SWAMITVA Scheme' launched early this year, a record of rights is being given to property owners in villages. Up till now, about 1.80 lakh property-owners in 1,241 villages have been provided cards and it is proposed during FY21-22 to extend this to cover all States/ Union Territories.
- The budget provision for 'PMKSY' is ₹ 11,588 crores. Under the banner of 'PMKSY' - Per Drop More Crop allocation has been increased to ₹ 4,000 crore in FY 2020-21 .The above are expected to have a positive impact on the demand for

PVC pipes and fittings in agriculture sector.

Other Initiatives:

- Ensured Minimum Support Price at minimum 1.5 times the cost of production across all commodities, where MSP is a form of market intervention by the Government of India to insure agricultural producers against any sharp fall in farm prices.
- With the steady increase in procurement, payments to farmers increased from 2013-14 to 2020-21 as follows :-

Wheat	From ₹ 33,874 crores to ₹ 75,060 crores
Rice	From ₹ 63,928 crores to ₹ 1,72,752 crores
Pulses	From ₹ 236 crores to ₹ 10,530 crores

- The Agriculture Infrastructure Fund would be made available to APMCs for augmenting their infrastructure facilities.
- 1000 more mandis will be integrated with e-NAM to bring about transparency and competitiveness.
- 'Operation Green Scheme' is to be extended to 22 perishable products, to boost value addition in agriculture and allied products.

Threats

- **Shortage of Labour -** The Indian Housing, Construction & Infrastructure (HCI) industry is heavily dependent on migrating manual labour and may face significant issues to continue operations if affordable services from labourers is unavailable.
- **Employee Covid-19 Health Safety & Re-occurrence of Covid-19 pandemic-like conditions –**

  With COVID-19 still a threat, the most important challenge for construction companies is to keep their staff healthy and free from COVID-19 infections on their sites. Obviously, employee safety is a moral imperative. The HCI industry is one which requires the majority of employees and contract workers to be present at the site of work. This requirement prohibits large-scale use of remote work which benefitted many other industries like Information Technology, Fin-tech etc.
- **Lower Spending by Consumers –** In FY2020-21, there was a drastic shift of consumer spending towards more modest levels, especially due to a lot of job losses and wage reductions during the pandemic. The ongoing uncertainty will certainly play on the minds of consumers and investors. In commercial real estate, there is also some concern about the impact of widespread "work from home" policies adopted by Indian corporates during the lockdowns. Spending on construction is projected to be more cautious.
- **Rise in Costs –** Commodity prices surged in FY2020-21 which resulted in inflation. Agricultural equipment like Agri-pipes are observed to be impacted, owing to significant

rises in prices of key commodities like PVC resin, combined with the Covid-19 lockdown. There is also the threat of a decline in pipe volumes demand due to farmers deferring Agri-pipe purchases in the expectation of a price correction. The wholesale price index for basic metals and manufacturing has been mimicking metal prices. The construction sector must brace for frequent price hikes of raw materials due to global supply disruptions.

- **Softening of Agri-Pipe Demand –** Being heavily involved in the business of Agri-pipes with a large inventory requires steady demand to offload the products and maintain profitability. With the advantages of being a market leader in the Agri-pipes business, also comes the risks of being exposed to a reduction in demand due to the reoccurrence of unforeseen conditions such as the Covid-19 pandemic.

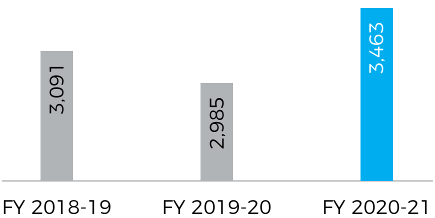
PVC Resin

PolyVinyl chloride (PVC) resins are produced by a process called polymerization of vinyl chloride and then blending them with additives. It is the third largest plastic in production and consumption. Technology has gradually improved over time with improvements in safety, product quality, production volume, environmental issues and cost. It is used in pipes and fittings, profiles and tubes, windows and doors, sidings, wires and cables, film and sheets, toys and other moulded products and floorings.

Asia-Pacific is the largest market for PVC products, accounting for more than 50% of the global PVC market. A growing agriculture sector, infrastructure development, rapid industrialization, favourable Government policies, rising urbanization and growing usage of PVC in flooring applications across private, commercial and industrial premises are expected to contribute to the growing demand for PVC resin.

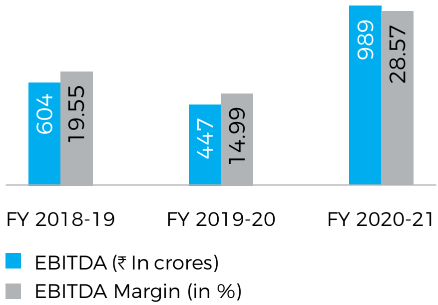
Financial Analysis

Revenue (₹ in crore)

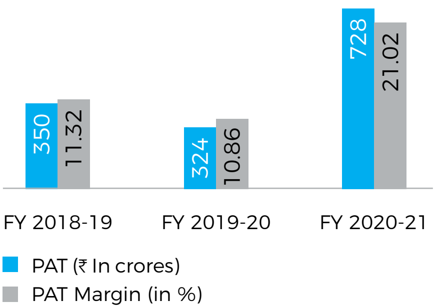


(Refer Note 1 below)

EBITDA/EBITDA Margin

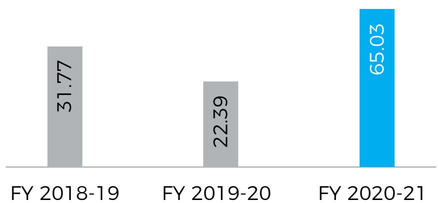


PAT/PAT Margin



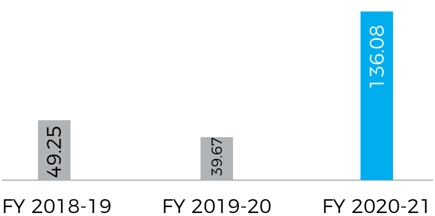
(Refer Note 1 below)

ROCE (In %)



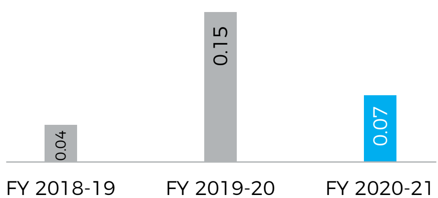
ROCE = EBIT (excluding other income) / Operating Capital Employed

Interest Coverage Ratio (times)

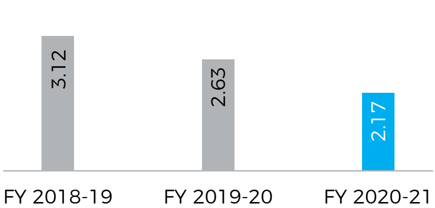


(Refer Note 1 below)

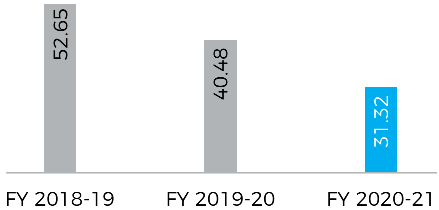
Debt-Equity Ratio (times)



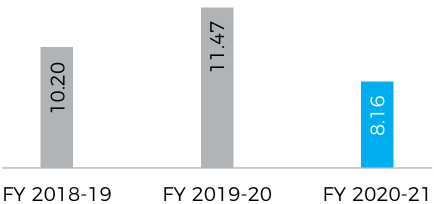
Inventory Turnover Ratio (times)



Debtors' Turnover Ratio (times)

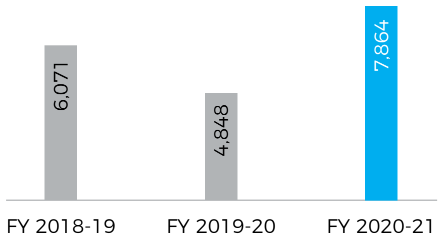


EV/EBITDA (times)

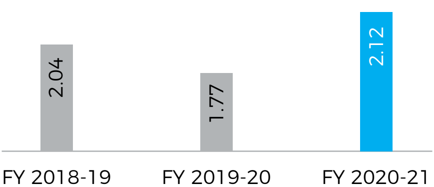


(Refer Note 1 below)

Market Capitalisation (₹ In crores)

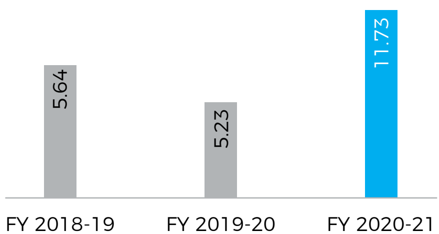


Current Ratio (times)



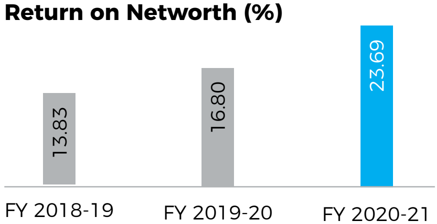
(Refer Note 1 below)

EPS (₹ per share)



(Refer Note 2 below)

Return on Networth (%)



Notes:

1. During the year your Company reported strong operating profits, backed by an improvement in per-unit realisation and improved operational efficiencies. This has resulted in significant improvement in key financial ratios.
2. The Board of Directors at their meeting held on 1st February, 2021 approved the sub-division of one equity share of face value of ₹ 10/- each fully paid up, into 5 equity shares of face value of ₹ 2/- each fully paid up. The same was approved by the Members on 26th March, 2021 through a postal ballot and e-voting. The effective date for the sub-division was 16th April, 2021. Consequently the sub-division of equity shares has been effected from 16th April, 2021. Accordingly, earnings per share have been adjusted for the share split in accordance with Ind AS 33 'Earning per share' read with Ind AS 10 'Events after Reporting Period'.

Risk management and mitigation:

Risk	Mitigation
Economic Risk Economic growth may be affected by several major events like the lockdown experienced in the year under review. A repeat of such events may affect the Company's operations adversely across the country.	India's economic growth is supported consistently by the progressive actions of Central Government which includes regulatory reforms, investment plan propositions and budgetary support. Your Company has also been consistent in delivering robust results to maintain sustainability.
Competition risk Organised Players will be gearing up to acquire more market share whenever opportunities arise. Apart from this, new players are also entering the market. This might prevent the Company from achieving its predicted margins and market share.	Your Company ensures that it is ahead of the competition by maintaining a competitive advantage and by differentiating its value proposition for its customers. Some of the steps taken in this regard include: • Focus on the Plumbing and sanitation business through measures like enhanced credit to dealers, addition of new SKUs and entering new markets. • Maintain the highest product quality standards. • Deeper and wider network of dealers. • Regular and prominent branding exercises. • Improved logistics network to increase reach of products. • More participation of on-field influencers. Your Company believes that taking such actions on a continuous basis will ensure that the Company remains relevant and at an advantage compared to its competition.

Risk	Mitigation
Input risk Recent trend - Increase in raw material prices may impact Company's margins and negatively affect our profitability.	In the Pipes and Fittings segment, the Company generally passes on price fluctuations to its customers, thereby protecting itself from any adverse impact of an increase in the raw material prices. In the PVC resin segment, 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') for manufacturing of PVC Resin and therefore, require a continuous supply of these materials. Prices of PVC resin 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 only for a limited period.
Geographic Concentration Risk Your Company faces a risk of concentration of the business in only few a geographies. This may limit the Company's customer reach & engagement. It will also have an impact on marketability and consumer familiarity which may ultimately and adversely affect your Company's profitability.	To mitigate such risks, your Company has established 3 plants at different locations in Ratnagiri, Pune & Masar and has a wide distribution network of dealers and retailers that cater to customers across the country.

Transparency in information sharing

Transparency means the availability of full information that is required for collaboration, cooperation and collective decision making. It involves being totally vulnerable to scrutiny and reasonable judgement with the provision of accurate information. The Company understands the value of transparency for building lines of communication, and for propagating its culture of authenticity and competency.

The Company believes in upholding the utmost transparency in all its business operations and therefore considers it a prime responsibility to disclose relevant information to its stakeholders. The Company also strives to provide the maximum possible information in the Management Discussion and Analysis segment of the Annual Report.

Internal Control Systems

Your Company has positioned adequate internal control procedures, proportionate to the nature of business and size of operations for the smooth conduct of business. Internal audits are conducted at regular intervals at all the plants and cover key areas of operations. These audits are independent, objective and responsible for evaluating and improving the effectiveness of risk management, control and governance processes. An Audit Committee, consisting of five independent directors and one non-independent & non-executive director, monitors the performance of the internal audits. This is conducted on a periodic basis through audit plans, audit findings and the promptness of issue resolution through follow-ups.

Internal Financial Control

Your Company has well established and well documented internal financial controls which are commensurate with the nature of its business and the size and complexity of its operations. These controls form the basis of the overall framework of governance under which the Company operates. Moreover, these controls ensure the adequate safeguarding of the Company's assets, adherence of the Company's policies, prevention and detection of errors, accuracy and completeness of financial records along with the necessary checks and balances to ensure the smooth functioning of the organisation. The internal financial controls are reviewed periodically to ensure their effectiveness and sustenance are maintained.

Human Resources

Your Company values the most important aspect of its business – the employees, who function as the backbone of the business contributing to its success and overall growth. The organisation has developed an exhaustive human resource strategy to create a friendly, dynamic work environment that focuses on the importance of being part of a team while building a professional work ethos. Along with a comprehensive strategy, your Company has also implemented several initiatives to increase employee engagement and productivity. The development of leadership skills and competencies in all employees is always the main priority of the establishment. The Company's focus remains on attracting talent and retaining the best to create a productive and engaged workforce.

As of 31st March, 2021, our employee strength stood at 1,377.

Cautionary Statement

In this Annual Report, we may have disclosed information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, may contain statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these statements will be realized, although we believe we have been prudent in these assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any statements, whether as a result of new information, future events or otherwise except as may be required by law.

BOARD OF DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the Fortieth annual report together with the audited financial statements (both standalone and consolidated) for the financial year ended 31st March, 2021.

State of the Company's affairs:

Financial Results

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Profit before depreciation & finance charges	1,061.79	478.28	1,077.05	502.91
Less: Finance charges	7.27	11.28	7.27	11.28
Profit before depreciation, exceptional items and taxation	1,054.52	467.00	1,069.78	491.63
Less: i. Depreciation	77.72	73.81	77.72	73.81
ii. Provision for taxation	248.78	68.99	254.27	85.17
Profit after depreciation, exceptional items and taxation	728.02	324.20	737.79	332.65
Add/(Less) :				
i. Retained earnings at the beginning of the year	1,431.92	1,409.47	1,488.09	1,457.24
ii. Re-measurement of defined benefit plans and income tax effect	0.23	(2.53)	0.23	(2.53)
iii. Share of Other Comprehensive Income (OCI) of Associate for the year	-	-	0.14	0.22
iv. Dividend	-	(248.20)	-	(248.20)
v. Tax on dividend	-	(51.02)	-	(51.21)
vi. Share in Lease adjustments	-	-	-	(0.09)
Retained earnings at the end of the year	2,160.17	1,431.92	2,226.25	1,488.09
Earning per equity share:				
Basic & Diluted (₹/share)	11.73	5.23	11.89	5.36

Operations

The operational performance is summarized below:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	3,462.82	2,984.51	3,462.82	2,984.51
Other Income	72.48	30.84	71.55	29.91
Total Income	3,535.30	3,015.35	3,534.37	3,014.42
Profit before tax	976.80	393.19	975.87	392.26
Share of profit of associate before tax	-	-	16.19	25.56
Profit after tax	728.02	324.20	737.79	332.65
PVC Pipes and Fittings				
Production – in MTs	2,12,706.43	2,63,688.25	2,12,706.43	2,63,688.25
Sale – in MTs	2,12,059.62	2,54,958.25	2,12,059.62	2,54,958.25
Sale – in ₹ Crores	2,635.30	2,553.95	2,635.30	2,553.95
PVC Resin				
Production – in MTs	2,25,035.00	2,47,392.63	2,25,035.00	2,47,392.63
Sale – in MTs (including inter divisional):	2,36,085.43	2,39,188.34	2,36,085.43	2,39,188.34
Sale – in ₹ Crores (including inter divisional):	2,273.31	1,677.69	2,273.31	1,677.69

The total capacity of PVC pipes & fittings stands at 3,70,000 MT p.a. The sales volume for PVC pipes & fittings was 2,12,059.62 MT for the financial year ended 31st March, 2021 as against 2,54,958.25 MT for the financial year ended 31st March, 2020. Total standalone income was at ₹ 3,535.30 Crores for the financial year ended 31st March, 2021 against ₹ 3,015.35 Crores for the financial year ended 31st March, 2020. Profit after tax was at ₹ 728.02 Crores for the financial year ended 31st March, 2021 as against ₹ 324.20 Crores for the financial year ended 31st March, 2020.

The Financial Year 2020-21 began with the pandemic situation caused by the spread of the Corona virus COVID-19, all over the world. The operations were disrupted at all the manufacturing facilities of the Company. Your Company had to put a halt on its operations for some period during March, 2020 to April, 2020, considering the wellness and safety of its employees and complying with Government and Health authorities' advisory during lockdown. Subsequent to receipt of permissions from the authorities, the Company resumed operations in phased manner by focusing on the safety and well-being of all stakeholders. In these circumstances, your Company has worked tirelessly to address the challenges and implemented necessary changes needed commensurate with the Company's business requirements and your Company provided the required support to the workforce. These measures are naturally being monitored on a regular basis to ensure a progressive return to the desired growth rates. After commencement of operations, the business and operations of the Company have gradually scaled up to almost normal operating levels. The uncertainty around the resurgence of second wave across India towards end of March, 2021 is being closely monitored and all necessary actions have been taken.

Sub-division of shares

Pursuant to the approval granted by the Members of the Company on 26th March, 2021 through Postal Ballot, each existing Equity Share having face value of ₹ 10/- (Rupees Ten) each has been sub-divided into 5 (Five) Equity Shares having face value of ₹ 2/- (Rupees Two) each w.e.f. 16th April, 2021 (Record Date). Consequent upon the aforesaid sub-division, the Company has issued fully paid up equity shares having face value of ₹ 2/- (Rupees Two) each to all the Members of the Company as on 16th April, 2021 i.e. Record Date as per their entitlement on that date.

As a result the authorized Share Capital of the Company is ₹ 235,00,00,000/- (Rupees Two Hundred Thirty Five Crores only) classified as equity share capital aggregating to ₹ 150,00,00,000/- (Rupees One Hundred Fifty Crores only) divided into 75,00,00,000 (Seventy Five Crores) equity shares of ₹ 2/- (Rupees Two only) each and unclassified share capital aggregating to ₹ 85,00,00,000/- (Rupees Eighty Five Crores only) divided into 8,50,00,000 (Eight Crore Fifty Lakhs) shares of ₹ 10/- (Rupees Ten only). The issued, subscribed and paid-up equity share capital of the Company is ₹ 124,09,53,810 (Rupees One Hundred Twenty Four Crores Nine Lakhs Fifty Three Thousand Eight Hundred Ten only) divided into 62,04,76,905 equity shares of ₹ 2 each. Further, Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company relating to Capital Clause were amended with effect from 26th March, 2021 i.e. the deemed date of passing of the relevant resolutions through postal ballot. Necessary approvals from the Stock Exchanges for split of shares and NSDL/CDSL for assignment of new ISIN INE183A01024 were obtained.

Accordingly, equity shares and earning per share have been adjusted for share split in accordance with IND AS 33 'Earning Per Share' read with Ind AS 10 'Events after Reporting Period'.

Dividend

The Board of Directors has recommended dividend at 200% i.e. final dividend at 100% i.e. ₹ 2 per equity share and a special dividend at 100% i.e. ₹ 2 per equity share (subject to deduction of tax at source). The dividend on equity shares, if approved by the Members, will absorb ₹ 248.19 Crores. As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015, ("Listing Regulation") the Company has formulated a Dividend Distribution Policy which has been uploaded on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/.

Transfer to Reserves

During the year, amount transferred to

General Reserve was ₹ Nil (previous year ₹ Nil). Thus, the total comprehensive Income for the year of ₹ 1,143.07 Crores [Previous year ₹ (299.40) Crores] was transferred to Reserves and Surplus of Balance Sheet.

Deposits

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

The Company had no unpaid /unclaimed deposit(s) as on 31st March, 2021.

Management discussion and analysis

Pursuant to Regulation 34 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report forms part of this annual report.

Consolidation of financial statements

As at the end of the financial year, 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'.

The Company has consolidated financials of Finolex Plasson Industries Private Limited. The Company has not consolidated financials of an immaterial associate viz. 'Pawas Port Limited', in which the Company holds 49.99% equity shares (₹ 0.05 Crores) and has not started operations.

The consolidated financial statements as prepared pursuant to the provisions of Section 129 of the Companies Act, 2013 (the "Act") and Schedule III of the Act, are annexed and form 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 2020 – 2021.

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 companies in Form AOC-1, is annexed and forms 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 is annexed and forms part of this annual report.

During the financial year 2020-21, there is no change in associate companies of the Company.

The Company has formulated the policy on material subsidiaries in alignment with the provisions of Regulation 16 (i) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required under Regulation 46 (2)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Material Subsidiary Policy has been uploaded on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/.

Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 the maximum amount of loans/ advances/investments outstanding during the year	
1.	Holding Company	• 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.	No Holding Company.
2.	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.	No Subsidiary Company
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.	No Holding Company

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, 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 on 31st March, 2021, 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 31st March, 2021 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.

Corporate Governance

A separate report on corporate governance in the compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with compliance certificate dated 25th June, 2021 obtained from M/s. SVD & Associates, Practicing Company Secretaries, is annexed and forms part of this annual report.

Material changes and commitments

Your directors confirm that there are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

Contracts or arrangements with related parties

The particulars of related party transactions are stated in the note no. 36 in the financial statements and Annexure-2 of this report.

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. All 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. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict of interest with the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013, in Form AOC-2, is not applicable and hence does not form part of this report. All related party transactions are placed before the Audit Committee for approval. The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for the purpose of identifying and monitoring such transactions.

In line with the requirements of the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Related Party Transactions and the same is available on website of the Company at https://www.finolexpipes.com/investors/policies-code-of-conduct/.

Risk management

During the financial year 2014-2015, your directors had constituted a Risk Management Committee. The Risk Management Committee was reconstituted with effect from 20th September, 2019. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of this report.

The Company has a robust risk management 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 as 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

Pursuant to Rule 8 (5) (viii) of the Companies (Accounts) Rules, 2014, the details in respect of adequacy of internal financial controls with reference to the financial statements are given below:

The Company has in place adequate internal control procedures, proportionate to the nature of the business and the size of operations, for smooth conduct of business. The systems are implemented for safeguarding the assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The scope and authority of the internal auditors are defined by the Audit Committee from time to time. To maintain its objectivity and independence, the internal auditors M/s. Ernst & Young, LLP report their observations to the Audit Committee of the Board. The internal auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of the internal auditors, process owners undertake corrective action in their respective areas which then strengthens the controls. Audit observations and corrective actions thereon are presented to the Audit Committee of the Board. Based on the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-21.

Directors and Key Managerial Personnel

The Board of your Company is duly constituted with a proper balance of executive, non-executive and independent directors.

Pursuant to Section 149 (1) and 161 of the Companies Act, 2013 read with Rule 8 (5) (iii) of the Companies (Accounts) Rules, 2014, the details relating to directors and key managerial personnel who were appointed or have resigned are reported as under:

1) Re-appointment of Director

Mr. Saurabh S. Dhanorkar (DIN:00011322), Non-Executive & Non-Independent Director retires by rotation as Director at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

2) **Independent Directors**

Ms. Bhumika L. Batra (DIN 03502004), Mrs. Kanchan U. Chitale (DIN 00007267), Dr. Deepak R. Parikh (DIN 06504537), Mr. Pradeep R. Rathi (DIN 00018577) and Mr. Anami N. Roy (DIN 01361110) are Non-Executive Independent Directors of the Company. Pursuant to Section 149(7) of the Companies Act, 2013, all Independent Directors have submitted declaration that:

A) Each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI 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 independent judgment and without any external influence pursuant to Regulation 25 of the Listing Regulations and there has been no change in the circumstances affecting their status as independent directors of the Company;

C) They have complied with the requirement of inclusion of their name in the data bank maintained by Indian Institute of Corporate Affairs as envisaged under Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, as applicable and they hold valid registration certificate with Data Bank of Independent Directors;

The Board is of opinion that the independent directors are persons of high integrity and possess the requisite expertise and experience (including the proficiency).

3) **Key Managerial Personnel (KMP)**

During the year under review, Mr. Devang Trivedi, Company Secretary, Compliance Officer and Key Managerial Personnel, ceased to be employed by the Company from close of business hours of 8th June, 2020. Mr. Ashutosh B. Kulkarni was appointed as Company Secretary, Compliance Officer and Key Managerial Personnel of the Company with effect from 26th October, 2020. Pursuant to the provisions of Section 203 of the Companies Act, 2013 Mr. Sanjay S. Math, Managing Director, Mr. Anil V. Whabi, Director – Finance & Chief Financial Officer and Mr. Ashutosh B. Kulkarni, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2021.

Training and familiarization programme for directors

In compliance of the Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the familiarization programme for independent directors with an aim to provide them with an insight into their roles, rights, responsibilities within the Company, the nature of the business of the Company and the business model of the Company. The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices.

Periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the Company, the global business environment, business strategy and various risks involved.

The updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly presented to the Directors.

The details of the familiarization programme for independent directors are available on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/.

Policy on directors' appointment and remuneration

The Company's Nomination and Remuneration Committee is governed by its terms of reference. The Company's Nomination and Remuneration Policy includes directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other details which are furnished in Annexure-1.

The Company's Nomination and Remuneration Policy is also available on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/.

Annual performance evaluation of the Board, its committees and individual directors

The Company has devised a nomination and remuneration policy for performance evaluation of independent, non-executive and executive directors. The basis for this evaluation include fulfillment of the independence criteria, independence from the management, qualification, positive attributes, area of expertise and the number of directorships & memberships held in various committees of other companies.

The Board of Directors has carried out an annual evaluation of its own performance, its committees and the directors individually as per the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings. At the board meeting, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

Remuneration of directors and key managerial personnel

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of directors and key managerial personnel are furnished in Annexure-2.

Particulars of employees

In accordance with the provisions of Section 197(12) of the Act read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136(1) of the Act, any Member, who is interested in obtaining these, may write to the Company Secretary at investors@finolexind.com. The same is also open for inspection during working hours at the Registered Office of the Company.

Auditors and Auditors' Report

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, P G Bhagwat LLP Chartered Accountants, Pune were appointed as the statutory auditors of the Company in the thirty sixth Annual General Meeting (AGM) of the Company held on 11th August, 2017 for a period of five (5) consecutive years until the conclusion of the 41st AGM to be held in the year 2022 on such remuneration as shall be decided by the Board of Directors.

The statutory auditors have issued a certificate of eligibility pursuant to Section 141 of the Companies Act, 2013 and they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Cost Auditors

The Board at its meeting held on 31st May, 2021 has, on recommendation of the Audit Committee, appointed M/s. S. R. Bhargave & Co. as Cost Auditors to conduct an audit of cost accounting records of the Company for the financial year ending 31st March, 2022. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rules made thereunder, the ratification by the Members is necessary for the payment of remuneration to cost auditors. Your directors recommend the same.

The Cost Audit Report for the financial year 2019-20, issued by M/s. S. R. Bhargave & Co., Cost Auditors, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs on 11th November, 2020.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SVD & Associates, Practicing Company Secretaries, Pune to undertake the secretarial audit of the Company for the financial year 2020-21. The secretarial audit report for the financial year 2020-21, is enclosed herewith as Annexure-3.

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

The statutory auditor's report and the secretarial auditor's report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

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 Companies Act, 2013:

Number of meetings of the Board

During the year under review, six meetings of the Board of Directors were held. The details of the meetings are provided in the Corporate Governance Report.

Committees of directors

The details of the committees of the directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, are described in the Corporate Governance Report.

Audit committee

The Audit Committee has been duly constituted as required under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The required details pertaining to the composition of the Audit Committee, pursuant to Section 177 (8) of the Companies Act, 2013, are given in the corporate governance report. There are no instances of the Board not having accepted the recommendation of the Audit Committee during the financial year 2020-21.

Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the annual return of the Company for the financial year 31st March, 2021 is available on the website of the Company and can be accessed at https://www.finolexpipes.com/investors/policies-code-of-conduct/.

Vigil mechanism / Whistle blower policy

The Company has established a vigil mechanism known as the Whistle Blower Policy (the "WBP") pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to report genuine concerns to the Chairman of the Audit Committee. The WBP provides adequate safeguards against victimization of persons who use such mechanism and ensures direct access to the Chairman of the Audit Committee. The details of the WBP are explained in the Corporate Governance Report and also posted on the Company's website.

The Company affirms that no director or employee has been denied access to the Chairman of the Audit Committee and that no complaint was received during the year.

Prevention of Sexual harassment policy

The Company has in place a policy for prevention of sexual harassment of its employees at the workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaints' Committee has been constituted by the Company to redress any complaints received regarding sexual harassment.

Your directors state that during the year under review, there was no complaint received / case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Prohibition of Insider trading

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information (UPSI), the Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Code of Fair Disclosure'). The Company has in place the digital structured database to monitor the insider trading activities.

The said Code of Conduct is intended to prevent the misuse of UPSI by insiders and connected persons and ensure that the Directors and designated persons of the Company and their immediate relatives shall not derive any benefit or assist others to derive any benefit from having access to and possession of such UPSI about the Company which is not in the public domain, that is to say, insider information.

The Code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the needs and interest of all the stakeholders.

Particulars of loans, guarantees or investments

The details, as applicable, of loans given, investments made or guarantees given pursuant to Section 186 of the Companies Act, 2013, are disclosed in note no. 4 to the financial statements for the financial year 2020-2021.

It is clarified that the Company has no loans/ advances and investments in its own shares.

Significant and material orders passed by the regulators or courts or tribunals

Pursuant to Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014, it is reported that no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company and the Company's operations in future.

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 31st March, 2021, pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/.

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.

The conservation of energy, technology absorption, foreign exchange earnings and outgo

Your Company is committed to achieve the highest standards of environmental excellence by adopting environmentally sustainable and effective operating systems and processes. Your Company has put in place the internationally acclaimed Environment Management System under ISO 14001certification at Ratnagiri. Your Company, is in compliance with all applicable environmental regulations in respect of air, water, noise, hazardous waste, e-waste etc. to mitigate the potential environmental impact on society.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given under Section 134(3) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed herewith as Annexure-4.

Details in respect of fraud reported by Auditors

During the year under review, the statutory auditors or the secretarial auditors or the Cost auditors have not reported to the audit committee/ Board and/or Central Government, under Section 143 (12) of the Companies Act, 2013 and Rules framed thereunder, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Business Responsibility Report

Business Responsibility Report for the year ended 31st March, 2021 as stipulated under Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed herewith as Annexure-5.

Corporate Social Responsibility

The Board has constituted Corporate Social Responsibility (CSR) Committee and also framed the corporate social responsibility policy pursuant to Section 135 of the Companies Act, 2013. The required details pertaining to the composition of the CSR Committee are given in the corporate governance report.

The Company has revised CSR policy and terms of reference of CSR committee pursuant to the Companies (CSR) Amendment Rules, 2021.

The corporate social responsibility policy of the Company can be viewed on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/.

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 your Company's plants situated at Ratnagiri and Urse in the state of Maharashtra and at Masar in the state of Gujarat. In fiscal 2021, the Company's CSR efforts included COVID-19 relief in multiple states.

The CSR activities carried out by your Company through MMF is headed by Mrs. Ritu P. Chhabria, Managing Trustee of Mukul Madhav Foundation, a driving force in accomplishing the activities on day-to-day basis.

During the financial year 2020-21, your Company in association with MMF has incurred expenditure on various CSR activities aggregating ₹ 9.00 Crores against the mandatory CSR expenses of ₹ 8.81 Crores.

The Annual report on the CSR activities is enclosed herewith as Annexure-6.

Cautionary statement

Statements in the Board of Directors' Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting the selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Acknowledgements

Your directors take this opportunity to place on record their sense of gratitude to the banks, financial institutions, central and state government departments and local authorities for their guidance and support. Your directors regret the loss of life due to Covid pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. 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

Prakash P. Chhabria
Executive Chairman
DIN :00016017

25th June, 2021
Place: London

ANNEXURE-1 TO THE DIRECTORS' REPORT

Nomination and Remuneration Policy

1. Preamble

1.1 Finolex Industries Limited (the 'Company') recognizes the importance of attracting, retaining and motivating personnel of high caliber and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company. For the purpose of attaining these ends, the Company has constituted a Nomination and Remuneration Committee which is entrusted with the task of devising a transparent reasonable and fair policy of remuneration for its directors, key managerial personnel and other employees.

1.2 The Companies Act, 2013 vide Section 178 the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, makes it mandatory for the Board of Directors of every listed company to constitute a Nomination and Remuneration Committee.

1.3 The objective of the Nomination and Remuneration Committee is to assist the Board of Directors of the Company and its controlled entities in fulfilling its responsibilities to shareholders by :

1.3.1. Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision.

1.3.2. ensuring that the Board of Directors is comprised of individuals who are best able to discharge the responsibilities of directors in consonance with the Companies Act, 2013 and the norms of corporate governance; and

1.3.3. ensuring that the nomination processes and remuneration policies are equitable and transparent.

1.4 The responsibilities of the Committee include:

1.4.1 formulating a criteria for determining qualifications, positive attributes and independence of a director;

1.4.2 recommending to the Board of Directors a policy or recommendation, relating to the appointment and remuneration for the directors, key managerial personnel and all remuneration, in whatever form, payable to Senior Management;

1.4.3 formulating a criteria/ recommendation and manner for effective evaluation of performance of independent directors, Board of Directors and its committee(s). On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director;

1.4.4 devising a policy/ recommendation on Board diversity; and

1.4.5 identifying persons who are qualified to become directors and who may be appointed as part of the 'senior management' or core management team of the Company in accordance with the criteria laid down, and recommend to the Board of Directors the appointment and removal of such personnel.

1.5 This Nomination and Remuneration Policy has been formulated with a view to :

1.5.1 Consider selection, appointment of directors including independent directors, key managerial personnel and Senior Management in compliance of the provisions of the Companies Act, 2013 and Listing Regulations and devise a transparent system of determining the appropriate level of remuneration throughout all levels of employees and teams in the Company;

1.5.2 encourage personnel to perform to their highest level;

1.5.3 provide consistency in remuneration throughout the Company; and

1.5.4 offer incentives on the premise of aligning the performance of the business with the performance of key employees and teams within the Company.

1.6 The Nomination and Remuneration Policy elucidates the types of remuneration to be offered by the Company and factors to be considered by the Board of Directors of the Company, Nomination and Remuneration Committee and management of the Company.

2. Definitions

Some of the key terms used in the Nomination and Remuneration Policy are as under:

2.1 'Board' means the Board of Directors of Finolex Industries Limited or the Company.

2.2 'Committee' means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with section 178 of the Companies Act, 2013.

2.3 'Director' means a director appointed on the Board of the Company including executive; non-executive; and independent directors.

2.4 'Employee' means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.

2.5 'Key managerial personnel' includes managing director, or chief executive officer or manager and in their absence, a whole-time director; company secretary; and chief financial officer.

2.6 'Member' means a director of the Company appointed as member of the Committee.

2.7 'Nomination and Remuneration Policy' shall mean the policy of remuneration of directors, key managerial personnel and other employees of the Company formulated by the Nomination and Remuneration Committee.

2.8 'Senior Management' means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management who are one level below the chief executive officer/ managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer.

3. Nomination and Remuneration Committee

3.1 The Committee shall be formed by the Board of the Company. It shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors. The Board of the Company shall nominate directors as members of the Committee from time to time.

3.2 The Chairman of the Committee shall be an independent director but shall not be the Chairperson of the Company. He shall be present at the Annual General Meeting, to answer the shareholders' queries and may determine as to who should answer the queries.

3.3 The presently nominated members of the Committee are nominated by the Board of Director. The Board will nominate Directors on the Committee, from time to time.

3.4 In respect of the policy on Board Diversity, the Committee shall ensure that the Board has requisite number of independent, executive and other category of Directors as prescribed in the Companies Act, 2013, Rules made thereunder and Listing Regulations including amendments, as may be applicable from time to time.

4. Letter of Engagement or Contract of Employment

4.1 Non-executive directors shall enter into a letter of engagement with the Company, the terms and conditions of which shall be approved by the Board. The letter of engagement shall set forth the terms and conditions of the engagement, the performance expectations for the position, the remuneration package, the availability of the latter being contingent upon fulfillment of certain expectations of the Company measured by benchmarks of performance.

4.2 Executive directors, key managerial personnel and senior management employees shall enter into a contract/ employment contract or acceptance of appointment/ increment letter ("contract of employment") with the Company clearly setting out the terms and conditions of the remuneration package for such person. The contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.

4.3 The Committee and the Board must approve the contracts of employment for the senior management and directors.

4.4 The Board shall disclose the terms and conditions of any contract of employment in accordance with the law and the employment rules, as applicable from time to time.

5. Remuneration Structure

5.1 Remuneration to Executive Directors, Key Managerial Personnel and Senior Management

The Board shall, in consultation with the Committee approve and finalize the forms of remuneration to be offered to executive and non executive directors, key managerial personnel, senior management and other employees. The remuneration package shall be composed of amounts that are fixed and variable and the endeavor of the Board and the Committee shall be to strike a balance between the fixed and variable components and thereby promote sustainable value for the Company and its shareholders over time.

5.1.1 Fixed Remuneration

The contract of employment entered into by the executive directors, key managerial personnel and senior management employees with the Company shall demarcate a fixed gross annual salary or base salary payable to the employee. The fixed remuneration or salary shall be determined according to complexities of the position and role of the employee, the relevant laws and regulations, conditions prevalent in the labour market and the scale of the business relating to the position. The fixed remuneration will reflect the core performance requirements and expectations of the Company.

5.1.2 Performance based remuneration or incentive or Ex-gratia bonus based payments

The performance or incentive or Ex-gratia bonus based payments shall form part of the variable component of the salary payable to the employee. In addition to the fixed remuneration, the Company shall implement a system of bonuses and incentives reflecting short and long term performance objectives appropriate to the working of the Company and designed to lay emphasis on the direct relationship between performance and remuneration. Performance based remuneration shall be proportionate to and contingent upon the attainment of specific performance targets by employees in the Company. Incentive-based payments take into account factors such as performance of the employee, his conduct, responsibilities, position and role and shall be calculated as a percentage of the fixed remuneration.

5.1.3 Severance Fees or Termination Benefits

Each contract of employment entered into by the executive directors, key managerial personnel and senior management employees with the Company shall demarcate in advance the entitlement to payment upon termination of employment for each employee or shall part of employee's service contract or appointment letter. Making of such payments shall be approved by the Board and the Committee and shall be in consonance with the Nomination and Remuneration Policy of the Company.

5.1.4 Employee Benefits

The Company shall comply with all legal and industrial obligations in determining the benefits available with employees, namely short-term benefits such as salaries, social security contributions, bonuses, post-employment benefits such as gratuity, other long-term employee benefits.

5.2 Remuneration to Non-Executive Directors

The Nomination and Remuneration Committee and/ or Board of Directors shall carry out performance review of each of the Director at least once a year. According to the performance of each Director, the Company shall pay remuneration to non-executive directors in such a manner so as to attract and maintain high quality members on the Board. Non-executive directors shall receive a fixed remuneration, for their service. Non-executive directors shall not be entitled to any performance based incentives, bonus payments or retirement benefits. Board of Directors shall be authorized to decide any other mode of remuneration, as may be agreed upon by resolution passed by the Board at the meeting.

6. Disclosure

6.1 The Nomination and Remuneration Policy shall be disclosed in the Board's report of the Company prepared in accordance with sub-section (3) of section 134 of the Companies Act, 2013.

6.2 Payments to non-executive directors shall be either disclosed in the Annual Report of the Company and/ or put up on the website of the Company and reference drawn thereto in the Annual Report as per mandatory requirement or decided by the Key Managerial person from time to time. Further, the number of shares and convertible instruments held by non-executive directors shall be disclosed by the Company in its Annual Report.

6.3 With regard to payment of remuneration, the section on the corporate governance of the Annual Report of the Company shall contain the following disclosures, namely :

6.3.1 All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;

6.3.2 Details of fixed component and performance linked incentives, along with the performance criteria;

6.3.3 Service contracts, notice period, severance fees; and

6.3.4 Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable.

7. Review and Implementation

7.1 The Key Managerial Person shall conduct an evaluation of performance for all employees on an annual basis to monitor and review, and if necessary, revise the appropriateness of each remuneration package.

7.2 The remuneration package payable to the employees of the Company shall be approved by the Committee or Board, as may be applicable from time to time.

7.3 The Committee shall be responsible for monitoring the implementation of the policy, conducting a review of the same from time to time and advising the Board on the mode of revision of the policy such as inclusion of long-term incentives that would contribute towards creating a sustainable value for shareholders of the Company. Any amendment in the Act, Rules will be applicable from the date of the notification. This policy will be deemed to be amended from such date. Chairman of the Committee shall be authorised to amend the policy from time to time.

ANNEXURE-2 TO THE DIRECTORS' REPORT

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 are given below:

i) The percentage increase in remuneration of each director, chief financial officer, company secretary or manager, if any, in the financial year 2020-21, the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for Financial year 2020-21 (₹ in Crore)	Percentage increase/ (decrease) in remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director to the median/ remuneration of employees (times)
1	Mr. Prakash P. Chhabria Executive Chairman	17.74	129.13%	295.89
2	Ms. Bhumika L. Batra Non-Executive Director	0.41	Not Applicable*	6.91
3	Mrs. Ritu P. Chhabria Non-Executive Director	0.41	223.67%	6.91
4	Mrs. Kanchan U. Chitale Non-Executive Director	0.41	Not Applicable*	6.91
5	Mr. Saurabh S. Dhanorkar Non-Executive Director	0.41	223.67%	6.91
6	Mr. Sanjay S. Math Managing Director (KMP)	6.70	143.51%	111.67
7	Dr. Deepak R. Parikh Non-Executive Director	0.41	Not Applicable*	6.91
8	Mr. Pradeep R. Rathi Non-Executive Director	0.51	Not Applicable*	8.58
9	Mr. Anami N. Roy Non-Executive Director	0.41	Not Applicable*	6.91
10	Mr. Anil V. Whabi Director - Finance & CFO (KMP)	4.25	88.95%	70.90
11	Mr. Devang B. Trivedi # Company Secretary (KMP)	0.07	Not Applicable*	1.19
12	Mr. Ashutosh B. Kulkarni ## Company Secretary (KMP)	0.16	Not Applicable*	2.61

* Not applicable since remuneration was paid for the part of the previous year / current year.

Ceased to be KMP w.e.f. 8th June, 2020

Appointed as Company Secretary & KMP w.e.f. 26th October, 2020

ii) The percentage increase in the median remuneration of employees for the financial year was 3.08%.

iii) There were 1,377 permanent employees on the rolls of the Company as on 31st March, 2021.

iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2020-21 was 5.27% and increase of 125.00% in the managerial remuneration for the same financial year.

v) 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.

ANNEXURE-3 TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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-410 506

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Finolex Industries Limited** (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 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, 2021** complied with the statutory provisions listed hereunder 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, 2021 according to the provisions of:

(i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(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 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) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(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;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period).**

(vi) We further report that, having regard to the compliance system prevailing in the Company and based on the certification received from the management, the Company has complied with the following laws applicable specifically to the Company:-

a) Indian Boiler Act, 1923 and regulations as specified thereunder;

b) Petroleum Act, 1934 and Petroleum Rules, 2002.

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'; and

(ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereto.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards 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 Meetings, agenda and detailed notes on agenda were 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously 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 the following:

1. Special Resolution was passed in the Annual General Meeting held on September 19, 2020 where Members gave their approval to the Board of Directors to issue offer or invitation to subscribe to debt securities including Non-Convertible Debentures for a sum not exceeding 250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) on a private placement basis or otherwise in one or more tranches during a period of one year from passing of this resolution within the overall borrowing limits of the Company.

2. Members approved the following resolutions through the Postal Ballot conducted on March 26, 2021;

   a) Ordinary Resolution to approve the sub-division of Equity Shares of the Company from the face value of ₹10/- (Rupees Ten Only) per Equity Share to ₹ 2/- (Rupees Two Only) per Equity Share;

   b) Ordinary Resolution to approve the alteration of Capital Clause of the Memorandum of Association of the Company to reflect the change in face value of the Equity Shares;

   c) Special Resolution to approve the alteration of the Article No. 3 in the Articles of Association of the Company to reflect the changes made in the Capital Clause of the Memorandum of Association of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar G Mudaliar
Partner
FCS No: 6156
CP No:2664

Place: Pune
Date: June 25, 2021

UDIN : F006156C000508361

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-410 506

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 by electronic mode, in view of prevailing pandemic situation of Covid-19.

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 G Mudaliar
Partner
FCS No:6156
CP No: 2664
UDIN : F006156C000508361

Place: Pune
Date: June 25, 2021

ANNEXURE-4 TO THE DIRECTORS' REPORT

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:

- Boilers ESP Energy saving by reducing the transformer load with IDC current settings revised from 50mA to 30mA of transformers without affecting SPM, SOx and NOx to reduce power consumption. This change saved 169 KWH/Day.
- Installed 2.2KW (28Nos) VFD for Vacuum Pump on all Extruder Line Resulting the Energy saving of 1 Lac KWH/year.
- Modified the Material Conveying Blower Motor from 37 KW to 22 KW. After modification the unit saved 54000 KWH/year.
- Installed a VFD on the 300TR chilling Plant saving 3,96,000 KWH/year.
- Resin and CaCo3 Tipping Station Modification, for energy saving of 81,000 KWH/year.

b) Additional investments proposals if any, being planned for reduction in consumption of energy:

- Rerating from 5.5 KW to 3.7 KW Pump of the cooling tank of all the extruder Line. Total Pumps to be replaced 58 Nos. and Investment is ₹ 0.40 Crores.
- Replacement of 100 TR and 130TR Chiller with oil free compressor with new energy efficient compressor. Net investments of ₹ 1.00 Crores.
- Installation of VFD for the Vacuum tank of the Extruder Lines.
- Replacement of old and obsolete main air compressor with new latest design compressor there by saving 200KWH per hour. (Specific power consumption will reduce from 0.131 to 0.114 Nm3/hr)
- Plan to provide VFD to Service air compressor in CPP energy savings projected 50 KWH/day.
- Plan to provide Insulation to Wind box in CPP energy savings projected 40 KWH / day.
- Plan to replace fan blades of finned tube air cooled condenser of distillation column from aluminium to FRP thereby saving power of the motor by 3 KW per hour per fan.

B. Technology absorption

Research and Development (R&D)

Specific areas in which R&D efforts have been put in by company are:

- For CPVC pipe dual colour printing developed with new technology printing machines (Auto Flushing Function).

- Column pipe : Complete automation for post operations developed on one line.

1. **Benefits derived as a result of the above R&D**

   - Dual colour printing will help in preventing duplication. New technology of auto flushing helped in better printing quality and reduced breakdown due to head clogging.
   - Automated operation will increase the product reliability & consistency for column pipes.

2. **Future plans**

   - Planning to install CPVC Pipe Auto counting, Weighing and Bundling Machine.

3. **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	

4. **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 2020-21 was as under:

Foreign Exchange earnings	₹ Nil
Foreign Exchange outgo	₹ 1,411.90 Crores

ANNEXURE-5 TO THE DIRECTORS' REPORT

Business Responsibility Report 2020-21

[Pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")]

Introduction:

Finolex Industries Limited (FIL) has adopted a stakeholder centric sustainability framework to strategically drive its sustainability initiatives. The disclosures made in this report provide transparent and relevant information on FIL's efforts and performance against the nine principles of Business Responsibility. Adopting best practices, FIL also makes detailed disclosures on its sustainability initiatives and performance through its Sustainability Report.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L40108PN1981PLC024153
2.	Name of the Company	FINOLEX INDUSTRIES LIMITED
3.	Registered address	Gat No.399, Village Urse, Taluka Maval, District Pune 410 506 Maharashtra State, India.
4.	Website	www.finolexpipes.com
5.	Email id	investors@finolexind.com
6.	Financial year reported	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 20131-PVC 22209-PVC Pipes & Fittings
8.	Three key products/services of the Company (as in balance sheet)	• PVC • PVC Pipes & Fittings
9(i).	Number of international locations	Nil
9(ii).	Number of National locations	3 manufacturing units in India at Ratnagiri and Pune in Maharashtra State and Masar in Gujarat State
10.	Markets served by the Company – Local/State/National/International	National: Pan India

Section B: Financial Details of the Company

1.	Paid up capital (₹ Crores)	124.10
2.	Total turnover (₹ Crores)	3,462.82
3.	Total profit after taxes (₹ Crores)	728.02
4.	Total Spending of Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Statutory Limit: ₹ 8.81 Crores i.e. 2% (based on average net profits of last 3 financial years computed as per Section 198 of the Companies Act, 2013). Actual: ₹ 9.00 Crores
5.	List of CSR activities in which expenditure in above 4 has been incurred	The major areas in which CSR expenditure has been incurred are Education, Health Care, Sanitation, Skill Developments, Social Welfare and Water Conservation.

Section C: Other details

1.	Does the Company have any Subsidiary Company / Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business participating in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D (1) : Business Responsibility Information

1.a.	Director responsible for implementation of BR policies, Director Identification Number (DIN)	01874086
	Director responsible for implementation of BR policies (Name)	Mr. Sanjay S. Math
	Director responsible for implementation of BR policies (Designation)	Managing Director
1.b.	BR Head (DIN, if applicable)	01874086
	BR Head (Name)	Mr. Sanjay S. Math
	BR Head (Designation)	Managing Director
	BR Head (Telephone number)	+91-2352-0238027-30
	BR Head (email id)	investors@finolexind.com

Section D (2): BR Information- Principle-wise (as per NVGs)

Principle 1

Policy on Ethics, Transparency and Accountability

Principle 2

Policy for providing goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3

HR Policies for promoting the wellbeing of all employees

Principle 4

Protection of all stakeholders

Principle 5

Respect and Promotion of Human Rights

Principle 6

Safety, Health and Environment Policy

Principle 7

Business when engaged in influencing public and regulatory policy should do so in responsible manner

Principle 8

Policy on Corporate Social Responsibility

Principle 9

Provide value to the customers and consumers in a responsible manner

Section D (2) (a): BR Information- Principle-wise (as per NVGs) BR Policy/ Policies Details of Compliance (Reply in Yes/No)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for Principal wise index?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Does the policy conform to any national /international standards? If yes, specify?	Yes	Yes Bureau of Indian standards (BIS)	Yes	Yes This policy conforms to guidelines of Companies Act, 2013	Yes	Yes	Yes	Yes	Yes

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ Appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Indicate the link for the policy to be viewed online?	The following policies are available on FIL's website: www.finolexpipes.com • Policy on Sexual Harassment of Women at the Workplace • Whistle Blower Policy • Corporate Social Responsibility Policy • Nomination and Remuneration Policy • Related Party Transactions Policy • Policy on Board Diversity • Policy on Material Subsidiaries • Policy for determining materiality disclosures • Policy for preservation of documents • Code of Fair Disclosure and Conduct • Code of Conduct for Directors and Senior Management • Safety, Health and Environment Policy • Dividend Distribution Policy The remaining policies being internal documents are only available to the respective stakeholders.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Does the company have an in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The respective departments (functional) heads are responsible for effective implementation of the policies. The Compliance/Legal Department provides guidance in the adherence to implementation of the policies as and when required.								

Section D (2)(b): If the answer to the question at serial number 1 against any principle is 'No', please explain why : (Tick up to 2 options) Not applicable

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on the specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have the financial/manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within the next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Other reasons (Please specify)	-	-	-	-	-	-	-	-	-

Section D (3): Governance related to Business Responsibility (BR)

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3- 6 months, Annually, More than 1 year	BR updation and upgradation is a continuous process. The management reviews and monitors the performance of the BR. The Board of Directors reviews the BR once a year.
b.	Does the Company publish a BR or a Sustainability Report? Is there a hyperlink to view the report? How frequently it is published?	BR Report Frequency: Annual BRR for the year 2020-21 is available at FIL's website : www.finolexpipes.com

Section E: Principle-Wise Performance

Principle No.	Description	Reported
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs /Others?	Yes.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage were satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company received complaints from 38 investors during the year 2020-21. There were no complaints pending from the investors at the beginning of the year 2020-21. All 38 complaints (100%) received during the year were redressed satisfactorily.
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities. (A) PVC (B) PVC Pipes and Fittings	The Company is constantly taking efforts to achieve high standards towards environment and social concerns. Manufacturing process and end use of the products are environment friendly and comply with applicable environment norms. Social & Environmental risks have been addressed in the risk register while implementing integrated management system [Quality Management System (QMS), Environment Management System (EMS) and Occupational Health & Safety Management System (OHSMS)]. Suspension grade FS-6701 PVC resin is certified to NSF / ANSI 14.
2.2	For each product, provide the following details in respect of resource used (energy, water, raw material etc.) per unit of product(optional): Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? Has reduction during usage by consumers (energy, water) been achieved since the previous year?	The production processes of the Company are cost effective and use the scarce resources economically. Over past years, resource consumption is optimized to best levels. Currently targets are set and resource consumption is monitored strictly against targets. More than 50% of the effluent is recycled back to process.

Principle No.	Description	Reported
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs were sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes. The PVC production of the Company is mainly captively consumed. The Company has taken various steps to minimize transportation cost. The Company continuously exercises and practices the recycling and reusing of waste. Nearly 100% of inputs are sourced sustainably, losses are kept to minimum
2.4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes. The Company has a policy of procuring goods and services from nearby suitable sources of supply. The Company ensures that it engages local villagers and small businesses around its plants in a variety of productive employment, especially through hiring vehicles, handling material, housekeeping and waste-handling contracts.
2.5	Does the company have a mechanism to recycle products and waste? If yes what percentage of recycled products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes. The Company has successfully achieved its goal for zero discharge of its treated effluent, by recycling close to 50% back in the system and by using the remaining for irrigation of tree plantation within the plant premises. The pipes and fittings manufacturing plants do not generate any process effluents and are free from pollution.
3.1	Please indicate the Total number of employees	There were 1,377 permanent employees on the rolls of the Company as on 31st March, 2021.
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	2,250
3.3	Please indicate the number of permanent women employees	There were 42 permanent women employees on the Company's payroll as on 31st March, 2021.
3.4	Please indicate the number of permanent employees with disabilities	NIL

Principle No.	Description	Reported	
3.5	Do you have an employee association that is recognized by the management	Yes. • Finolex Kamgar Sanghatana for Ratnagiri plant • Finolex Pipes Employees Union for Urse plant	
3.6	What percentage of your permanent employees are members of this recognized employee association?	15.03 %	
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	NIL	
	No **Category**	**No. of complaints filed during the financial year**	**No. of complaints pending as on end of the financial year**
	1 Child labour/forced labour/ involuntary labour	NIL	NIL
	2 Sexual harassment	NIL	NIL
	3 Discriminatory employment	NIL	NIL
3.8	What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?	As a part of process safety management, all employees are covered under training. The training is a continuous process.	
	(a) Permanent Employees	100 %	
	(b) Permanent Woman Employees	100 %	
	(c) Casual/Temporary/Contractual Employees	100 %	
	(d) Employees with Disabilities	NIL	
4.1	Has the Company mapped its internal and external stakeholders? Yes / No	Yes	
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	All the stakeholders are important to the Company. It has internal processes to balance their expectations.	

Principle No.	Description	Reported
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. The Company has undertaken various projects in the following areas: drives to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making safe drinking water available, promoting education, including vocational skills so that women can be better equipped to work towards being financial independent.
5.1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	All aspects of human rights are included in the Company's policy. The Company encourages the sharing of process and product innovations and extending it to benefit the industry and key members of its value chain.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company received complaints from 38 investors during the year 2020-21. There were no complaints pending from the investors at the beginning of the year 2020-21. All 38 complaints (100%) received during the year were redressed satisfactorily.
6.1	Does the policy related to Principle 6 cover only the company or does it extend to the Group / Joint Ventures/ Suppliers/ Contractors/ NGOs/others.	The Company's environment, health and safety (EHS) policy covers the entire Company.
6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for the webpage etc.	Yes. The Company is compliant with applicable pollution norms. The company takes initiative in tree plantation, energy conservation and water conservation including effluent recycling and rain water harvesting.
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes. The Ratnagiri plant has been assessed for quantitative risk and has prepared an on-site emergency management plan which is practiced regularly. Aspect and impact study of products and services has been done during implementation of Integrated Management System.

Principle No.	Description	Reported
6.4	Does the company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company strives to minimize the impact of its operations and ensures in uses of natural resources in a responsible manner. Schemes implemented in year 2020-21: 1. Boilers ESP Energy saving by reducing the transformer load: Power plant is run at higher turn down ratio and the Boilers are operating with 60-70% load. As we are using low ash (3-5%) imported Indonesian coal, the dust loading in ESP is low. The four nos. transformers installed at each Electrostatic preceptors are underutilized hence IDC current settings revised from 50mA to 30mA of transformers without affecting SPM, SOx, NOx in order to reduce power consumption. This change implemented from 24th November 2020, thereby saving of 169 KWH/ Day (Equivalent to 55.8 MW power saving annually). 250 Numbers of conventional fluorescent lights (40W) have been replaced with LED tube light (20W) at main control room. This has facilitated overall energy saving of 44 KWH per year.
6.5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give a hyperlink for web page etc.	The Company is committed to preserving the environment. The Company has taken up many projects for energy conservation, successfully implemented a project of de-staging of boiler feed pump to reduce heat rate.
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The return/ reports are submitted to the authorities from time to time. Fly ash disposal is 100%.
6.7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	None

Principle No.	Description	Reported
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company is member of the following chambers: 1. Mahratta Chamber of Commerce, Industries and Agriculture 2. Indo-American Chamber of Commerce 3. Indo-German Chamber of Commerce 4. Indian Merchants' Chamber 5. Federation of Indian Chamber of Commerce and Industry.
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No.
8.1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.	The Company has undertaken various projects in the following areas: drives to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education including vocation skills especially among children and women promoting women empowerment to better equip to work and to be financially independent and measures for reducing inequalities faced by socially and economically backward groups and rural development.
8.2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The programmes/projects undertaken by the Company in association with it's CSR partner viz. Mukul Madhav Foundation.
8.3	Have you done any impact assessment of your initiative?	The Company has process of reviewing its CSR initiatives through internal arrangement and guidance of CSR committee and its CSR partner Mukul Madhav Foundation.

Principle No.	Description	Reported
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the financial year 2020-21 the Company has spent ₹ 9.00 Crores mainly in the area of Education, Health Care, Sanitation, Skill Developments, Social Welfare and Water Conservation.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. The Company through its CSR partner, Mukul Madhav Foundation (MMF) continues to support initiatives to provide medical care necessary for children and villagers. Multiple interactions are held with communities through village meetings, meetings with local administration and officials from the respective departments to understand the primary necessities. The Company encourages regular feedback from the beneficiaries to continuously improve facilities and specialized services in locations where there is a demand.
9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	No major complaints/cases are pending at the end of the financial year.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Yes. All mandatory information as per local laws is displayed on the product along with additional information on the usage of the product.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
9.4	Did your Company carry out any consumer survey/consumer satisfaction trends?	Yes. The Consumer satisfaction survey is carried out by the Company from time to time.

ANNEXURE-6 TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility ("CSR")

1	Brief outline on CSR Policy of the Company	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 CSR Committee	Refer relevant section in Corporate Governance Report for CSR committee composition.
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company	https://www.finolexpipes.com/investors/policies-code-of-conduct/
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)	Not Applicable
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Not Applicable
6	Average net profit of the Company as per section 135(5) (₹ in Crores)	440.94
7	(a) Two percent of average net profit of the Company as per Section 135(5) (₹ in Crores)	8.81
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(c) Amount required to be set off for the financial year, if any	Nil
	(d) Total CSR obligation for the financial year (7a+7b-7c) (₹ in Crores)	8.81

8(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Crores)*	Amount Unspent (₹ in Crores)				
	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
9.00	NIL	NA	NA	NIL	NA

*Includes a sum of ₹ 0.38 Crores incurred towards administrative overheads.

8(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (₹ in Crores)	Amount spent in the current Financial Year (₹ in Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Crores)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
1	Medical Assistance for Cancer patients	(i)	No	Karnataka	Bangalore	Three years	0.25	0.10	Nil	No	Mukul Madhav Foundation	7062/99-2000
2	Educational support to students perusing higher studies in Agriculture (BSc., MSc. and PhD)	(ii)	No	Maharashtra	Pune, Karad, Kolhapur, Dhule, Nandurbar, Jalgaon	Four years	1.18	0.25	Nil	No	Mukul Madhav Foundation	7062/99-2000
3	Lila Poonawala Project - Scholarship for Nursing Girl Students	(ii)	Yes	Maharashtra	Pune	Four years	0.46	0.11	Nil	No	Mukul Madhav Foundation	7062/99-2000
4	Infrastructure and maintenance expenses at Mukul Madhav Jr. College	(ii)	Yes	Maharashtra	Ratnagiri	Three years	2.33	1.04	Nil	No	Mukul Madhav Foundation	7062/99-2000
5	Water project at Khed Shivapur, Pune	(iv)	Yes	Maharashtra	Pune	Three years	0.26	0.08	Nil	No	Mukul Madhav Foundation	7062/99-2000
			Total 8 (b)				**4.48**	**1.59**				

8 (c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Crores)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
(i)	Eradicating hunger, poverty and malnutrition, promoting health care including preventing health care and sanitation and making available safe drinking water								
1	Covid Support- including medical equipments, masks, sanitizers, grocery kits, providing food for people on streets and feeding of cows	(i)	Yes	Maharashtra	Pune, Ratnagiri, Masar	3.06	No	Mukul Madhav Foundation	7062/99-2000
2	Supply of grocery & diapers to old age home, support to differently abled, provided food to people, support for project of Chef Vikas Khanna and distributing food on streets on daily basis	(i)	Yes	Maharashtra	Pune, Ratnagiri, Satara, Mumbai	0.70	No	Mukul Madhav Foundation	7062/99-2000
3	Human Milk Bank - NICU Command Hospital, Pune	(i)	Yes	Maharashtra	Pune	0.34	No	Mukul Madhav Foundation	7062/99-2000
4	Expenses towards medical equipments provided at various hospitals, RO for Dialysis & Nasal gastroscopy at Sassoon General Hospital	(i)	Yes	Maharashtra	Pune	0.19	No	Mukul Madhav Foundation	7062/99-2000

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Crores)	Mode of Impleme-ntation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Regist-ration No.
5	Thalassemia Project (Wishing Factory, Indian Red Cross, Bharati and Thalassemia Society)	(i)	Yes	Maharashtra, Gujarat	Pune, Vadodara	0.11	No	Mukul Madhav Foundation	7062/99-2000
6	Support for fellowship in Medical Education at KEM Hospital and Sassoon General Hospital	(i)	Yes	Maharashtra	Pune	0.08	No	Mukul Madhav Foundation	7062/99-2000
7	Expenses towards various medical camps and counselling at various schools and hospitals	(i)	Yes	Maharashtra	Pune	0.03	No	Mukul Madhav Foundation	7062/99-2000
8	Expenses towards Cataract surgeries at H. V. Desai Hospital	(i)	Yes	Maharashtra	Pune	0.03	No	Mukul Madhav Foundation	7062/99-2000
9	Support to Mother & Child health project with SEARCH NGO	(i)	No	Maharashtra	Gadchiroli	0.03	No	Mukul Madhav Foundation	7062/99-2000
10	Financial assistance to patients at various hospitals, medical treatment to underprivileged, expenses for health awareness programmes	(i)	Yes	Maharashtra	Pune	0.02	No	Mukul Madhav Foundation	7062/99-2000

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Crores)	Mode of Impleme-ntation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Regist-ration No.
(ii)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects								
11	Expenses for providing and maintaining infrastructure at Mukul Madhav Vidyalaya	(ii)	Yes	Maharashtra	Ratnagiri	0.37	Yes	NA	NA
12	Support to drop out students through Rotary Club- Choti Si Asha Project	(ii)	No	West Bengal	Kolkata	0.20	No	Mukul Madhav Foundation	7062/99-2000
13	Expenses for providing infrastructure support at Nidhal School, Benches to Mahatma Gandhi School and other various school and colleges	(ii)	No	Maharashtra	Satara, Pune	0.24	No	Mukul Madhav Foundation	7062/99-2000
14	Financial Assistance to poor & deserving students at various schools & institutes and expenses at various skill development centres for imparting training	(ii)	Yes	Maharashtra, Gujarat	Pune, Masar, Vadodara	0.08	No	Mukul Madhav Foundation	7062/99-2000
15	Support for Construction of new Pre-school	(ii)	No	Karnataka	Hoskote, Bangalore	0.05	No	Mukul Madhav Foundation	7062/99-2000

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Crores)	Mode of Impleme-ntation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Regist-ration No.
16	Expenses towards remuneration to teachers at Nanij school, Mahatma Gandhi school and other various schools	(ii)	Yes	Maharashtra, Gujarat	Ratnagiri, Masar, Pune, Panchgani, Mahabal-eshwar	0.06	No	Mukul Madhav Foundation	7062/99-2000
17	Support for teachers salary at ROBA Trust	(ii)	No	Uttarakhand	Dehradun	0.03	No	Mukul Madhav Foundation	7062/99-2000
(iii)	Promoting gender equality, empowering women, setting up homes and hotels for women and orphans; setting up old age homes, day care centers, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups								
18	Support to BAIF project for women empowerment	(iii)	No	Maharashtra	Nasik	0.15	No	Mukul Madhav Foundation	7062/99-2000
19	Expenses for providing grocery to 412 farmer's widow	(iii)	No	Maharashtra	Osmanabad	0.06	No	Mukul Madhav Foundation	7062/99-2000
20	Prajwala Project - Home for Child Victims of Sex Trafficking and Sex Crime	(iii)	No	Telangana	Hyderabad	0.08	No	Mukul Madhav Foundation	7062/99-2000
21	Expenses for various projects viz. Janani Suraksha Project (Pregnant Women Project), Project for Tribal Women, sanitary pads and napkins to women and girls	(iii)	Yes	Maharashtra	Pune, Ratnagiri, Gadchiroli	0.06	No	Mukul Madhav Foundation	7062/99-2000
22	Food grains to old age homes through NGO's	(iii)	Yes	Maharashtra	Ratnagiri	0.01	Yes	NA	NA

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Crores)	Mode of Impleme-ntation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Regist-ration No.
(iv)	Ensuring environmental sustainability, ecological balance, production of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water								
23	Expenses towards purchase of trees for Plantation and Horticulture	(iv)	Yes	Maharashtra & Gujarat	Pune, Ratnagiri, Masar, Padra	0.09	No	Mukul Madhav Foundation	7062/99-2000
24	Expenses towards rain water harvesting, enhancing water storage capacity, water supply and conservation project and for other utility services	(iv)	Yes	Maharashtra	Pune, Solapur	0.08	No	Mukul Madhav Foundation	7062/99-2000
25	Expenses for water project at Waigani and Kolambe and for beach cleanliness drive	(iv)	Yes	Maharashtra	Ratnagiri	0.06	Yes	NA	NA
(vi)	Measures for the benefit of armed forces veterans, war widows and their dependents								
26	Shelter for Jawans on the borders of India (Smart Tents for 280 Jawans) and providing solar system at Paraplegic rehabilitation Centre	(vi)	No	Maharashtra, Leh and Ladakh	Pune, Leh and Ladakh	0.11	No	Mukul Madhav Foundation	7062/99-2000
27	Support to widows of the martyrs of Galwan Valley	(vi)	No	Punjab, Delhi, Rajasthan, Karnataka, Telangana	Bangalore, Hyderabad	0.06	No	Mukul Madhav Foundation	7062/99-2000
(vii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports								
28	Promoting an Athlete in Motorsports - Yash Aradhya	(vii)	No	Karnataka	Bangalore	0.05	No	Mukul Madhav Foundation	7062/99-2000

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Crores)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
(x)	Rural development projects								
29	Supported migrant tribal families, Ramakrishna ashram, construction of rooms for pilgrims visiting Sangli	(x)	No	Maharashtra, Orissa	Palghar, Orissa, Gadchiroli, Sangli	0.16	No	Mukul Madhav Foundation	7062/99-2000
30	Expenditure towards various Social Welfare	(x)	Yes	Maharashtra	Pune	0.18	No	Mukul Madhav Foundation	7062/99-2000
(xii)	Disaster management, including relief, rehabilitation and reconstruction activities								
31	Support to Rangeen Khidki by distribution of grocery , clothes & sanitary napkins and helped cyclone affected people by providing roofs and other supports	(xii)	No	Orissa, Assam, Maharashtra	Orissa, Assam, Ratnagiri	0.27	No	Mukul Madhav Foundation	7062/99-2000
	Total 8 (c)					**7.03**			

Sl. No.	Particulars	Amount (₹ in Crores)
8 (d)	Amount spent in Administrative Overheads (₹ in Crores)	0.38
8 (e)	Amount spent on Impact Assessment, if applicable	NIL
8 (f)	Total amount spent for the Financial Year (8b+8c+8d+8e) (₹ in Crores)	9.00

8 (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Crores)
(i)	Two percent of average net profit of the Company as per section 135(5)	8.81
(ii)	Total amount spent for the Financial Year	9.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.19
(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)]	0.19

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Crores)	Amount spent in the reporting Financial Year (₹ in Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding FY
				Name of the Fund	Amount (₹ in Crores)	Date of Transfer	
Not applicable							

9 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (₹ in Crores)	Amount spent on the project in the reporting FY (₹ in Crores)	Cumulative amount spent at the end of reporting FY (₹ in Crores)	Status of the project -Completed/ Ongoing
1	MA - Cancer Patients	Medical Assistance for Cancer patients	2019-20	3 Years	0.25	0.10	0.15	Ongoing
2	ES - Agriculture	Educational support to students perusing higher studies in Agriculture (BSc., MSc. and PhD)	2019-20	4 Years	1.18	0.25	0.45	Ongoing

Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (₹ in Crores)	Amount spent on the project in the reporting FY (₹ in Crores)	Cumulative amount spent at the end of reporting FY (₹ in Crores)	Status of the project -Completed/ Ongoing
3	ES - Nursing	Lila Poonawala Project - Scholarship for Nursing Girl Students	2019-20	4 Years	0.46	0.11	0.23	Ongoing
4	IE - MMJ College	Infrastructure and maintenance expenses at Mukul Madhav Jr. College	2019-20	3 Years	2.33	1.04	1.98	Ongoing
5	WP - Khed	Water project at Khed Shivapur, Pune	2019-20	3 Years	0.26	0.08	0.18	Ongoing

10	**In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**	**Not Applicable**
(a)	Date of creation or acquisition of the capital asset(s)	Nil
(b)	Amount of CSR spent for creation or acquisition of capital asset	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Nil
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Nil
11	**Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5)**	**Not Applicable**

Ritu P. Chhabria
Non-Independent & Non-Executive Director
DIN : 00062144
Chairperson, CSR Committee
Place: London
Date: 25th June, 2021

Sanjay S. Math
Managing Director
DIN : 01874086
Member, CSR Committee
Place: Ratnagiri
Date: 25th June, 2021

Practicing Company Secretary's Certificate

To,
The Members,
Finolex Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Finolex Industries Limited** (hereinafter referred "the Company"), for the year ended on March 31, 2021 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure 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 above mentioned 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

Date: June 25, 2021
Place: Pune

UDIN:- F006156C000508416

Note:
We have relied on the documents and evidences provided by electronic mode, in view of prevailing pandemic situation of Covid-19, for the purpose of issuing this certificate.

Compliance report for the year 2020-2021

Company's philosophy on code of governance:

The Company is committed towards achieving optimum performance at all levels by adhering to corporate governance practices, such as:

- 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
- Transparent and timely disclosure of financial and other relevant information and performance

The Company believes that adherence to high standards of corporate governance is essential for sustained corporate growth.

Board of Directors ("the Board")

Composition and category of directors

The Board of your Company is comprised of 10 directors. Three executive directors, two non-executive and non-independent directors and five non-executive independent directors. Of the ten directors, three are women directors, with two of them being non-executive and independent.

In the category of the executive directors, your Board consists of Mr. Prakash P. Chhabria, Executive Chairman from the promoter group of the Company, Mr. Sanjay S. Math, Managing Director and Mr. Anil V. Whabi, Director – Finance & CFO.

Mrs. Kanchan U. Chitale & Ms. Bhumika L. Batra are woman non-executive and independent directors.

Mrs. Ritu P. Chhabria and Mr. Saurabh S. Dhanorkar are non-executive and non-independent directors.

As on date of this Report, the Board is represented by five non-executive independent directors namely Ms. Bhumika L. Batra, Mrs. Kanchan U. Chitale, Dr. Deepak R. Parikh, Mr. Pradeep R. Rathi and Mr. Anami N. Roy.

The details of the directors' attendance at the meetings of the Board, other committees of the Board, annual general meeting held during the financial year 2020-2021, committee positions held in the various committees of the Company and directorships and committee positions held by the directors in other companies are given hereinafter in Table 1.

Table 1

Name of Director	Mr. Prakash P. Chhabria	Ms. Bhumika L. Batra	Mrs. Ritu P. Chhabria	Mrs. Kanchan U. Chitale	Mr. Saurabh S. Dhanorkar	Mr. Sanjay S. Math	Dr. Deepak R. Parikh	Mr. Pradeep R. Rathi	Mr. Anami N. Roy	Mr. Anil V. Whabi
Category	Executive Chairman (Whole-time Director)	Independent Director	Non-Independent Non-Executive Director	Independent Director	Non-Independent Non-Executive Director	Managing Director (Whole-time Director)	Independent Director	Independent Director	Independent Director	Director - Finance (Whole-time Director)
Board Meetings attendance during the financial year 2020-2021										
Attendance	6	6	6	6	6	6	6	6	6	6
Attendance at Thirty Ninth Annual General Meeting held on 19th September, 2020										
AGM attended	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Committee Positions held in Finolex Industries Limited and attendance during the financial year 2020-2021										
Audit Committee										
Membership	Not Member	Member	Not Member	Member	Member	Not Member	Member	Member	Member	Not Member
Attendance	NA	4	NA	4	4	NA	4	4	4	NA
Stakeholders' Relationship Committee										
Membership	Member	Member	Not Member	Member	Member	Not Member	Member	Member	Member	Not Member
Attendance	4	4	NA	4	4	NA	4	4	4	NA
Nomination and Remuneration Committee										
Membership	Not Member	Member	Not Member	Member	Member	Not Member	Member	Member	Member	Not Member
Attendance	NA	3	NA	3	3	NA	3	3	3	NA
Corporate Social Responsibility Committee										
Membership	Member	Member	Member	Member	Member	Member	Member	Member	Member	Not Member
Attendance	4	4	4	4	4	4	4	4	4	NA
Risk Management Committee										
Membership	Member	Member	Not Member	Member	Member	Member	Member	Member	Member	Member
Attendance	1	1	NA	1	1	1	1	1	1	1
Finance Committee										
Membership	Member	Member	Not Member	Member	Member	Member	Member	Member	Member	Member
Attendance	No meeting was held during the financial year 2020-2021									
Share Transfer Committee										
Membership	Member	Member	Not Member	Member	Member	Member	Member	Member	Member	Member
Attendance	2	Nil	NA	20	12	6	Nil	Nil	Nil	20

Table 1

Name of Director	Mr. Prakash P. Chhabria	Ms. Bhumika L. Batra	Mrs. Ritu P. Chhabria	Mrs. Kanchan U. Chitale	Mr. Saurabh S. Dhanorkar	Mr. Sanjay S. Math	Dr. Deepak R. Parikh	Mr. Pradeep R. Rathi	Mr. Anami N. Roy	Mr. Anil V. Whabi
Category	Executive Chairman (Whole-time Director)	Independent Director	Non-Independent Non-Executive Director	Independent Director	Non-Independent Non-Executive Director	Managing Director (Whole-time Director)	Independent Director	Independent Director	Independent Director	Director - Finance (Whole-time Director)
Directorships in other companies										
Chairman	1	Nil	Nil	Nil	Nil	Nil	Nil	1	Nil	Nil
Director	6	12	1	9	Nil	Nil	1	12	10	2
Directorships in other listed companies (category)	Nil	• Hinduja Global Solutions Ltd. (ID) • Jyothy Labs Ltd. (ID) • NXT digital Ltd. (ID) • Repro India Ltd. (ID) • Sharp India Ltd. (ID)	Nil	• GOCL Corporation Ltd. (ID)	Nil	Nil	• Sudarshan Chemical Industries Ltd. (ID)	• Sudarshan Chemical Industries Ltd. (Chairman & NED) • Sanghvi Movers Ltd. (ID) • Kirloskar Oil Engines Ltd. (ID)	• Bajaj Auto Ltd. (ID) • Bajaj Finserve Ltd. (ID) • Bajaj Finance Ltd. (ID) • Bajaj Holdings & Investments Ltd. (ID) • Glaxosmithkline Pharmaceuticals Ltd. (ID)	Nil
Committee position in other companies										
Chairman	Nil	4	Nil	5	Nil	Nil	Nil	1	1	Nil
Member	Nil	8	Nil	8	Nil	Nil	Nil	4	3	Nil
No. of shares held in the Company (₹ 10/- each) (as on 31.03.2021)	1,70,749	100	4,450	Nil	5,621	3,000	Nil	Nil	Nil	Nil
No. of share held in the Company (₹ 2/- each) (post sub-division of shares)	8,53,745	500	22,250	Nil	28,105	15,000	Nil	Nil	Nil	Nil

Notes:

* Outside directorships include directorships in public and private limited companies. (excluding directorships in the foreign companies and Section 8 Companies)

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

* The necessary disclosures regarding Committee positions have been made by all the Directors. As required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure includes membership/ chairmanship of audit committee and stakeholders' relationship committee (listed and unlisted public companies).

* The composition of the Board of Directors is in accordance with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No. of Board Meetings held during the year

During 2020-2021, the Board of Directors met 6 (six) times viz. 23rd June, 2020, 7th August, 2020, 23rd September, 2020, 28th September, 2020, 26th October, 2020 and 1st February, 2021. The time gap between two Board meetings was not more than 120 days.

Disclosure of relationships between directors inter-se

None of the directors are relatives of each other except Mr. Prakash P. Chhabria, Executive Chairman and Mrs. Ritu P. Chhabria, non-executive and non-independent director who are related to each other as husband and wife.

No. of shares and convertible instruments held by non-executive directors

The Company does not have any convertible instruments.

The details of shares held by the executive and non-executive directors are given in Table 1.

Web link where details of familiarization programmes imparted to independent directors is disclosed on the Company's website

https://www.finolexpipes.com/investors/policies-code-of-conduct/

Board Membership Criteria

The Board has approved a Policy on Board Diversity and the Company inducts eminent individuals from diverse fields as director on its Board. The Board members possess expertise and insights in sectors/area relevant to the Company and have ability to contribute to the Company's growth.

The list of core skills/expertise/ competencies identified by the Board is as under:

1. Qualification, expertise and professional experience of the Directors in their respective fields;
2. Financial Literacy;
3. Leadership;
4. Board service and governance; and
5. Regulatory, administration and legal.

Board Member Details			Committees (Chairman/Chairperson/Member)							Area of Expertise*				
Name	Director since	Designation	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	Corporate Social Responsibility Committee	Finance Committee	Share Transfer Committee	1	2	3	4	5
Mr. Prakash P. Chhabria	13-03-1992	Executive Chairman	-	-	Member	Member	Member	Chairman	Member	√	√	√	√	√
Ms. Bhumika L. Batra	20-09-2019	Independent Director	Member	Chairperson	Member	Member	Member	Member	Member	√	√	√	√	√
Mrs. Ritu P. Chhabria	21-03-2015	Non-Executive & Non-Independent Director	-	-	-	-	Chairperson	-	-	√	√	√	√	√
Mrs. Kanchan U. Chitale	01-04-2019	Independent Director	Member	Member	Member	Chairperson	Member	Member	Chairperson	√	√	√	√	√
Mr. Saurabh S. Dhanorkar	11-08-2017	Non-Executive & Non-Independent Director	Member	Member	Member	Member	Member	Member	Member	√	√	√	√	√
Mr. Sanjay S. Math	04-02-2012	Managing Director	-	-	-	Member	Member	Member	Member	√	√	√	√	√
Dr. Deepak R. Parikh	20-09-2019	Independent Director	Member	Member	Member	Member	Member	Member	Member	√	√	√	√	√
Mr. Pradeep R. Rathi	20-09-2019	Independent Director	Chairman	Member	Member	Member	Member	Member	Member	√	√	√	√	√
Mr. Anami N. Roy	20-09-2019	Independent Director	Member	Member	Chairman	Member	Member	Member	Member	√	√	√	√	√
Mr. Anil V. Whabi	26-08-2016	Director (Finance) & CFO	-	-	-	Member	-	Member	Member	√	√	√	√	√

*** Area of Expertise**

1 Qualification, experience and professional experience of the Directors in their respective fields

2 Financial Literacy

3 Leadership

4 Board service and governance

5 Regulatory, administration and legal

Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013 and Regulation 16(b) & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has taken on records the declaration and confirmation submitted by the independent directors after undertaking due assessment of the veracity of the same. All the independent directors fulfill the conditions of independence and are independent of the management.

Audit Committee

Composition

- At present, the Audit Committee (the "Committee") consisted 5 (five) independent directors viz. Mr. Pradeep R. Rathi (Chairman of the Committee), Ms. Bhumika L. Batra, Mrs. Kanchan U. Chitale, Dr. Deepak R. Parikh, Mr. Anami N. Roy and 1 (one) non-independent and non-executive director viz. Mr. Saurabh S. Dhanorkar.
- All members of the Audit Committee are financially literate and have accounting or related financial management expertise.
- Required information for review was placed before the Audit Committee meetings held during the year.

Meetings and attendance during the year

During the year 2020-21, the Audit Committee met 4 (four) times viz. 23rd June, 2020, 7th August, 2020, 26th October, 2020 and 1st February, 2021.

The details of the Directors' attendance at the Audit Committee meetings during the year are given in Table 1.

Mr. Devang Trivedi, Company Secretary resigned from the services of the Company with effect from close of business hours of 8th June, 2020. Mr. Ashutosh Kulkarni was appointed as Company Secretary and Compliance Officer of the Company with effect from 26th October, 2020. Mr. Ashutosh Kulkarni, also acts as Secretary to the committee.

Brief description of terms of reference

The terms of reference of Audit Committee are comprised of all requirements pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of reference of the Audit Committee are as follows:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence, performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.

- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Investigate into any matter the Board has referred. For this purpose, it will have the power to obtain professional advice from external sources, and have full access to the information contained in the records of the Company.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing, with the management, the quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on exercise of judgement by the management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Modified Opinion(s) in the draft audit report.
- Reviewing, with the management, the statement of uses / application of funds raised through a public issue, rights issue or preferential issue etc., reviewing the statement of funds utilized for the purposes other than those stated in the offer document/prospectus / notice, reviewing the report submitted by the monitoring agency and monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing with the management, the performance of statutory and internal auditors, the adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any

internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the board.

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividend) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of the Chief Financial Officer (the "CFO") (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
- Reviewing the utilization of loans and/or advance from/investment by the Company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advance/investments;
- Mandatorily review the following information:

    a. management discussion and analysis of financial condition and results of operations;

    b. statement of significant related party transactions (as defined by the audit committee), submitted by management;

    c. management letters / letters of internal control weaknesses issued by the statutory auditors;

    d. internal audit reports relating to internal control weaknesses;

    e. the appointment, removal and terms of remuneration of the chief internal auditor;

- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- Carrying out any other function as may be delegated to it by the Board.

Nomination and Remuneration Committee

Composition

The Committee presently comprises 6 (six) directors, 5 (five) of them are independent, namely Ms. Bhumika L. Batra (Chairperson of the Committee), Mrs. Kanchan U. Chitale, Dr. Deepak R. Parikh, Mr. Pradeep R. Rathi, Mr. Anami N. Roy and 1 (one) non- independent and non-executive director namely Mr. Saurabh S. Dhanorkar.

Mr. Ashutosh Kulkarni, Company Secretary also acts as secretary to the committee.

Brief description of terms of reference

The terms of reference of Nomination and Remuneration Committee cover all the areas mentioned in Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The objective of the Nomination and Remuneration Committee is to assist the Board of the Company and its controlled entities in fulfilling its responsibilities to members.

Terms of reference of the Nomination and Remuneration Committee are as follow:

- Considering the skill sets required by the Board, and to ensure that such people contribute to the decisions and policies that will eventually define the company. The Committee also considers qualifications, positive attributes, areas of expertise and the number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision.
- Ensuring that the Board of Directors is comprised of individuals who are the best able to discharge the responsibilities of the Directors in consonance with the Companies Act, 2013 and the norms of corporate governance; and
- Ensuring that the nomination process and remuneration policies are equitable and transparent.
- The responsibilities of the Committee include:
  - formulating a criteria for determining qualifications, positive attributes and independence of a Director, and recommending to the Board a policy relating to the appointment and remuneration for the Directors, key managerial personnel and other employees;
  - formulating a criteria and manner for effective evaluation of performance of Independent Directors, Board and its committees and review its implementation and compliance;
  - devising a policy that ensures the Board consist of diverse individuals;
  - identifying persons who are qualified to become Directors and who may be appointed as part of the 'senior management' of the Company in accordance with the criteria laid down, and recommend to the Board the appointment and removal of such personnel;
  - recommending extension or continuation of the term of appointment of the Independent Directors based on evaluation of their performance; and
  - recommending to the Board, all remuneration, in whatever form, payable to senior management.

Meetings and attendance during the year

During the year, 3 (three) meetings of the Nomination and Remuneration Committee were held on 23rd June, 2020, 26th October, 2020 and 1st February, 2021. The attendance details are given in Table 1.

Nomination and Remuneration Policy

The nomination and remuneration policy of the Company on recommendation by the Nomination and Remuneration Committee was approved by the Board and the same is in place. The said policy is given on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/. The remuneration of the Directors for the year 2020-21, is based on the said policy.

In accordance with the nomination and remuneration policy of the Company, the evaluation of Independent Director has been carried out by the entire Board based on the performance of the respective director as well as fulfillment of the independence criteria by them.

Remuneration of Directors

None of the non-executive directors have any pecuniary relationship or transaction vis-à-vis the Company. Mr. Prakash P. Chhabria, Executive Chairman and Mrs. Ritu P. Chhabria, non-executive and non-independent Director are related to each other as husband and wife.

Criteria of making payment to non-executive directors

The criteria of making payment to non-executive directors is given on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/

Details of remuneration to the executive directors for the financial year 2020-2021, are given below:

(₹ in Crores)

Particulars	Mr. Prakash P. Chhabria, Executive Chairman	Mr. Sanjay S. Math, Managing Director	Mr. Anil V. Whabi, Director-Finance
Salary and Allowance	2.30	1.08	1.12
Contribution of PF	0.16	0.06	0.05
Performance incentive/Bonus	0.28	0.36	0.08
Total	2.74	1.50	1.25
Commission	15.00	5.20	3.00
Notice period	6 months	3 months	3 months
Service Contract	Five years	Five years	Five years
Severance Fees	Not Applicable	Not Applicable	Not Applicable

The above aggregate remuneration paid to executive directors is within the ceiling limits prescribed under 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 details of remuneration to the non-executive directors for the financial year 2020-21, are given below:

Sr. No.	Name	Remuneration (₹ in Crores)	
		Commission	Sitting fees
1	Ms. Bhumika L. Batra	0.41	0.06
2	Mrs. Ritu P. Chhabria	0.41	0.03
3	Mrs. Kanchan U. Chitale	0.41	0.10
4	Mr. Saurabh S. Dhanorkar	0.41	0.08
5	Dr. Deepak R. Parikh	0.41	0.06
6	Mr. Pradeep R. Rathi	0.51	0.06
7	Mr. Anami N. Roy	0.41	0.06

The above aggregate commission paid to non-executive directors is 0.30% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.

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 2020-2021.

Stakeholders' Relationship Committee

Composition

The constitution of the Stakeholders' Relationship Committee in terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as under:

It comprises of 7 (seven) members out of which 5 (five) are independent directors viz. Mr. Anami N. Roy (Chairman of the Committee) Ms. Bhumika L. Batra, Mrs. Kanchan U. Chitale, Dr. Deepak R. Parikh and Mr. Pradeep R. Rathi. The other two members are Mr. Prakash P. Chhabria, the Executive Chairman and Mr. Saurabh S. Dhanorkar, non-executive & non-independent director of the Company.

Mr. Ashutosh Kulkarni, Company Secretary acts as secretary to the committee and is also a compliance officer of the Company.

Brief description of terms of reference

The terms of reference of Stakeholders' Relationship Committee are comprised of all requirements pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of reference of the Stakeholders' Relationship Committee are as follows:

- To resolve grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;

- To review and note certificate received from Practicing Company Secretary in compliance of Regulation 40 (9) to (11) or any other applicable regulation(s) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- To review and note the status of Investor Complaints;
- To review and note the status of unclaimed dividends;
- To review measures taken for effective exercise of voting rights by Shareholders;
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To review various measure and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the Shareholders of the Company; and
- To take necessary action on the matters delegated by the Board from time to time.

Meetings and attendance during the year

During 2020-21, four (4) meetings of the Stakeholders' Relationship Committee were held viz. 23rd June, 2020, 7th August, 2020, 26th October, 2020 and 1st February, 2021. The attendance for the same is given in Table 1.

Details of shareholders' complaints during 2020-2021

No. of complaints received	No. of complaints resolved to the satisfaction of complainants	No. of complaints not resolved to the satisfaction of complainants	No. of pending complaints at the end of financial year i.e. on 31st March, 2021
38	38	NIL	NIL

Risk Management Committee

Composition

The Board at its meeting held on 26th July, 2014 has constituted the Risk Management Committee (RMC). The Committee at present, comprises of 9 (nine) members out of which 5 (five) are independent directors viz. Mrs. Kanchan U. Chitale (Chairperson of the Committee), Ms. Bhumika L. Batra, Dr. Deepak R. Parikh, Mr. Pradeep R. Rathi and Mr. Anami N. Roy and 1 (one) non-independent and non-executive director viz. Mr. Saurabh S. Dhanorkar and other 3 (three) members are Mr. Prakash P. Chhabria, Mr. Sanjay S. Math and Mr. Anil V. Whabi, Executive Directors of the Company.

Mr. Ashutosh Kulkarni, Company Secretary acts as secretary to the committee.

Brief description of terms of reference

The terms of reference of Risk Management Committee are in accordance with the Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference of the Risk Management Committee are as follows:

(1) To formulate a detailed risk management policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   (c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(7) To monitor and review the risk management plan, cyber security and such other functions as may be delegated by the Board to the RMC and/or the Chairman and/or Managing Director as may be necessary for effective implementation of the Risk Management Plan/Policy; and

(8) To take necessary actions on the matters delegated by the Board from time to time.

Meeting and Attendance

During 2020-21, one (1) meeting of the Risk Management Committee was held on 1st February, 2021. The attendance for the same is given in Table 1.

The Audit Committee also periodically reviews the risk identification and its mitigation.

Corporate Social Responsibility ("CSR") Committee

Composition

The Company has constituted the CSR Committee as required under Section 135 of the Companies Act, 2013.

The Committee at present, comprises

of 9 (nine) members out of which 5 (five) are independent directors viz. Ms. Bhumika L. Batra, Mrs. Kanchan U. Chitale, Dr. Deepak R. Parikh, Mr. Pradeep R. Rathi and Mr. Anami N. Roy and 2 (two) non-independent and non-executive director viz. Mrs. Ritu P. Chhabria (Chairperson of the Committee), Mr. Saurabh S. Dhanorkar and other 2 (two) members are Mr. Prakash P. Chhabria and Mr. Sanjay S. Math, Executive Directors of the Company.

Mr. Ashutosh Kulkarni, Company Secretary also acts as secretary to the committee.

Meetings and attendance during the year

During the year 2020-21, 4 (four) meetings of CSR Committee were held i.e. on 23rd June, 2020, 7th August, 2020, 26th October, 2020 and 1st February, 2021.

The details of attendance of CSR meetings by the Directors during the year is given in Table 1.

Brief description of terms of reference

Terms of reference of the Corporate Social Responsibility Committee are as follows:

The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

(a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;

(b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;

(c) the modalities of utilization of funds and implementation schedules for the projects or programmes;

(d) monitoring and reporting mechanism for the projects or programmes;

(e) details of need and impact assessment, if any, for the projects undertaken by the company;

(f) the CSR Committee/Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year;

(g) monitor and ensure that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of a Company;

(h) identify need of impact assessment, if applicable, for the activities undertaken by the Company;

(i) review and comply with the requirements of the provisions of the Companies Act, 2013, CSR Rules and periodical disclosure requirements.

Share Transfer Committee

Composition

The Committee at present, comprises of 9 (nine) members out of which 5 (five) are independent directors viz. Mrs. Kanchan U. Chitale (Chairperson of the Committee), Ms. Bhumika L. Batra, Dr. Deepak R. Parikh, Mr. Pradeep R.

Rathi and Mr. Anami N. Roy and 1 (one) non-independent and non-executive director viz. Mr. Saurabh S. Dhanorkar and other 3 (three) members are Mr. Prakash P. Chhabria, Mr. Sanjay Math and Mr. Anil V. Whabi, Executive Directors of the Company.

Mr. Ashutosh Kulkarni, Company Secretary acts as secretary to the committee.

Brief description of terms of reference

- Consider and approve the transfer and transmission of securities i.e. shares, debentures and other security documents;
- Consider and approve issue of duplicate share certificates;
- Consider and approve split, consolidation of share/debenture certificates and issue fresh share certificates and debenture certificates;
- Consider any other assignment as directed by the Board;
- Consider and approve dematerialization and rematerialization of securities; and
- To take necessary actions on the matters delegated by the Board from time to time.

Meetings and attendance during the year

During the year 2020-21, 20 (twenty) meetings of Share Transfer Committee were held i.e. on 11th May, 2020, 10th September, 2020, 20th October, 2020, 30th October, 2020, 20th November, 2020, 28th November, 2020, 30th November, 2020, 1st December, 2020, 10th December, 2020, 19th December, 2020, 31st December, 2020, 11th January, 2021, 20th January, 2021, 16th February, 2021, 20th February, 2021, 5th March, 2021, 10th March, 2021, 20th March, 2021, 25th March, 2021 and 30th March, 2021.

The details of attendance of Share Transfer Committee meetings by the Directors during the year is given in Table 1.

Finance Committee

Composition

The Finance Committee consists of 9 (nine) directors out of which 5 (five) are independent directors viz. Ms. Bhumika L. Batra, Mrs. Kanchan U. Chitale, Dr. Deepak R. Parikh, Mr. Pradeep R. Rathi and Mr. Anami N. Roy and 1 (one) non-independent and non-executive director viz. Mr. Saurabh S. Dhanorkar and other 3 (three) members are Mr. Prakash P. Chhabria (Chairman of the Committee), Mr. Sanjay S. Math and Mr. Anil V. Whabi, Executive Directors of the Company.

Mr. Ashutosh Kulkarni, Company Secretary acts as secretary to the committee.

Brief description of terms of reference

- To consider and review various financial proposals for the financial investments, borrowings and give recommendations to the Audit Committee/Board; and
- To take necessary actions on matters delegated by the Board from time to time.

Meetings and Attendance

No meeting of the Finance Committee was held during the year 2020-2021.

Independent Directors' Meeting

The Independent Directors meeting was held on 1st February, 2021 without the attendance of the Non-Independent Directors and the members of the Management. All the Independent Directors were present at the meeting. At the said Meeting, Independent Directors –

a. Reviewed the performance of the Non-Independent Directors and the Board as a whole.

b. Reviewed the performance of the Chairperson of the Company, taking into account the views of the Managing Director and Executive Directors.

c. Assessed the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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 31st March, 2021 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/investors/policies-code-of-conduct/

A declaration signed by the Managing Director of the Company to this effect is given below:

Declaration regarding compliance with the Company's Code of Conduct by the Board members and Senior Management Personnel

As required under Regulation 34(3) read with Para D of the Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Company has adopted a Code of Conduct and Ethics for all Board Members and Senior Management of the Company. The Code is available on the Company's website.

I further declare that the Company has in respect of the financial year ended 31st March, 2021, 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**

Sanjay S. Math
Managing Director
DIN : 01874086

Date: 31st May, 2021

Equity Shares lying in the Suspense Account

In compliance with Para F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we confirm that no shares of the Company are lying in the Suspense Account.

Related Party Disclosures

In terms of Para A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Related Party Disclosure is given in note no. 36 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 has, 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 the Rules framed thereunder including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Related Party Transactions policy has been placed on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/

Dividend Distribution Policy

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company has formulated a Dividend Distribution Policy which has been uploaded on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/.

Disclosures relating to

1) **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.

2) **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 last three years.

3) Whistle Blower Policy

In line with the best Corporate Governance practices, the Company has put in place a system through which the 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/investors/policies-code-of-conduct/.

4) 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 Regulation17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5) Policy for determining 'material' subsidiaries

Pursuant to Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on material subsidiaries. The policy is available on the Company's website https://www.finolexpipes.com/investors/policies-code-of-conduct/

6) 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:

a. Same underlying commodity (crude oil) and

b. 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:

a. Total exposure of the Company to commodities and intermediates ₹ 3,606.79 Crores

b. Exposure of the Company to major commodities and intermediates:

Commodity Name / Intermediate Name	Exposure towards the particular commodity (J 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	278.36	87,829	Nil	Nil	Nil	Nil	Nil
Ethylene	218.55	32,411	Nil	Nil	Nil	Nil	Nil
VCM	743.84	1,00,344	Nil	Nil	Nil	Nil	Nil
PVC	2,273.31	2,36,085	Nil	Nil	Nil	Nil	Nil
Coal	66.28	1,65,933	Nil	Nil	Nil	Nil	Nil
NAPHTHA	25.11	8,787	Nil	Nil	Nil	Nil	Nil
Liquefied Petroleum Gases	1.34	388	Nil	Nil	Nil	Nil	Nil
Total exposure of the Company to commodities and intermediates	**3,606.79**	**6,31,777**					

c. 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.

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.

7) **Compliance or otherwise of any requirement of the Corporate Governance Report**

The Company has complied with the requirements of Corporate Governance and has made disclosures to the extent required and applicable to it, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These are listed below:

- The discretionary requirements of modified opinion(s) in the audit report, separate posts of the Chairperson and the Chief Executive Officer, reporting of the internal auditor directly to the Audit Committee of Part E of Schedule II have been adopted.
- Sub-paras 2 to 10 of Para C and Para D of Schedule V;
- Regulations 17 to 27; and
- Regulation 46(2) (b) to (i) and (t).

8) **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 Obligations and Disclosure Requirements) Regulations, 2015. The Certificate is annexed to this Report.

9) **General body meetings:**

a) **The location and time where last three annual general meetings were held**

Year	2017- 2018	2018-2019	2019-2020
Date of AGM	29/09/2018	19/09/2019	19/09/2020
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.
Place of AGM	Kirloskar Institute of Advanced Management Studies, Gat No.356 & 357, Near Tata Foundry Maval Village, Dhamane, Taluka Maval, District Pune 410 506.	Kirloskar Institute of Advanced Management Studies, Gat No.356 & 357, Near Tata Foundry Maval Village, Dhamane, Taluka Maval, District Pune 410 506.	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
29.09.2018	To accord consent to continue the appointment of Mr. Dara N. Damania (DIN: 00403834) as an Independent Director of the Company on attaining age of more than 75 years.
19.09.2019	To give 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, as approved by the members, from time to time.
19.09.2020	To give 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, as approved by the members, from time to time.

All resolutions were passed by requisite majority.

c) Any Special Resolution passed last year through postal ballot – details of voting pattern

During the year under review, the Company has passed a Special Resolution through Postal Ballot on 26th March, 2021 to alter its Article No. 3 of the Articles of Association of the Company relating to Capital Clause for sub-division of equity share of face value of ₹ 10/- each into equity shares of face value of ₹ 2/- each.

d) Person who conducted the postal ballot exercise and details of voting pattern

Mr. S. V. Deulkar, Partner of M/s. SVD & Associates, Practicing Company Secretary was appointed as Scrutinizer to conduct the postal ballot process which, inter alia, includes the above referred Special Resolution for amendment of Articles of Association of the Company in a fair and transparent manner.

The details of voting pattern on postal ballot process is as under:

Resolution No.	1									
Resolution required: (Ordinary/ Special)	ORDINARY - To consider and approve the sub-division of Equity Shares of the Company from the face value of ₹ 10/- (Rupees Ten only) per Equity Share to ₹ 2/- (Rupees Two only) per Equity Share.									
Whether promoter/ promoter group are interested in the agenda/ resolution?	No									
Category	**Mode of Voting**	**No. of shares held (1)**	**No. of votes polled (2)**	**% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100**	**No. of Votes – in favour (4)**	**No. of Votes – against (5)**	**% of Votes in favour on votes polled (6)=[(4)/(2)]*100**	**% of Votes against on votes polled (7)=[(5)/(2)]*100**	**Votes Invalid**	**Votes Abstained**
Promoter and Promoter Group	E-Voting	6,51,13,697	6,44,21,404	98.94	6,44,21,404	-	100.00	-	-	-
	Poll		-	-	-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-	-	-
Public- Institutions	E-Voting	1,89,18,055	1,41,42,947	74.76	1,41,42,947	-	100.00	-	5,32,448	31,218
	Poll		-	-	-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-	-	-
Public- Non Institutions	E-Voting	4,00,63,629	1,39,484	0.35	1,38,654	830	99.40	0.60	-	150
	Poll		-	-	-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-	-	-
	Total	**12,40,95,381**	**7,87,03,835**	**63.42**	**7,87,03,005**	**830.00**	**100.00**	**0.00**	**5,32,448**	**31,368**

Resolution No.	**2**									
Resolution required: (Ordinary/ Special)	ORDINARY - To consider and approve the alteration of the 'Capital Clause' of the Memorandum of Association of the Company.									
Whether promoter/ promoter group are interested in the agenda/ resolution?	No									
Category	**Mode of Voting**	**No. of shares held (1)**	**No. of votes polled (2)**	**% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100**	**No. of Votes – in favour (4)**	**No. of Votes – against (5)**	**% of Votes in favour on votes polled (6)=[(4)/(2)]*100**	**% of Votes against on votes polled (7)=[(5)/(2)]*100**	**Votes Invalid**	**Votes Abstained**
Promoter and Promoter Group	E-Voting	6,51,13,697	6,44,21,404	98.94	6,44,21,404	-	100.00	-	-	-
	Poll		-	-	-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-	-	-
Public- Institutions	E-Voting	1,89,18,055	1,41,42,947	74.76	1,41,42,947	-	100.00	-	5,32,448	31,218
	Poll		-	-	-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-	-	-
Public- Non Institutions	E-Voting	4,00,63,629	1,39,464	0.35	1,38,634	830.00	99.40	0.60	-	170
	Poll		-	-	-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-	-	-
	Total	**12,40,95,381**	**7,87,03,815**	**63.42**	**7,87,02,985**	**830**	**100.00**	**0.00**	**5,32,448**	**31,388**

Resolution No.	3
Resolution required: (Ordinary/ Special)	SPECIAL - To consider and approve the alteration of the Article No. 3 of the Article of Association of the Company.
Whether promoter/ promoter group are interested in the agenda/ resolution?	No

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	6,51,13,697	6,44,21,404	98.94	6,44,21,404	-	100.00	-	-	-
	Poll		-	-	-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-	-	-
Public- Institutions	E-Voting	1,89,18,055	1,41,42,947	74.76	1,41,42,947	-	100.00	-	5,32,448	31,218
	Poll		-	-	-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-	-	-
Public- Non Institutions	E-Voting	4,00,63,629	1,39,464	0.35	1,38,602	862	99.38	0.62	-	170
	Poll		-	-	-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-	-	-
	Total	**12,40,95,381**	**7,87,03,815**	**63.42**	**7,87,02,953**	**862**	**100.00**	**0.00**	**5,32,448**	**31,388**

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.

Means of communication:

- The quarterly results were published during the year under review in Financial Express and Loksatta i.e. leading national and regional newspapers.
- The quarterly results are uploaded on the Company's website www.finolexpipes.com and also available on the websites of the stock exchanges i.e. BSE and NSE.
- The official news releases of the Company are displayed on the BSE and NSE websites.
- Presentations made to institutional investors or analysts are available on the Company's website.
- The Management Discussion and Analysis Report is forming part of Annual Report.

10. General shareholder information

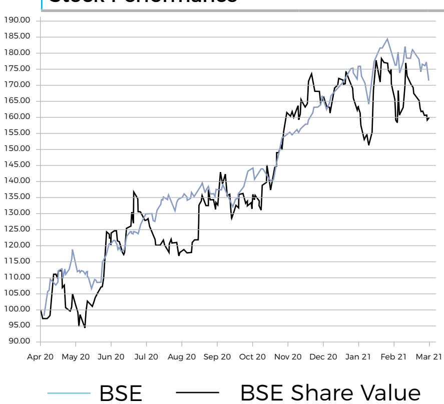
A	Annual general meeting date, time and venue	Date: 22nd September, 2021 Time: 4.00 p.m. (IST) Venue: In view of continuing Covid-19 pandemic the Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated 5th May, 2020 read with Circulars dated 8th April, 2020, 13th April, 2020 and 13th January, 2021 and SEBI Circulars dated 12th May, 2020 and 15th January, 2021. The deemed venue of the ensuing annual general meeting is address of Registered Office of the Company. For details of registered office address please refer to the Notice of this AGM.	
B	Financial year	Financial year April to March is followed by the Company	
		Announcement of quarterly results of 2021-22 & Annual General Meeting	Tentative quarterly results by 14th August, 2021, 14th November, 2021, 14th February, 2022 and 30th May, 2022 and Annual General Meeting by end of September, 2022.
C	Dividend Payment date	4th October, 2021	
D	Book closure period	16th September, 2021 to 22nd September, 2021	

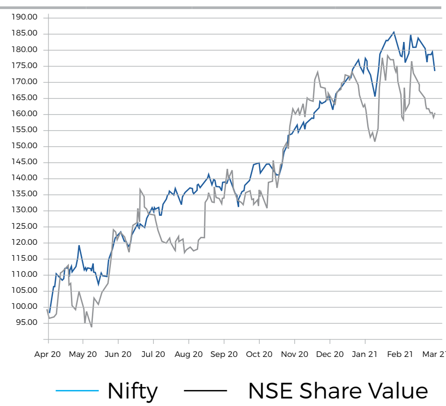
E	The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of the listing fees	Equity Shares National Stock Exchange of India Limited 5, Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400051	Equity Shares BSE Limited Registered Office: 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 are listed.	
F	Stock Code:	NSE : Equity- FINPIPE BSE : Equity- 500940/FINOLEXIND ISIN : INE183A01024	
G	Market Price data of Equity Shares- High, Low during each month in last financial year 2020-2021		

	NSE		BSE	
Month	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-20	440.90	366.10	484.80	361.40
May-20	429.95	356.80	429.60	355.20
Jun-20	530.50	438.00	530.00	434.25
Jul-20	505.00	447.00	504.30	447.00
Aug-20	524.00	438.00	529.00	439.00
Sep-20	549.75	487.05	552.55	488.00
Oct-20	568.00	497.75	579.00	493.00
Nov-20	639.70	513.95	640.10	515.00
Dec-20	671.65	603.40	671.00	602.85
Jan-21	673.50	572.00	675.00	574.10
Feb-21	695.00	579.40	695.50	580.30
Mar-21	689.70	601.50	689.90	602.00

H Performance in comparison with broad based indices such as BSE Sensex, CRISIL Index, Nifty etc.

Stock Performance





I	In case the securities are suspended from trading, the Directors Report shall explain the reasons thereof.	No securities are suspended from trading.
J	Registrar to an issue and share transfer agent	KFin Technologies Pvt. Ltd. (RTA) Registered with SEBI Registration no. INR000000221 Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India.
K	Share transfer system	In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The share transfer committee attends to share transfer formalities as per requirement. Demat requests are confirmed within 21 days from the date of receipt of both electronic and physical request by RTA, if found in order.
L	Distribution of shareholding as on 31st March, 2021 (before sub-division of Equity Shares)	

Category	Total Investors	% of total B	Total Shares	% of total D
A	B	C	D	E
Below 5000	1,24,710	99.71	2,02,61,121	16.33
Between 5001 and 10000	125	0.10	9,18,345	0.74
Between 10001 and 20000	82	0.07	11,43,611	0.92
Between 20001 and 30000	29	0.02	7,38,684	0.60
Between 30001 and 40000	15	0.01	5,23,254	0.42

<table>
<tr><td></td><td></td><td>
<table>
<tr><td>Between 40001 and 50000</td><td>17</td><td>0.01</td><td>7,68,468</td><td>0.62</td></tr>
<tr><td>Between 50001 and 100000</td><td>33</td><td>0.03</td><td>24,48,167</td><td>1.97</td></tr>
<tr><td>Above 100001</td><td>58</td><td>0.05</td><td>9,72,93,731</td><td>78.40</td></tr>
<tr><td>Total</td><td>1,25,069</td><td>100.00</td><td>12,40,95,381</td><td>100.00</td></tr>
</table>
</td></tr>
<tr><td>M</td><td>Dematerialization of shares and liquidity as on 31st March, 2021 (before sub-division of Equity Shares)</td><td>
<table>
<tr><th>Depository/ Physical</th><th>No. of shares</th><th>% of total shares</th></tr>
<tr><td>NSDL</td><td>6,69,73,381</td><td>53.97</td></tr>
<tr><td>CDSL</td><td>5,08,93,827</td><td>41.01</td></tr>
<tr><td>Physical</td><td>62,28,173</td><td>5.02</td></tr>
<tr><td>Total</td><td>12,40,95,381</td><td>100.00</td></tr>
</table>
Shares are regularly traded on BSE and NSE.
</td></tr>
<tr><td>N</td><td>Outstanding GDR,ADR or warrants or convertible instruments, conversion date and likely impact on equity</td><td>No such issue made by the Company.</td></tr>
<tr><td>O</td><td>Commodity price risk or foreign exchange risk and hedging activities</td><td>The details are included in this report under point no. 6.</td></tr>
<tr><td>P</td><td>Plant locations</td><td>
• <u>PVC & PVC Pipes Plant:</u>
Ranpar – Pawas Road
District Ratnagiri 415 616 Maharashtra
• <u>PVC Pipes and Fittings Plants:</u>
1. Gat No.399, Urse, Taluka Maval, District – Pune 410 506, Maharashtra
2. D 1/10 MIDC, Chinchwad, Pune 411019 Maharashtra
• <u>PVC Pipes Plant:</u>
Village Masar, Taluka Padra, District Vadodara 391 421, Gujarat
</td></tr>
<tr><td>Q</td><td>Address for investor correspondence</td><td>KFin Technologies Private Limited,
Unit : Finolex Industries Limited, Corporate Registry,
Selenium Tower B,
Plot No. 31 & 32,Gachibowli, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032, India.</td></tr>
</table>

R	List of all credit ratings obtained by the Company along with any revision thereto during FY 2020-21.	• **Short term** - CRISIL / INDIA Ratings CRISIL A1+ / IND A1+ • **Long term** - CRISIL / INDIA Ratings CRISIL AA / IND AA • During the year under review, there is no revision in credit rating.

11.Other disclosures

	Disclosure required	
A	Disclosures on materially significant related party transactions that may have potential conflict with the interests of the listed entity at large	No such transactions
B	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
C	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. No personnel have been denied access to the Audit Committee.
D	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	The Company has complied with the applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted following non-mandatory requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. a. The Company has an Executive Chairman. b. During 2020-21, there was no audit qualification in the Auditors' Report on the Company's Financial Statement. c. The Chairman and Managing Director of the Company are different persons. d. The internal auditor is a permanent invitee to the audit committee and regularly attends the meetings of the Audit Committee.
E	Web link where policy for determining 'material' subsidiaries is disclosed	https://www.finolexpipes.com/ investors/ policies-code-of-conduct/

<table>
<tr><th></th><th>Disclosure required</th><th colspan="2"></th></tr>
<tr><td>F</td><td>Web link where policy on dealing with related party transactions is disclosed</td><td colspan="2">https://www.finolexpipes.com/ investors/ policies-code-of-conduct/</td></tr>
<tr><td>G</td><td>Disclosure of commodity price risks and commodity hedging activities</td><td colspan="2">The details are included in this report under point no. 6.</td></tr>
<tr><td>H</td><td>Details of utilization of funds raised through preferential allotment or qualified institutions placement.</td><td colspan="2">The Company has not raised any funds through preferential allotment or qualified institutions placement during 2020-21.</td></tr>
<tr><td>I</td><td>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.</td><td colspan="2">A certificate from a Company Secretary in Practice dated 25th June, 2021 is included in this report.</td></tr>
<tr><td>J</td><td>Where the Board had not accepted any recommendation of any committee of the Board which is mandatory required, in the relevant financial year.</td><td colspan="2">There are no such instances where the Board had not accepted any recommendation of any committee of the Board during the financial year 2020-21.</td></tr>
<tr><td>K</td><td>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.</td><td colspan="2">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 Auditors' Remuneration.</td></tr>
<tr><td></td><td>Discloser required</td><td colspan="2"></td></tr>
<tr><td rowspan="5">L</td><td rowspan="5">Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.</td><td colspan="2">Details of complaints during the year 2020-21:</td></tr>
<tr><td>Particulars</td><td>Number of Complaints</td></tr>
<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>
</table>

12. Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Nil

PRACTICING COMPANY SECRETARY'S 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 of
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 for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub 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 ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1	Mr. Prakash Pralhad Chhabria	00016017	13/03/1992
2	Ms. Bhumika Batra	03502004	20/09/2019
3	Mrs. Ritu Prakash Chhabria	00062144	21/03/2015
4	Mrs. Kanchan Uday Chitale	00007267	01/04/2019
5	Mr. Saurabh Sarvottam Dhanorkar	00011322	11/08/2017
6	Mr. Sanjay Shankar Math	01874086	04/02/2012
7	Dr. Deepak Rasiklal Parikh	06504537	20/09/2019
8	Mr. Pradeep Ramwilas Rathi	00018577	20/09/2019
9	Mr. Anami Narayan Prema Roy	01361110	20/09/2019
10	Mr. Anil Vithaldas Whabi	00142052	26/08/2016

Ensuring the eligibility of 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
CP No: 2664
UDIN: F006156C000508438

Place: Pune
Date: June 25, 2021

Note:

We have relied on the documents and evidences provided by electronic mode, in view of prevailing pandemic situation of Covid-19, for the purpose of issuing this certificate.

Standalone Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of
Finolex Industries Limited

Report on the Audit of the Standalone Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Finolex Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 as amended ('the Act') in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the standalone state of affairs of the Company as at March 31, 2021, and its standalone profit (including Other Comprehensive Income), standalone changes in equity and its standalone cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of standalone IndAS financial statements in accordance with the Standards on Auditing (SAs) as 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the standalone Ind AS 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of Inventory:

The company has at balance sheet date Inventory amounting to ₹ 918.82 Crores as disclosed in Note 8 which constitute 21.8% of total assets of the company. The inventory is valued at the lower of cost and net realizable value. Refer to Note 2.7 which describes company's accounting policy on valuation of inventory. The Inventory valuation is considered as Key Audit matter since it constitutes significant portion of assets and considering price volatility of raw material and management estimate in respect of realizable value.

Our audit methodology included the following:

- Obtained an understanding and assessed internal controls and its effectiveness with respect to process of Inventory recording, verification and valuation
- Reviewed the management's inventory verification process, observed the physical verification process for sample items, taken cognizance and assessed the trend of past inventory differences.
- Performed cut off procedures on test check basis to ensure completeness of Inventory.
- Tested on sample basis the accuracy of weighted average cost and Overhead absorption for Raw material, Work in Progress, Finished Goods and Trading material as per the accounting policy adopted by the company
- Evaluated the management judgement, estimate and process for identification and valuation of slow moving / non-moving, obsolete and damaged items of inventory.
- Performed analysis of Net realizable value (NRV) vs Cost of inventory on test basis to ensure that the Inventory is carried at Cost or NRV whichever is lower as per applicable Ind AS 2.
- Ensured presentation and disclosure as per applicable Ind AS and accounting framework

Valuation of investments:

At the balance sheet date, the value of current and non-current investments amounted to ₹ 1,592.20 crores representing 37.8% of the total assets. The net gain on fair valuation of investments amounted to ₹ 419.14 crores in the total comprehensive income. Investments have been considered as key audit matter since it constitutes significant portion of assets, having diversity in nature and various recognition and subsequent measurement principles. Refer note 2.6 and 2.15 to the Standalone Financial Statements for its accounting policy.

Our audit methodology included the following:

- Obtained external confirmations in order to test the assertion of existence, accuracy, valuation and completeness.

- Evaluated independently the fair values of listed and quoted non-current investments.
- Critically analysed the assumptions made by the Management in fair valuation of unquoted non-current investments.
- Evaluated the process of the management to identify impairment (if any) for the investments measured at amortised cost.
- Assessed the compliance of the recognition and subsequent measurement principles as specified in the accounting policy adopted by the company
- Ensured presentation and disclosure as per applicable Ind AS and accounting framework

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Corporate Governance and Directors' Report, but does not include the standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the standalone financial position, standalone financial performance (including other comprehensive Income), standalone changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS Financial Statements, the management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 SAs 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 standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 financial 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 standalone Ind AS 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 management's 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 standalone Ind AS 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 standalone Ind AS Financial Statements, including the disclosures, and whether the standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS Financial Statements for the financial year ended March 31, 2021 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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.

2. As required by Section 143(3) of the Act, we report 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 purposes of our audit.

    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.

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/ provided for by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.

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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37.2 to the financial statements.

   (ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2021.

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **P G BHAGWAT LLP**
Chartered Accountants
ICAI Firm Registration Number-101118W/W100682

Nachiket Deo
Partner
Membership Number: 117695
UDIN: 21117695AAAACQ7244

Pune
Date: 25th June, 2021

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

of even date on the Standalone Ind AS Financial Statements of Finolex Industries Limited

Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements section of the Independent Auditor's Report of even date to the members of Finolex Industries Limited on the Standalone Ind AS financial statements as of and for the year ended March 31, 2021 :

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation, of property, plant and equipment.

(b) The property, plant and equipment are being physically verified by the management at regular intervals based on the programme of verification which in our opinion is reasonable. Part of the major property, plant and equipment has been verified by the management in the current year and discrepancies noticed on such physical verification were not material and the same have been properly dealt with in the books of account.

(c) According to records of the company examined by us the title deeds of immovable properties are held in the name of the company.

(ii) The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

(iv) According to the information and explanations provided to us, there are no loans, guarantees and security given by the Company, covered under the provisions of section 185 of the Companies Act, 2013. According to the information and explanations provided to us, provisions of section 186 of the Companies Act, 2013 have been complied with respect to investments.

(v) In our opinion and according to information and explanation given to us, the Company has not accepted public deposits, hence the directive issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to it. According to information and explanation given to us, no order has been passed against the company by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vi) 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 under sub-section (l) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of records with a view to determine whether they are accurate and complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanation given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31st March, 2021, for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, the particulars of dues of income tax, sales tax, wealth tax, service tax, custom duty, goods and service tax, excise duty and cess as at 31st March, 2021 which has not been deposited on account of disputes are as follows:

Name of the Statue	Name of the Statue	*Amount under dispute not deposited (₹ in Crores)	Period to which amount is related	Forum where the dispute is pending
Customs Act, 1962	Disputes related to exemptions, classification & other matters	21.67	FY 2012-13, 2013-14, 2018-19 & 2019-20	CESTAT
		13.72	FY 2020-21	Commissioner
Central Excise Act, 1944	Disputes on account of disallowance of CENVAT credit on Input goods & capital goods and reversal thereof	0.09	FY 2001-02	High Court
		47.17	FY 2002-03 to 2015-16	CESTAT
		0.17	FY 2016-17	Assistant Commissioner
Finance Act, 1994	Disputes on account of disallowance of CENVAT credit availed on inadmissible services & reversal thereof	3.16	April to June 2017	High Court
		1.33	FY 2008-09 to 2017-18	CESTAT
		1.25	FY 2015-16 to 2017-18	Commissioner
Income Tax Act, 1961	Disallowance on account of 14A Disallowance & Others	0.91	FY 2015-16, FY 2016-17 & FY 2017-18	Commissioner of Income Tax
Sales Tax-MVAT Act, 2002 & CST Act, 1956	Disallowance on account of non-receipt of Forms & disallowance of credit	1.33	FY 2014-15 & 2015-16	Commissioner

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date and also not issued debentures.

(ix) According to the information and explanation given to us, the company has not raised money by way of initial public offer or further public offer (including debt instrument) and not availed term loan during the year. Accordingly the provisions of clause 3 (ix) of Companies (Auditor's Report) order, 2016 are not applicable to the company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to the information and explanation given to us, the company has paid/ provided managerial remuneration within the limit prescribed under section 197, read with schedule V of the Companies Act, 2013. Accordingly no requisite approval is required to be sought.

(xii) In our opinion, the company is not a Nidhi company. Accordingly, the provisions specified in Paragraph 3(xii) of Companies (Auditor's Report) order, 2016 are not applicable to the company.

(xiii) According to the information and explanation given to us and in our opinion, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and requisite details have been disclosed in the Financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures for raising funds during the year. Accordingly, the provisions of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(xv) According to the information and explanation given to us, the company has not entered into a non-cash transaction with any of the directors or persons connected with directors. Accordingly, the provisions of clause 3 (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(xvi) In our opinion and according to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions in Paragraph 3(xvi) of Companies (Auditor's Report) order, 2016 are not applicable.

For **P G BHAGWAT LLP**
Chartered Accountants
ICAI Firm Registration Number- 101118W/W100682

Nachiket Deo
Partner
Membership Number: 117695
UDIN: 21117695AAAACQ7244

Pune
Date: 25th June, 2021

Report on the Internal Financial Controls with reference to Standalone Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of Finolex Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 its business, including adherence to 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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone Ind AS financial statements, both issued by the Institute of Chartered Accountants of India. 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 standalone Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls with reference to standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included 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 standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to standalone Ind AS financial statements.

Meaning of Internal Financial Controls over financial reporting with reference to standalone Ind AS financial statements

A company's internal financial control over financial reporting with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to standalone Ind AS financial statements includes 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over financial reporting with reference to standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to standalone Ind AS 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 over financial reporting with reference to standalone Ind AS financial Statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P G BHAGWAT LLP**
Chartered Accountants
ICAI Firm Registration Number-101118W/W100682

Nachiket Deo
Partner
Membership Number: 117695
UDIN: 21117695AAAACQ7244

Pune
Date: 25th June, 2021

STANDALONE BALANCE SHEET

as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No	March 31, 2021	March 31, 2020
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3	1,001.29	1,015.29
b) Capital work-in-progress	3	8.15	7.28
c) Other Intangible assets	3	1.06	1.60
d) Financial assets			
i) Investments	4	1,085.26	455.53
ii) Loans	5	3.21	2.68
iii) Other financial assets	6	30.18	8.66
(e) Tax assets (Net)		31.93	42.34
(f) Other non-current assets	7	57.93	57.63
Total non-current assets		2,219.01	1,591.01
2 Current assets			
(a) Inventories	8	918.82	857.81
(b) Financial assets			
i) Investments	9	506.94	124.53
ii) Trade receivables	10	147.98	73.17
iii) Cash and cash equivalents	11.1	31.40	57.29
iv) Bank balances other than (iii) above	11.2	304.86	35.92
v) Loans	12	0.81	0.90
vi) Other financial assets	13	10.95	6.87
(c) Other current assets	14	66.09	67.81
Total current assets		1,987.85	1,224.30
Total assets		4,206.86	2,815.31
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	15	124.10	124.10
(b) Other equity	16	2,948.78	1,805.71
Total equity		3,072.88	1,929.81
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities	17	0.12	0.14
(b) Provisions	18.1	13.43	26.72
(c) Deferred tax liabilities (Net)	24	118.51	115.82
(d) Government grants	19	65.76	51.44
Total non-current liabilities		197.82	194.12
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	20	203.85	282.67
ii) Trade payables	21		
- total outstanding dues of Micro & Small Enterprises (Refer Note 41)		24.42	1.18
- total outstanding dues of creditors other than Micro & Small Enterprises		370.79	227.02
iii) Other financial liabilities	22	249.20	135.90
(b) Other current liabilities	23	50.22	35.36
(c) Provisions	18.2	3.83	3.01
(d) Current tax liabilities (Net)	24	24.78	-
(e) Government grants	19	9.07	6.24
Total current liabilities		936.16	691.38
Total liabilities		1,133.98	885.50
Total equity and liabilities		4,206.86	2,815.31
Notes to accounts form an integral part of the financial statements			
Corporate information & Significant accounting policies	1 to 2		
Other notes	3 to 43		

As per our report of even date

For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W/W100682

Nachiket Deo
Partner
M.No. 117695
Pune
June 25, 2021

For FINOLEX INDUSTRIES LIMITED

Prakash P. Chhabria
Executive Chairman
DIN: 00016017
London

Bhumika L. Batra
Director
DIN: 03502004
Mumbai

Ritu P. Chhabria
Director
DIN: 00062144
London

Kanchan U. Chitale
Director
DIN: 01361110
Mumbai

Saurabh S. Dhanorkar
Director
DIN: 00011322
Pune

Sanjay S. Math
Managing Director
DIN: 01874086
Ratnagiri

Deepak R. Parikh
Director
DIN: 06504537
USA

Pradeep R. Rathi
Director
DIN: 00018577
Srinagar

Anami N. Roy
Director
DIN: 01361110
Pune

Anil V. Whabi
Director - Finance & CFO
DIN: 00142052
Pune
June 25, 2021

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

STATEMENT OF STANDALONE PROFIT AND LOSS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Note No	March 31, 2021	March 31, 2020
	Income			
I	Revenue from Operations	25	3,462.82	2,984.51
II	Other income	26	72.48	30.84
III	**Total Income (I+II)**		3,535.30	3,015.35
IV	**Expenses**			
	Cost of materials and components consumed	27	1,940.24	2,037.71
	Purchase of stock-in-trade		10.00	13.84
	Changes in inventories of finished goods, work-in-progress and stock in trade	28	(21.48)	(108.88)
	Employee benefits expenses	29	166.80	145.55
	Finance costs	30	7.27	11.28
	Depreciation and amortisation expense	31	77.72	73.81
	Other expenses	32	377.95	448.85
	Total expenses (IV)		2,558.50	2,622.16
V	**Profit before tax (III - IV)**		976.80	**393.19**
VI	**Tax expense**			
	Current tax	24	247.00	103.56
	(Excess) / short provision of earlier year(s)		-	-
	Deferred tax	24	1.78	(34.57)
	Total tax expense (VI)		248.78	**68.99**
VII	**Profit for the period (V-VI)**		728.02	**324.20**
VIII	**Other Comprehensive Income (OCI)**			
A	**Items that will not be reclassified to profit or loss in subsequent periods:**			
	Re-measurement of defined benefit plans gain / (loss)		0.31	(3.38)
	Income tax effect on above	24	(0.08)	0.85
A(i)	**Re-measurement of defined benefit plans net off income tax**		0.23	(2.53)
	Equity instruments through OCI gain / (loss)		415.65	(621.15)
	Income tax effect on above	24	(0.83)	0.08
A(ii)	**Equity instruments through OCI net off income tax**		414.82	(621.07)
	Total Other Comprehensive Income for the year net of tax [A(i)+A(ii)]		415.05	**(623.60)**
IX	**Total Comprehensive Income for the period (VII+VIII)**		1,143.07	**(299.40)**
X	**Earnings per equity share having nominal value per share of ₹2**	34		
	Basic (₹)		11.73	5.23
	Diluted (₹)		11.73	5.23
	Notes to accounts form an integral part of the financial statements			
	Corporate information & Significant accounting policies	1 to 2		
	Other notes	3 to 43		

As per our report of even date

For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W/W100682

Nachiket Deo
Partner
M.No. 117695
Pune
June 25, 2021

For FINOLEX INDUSTRIES LIMITED

Prakash P. Chhabria
Executive Chairman
DIN: 00016017
London

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Director - Finance & CFO
DIN: 00142052
Pune
June 25, 2021

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

STATEMENT OF STANDALONE CASH FLOW

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr No	Particulars	March 31, 2021	March 31, 2020
I	**Cash flows from operating activities**		
	Profit before tax	976.80	393.19
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expense	77.72	73.81
	Balances written off / (written back)	(0.93)	(1.57)
	Profit on sale of investments (net)	(7.22)	(8.92)
	(Gain)/loss on fair valuation of investment	(3.33)	2.73
	(Profit)/loss on assets sale/discarded (net)	0.61	0.67
	Dividend income	(13.14)	(10.92)
	Interest income on investing activities	(29.79)	(4.87)
	Unrealised Exchange fluctuation (gain)/ loss - net	1.51	23.85
	Finance costs	7.27	9.49
	Operating profit before working capital changes	**1,009.50**	**477.46**
	Change in operating assets and liabilities		
	(Increase) / decrease in inventories	(61.01)	(237.35)
	(Increase) / decrease in trade receivables	(75.40)	1.14
	(Increase) / decrease in loans	(0.44)	(0.18)
	(Increase) / decrease in other financial assets	(21.52)	57.56
	(Increase) / decrease in other current assets	2.68	(26.49)
	Increase / (decrease) in trade payables	166.62	(79.45)
	Increase / (decrease) in provisions	(12.16)	3.37
	Increase / (decrease) in government grants	17.15	(6.25)
	Increase / (decrease) in other financial liabilities	112.51	48.94
	Increase / (decrease) in other current liabilities	14.86	(19.62)
	Cash generated from working capital changes	143.29	(258.33)
	Less - Income tax paid	(211.81)	(112.84)
	Net cash inflow from operating activities	**940.98**	**106.29**
II	**Cashflow from investing activities**		
	Proceeds from sale of property, plant and equipment	0.19	1.03
	Payment for purchase of property, plant and equipment	(64.91)	(61.29)
	Payment for purchase of long term investments	(213.92)	9.17
	Payment for purchase of short term investments (Net)	(372.02)	98.83
	Dividend income	13.14	10.92
	(Increase) / decrease in other bank balances	(264.76)	(14.40)
	Interest income	25.71	4.87
	Net cashflow from investing activities	**(876.57)**	**49.13**

STATEMENT OF STANDALONE CASH FLOW
for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr No	Particulars	March 31, 2021	March 31, 2020
III	**Cashflow from financing activities**		
	Finance costs	(7.69)	(10.56)
	Proceeds/ (Repayment) of borrowings (net)	(78.43)	193.17
	Dividend paid	(4.18)	(287.28)
	Net cashflow from financing activities	**(90.30)**	**(104.67)**
IV	**Net increase / (decrease) in cash and cash equivalents at the end of the year (I+II+III)**	**(25.89)**	**50.77**
V	Cash and cash equivalents at the beginning of the financial year	57.29	6.52
VI	**Cash and cash equivalents at the end of the financial year (IV+V) (Refer note 11.1)**	**31.40**	**57.29**

Components of cash and cash equivalents

Particulars	March 31, 2021	March 31, 2020
Balances with banks (current accounts)	31.24	36.99
Deposits with bank	-	20.00
Cash on hand	0.16	0.29
Total Cash and cash equivalents	**31.40**	**57.29**

The Company reports cashflows from activities using the indirect method as per Ind AS 7 "Statement of Cash Flows".

As per our report of even date

For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W/W100682

Nachiket Deo
Partner
M.No. 117695
Pune
June 25, 2021

For FINOLEX INDUSTRIES LIMITED

Prakash P. Chhabria
Executive Chairman
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DIN: 06504537
USA

Pradeep R. Rathi
Director
DIN: 00018577
Srinagar

Anami N. Roy
Director
DIN: 01361110
Pune

Anil V. Whabi
Director - Finance & CFO
DIN: 00142052
Pune
June 25, 2021

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

STATEMENT OF STANDALONE CHANGES IN EQUITY

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

Issued, Subscribed and fully paid Equity shares of ₹ 2 each (March 31, 2020 ₹ 10 each)

Particulars	No. of Shares	Amount
Opening Balance as at April 1, 2019	12,40,95,381	124.10
Additions during the year	-	-
Closing Balance as at March 31, 2020	**12,40,95,381**	**124.10**
Increase in the number of share on account of share split (Refer note 15 (iv))	49,63,81,524	-
Closing Balance as at March 31, 2021	**62,04,76,905**	**124.10**

(Refer Note No 15)

B. Other Equity

Particulars	Reserves and Surplus					
	General Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Total
Balance as at April 1, 2019	394.50	151.27	25.18	1,409.47	423.91	2,404.33
Profit for the period	-	-	-	324.20	-	324.20
Other Comprehensive Income (net of tax)	-	-	-	(2.53)	(621.07)	(623.60)
Total Comprehensive income for the year	-	-	-	**321.67**	**(621.07)**	**(299.40)**
Interim Dividend	-	-	-	(124.10)	-	(124.10)
Tax On dividend	-	-	-	(25.51)	-	(25.51)
Final Dividend	-	-	-	(124.10)	-	(124.10)
Tax On dividend	-	-	-	(25.51)	-	(25.51)
Balance as at March 31, 2020	**394.50**	**151.27**	**25.18**	**1,431.92**	**(197.16)**	**1,805.71**
Balance as at April 1, 2020	**394.50**	**151.27**	**25.18**	**1,431.92**	**(197.16)**	**1,805.71**
Profit for the period	-	-	-	728.02	-	728.02
Other Comprehensive Income (net of tax)	-	-	-	0.23	414.82	415.05
Total Comprehensive income for the year	-	-	-	**728.25**	**414.82**	**1,143.07**
Balance as at March 31, 2021	**394.50**	**151.27**	**25.18**	**2,160.17**	**217.66**	**2,948.78**

(Refer Note No 16)

As per our report of even date

For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W/W100682

Nachiket Deo
Partner
M.No. 117695
Pune
June 25, 2021

For FINOLEX INDUSTRIES LIMITED

Prakash P. Chhabria
Executive Chairman
DIN: 00016017
London

Bhumika L. Batra
Director
DIN: 03502004
Mumbai

Ritu P. Chhabria
Director
DIN: 00062144
London

Kanchan U. Chitale
Director
DIN: 01361110
Mumbai

Saurabh S. Dhanorkar
Director
DIN: 00011322
Pune

Sanjay S. Math
Managing Director
DIN: 01874086
Ratnagiri

Deepak R. Parikh
Director
DIN: 06504537
USA

Pradeep R. Rathi
Director
DIN: 00018577
Srinagar

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DIN: 00142052
Pune
June 25, 2021

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

1. Corporate Information

Finolex Industries Limited ('FIL' or 'the Company') is a company domiciled in India and incorporated under the provisions of 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, India.

The company is engaged in the business of manufacturing PVC pipes & fittings and PVC resin. The Company has manufacturing facilities in the states of Maharashtra & Gujarat.

2. Summary of significant accounting policies

2.1 Basis of Preparation

The Company's standalone financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with rule 7 of the companies (Accounts) Rules, 2014. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) and the guidelines issued by the Securities and Exchange Board of India are also applied.

The financial statements were approved and were authorized for issue in accordance with a resolution of the Board of Directors on June 25, 2021.

2.2 Basis of measurement

The standalone financial statements have been prepared on accrual basis following 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 financial statements are presented in Indian rupees (INR) which is the Company's functional currency.

Amounts in the financial statements are presented in Indian Rupees in crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013 unless otherwise stated.

2.4 Current or non-current classification

The Company presents assets and liabilities in the 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.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of 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 recognized in the 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 1st April, 2011 to 31st March 2018. Further, the company during the current year has received extension for 5 years which will expire by March 2023. The aforesaid subsidy is 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 is recognising revenue from grant over the life of the property, plant and equipment.

Leases

From April 1, 2019, Ind AS 116 - 'Leases' had become effective and the management of the Company has opted for the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. However, the management has assessed the impact of Ind AS 116 and concluded them to be immaterial. Therefore no effects have been taken in the books of account.

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.

Further details about defined benefit obligations are provided in Note 35.

Property, Plant and Equipment & Intangible Assets:

The determination of depreciation and amortization 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 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.

Impairment of financial assets:

The impairment provisions 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 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 utilized.

2.6 Fair value measurement

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 maximize 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.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short-term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

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 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 (refer note 38 for detailed disclosures.)

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 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 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal

An item of property, plant and equipment is derecognized 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 net within other income/expenses in the 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 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, which are as follows:

Asset	Useful life (in years)
Plant and machinery	3 to 25
Building	60
Factory Building	30
Furniture and fixtures	10
Office equipment	5
Vehicles	8
Other Intangible Assets	6

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 adjustments are made whenever necessary.

2.9 Intangible assets and amortization

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.

Research and development expenditure on new products:

Expenditure on research is expensed under respective heads of account in the period in which it is incurred. Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) the Company has intention to complete the intangible asset and use or sell it;

c) the Company has ability to use or sell the intangible asset;

d) the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f) the Company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as Intangible assets under development.

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. Amortisation is recognised in statement of profit and loss on a straight-line basis over a period of 6 years from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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

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 from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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 & Loss separately from fair value changes on 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.

Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. It also includes exchange differences in relation to the foreign currency borrowings to the extent those are regarded as an adjustment to the borrowing costs.

Borrowing costs such as interest expenses and foreign exchange loss to the extent considered as part of borrowing costs (if any) directly attributable to the construction of a qualifying asset (asset that takes substantial period of time to get ready for use usually 12 months) are capitalised as part of the cost.

Parts of an item of property, plant and equipment having different useful lives, (if any) are accounted for as separate items (major components) of property, plant and equipment.

All other borrowing costs are expensed in the period in which they are incurred.

2.11 Foreign currency transactions:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (functional currency). The 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. 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.12 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, 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 governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

2.13 Taxes

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. Tax is recognised in statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. 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 utilized.

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.

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 recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss.

Initial Measurement

Right to use asset

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset shall 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 liability

At the commencement date, the Company measures the lease liability 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 liability 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 to use asset

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses.

Lease Liability

Subsequently the Company measures the lease liability 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.

In the current year the management has assessed the impact of Ind AS 116 and concluded them to be immaterial. Therefore no effects have been taken in the books of account.

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 ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are recognised in the 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 ('FVTOCI')

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. The EIR amortisation is included in finance expense/(other income) in the profit and loss statement. The losses arising from impairment are recognised in the statement of profit and loss.

This category generally applies to trade receivables, security and other deposits receivable by the company.

The Company's investment in its Associate is measured at cost.

(b) Financial assets classified as measured at FVOCI

A financial asset shall be measured at fair value through other comprehensive income 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 other comprehensive income except for interest income, impairment gains or losses and foreign exchange gains and losses which are recognised in the statement of profit and loss.

On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to 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 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, 12-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 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.

Particulars	Revised Classification	Accounting Treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the statement of Profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

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 fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the issue of the financial liability. financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

(a) Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss 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 group 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 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 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to the 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 liability are recognised in the statement of profit and loss.

The Company has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities 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 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 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 statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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 recognized 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 of

- 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
- 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 Balance Sheet date.

2.19 Provision for employment benefits

Defined contribution plans

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.

Defined benefit plans

The employees' gratuity fund scheme managed by the Life Corporations of India (LIC) is the Company's defined benefit plans. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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 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 recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized 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 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

Refer Note 35 for additional disclosures relating to Company's defined benefit plan.

Provision for compensated absences

Provision for short term compensated absences is recognised for accumulated leaves that are expected to be utilized 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 share

Basic earnings per 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 period as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the period 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 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 of Directors, or in respect of the final dividend when approved by shareholders.

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.

Segment accounting policies are in line with the accounting policies of the Company.

Standards issued but not yet effective:

Amendments:

Amendment to Schedule III

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III (Division I, II and III) of the Companies Act, 2013. The amendment is applicable from 1 April 2021 and it specifies additional disclosures in the financial statements.

Key amendments in Division II applicable to the Company include:

- Lease Liability be separately disclosed under the heading "Financial liabilities".
- Disclosures for prior period errors in the statement of changes in equity
- Disclosure of shareholdings of promoters
- Disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- Disclosure of deviation from stated purpose in use of borrowings from banks and financial institutions
- Disclosures under 'additional regulatory requirements' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable properties not held in the name of the company, loans and advances to promoters, directors, key managerial personnel and related parties, details of benami property held etc.
- Disclosures relating to amount of expenditure on CSR, crypto or virtual currency, undisclosed income etc.

The amendments are extensive and the Company is in the process of evaluating the same to give effect to the same as required by law.

Amendment to Indian Accounting Standard Rules, 2015

The Ministry of Corporate Affairs (MCA) vide Notification dated 18 June 2021 has issued Companies (Indian Accounting Standard) Amendment Rules, 2021 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable with immediate effect from the date of the notification i.e. from 18 June 2021 and would thus be applicable for the financial year ending 31 March 2022 and also for interim financial periods ending 30 June 2021, 30 September 2021, 31 December 2021.

The amendments to Ind ASs are

intended to keep the Ind ASs aligned with the amendments made in IFRS and are in terms of insertion of certain paragraphs, substituting the definition of certain terms used in the standard along with aligning the bare text of Standards with Conceptual Framework of Financial reporting under Ind AS's.

While, largely, the amendments are clarificatory or editorial in nature, there are certain significant amendments as well.

Major amendments notified in the Companies (Ind AS) Amendment Rules, 2021 are provided below:-

a. **Ind AS 116 Leases** – The amendments extend the benefits of the COVID 19 related rent concession that were introduced earlier allowing lessees to recognize COVID 19 related rent concessions as income rather than as lease modification, from 30 June 2021 to 30 June 2022. The amendment also provides a practical expedient in respect of all lease modifications that change the basis for determining future lease payments because of interest rate benchmark reform.

b. **Ind AS 109 Financial Instruments** – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise because of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

c. **Ind AS 101 Presentation of Financial Statements** – The amendment substitutes the item (d) mentioned in paragraph BI as 'Classification and measurement of financial instruments'. The term 'financial asset' has been replaced with 'financial instruments'.

d. **Ind AS 104 Insurance Contracts** – The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.

e. **Ind AS 105 Non-current assets held for sale and discontinued operations** – The amendment substitutes the definition of — "fair value less costs to sell" with "fair value less costs of disposal"

f. **Ind AS 107 Financial Instruments: Recognition, Presentation and Disclosure** – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like

(i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;

(ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

g. **Ind AS 111 Joint Arrangements** – In order to maintain consistency with the amendments made in Ind AS 103, certain editorial changes have been made in Ind AS 111.

h. **Ind AS 114 Regulatory Deferral Accounts** – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment & derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.

i. **Ind AS 115 Revenue from Contracts with Customers** – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.

j. **Ind AS 16 Property, Plant and Equipment** –The amendment has been made by substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".

Amendments with Reference to New Conceptual Framework

i. **Ind AS 102 Share-Based Payment**– The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term 'Equity Instrument' which shall be applicable for the annual reporting periods beginning on or after 1 April 2021.

ii. **Ind AS 103 Business Combinations** – The amendment substitutes the definition of 'assets' and 'liabilities' in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.

iii. **Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors** – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting in Ind AS', respective changes have been made in the standard.

iv. **Ind AS 34 Interim Financial Reporting** – The amendments to this standard are made in reference to the conceptual framework of Financial Reporting in Ind AS.

v. **Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets** – The amendment substitutes the definition of the term 'Liability' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

vi. **Ind AS 38 Intangible Assets** – The amendment substitutes the definition of the term 'Asset' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standard.

vii. **Ind AS 106 Exploration for and evaluation of mineral resources** – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets.

The company is in the process of evaluating the changes due to amendments.

Exposure Drafts:

Following exposure drafts have been issue by the Institute of Chartered Accountants of India:

1. **Amendments to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" – Onerous Contracts**

The exposure draft on amendments to Ind AS 37 issued by the Institute of Chartered Accountants of India proposes amendments regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

2. **Amendments to Ind AS 16, "Property, Plant and Equipment" – Proceeds before Intended Use**

The exposure draft on amendments to Ind AS 16 issued by the Institute of Chartered Accountants of India proposes amendments regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

3. **Amendments to 101, "First-time Adoption of Indian Accounting Standards" – Subsidiary as a First-time Adopter**

The exposure draft on amendments to Ind AS 101 issued by the Institute of Chartered Accountants of India proposes amendments to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

4. **Amendments to 41, "Agriculture" – Taxation in Fair Value Measurements**

The exposure draft on amendments to Ind AS 41 issued by the Institute of Chartered Accountants of India proposes amendments to remove a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in Ind AS 41 with those in other Ind AS's.

5. **New Indian Accounting Standard (Ind AS) 117, Insurance Contracts**

The exposure draft of Ind AS 117 is issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts.

The above exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from 1 April, 2021 as at the date of approval of these financial statements. On issue of the amendment by MCA, the Company would evaluate the impact of the change in the standalone financial statements.

(All amounts in ₹ Crores, unless otherwise stated)

Note 3 : Property, Plant and Equipment and Other intangible asset (including capital work in progress)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Leasehold Land (Right of Use asset)	Total	Capital Work-in-progress	Other intangible Assets
Gross Carrying Value										
Balance as at April 1, 2019	103.93	228.01	1,841.17	6.06	11.14	2.04	1.01	2,193.36	90.25	6.08
Additions	1.77	49.85	84.86	0.13	2.28	2.30	-	141.19	37.24	0.33
Deletions/ Transfer	-		(3.32)	(0.00)	(2.63)	(0.73)	-	(6.69)	(120.22)	
Balance as at March 31, 2020	**105.70**	**277.86**	**1,922.70**	**6.19**	**10.79**	**3.61**	**1.01**	**2,327.86**	**7.28**	**6.41**
For the year										
Additions	2.50	7.19	53.80	0.10	-	0.35	-	63.94	14.90	0.04
Deletions/ Transfer	-	-	(6.62)	(0.06)	(0.31)	(0.02)	-	(7.01)	(14.02)	(0.51)
Balance as at March 31, 2021	**108.20**	**285.05**	**1,969.87**	**6.24**	**10.47**	**3.94**	**1.01**	**2,384.78**	**8.15**	**5.94**
Accumulated Depreciation / Amortisation										
Balance as at April 1, 2019	-	84.73	1,149.36	4.08	4.44	1.49	0.34	1,244.43	-	4.13
For the year										
Depreciation/ Amortisation	-	7.55	63.76	0.30	1.18	0.34	0.01	73.13	-	0.68
Deletions/ Transfer	-	-	(3.09)	(0.00)	(1.19)	(0.71)	-	(4.99)	-	-
Balance as at March 31, 2020	**-**	**92.28**	**1,210.03**	**4.38**	**4.43**	**1.12**	**0.35**	**1,312.57**	**-**	**4.81**
For the year										
Depreciation/ Amortisation	-	8.60	66.19	0.29	1.16	0.90	0.01	77.15	-	0.57
Deletions/ Transfer	-		(6.04)	(0.05)	(0.13)	(0.02)	-	(6.23)	-	(0.50)
Balance as at March 31, 2021	**-**	**100.88**	**1,270.18**	**4.62**	**5.47**	**2.00**	**0.36**	**1,383.49**	**-**	**4.88**
Net Block as at March 31, 2021	**108.20**	**184.18**	**699.69**	**1.62**	**5.01**	**1.94**	**0.65**	**1,001.29**	**8.15**	**1.06**
Net Block as at March 31,2020	**105.70**	**185.58**	**712.67**	**1.81**	**6.36**	**2.49**	**0.66**	**1,015.29**	**7.28**	**1.60**

Notes:

1. For Depreciation and amortisation refer accounting policy (Note 2.8)

(All amounts in ₹ Crores, unless otherwise stated)

Note 3 : Property, Plant and Equipment and Other intangible asset (including capital work in progress) (Contd..)

2. Property ,plant and equipment pledged as security :

Extension of second equitable mortgage, created in favour of Consortium of lenders on pari passu basis in respect of immovable properties falling within the battery limit of the site of the Company's plant for manufacture of PVC Resin, situated at Village Golap, District Ratnagiri in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth. Also Refer Note 20 for the same.

3. Capital work-in-progress:

Capital work-in-progress ('CWIP') comprises cost of property, plant and equipment that are not yet installed and ready for their intended use at the balance sheet date.

4. Capital commitments:

Refer Note 37.1 for disclosure of contractual commitments for the acquisition of Property, plant and equipment.

Note 4 : Investments : Non Current

Particulars	Face Value ₹*	Number of Shares as at *		Balances as at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investments in equity shares					
Quoted					
Investments designated at fair value through other comprehensive income (FVTOCI)					
Finolex Cables Limited	2	2,21,87,075	2,21,87,075	850.85	439.03
Investments designated at fair value through profit and loss (FVTPL)					
Gulf Oil Corporation Limited	2	4,950	4,950	0.11	0.06
Gulf Oil Lubricants India Limited	2	4,950	4,950	0.36	0.26
Gold Crest Corporation Limited	10	12,400	12,400	0.08	0.08
				0.55	0.40

(All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments : Non Current (Contd..)

Particulars	Face Value ₹*	Number of Shares as at *		Balances as at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Unquoted					
Investments designated at fair value through other comprehensive income (FVTOCI)					
Finolex Infrastructure Limited	10	53,73,938	53,73,938	12.38	8.55
Investments designated at fair value through profit and loss (FVTPL)					
The Saraswat Co-op Bank Limited#	10	1,000	1,000	-	-
Investments measured at cost - Associate Companies					
a) Finolex Plasson Industries Private Limited	10	46,35,000	46,35,000	7.50	7.50
b) Pawas Port Limited	10	49,994	49,994	0.05	0.05
Investments measured at amortised cost - Bonds (Quoted)					
Perpetual Bonds					
9.56% State Bank of India	10,00,000	250	-	26.68	-
8.50% State Bank of India	10,00,000	250	-	26.37	-
8.75% State Bank of India	10,00,000	100	-	10.94	-
8.85% HDFC Bank Limited	10,00,000	300	-	32.62	-
8.99% Bank of Baroda	10,00,000	250	-	25.91	-
8.25% Bank of Baroda	10,00,000	200	-	21.22	-
Tax Free Bonds					
7.18% Indian Railway Finance Corporation 19 Feb 2023	1,000	1,00,000	-	10.78	-
8.23% Indian Railway Finance Corporation 18 Feb 2024	1,000	1,00,000	-	11.76	-
7.07% Indian Railway Finance Corporation 21 Dec 2025	1,000	60,000	-	6.90	-
7.93% Rural Electrification Corporation Limited 27 Mar 2022	1,000	60,000	-	6.59	-

(All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments : Non Current (Contd..)

Particulars	Face Value ₹*	Number of Shares as at *		Balances as at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
8.01% Rural Electrification Corporation Limited 24 Sep 2023	1,000	75,000	-	8.42	-
7.55% Indian Railway Finance Corporation 8 Nov 2021	1,00,000	250	-	2.64	-
7.19% Indian Railway Finance Corporation 31 July 2025	10,00,000	50	-	5.93	-
7.17% Rural Electrification Corporation Limited 23 July 2025	10,00,000	100	-	11.38	-
7.15% National Thermal Power Corporation Limited 21 Aug 2025	10,00,000	50	-	5.79	-
				1,085.26	455.53

*Number of shares/ bonds and face value are in full figures

The value of shares in full figures is ₹ 10,000/-

Particulars	March 31, 2021	March 31, 2020
Aggregate cost of Quoted Investments	315.11	102.67
Aggregate cost of Unquoted Investments	19.93	16.10
Aggregate Market Value of Quoted Investments	1,065.33	439.43

Fair Value disclosures

Fair value disclosures along with Fair value hierarchy disclosures for financial assets and liabilities are stated in Note 38.

Risk Management Strategy

Refer Note 39 on financial risk management objectives and policies for financial instruments.

In accordance with IND AS 27- Separate financial statement, company has valued its investment in associate at cost.

(All amounts in ₹ Crores, unless otherwise stated)

Note 5 : Non-current Loans

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Loans to employees	0.05	0.03
Security deposits	2.16	1.65
Other deposits	1.00	1.00
	3.21	**2.68**
Less: Loss Allowance	-	-
Total	**3.21**	**2.68**

There are no Loans and security deposits having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2021 (₹ Nil as at March 31, 2020)

Refer note 38 for classification of financial instruments by category and into fair value level of hierarchy

Note 6 : Other non-current financial assets

Particulars	March 31, 2021	March 31, 2020
Unsecured considered good		
Grant receivable under mega incentive schemes (Refer Note 19)	30.18	8.66
Total	**30.18**	**8.66**

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

Note 7 : Other non-current assets

Particulars	March 31, 2021	March 31, 2020
Unsecured considered good		
Capital advances	7.06	5.80
Prepaid expenses	0.15	0.98
Balances with government authorities	50.72	50.85
Total	**57.93**	**57.63**

(All amounts in ₹ Crores, unless otherwise stated)

Note 8 : Inventories

Particulars	March 31, 2021	March 31, 2020
Raw materials	373.41	333.03
Work-in-progress	79.52	53.53
Finished goods	398.30	402.07
Stock-in-trade	1.13	1.85
Stores and spares	61.28	62.97
Packing material	5.18	4.37
Total	**918.82**	**857.81**

a) Raw materials include goods in transit of ₹ 6.02 Crores (₹ 24.42 Crores as at March 31, 2020)

b) Write down of inventories to net realisable value amounted to ₹ 4.95 Crores (March 31, 2020: ₹ 3.33 Crores). These were recognised as an expense during the year.

c) The above inventories are hypothecated with bankers for working capital facilities. (Refer Note 20)

d) Refer Note 2.7 for basis of valuation of inventories.

Note 9 : Investments : Current

Particulars	Face Value ₹*	No. Of Units*		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investment in Mutual Fund classified as fair value through profit and loss (FVTPL)					
IDFC Ultra Short Term Fund Direct Growth	10	4,41,04,475	-	52.80	-
ICICI Prudential Fixed Maturity Plan Series 28 - 1185 Days Plan I Direct	10	2,41,65,680	-	30.56	-
Nippon India Floating Rate Fund Growth	10	1,43,55,726	-	51.66	-
Kotak Saving Fund Growth Direct Plan Growth	10	64,11,440	-	22.24	-
DSP Equity Opportunities Fund Direct - Growth	100	-	6,64,939	-	11.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Note 9 : Investments : Current

Particulars	Face Value ₹*	No. Of Units*		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
DSP Mid Cap Fund Direct - Growth	100	-	26,93,061	-	12.65
ICICI Prudential Overnight Fund Dir Growth	100	**5,93,923**	-	**6.59**	-
Nippon India Overnight Fund Direct Growth	100	**4,22,498**	-	**4.67**	-
DSP Overnight Fund Direct Growth	1,000	-	9,414	-	1.00
HDFC Overnight Fund Regular Growth	1,000	-	47,408	-	14.01
HDFC Overnight Fund Direct Growth	1,000	-	33,684	-	10.00
Axis Treasury Advantage Fund Direct Growth	1,000	**82,096**	-	**20.38**	-
Axis Overnight Fund Direct Plan Growth	1,000	**1,47,154**	-	**16.01**	-
DSP Ultra Short Term Fund Direct Growth	1,000	**1,74,731**	-	**49.87**	-
IDFC Over Night Fund Direct Growth	1,000	**148**	-	**0.02**	-
SBI Magnum Low Duration Fund - Growth	1,000	**1,43,579**	-	**40.14**	-
Investment in Fixed Deposits classified at Amortised cost					
Bajaj Finance Limited	-	-	-	-	75.00
LIC Housing Finance Limited	-	-	-	**212.00**	-
Total				**506.94**	**124.53**

Particulars	March 31, 2021	March 31, 2020
Aggregate Cost of Quoted Investments	**291.61**	55.00
Aggregate Market Value of Quoted Investments	**294.94**	49.53
Aggregate Amount of Unquoted Investments	**212.00**	75.00

*Number of mutual fund units and face value are in full figures

(All amounts in ₹ Crores, unless otherwise stated)

Note 9 : Investments : Current (Contd..)

Fair Value Disclosure

Fair value disclosures for financial assets & liabilities and fair value hierarchy disclosures for investment are stated in Note 38

Risk Management Strategy

Refer Note 39 on financial risk management objectives and policies for financial instruments.

Note 10 : Trade receivables

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Trade receivables	147.98	73.17
Less: Loss Allowance	-	-
Total	**147.98**	**73.17**

There are no trade receivables having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2021 (₹ Nil as at March 31, 2020)

There are no dues from private companies in which director of the company, is a director or a member.

Refer note 36 for terms and conditions relating to related party receivables.

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

Refer note 39 for credit risk of trade receivables.

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 upto 60 days. Company also charges interest @ 18% p.a. in case of delay in collection of trade receivables.

The above trade receivables are hypothecated with bankers for working capital facilities. (Refer Note 20)

(All amounts in ₹ Crores, unless otherwise stated)

Note 11.1 : Cash and cash equivalents

Particulars	March 31, 2021	March 31, 2020
Balances with banks		
In current accounts	**31.24**	36.99
Deposits with original maturity of less than three months	-	20.00
Cash on hand	**0.16**	0.29
Total	**31.40**	**57.29**

Note 11.2 : Other bank balances

Particulars	March 31, 2021	March 31, 2020
Unpaid dividend accounts	**28.24**	32.42
Deposits with original maturity more than 3 months but less than 12 months	**276.62**	3.50
Total	**304.86**	**35.92**

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

Note 12 : Current Loans

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Loans to Employees	**0.34**	0.31
Security deposits	**0.47**	0.59
	0.81	0.90
Less: Loss Allowance	-	-
Total	**0.81**	**0.90**

There are no loans and deposits having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2021 (₹ Nil as at March 31, 2020)

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

(All amounts in ₹ Crores, unless otherwise stated)

Note 13 : Other current financial assets

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Interest receivable on Deposits	10.32	4.60
Other receivables	0.63	2.27
Total	**10.95**	**6.87**

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

Note 14 : Other current assets

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Advances to vendors	53.46	42.93
Prepaid expenses	5.16	6.03
GST receivables	7.47	18.85
Total	**66.09**	**67.81**

Note 15 : Equity Share Capital

Particulars	March 31, 2021		March 31, 2020	
	No. of shares*	₹ in crores	No. of shares*	₹ in crores
Authorised equity share capital of ₹ 2 each (March 31, 2020 ₹ 10 each)				
Reconciliation of number of Equity Shares Authorised				
Shares outstanding at the beginning of the period	15,00,00,000	150.00	15,00,00,000	150.00
Increase in the number of shares on account of share split (Refer note (iv) below)	60,00,00,000	-	-	-
Shares outstanding at the end of the period	75,00,00,000	150.00	15,00,00,000	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**	**23,50,00,000**	**235.00**

(All amounts in ₹ Crores, unless otherwise stated)

Note 15 : Equity Share Capital (Contd..)

Particulars	March 31, 2021		March 31, 2020	
	No. of shares*	₹ in crores	No. of shares*	₹ in crores
Issued, Subscribed and fully paid up equity share capital of ₹ 2 each (March 31, 2020 ₹ 10 each)				
Reconciliation of number of Equity Shares and amount outstanding				
Shares outstanding at the beginning of the period	12,40,95,381	124.10	12,40,95,381	124.10
Increase in the number of shares on account of share split (Refer note (iv) below)	49,63,81,524	-		
Shares outstanding at the end of the period	62,04,76,905	124.10	12,40,95,381	124.10

out of above 21,63,000 (March 31, 2020 - 4,32,600) shares are held by Finolex Industries Limited Employee Welfare trust under ESOP scheme (refer note (iv) below)

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held*	% of Holding	No. of Shares held	% of Holding
Finolex Cables Limited	20,09,62,985	32.39%	4,01,92,597	32.39%
Orbit Electricals Private Limited	11,66,54,505	18.80%	2,33,30,901	18.80%

*Refer note (iv) below

i) The Company has not made any bonus issue of equity shares during last 5 years.

ii) The Company has only one class of equity shares having a par value of ₹ 2/- each post effect of share split (March 31, 2020 ₹10/-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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 15 : Equity Share Capital (Contd..)

iii) The Board of Directors have proposed on June, 25 2021, a Final Dividend of ₹ 2/- (100%) per equity share (subject to tax) and a Special Dividend of ₹ 2/- (100%) per equity share (subject to tax) for financial year 2020-21. The same is subject to approval of the shareholders of the Company at the annual general meeting for the year ended March 31, 2021. During the financial year ended March 31, 2020 the Board of Directors had declared Interim Dividend of ₹ 10 (100%) per share (Face Value of ₹ 10 each) on February, 27 2020 which is considered as final dividend.

iv) The Board of Directors at their Meeting held on February 1, 2021 approved the sub-division of each equity share of face value of ₹ 10/- fully paid up into 5 equity shares of face value of ₹ 2/- each fully paid up. The same has been approved by the Members on March 26, 2021 through postal ballot and e-voting. The effective date for the subdivision was April 16, 2021. Consequently the split of equity shares is been effected from April 16, 2021. Accordingly, equity shares and earning per shares have been adjusted for share split in accordance with IND AS 33 'Earning Per Share' read with Ind AS 10 Events after Reporting Period.

v) Capital Management:

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 20 and 11.1 offset by cash and cash equivalents) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Note 16 : Other Equity

Particulars	March 31, 2021	March 31, 2020
Reserves & Surplus		
- **Securities Premium Account**		
Opening Balance	151.27	151.27
Addition	-	-
Deletion	-	-
Closing Balance	**151.27**	**151.27**

Note 16 : Other Equity (Contd..)

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
- **Capital Redemption Reserve**		
Opening Balance	25.18	25.18
Addition	-	-
Deletion	-	-
Closing Balance	25.18	25.18
- General Reserve		
Opening Balance	394.50	394.50
Addition	-	-
Deletion	-	-
Closing Balance	394.50	394.50
- **Retained Earnings**		
Opening balance	1,431.92	1,409.47
Add :		
Profit for the period/ year	728.02	324.20
Other Comprehensive Income (net)	0.23	(2.53)
Re-measurement of defined benefit plan gain/(loss)		
Less : Appropriation		
Equity Dividend- Interim (March 31, 2020: ₹ 10 per share)	-	(124.10)
Dividend Tax on Dividend- Interim	-	(25.51)
Equity Dividend- Final (March 31, 2020: ₹ 10 per share)	-	(124.10)
Dividend Tax on Dividend- Final	-	(25.51)
Closing Balance	2,160.17	1,431.92
Other Reserves		
- **Equity Instruments through Other Comprehensive Income**		
Opening Balance	(197.16)	423.91
Add : Increase/ (Decrease) in fair value during the period/ year (net)	414.82	(621.07)
Closing Balance	217.66	(197.16)
Total	2,948.78	1,805.71

Note 16 : Other Equity (Contd..)

(All amounts in ₹ Crores, unless otherwise stated)

Note

Nature and purpose of reserves

1. **Capital Redemption Reserve**

   During financial year ended March 31, 2002 and March 31, 2003, the company bought back shares of the company out of free reserves and in order to comply with the requirements of company law the company created share capital buy back reserve to the extent of the face value of shares bought back.

2. **General reserve**

   General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Note 17 : Other non - current financial liabilities

Particulars	March 31, 2021	March 31, 2020
Security deposits	0.05	0.05
Dealer deposits	0.07	0.09
Total	**0.12**	**0.14**

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

Note 18.1 : Non-current provisions

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits		
Gratuity (Refer Note 35)	1.58	18.26
Compensated absences (Refer Note 35)	11.85	8.46
Total	**13.43**	**26.72**

Note 18.2 : Current provisions

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits		
Gratuity (Refer Note 35)	**1.95**	1.46
Compensated absences (Refer Note 35)	**1.88**	1.55
Total	**3.83**	**3.01**

Note 19 : Government grants

Particulars	March 31, 2021	March 31, 2020
Non-current portion	**65.76**	51.44
Current portion	**9.07**	6.24
Total	**74.83**	**57.68**

a) The company was entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives, for the period from 1st April, 2011 to 31st March 2018. Further, during the year the company has received extension for 5 years which will expire by March 2023. The aforesaid subsidy is 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 is recognising revenue from grant over the life of the property, plant and equipment.

Liability movement

Particulars	March 31, 2021	March 31, 2020
As at the beginning of the year	**57.68**	63.91
Recognised during the year	**26.22**	-
Transfer to the statement of profit and loss	**(9.07)**	(6.24)
As at the end of the year	**74.83**	**57.68**

b) The company has received the eligibility certificate for the industrial promotion subsidy under the package incentive scheme as mentioned above. The government grant accured during the current year aggregating ₹ 26.22 Crores (March 31,2020 - Nil)

(All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Government grants (Contd..)

Asset movement

Particulars	March 31, 2021	March 31, 2020
As at the beginning of the year	8.66	32.87
Add: Grant accrued during the year	26.22	-
Less: Grant received during the year	(4.70)	(18.83)
Less: Electricity duty adjusted against the current bill	-	(5.39)
As at the end of the year	**30.18**	**8.66**

Also refer note 6

Note 20 : Current borrowings

Particulars	March 31, 2021	March 31, 2020
Acceptances from banks : Buyers Credit		
Secured	134.46	266.88
Unsecured	19.39	15.79
	153.85	**282.67**
Working capital demand loan from bank- Unsecured	50.00	-
TOTAL	**203.85**	**282.67**

Details of terms of borrowings and security for the borrowings

The aggregate limits of working capital borrowings (fund and non fund based) of ₹ 1,395.75 Crores (March 31, 2020 : ₹ 1,395.75 Crores) from a consortium of lenders lead by Bank of India together with all interest, liquidated damages, costs, charges and other moneys payable under working capital consortium agreement/sanction letters are secured by:

1) Hypothecation of inventories and book debts; and

2) Extension of second equitable mortgage, created in favour of a consortium of lenders on pari passu basis with other second charge holder by deposit of title deeds with Axis Bank Limited (ABL), New Delhi. ABL acting as an agent for the Consortium, which ranks subsequent and subservient in rank of priority over the first equitable mortgages created by deposit of title deeds in respect of immoveable properties falling within the battery limit of the site of the Company's plant for manufacture of PVC Resin, situated at Village Golap, District Ratnagiri in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

   Refer Note 39 for discussion on Company's financial risk management policies and procedures

(All amounts in ₹ Crores, unless otherwise stated)

Note 21 : Trade payables

Particulars	March 31, 2021	March 31, 2020
Trade payables		
a) total outstanding dues of Micro & Small Enterprises (Refer Note 41)	24.42	1.18
b) total outstanding dues of creditors other than Micro & Small Enterprises	370.79	227.02
Total	**395.21**	**228.20**

Trade payables including related parties are non-interest bearing and are normally settled within 30 to 45 days.

Refer Note 39 for discussion on Company's financial risk management policies and procedures.

Note 22 : Other current financial liabilities

Particulars	March 31, 2021	March 31, 2020
Interest accrued but not due	0.14	0.56
Employee benefits payable	44.72	22.93
Payable for expenses	169.69	74.79
Payable for capital purchases	6.41	5.20
Unpaid dividend	28.24	32.42
Total	**249.20**	**135.90**

Refer Note 39 for discussion on Company's financial risk management policies and procedures.

Note 23 : Other current liabilities

Particulars	March 31, 2021	March 31, 2020
Advances from customers	13.82	23.25
Statutory dues (includes indirect and witholding taxes)	36.40	12.11
Total	**50.22**	**35.36**

Note 24 : Income Taxes

(All amounts in ₹ Crores, unless otherwise stated)

The note below details the major components of income tax expenses for the year ended 31 March 2021 and 31 March 2020. 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.

A Composition of income tax expense is as follows:

Particulars	March 31, 2021	March 31, 2020
Statement of profit and loss		
Current tax		
Current income tax charge	247.00	103.56
Adjustments in the period for current tax of prior periods	-	-
Deferred tax		
Relating to temporary differences	1.78	(34.57)
Income tax expense reported in the statement of profit and loss	**248.78**	**68.99**
Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year:		
Remeasurement gains/ (losses) on defined benefit plans	(0.08)	0.85
Fair value changes of financial assets	(0.83)	0.08
Income tax charged to OCI	**(0.91)**	**0.93**

B 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, 2021	March 31, 2020
Accounting profit before tax expense	976.80	393.19
At applicable tax rate @ 25.168%	245.84	98.96
Adjustments For:		
Donations expenses	0.01	0.32
Corporate Social Responsibility expenses	2.26	2.50
Provision for expenses not allowed in tax	-	1.22
Other non-deductible expenses	5.10	0.11

Note 24 : Income Taxes (Contd..)

(All amounts in ₹ Crores, unless otherwise stated)

B Reconciliation between tax expense and accounting profit multiplied by tax rate (Contd..)

Particulars	March 31, 2021	March 31, 2020
Dividend income accrued in current year exempt from tax	-	(2.75)
Agricultural income U/S.10(1) (Income from Mango Harvesting contract.)	(0.01)	(0.01)
Deductions allowed under income tax	(4.15)	(0.17)
Other income credited to profit & loss A/c, either exempt or considered separately	(0.27)	11.09
Impact of Change in tax rate	-	(42.27)
Tax expense as per statement of Profit and loss	**248.78**	**68.99**

The Company's effective tax rates for the year ended March 31, 2021 and March 31, 2020 were 25.47% and 17.55% respectively.

C Composition of deferred tax assets and deferred tax liabilities and deferred tax (expense)/income

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2021	March 31, 2020	March 31, 2021	MarcKh 31, 2020
Deferred tax liabilities				
Depreciation	(140.84)	(139.03)	(1.81)	42.73
Fair valuation of FVTOCI investment	(1.00)	(0.16)	(0.84)	-
Fair valuation of FVTPL investment	(0.86)	-	(0.86)	1.38
Deferred tax assets			-	
Fair valuation of FVTOCI investment		-	-	-
Government grant- Deferred	18.83	14.52	4.31	(7.81)
Fair valuation of FVTPL investment	-	1.37	(1.37)	1.37
Provision for Doubtful debts & advances	-	-	-	(1.69)
TDS Disallowance	1.01	-	1.01	-
Leave encashment	3.46	2.52	0.94	(0.24)
Defined benefit obligation and others	0.89	4.97	(4.07)	(1.17)
Deferred tax (expense)/income			(2.69)	34.57
Net deferred tax assets/(liabilities)	**(118.51)**	**(115.82)**		

Note 24 : Income Taxes (Contd..)

(All amounts in ₹ Crores, unless otherwise stated)

D 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, 2021	March 31, 2020
As at the beginning of the year	**(115.82)**	(151.33)
Tax (expense)/ income recognised in the statement of profit and loss	**(1.78)**	34.57
Tax (expense)/ income recognised in the OCI	**(0.91)**	0.93
As at the end of the year	**(118.51)**	**(115.82)**

E Composition of deferred tax (expense)/ income recognised in the statement of profit and loss

Particulars	March 31, 2021	March 31, 2020
Deferred tax income	**(8.95)**	35.98
Deferred tax expense	**6.26**	(1.41)
Net deferred tax (expense)/ income	**(2.69)**	**34.57**

Tax Losses

Particulars	March 31, 2021	March 31, 2020
Unused tax losses for which no Deferred Tax Assets have been recognised- Long term capital Losses	**24.39**	24.39
Potential Tax benefit	**5.68**	5.68

During the previous year ended 31 March 2020, the Company had paid dividend to its shareholders. This had resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that dividend distribution tax represented additional payment to taxation authority on behalf of the shareholders. Hence dividend distribution tax paid was charged to equity.

During the year 2019-20, new section 115BAA is introduced by the CBDT. As per this section, option is given to all existing companies to either pay Income

Note 24 : Income Taxes (Contd..)

(All amounts in ₹ Crores, unless otherwise stated)

E Composition of deferred tax (expense)/ income recognised in the statement of profit and loss (Contd..)

tax as per the existing rates (i.e. 25% or 30% plus applicable surcharge and cess) or as per concessional rate of 22% plus applicable surcharge and cess. This new rate is available only if company forgoes certain exemptions and deductions. Since this new rate is beneficial, company has adopted the new tax rate of 25.168% (i.e. 22% including surcharge and cess) for computing Income tax & deferred tax for year ended 31 March, 2021.

Note 25 : Revenue from operations

Particulars	March 31, 2021	March 31, 2020
Revenue from sale of products	**3,437.55**	2,956.20
Other operating revenue		
a) Scrap sales	**14.31**	19.92
b) Recovery of port charges	**1.89**	2.15
c) Government grant/Subsidy (Refer Note 19)	**9.07**	6.24
Total	**3,462.82**	**2,984.51**

Note: The company derives revnue form sale of Pipe & Fittings and PVC resin, which is disclosed in note no. 33 as segment revenue. Hence, no disaggregation of revenue is provided seperately.

Note 26 : Other income

Particulars	March 31, 2021	March 31, 2020
I) Interest on		
a) Deposit with bank and financial institution	**19.35**	4.59
b) Interest on Investment in bonds	**10.43**	-
c) On advance to vendor	**3.77**	3.22
d) Income Tax refund	**0.16**	-
e) Overdue receivables from customers	**0.01**	0.08
f) Others	**0.01**	0.28
II) Dividend from non-current investments		
a) Classified as fair value through FVTPL	**0.01**	0.01
b) Classified as fair value through FVTOCI	**12.20**	9.98
c) Classified at cost- Associate	**0.93**	0.93

Note 26 : Other income (Contd..)

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
III) Other non-operating income		
a) Insurance claims received	0.13	0.91
b) Net gains/(losses) on fair value changes on investment classified as FVTPL	3.49	(2.73)
c) Net gains/ (losses) on sale of current investments (mutual funds) classified as FVTPL	7.22	8.92
d) Net foreign currency exchange gain on transaction and translations	14.36	-
e) Excess provision written back	0.33	1.35
f) Credit balances written back	0.01	0.22
g) Others	0.07	3.08
Total	**72.48**	**30.84**

Note 27 : Cost of materials consumed

Particulars	March 31, 2021	March 31, 2020
Cost of raw materials consumed	1,912.31	2,007.31
Packing material consumed	27.93	30.40
Total	**1,940.24**	**2,037.71**

Note 28 : Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	March 31, 2021	March 31, 2020
Inventories at the end of the year		
Work-in-progress	79.52	53.53
Finished goods	398.28	402.07
Stock-in-trade	1.13	1.85
Sub Total (A)	**478.93**	**457.45**
Inventories at the beginning of the year		
Work-in-progress	53.53	44.96
Finished goods	402.07	302.28
Stock-in-trade	1.85	1.33
Sub Total (B)	**457.45**	**348.57**
Changes in inventories of finished goods, work-in-progress and stock in trade (B-A)	**(21.48)**	**(108.88)**

Note 29 : Employee benefits expense

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
Salaries, wages and bonus	148.20	126.54
Gratuity fund expenses (refer Note 35)	2.88	2.53
Contribution to provident fund and other funds (refer Note 35)	5.17	4.84
Staff welfare expenses	10.55	11.64
Total	**166.80**	**145.55**

Note 30 : Finance cost

Particulars	March 31, 2021	March 31, 2020
Interest expense on borrowings and others	7.67	2.99
Other borrowing costs	1.75	1.79
Exchange differences regarded as an adjustment to borrowing cost	(2.15)	6.50
Total	**7.27**	**11.28**

Note 31 : Depreciation and amortisation expense

Particulars	March 31, 2021	March 31, 2020
Depreciation on property, plant and equipment	77.15	73.13
Amortisation of intangible assets	0.57	0.68
Total	**77.72**	**73.81**

Note 32 : Other expenses

Particulars	March 31, 2021	March 31, 2020
Power and fuel	97.85	107.99
Stores and spares consumed	34.48	29.29
Other manufacturing expenses	97.48	104.20
Rent on Short term or low value leases	1.74	2.12
Rates and taxes	13.04	10.61
Insurance	12.92	9.12
Repairs & maintenance (buildings)	6.36	15.06
Repairs & maintenance (plant & machinery)	15.42	31.47

Note 32 : Other expenses

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
Repairs & maintenance (others)	3.20	2.63
Communication expenses	1.77	3.15
Travelling and conveyance	3.80	8.37
Directors' sitting fees	0.43	0.38
Commission to non-executive directors	3.00	1.00
Auditor's remuneration :		
- Statutory audit fees	0.29	0.29
- Tax audit fees	0.05	0.05
- Limited review	0.06	0.06
- GST audit fees	-	0.05
- Certification	0.08	0.03
- Out of pocket expenses	-	0.02
Advertisement, publicity and sales promotion	46.74	48.29
Freight outward expenses	0.51	1.62
Loss on sale/ discarded assets	0.61	0.67
Legal and professional fees	11.31	8.10
Donations	0.03	2.56
Corporate social responsibility (CSR) (refer note below)	9.00	11.92
Security expenses	8.06	8.03
Information technology maintenance	4.44	8.15
Net loss on foreign currency transactions and translations (other than considered as finance cost)	-	23.85
Miscellaneous expenses	5.28	9.77
Total	**377.95**	**448.85**

Corporate social responsibility (CSR) :

Particulars	March 31, 2021	March 31, 2020
Contribution to Mukul Madhav Foundation Trust (related party)	7.60	11.42
Contribution to others	1.40	0.50
	9.00	11.92
a) Amount required to be spent during the period	8.81	9.61
b) Amount spent during the year on:	9.00	11.92
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	9.00	11.92

Note 33 : Segment Information

(All amounts in ₹ Crores, unless otherwise stated)

The Company is in the business of manufacturing of PVC resin and PVC pipes & fittings. Therefore as per Ind AS 108 "Operating Segments", the Company has disclosed two segments i.e. PVC resin and PVC pipes & 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 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, 2021

Particulars	PVC	Pipes & fittings	Total segments	Adjustments and eliminations	Total
Revenue					
External customers	827.52	2,635.30	3,462.82	-	3,462.82
Inter-segment	1,445.79	-	1,445.79	(1,445.79)	-
Total revenue	2,273.31	2,635.30	4,908.61	(1,445.79)	3,462.82
Income/(Expenses)					
Depreciation and amortisation	(13.99)	(46.27)	(60.26)	-	(60.26)
Segment profit	696.40	251.19	947.59	-	947.59
Total assets	975.96	1,115.98	2,091.94	-	2,091.94
Total liabilities	323.62	90.68	414.30	-	414.30
Other disclosures					
Capital expenditure	7.83	57.57	65.40	-	65.40

Year ended March 31, 2020

Particulars	PVC	Pipes & fittings	Total segments	Adjustments and eliminations	Total
Revenue					
External customers	430.56	2,553.95	2,984.51		2,984.51
Inter-segment	1,247.13	-	1,247.13	(1,247.13)	-
Total revenue	**1,677.69**	**2,553.95**	**4,231.64**	**(1,247.13)**	**2,984.51**
Income/(Expenses)					
Depreciation and amortisation	(14.05)	(42.19)	(56.24)	-	(56.24)
Segment profit	199.59	202.24	401.83	-	401.83
Total assets	**959.33**	**1,022.21**	**1,981.54**	**-**	**1,981.54**
Total liabilities	**178.05**	**77.42**	**255.47**	**-**	**255.47**
Other disclosures	8.77	45.97	54.74		54.74
Capital expenditure					

(All amounts in ₹ Crores, unless otherwise stated)

Note 33 : Segment Information (Contd..)

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 and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed for the entity as a whole.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed for the entity as a whole.

Capital expenditure consists of additions of property, plant and equipment and intangible assets and additions to capital work in progress.

Inter-segment revenues are eliminated on consolidation.

Reconciliation of profit

Particulars	March 31, 2021	March 31, 2020
Segment profit	947.59	401.83
Unallocable income	57.80	29.34
Finance costs	(7.27)	(11.28)
Unallocable expense	(21.32)	(26.70)
Profit before tax	976.80	**393.19**

Reconciliation of assets

Particulars	March 31, 2021	March 31, 2020
Segment operating assets	2,091.94	1,981.54
Current tax assets	31.93	42.34
Financial assets carried at FVTPL	0.55	0.40
Financial assets carried at FVTOCI	863.23	447.58
Financial assets carried at cost	7.55	7.55
Financial assets carried at Amortised cost	213.92	-
Current investments	506.94	124.53
Cash and cash equivalents (including other bank balances)	336.26	93.21
Other unallocated assets	154.54	118.16
Total assets	4,206.86	**2,815.31**

(All amounts in ₹ Crores, unless otherwise stated)

Note 33 : Segment Information (Contd..)

Reconciliation of liabilities

Particulars	March 31, 2021	March 31, 2020
Segment operating liabilities	414.30	255.47
Deferred tax liabilities	118.51	115.82
Trade payables	1.14	1.18
Current Tax Liability	24.78	-
Short term borrowings	203.85	282.67
Financial liabilities at amortised cost	214.53	97.86
Interest accrued	0.14	0.56
Unpaid dividend	28.24	32.42
Statutory Dues	36.40	12.11
Provisions	17.26	29.73
Government Grant	74.83	57.68
Total liabilities	**1,133.98**	**885.50**

Capital employed : Segment Assets (-) Segment Liabilities

Particulars	March 31, 2021	March 31, 2020
PVC	975.96	959.33
PVC Pipes & Fittings	1,115.98	1,022.21
Unallocated	2,114.92	833.77
Total Segment Assets	**4,206.86**	**2,815.31**
PVC	323.62	178.05
PVC Pipes & Fittings	90.68	77.42
Unallocated	719.68	630.03
Total Segment Liabilities	**1,133.98**	**885.50**
PVC	652.34	781.28
PVC Pipes & Fittings	1,025.30	944.79
Unallocated	1,395.24	203.74
Capital Employed	**3,072.88**	**1,929.81**

Geographic information

The company considers Indian markets as whole and hence no separate geographical information has been provided.

Note 34 : Earnings Per Share (EPS)

(All amounts in ₹ Crores, unless otherwise stated)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. In compliance with Indian Accounting Standard 33 - 'Earnings per share', the disclosure of earnings per share for the year ended March 31, 2021 and March 31, 2020 has been arrived at after giving effect of share split. (Refer Note 15 (iv))

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, 2021**	**March 31, 2020**
Basic		
Profit for the year before Tax (in ₹ Crores)	**976.80**	393.19
Less : Attributable Tax thereto	**248.78**	68.99
Net profit / (loss) after tax (in ₹ Crores)	**728.02**	324.20
Weighted average number of equity shares*	**62,04,76,905**	62,04,76,905
Basic earnings/(loss) per share of ₹ 2 each	**11.73**	**5.23**

*Refer note 15 (iv) for shares split

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 5.17 Crores (March 31, 2020: ₹ 4.84 Crores) is recognised as expenses and included in Note No. 29 Employee benefit expense

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 salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

March 31, 2021 : Changes in defined benefit obligation and plan assets

	April 1, 2020	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2021
		Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (Note 29)		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		
Gratuity												
Defined benefit obligation	23.81	1.85	1.40	3.25	(1.64)	-	-	(0.31)	0.06	(0.25)	-	**25.18**
Fair value of plan assets	4.09	-	0.44	0.44	(1.64)	-	-	0.19	(0.17)	0.02	18.75	**21.65**
Total benefit liability	**19.72**	**1.85**	**0.96**	**2.81**	**-**	**-**	**-**	**(0.50)**	**0.23**	**(0.27)**	**(18.75)**	**3.53**

Note 35 : Disclosure pursuant to Employee benefits (Contd..)

March 31, 2020 : Changes in defined benefit obligation and plan assets

(All amounts in ₹ Crores unless otherwise stated)

Particulars	April 1, 2019	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2020
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 29)		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		
Gratuity												
Defined benefit obligation	19.25	1.41	1.38	2.79	(1.61)	-	-	1.89	1.49	3.38	-	23.81
Fair value of plan assets	4.16	(0.06)	0.32	0.26	(1.61)	-	-	(0.01)	0.01	-	1.28	4.09
Total benefit liability	**15.09**	**1.47**	**1.06**	**2.53**	**-**	**-**	**-**	**1.90**	**1.48**	**3.38**	**(1.28)**	**19.72**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	March 31, 2021	March 31, 2020
Insured managed funds (LIC)	**21.65**	4.09
(%) of total plan assets	**100%**	100%

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits (Contd..)

The principal assumptions used in determining above defined benefit obligations for the Group's plans is shown below:

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.30%	6.10%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.10%	7.50%
Expected average remaining working lives (in years)		
Gratuity	9.31	9.26
Compensated absences	9.31	9.26
Withdrawal rate (based on grade and age of employees)		
Gratuity	7.00%	7.00%
Compensated absences	7.00%	7.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		March 31, 2021	March 31, 2020
Discount rate	1% increase	1.43	1.38
	1% decrease	(1.60)	(1.55)
Future salary increase	1% increase	1.34	1.29
	1% decrease	(1.23)	(1.18)
Withdrawal rate	1% increase	(0.13)	(0.14)
	1% decrease	0.14	0.15

The sensitivity analyses above have 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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits (Contd..)

The same method has been applied for the sensitivity analysis as when calculating the recognised defined benefit obligation.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	5.09	4.88
Between 2 and 5 years	11.18	10.35
Beyond 5 years	18.15	17.34
Total expected payments	**34.42**	**32.57**

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	March 31, 2021	March 31, 2020
Gratuity	9.14	9.13

The followings are the expected contributions to planned assets for the next year:

Particulars	March 31, 2021	March 31, 2020
Gratuity	1.95	1.46

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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits (Contd..)

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise 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 uncertainities in estimating this increasing risk.

2. Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. 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, 2021 : Changes in defined benefit obligation of compensated absences

Particulars	April 1, 2020	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2021
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 29)			
Compensated absences								
Defined benefit obligation	10.01	1.48	0.60	2.21	4.29	(0.57)	-	**13.73**
Benefit liability	10.01	1.48	0.60	2.21	4.29	(0.57)	-	**13.73**

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits (Contd..)

March 31, 2020 : Changes in defined benefit obligation of compensated absences

Particulars	April 1, 2019	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2020
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 29)			
Compensated absences								
Defined benefit obligation	7.89	1.23	0.53	2.04	3.80	(1.68)	-	10.01
Benefit liability	7.89	1.23	0.53	2.04	3.80	(1.68)	-	**10.01**

Note 36 : Related party transactions

Related parties have been identified on the basis of requirement of Ind AS 24 'Related Party Disclosures' and representation made by the Key Management Personnel and taken on record by the Board.

A. Names of the related party and nature of relationship where control exists

There are no parties where control exists.

B. Name of the related parties with whom transactions have been entered into

Name of the related party	Nature of relationship
Orbit Electircals 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	
Mrs. Ritu P. Chhabria	Relative of Key Management Personnel
Ms. Gayatri P. Chhabria	Relative of Key Management Personnel
Finolex Industries Limited Employees Gratuity Fund	Post employment benefit plan of company

(All amounts in ₹ Crores, unless otherwise stated)

Note 36 : Related party transactions (contd..)

C. Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Prakash P. Chhabria	Executive Chairman
Mr. Sanjay S. Math	Managing Director
Mr. Anil V. Whabi	Director Finance & CFO

D. Transactions with Related Parties

Particulars	March 31, 2021	March 31, 2020
I. Sales, services and other income		
Sale of goods		
Finolex Plasson Industries Private Limited	2.74	20.54
Dividend Received		
Finolex Cables Limited	12.20	9.98
Finolex Plasson Industries Private Limited	0.93	0.93
II. Expenses		
Short-term employee benefits:*		
Salary and perquisites	5.49	**5.24**
Mr. Prakash P. Chhabria	2.74	2.74
Mr. Sanjay S. Math	1.50	1.25
Mr. Anil V. Whabi	1.25	1.25
Commission:	23.20	**7.50**
Mr. Prakash P. Chhabria	15.00	5.00
Mr. Sanjay S. Math	5.20	1.50
Mr. Anil V. Whabi	3.00	1.00
Mrs. Ritu P. Chhabria (Sitting fees)	0.03	0.03
Mrs. Ritu P. Chhabria (commission)	0.41	0.13
Ms. Gayatri Chhabria (Salary)	0.10	0.05
Dividend paid		
Finolex Cables Limited	-	80.39
Orbit Electricals Private Limited	-	46.66
Contribution towards corporate social responsibility		
Mukul Madhav Foundation	7.60	11.42
Contributions paid		
Finolex Industries Limited Employees Gratuity Fund	18.75	1.28

(All amounts in ₹ Crores, unless otherwise stated)

Note 36 : Related party transactions (contd..)

D. Transactions with Related Parties (Contd..)

Particulars	March 31, 2021	March 31, 2020
Amount payable to*		
	24.03	**8.32**
Mr. Prakash P. Chhabria	**15.47**	5.46
Mr. Sanjay S. Math	**5.39**	1.69
Mr. Anil V. Whabi	**3.17**	1.17
Mrs. Ritu P. Chhabria (commission)	**0.41**	0.13
Ms. Gayatri Chhabria (Salary)	**0.01**	0.01
Finolex Plasson Industries Private Limited	**0.07**	0.10

*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

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.

Commitments with related parties

The company has not given any commitment to the related party as at March 31, 2021 (March 31, 2020: ₹Nil)

Note 37 : Commitments and contingencies

37.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2021 ₹ 23.82 Crores(March 31, 2020: ₹ 28.38 Crores)

(All amounts in ₹ Crores, unless otherwise stated)

Note 37 : Commitments and contingencies (Contd..)

37.2 Contingent liabilities

Particulars	March 31, 2021	March 31, 2020
Claims against the Company not acknowledged as debt		
a) Liabilities in respect of income tax matters for which the Company has succeeded in appeal but Income Tax Department has gone in further appeal.	0.10	0.10
b) Liabilities in respect of income tax matters for which the Company has gone in further appeal.	4.70	3.98
c) Excise/Customs/Service Tax in respect of which either show cause notice is received or the Company/Department is in appeal.	91.43	78.01
d) Sales Tax matters in respect of which either show cause notice is received or the Company/ Department is in appeal.	4.59	3.27
e) Consumer Protection matters in respect of which customers have gone for recovery on account of quality claims.	0.27	0.27

Note 38 : 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 & 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 accounting standard 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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 38 : Fair value of financial assets and liabilities (Contd..)

Classification of financial instruments by category and into fair value level of hierarchy as at March 31, 2021

Particulars	Amortised Cost	FVTPL			FVTOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current investments:							
Investment in equity shares/ bonds of :							
Quoted							
Equity instruments	-	0.55	-	-	850.85	-	-
Bonds	213.92	-					
UnQuoted							
Equity instruments*	7.55	-	-	-	-	-	12.38
Current investments:							
Investments in units of mutual funds	-	294.94	-	-	-	-	-
Deposit with Non Banking Financial institutions	212.00	-	-	-	-	-	-
Trade and other receivables	147.98	-	-	-	-	-	-
Loans	4.02	-	-	-	-	-	-
Cash & cash equivalents	31.40	-	-	-	-	-	-
Other bank balances	304.86	-	-	-	-	-	-
Other financial assets	41.13	-	-	-	-	-	-
Total	962.86	295.49	-	-	850.85	-	12.38
Financial liabilities							
Borrowings	203.85	-	-	-	-	-	-
Trade and other payables	395.21	-	-	-	-	-	-
Other financial liabilities	249.32	-	-	-	-	-	-
Total	848.38	-	-	-	-	-	-

*In accordance with IND AS 27- Separate financial statement, company has valued its investment in associate at cost.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	Amortised Cost	FVTPL			FVTOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current investments:							
Investment in equity shares of :							
Quoted							
Equity instruments	-	0.40	-	-	439.03	-	-
UnQuoted							
Equity instruments	7.55	-	-	-	-	-	8.55
Current investments:							
Investments in units of mutual funds	-	49.53	-	-	-	-	-
Deposit with Non Banking Financial institutions	75.00	-	-	-	-	-	-
Trade and other receivables	73.17	-	-	-	-	-	-

(All amounts in ₹ Crores, unless otherwise stated)

Note 38 : Fair value of financial assets and liabilities (Contd..)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020: (Contd..)

Particulars	Amortised Cost	FVTPL			FVTOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans	3.58	-	-	-	-	-	-
Cash & cash equivalents	57.29	-	-	-	-	-	-
Other bank balances	35.92	-	-	-	-	-	-
Other financial assets	15.53	-	-	-	-	-	-
	268.04	**49.93**	**-**	**-**	**439.03**	**-**	**8.55**
Financial liabilities							
Borrowings	282.67	-	-	-	-	-	-
Trade and other payables	228.20	-	-	-	-	-	-
Other financial liabilities	136.04	-	-	-	-	-	-
Total	**646.91**	**-**	**-**	**-**	**-**	**-**	**-**

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, accrued interest, trade payables, borrowings, trade payables 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 investment 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 investment in mutual funds is determined using the quoted price (NAV) of the respective units in the active market at the measurement date. The Company has not performed a fair valuation of its investment in unquoted ordinary shares of Saraswat Co-op Bank Ltd , which are classified as FVTPL (refer Note 4), as the Company believes that impact of change, if any , on account of fair value is insignificant.

(All amounts in ₹ Crores, unless otherwise stated)

Note 38 : Fair value of financial assets and liabilities (Contd..)

Fair value of financial instruments classified at FVTOCI:

These financial instruments consist of investment 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 31 March 2021 and 31 March 2020, there were no transfers between Level 1 and Level 2 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.

Valuation inputs used in Level 3 and sensitivity of inputs to fair value:

Particulars	As at March 2021	As at March 2020	Valuation technique adopted	Significant unobservable inputs	Weighted average range		Sensitivity of Input to FV
					As at March 2021	As at March 2020	
Non Current Investments - Unquoted equity shares	12.38	8.55	Net asset method	Recknor rate	890-1880	890-1160	Increase/ (decrease) in the rate would decrese/(increase) the fair value.

Note 39 : Financial risk management objective and policies

Risk Category	Exposure arising from	Measurement	Management
Credit risk	Cash and 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 and other financial liabilities	Rolling cash flow forecasts	Senior management ensures that the future cash flow needs are met through cash flow from the operating activities and short term borrowings from banks.

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

Risk Category	Exposure arising from	Measurement	Management
Market risk-interest rate risk	No risk since compny has no exposure of long term borrowings	Not applicable	Not applicable
Market risk-currency risk	Recognised Financial liabilities not denominated in INR	Sensitivity analysis	Natural hedging
Market risk-price risk	Investments	Sensitivity analysis	Portfolio diversification

The Company's principal financial liabilities comprise short term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade receivables and cash and cash equivalents 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

The Company evaluates credit risk with respect to trade receivables as significantly low, as its payment terms are mostly advance basis.

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

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 counter parties and within credit limits assigned to each counterparty. Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment company adjust it's exposure to various counterparties. Company's maximum exposure to credit risk for the other components of balance sheet is the carrying amount as disclosed below:

Particulars	Asset group	Internal rating	Carrying amount net of impairment provision	
			As at March 31 2021	As at March 31 2020
Financial assets for which credit risk has not increased significantly from inception	Investments	A	1,592.19	580.06
	Loans	A	4.02	3.58
	Other financial assets	A	41.13	15.53

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. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost. Company enjoys strong access to domestic and international capital market across debt, equity and hybrids.

The table summarises the maturity profile of group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2021

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Short term borrowings	-	203.85	-	-	203.85
Trade payables	7.50	387.71	-	-	395.21
Other financial liabilities	34.12	107.04	108.04	0.12	249.32

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

As at March 31, 2020

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Short term borrowings	-	282.67	-	-	282.67
Trade Payables	36.20	192.00	-	-	228.20
Other financial liabilities	52.95	35.63	47.32	0.13	136.04

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 interest rate risk, currency risk and other price risk such as equity price risk and commodity 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 31 March 2021 and 31 March 2020. 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 31 March 2021.

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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

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.

Details of foreign currency exposures (Unhedged)

Nature of exposure	Currency	As at March 31, 2021	As at March 31, 2020
Financial liabilities			
Borrowings (Secured)	USD	1.84	3.53
Borrowings (Unsecured)	USD	0.27	0.21
Interest on borrowings	USD	0.00	0.01
Trade payables	USD	4.38	1.99
Trade payables	EURO	0.00	0.01

Currency wise net exposure (liabilities - assets)

Currency	Amount in Foreign Currency	
	31 March 2021	31 March 2020
USD	6.49	5.74
EURO	0.00	0.01

Sensitivity Analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD & 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	31 March 2021	31 March 2020
Net unhegded exposure in INR		
USD	474.17	434.09
EURO	0.00	0.64

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

Sensitivity Analysis (Contd..)

As at	Change in USD rate	Impact on profit before tax and equity (INR Strengthen)	Impact on profit after tax and equity (INR Strengthen)
31-Mar-21	+5%	23.71	17.74
	-5%	(23.71)	(17.74)
31-Mar-20	+5%	21.70	16.24
	-5%	(21.70)	(16.24)

As at	Change in Euro rate	Impact on profit before tax and equity (INR Strengthen)	Impact on profit after tax and equity (INR Strengthen)
31-Mar-21	+5%	0.00	0.00
	-5%	0.00	0.00
31-Mar-20	+5%	0.03	0.02
	-5%	(0.03)	(0.02)

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 short term borrowings with fixed interest rates and hence the future cash-flows of relevant financial instrument are not affected by changes in market interest rate.

c) Price risk

i) Commodity Price risk

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 and 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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

c) Price risk (Contd..)

Commodity price sensitivity]

The following table shows the effect of price changes for VCM, Ethylene EDC after the impact of hedge accounting:

Particulars	Change in year-end price	Effect on profit before tax
March 31, 2021		
VCM	+5%	37.19
	-5%	(37.19)
Ethylene	+5%	10.93
	-5%	(10.93)
EDC	+5%	13.92
	-5%	(13.92)
March 31, 2020		
VCM	+5%	30.37
	-5%	(30.37)
Ethylene	+5%	12.97
	-5%	(12.97)
EDC	+5%	17.17
	-5%	(17.17)

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.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 12.38 Crores . A decrease of 10% in the fair value will have an impact of approximately ₹ 1.24 Crores on OCI. An increase of 10% in the value of the securities would also impact OCI.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 850.85 Crores. A decrease of 10% on the NSE market index could have an impact of approximately ₹ 85.08 Crores on OCI and ₹ 0.055 Crores on Profit and loss or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI, profit and loss and equity.

(All amounts in ₹ Crores, unless otherwise stated)

Note 41 : Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006 (as amended)

Particulars	March 31, 2021	March 31, 2020
Principal amount outstanding as on year end *	24.42	1.18
Principal amount outstanding and overdue out of above	1.82	0.07
Interest due on above	0.00	0.00
Interest paid	-	-
Payment made beyond appointment date during the year	3.21	9.44
Interest due and payable for overdue payments made during the year	0.04	0.05
Total Interest accrued and remaining unpaid	0.04	0.06
Amount of further interest remaining due and payable in succeeding years	0.18	0.14

*Mainly includes retention money

Note : The information has been given in respect of such vendors on the basis of information available with the company.

Note 42 : Impact of lockdown due to Novel Corona Virus

The Company's factories which had to suspend operations temporarily from the March 23, 2020, due to Government's directives relating to the Novel Corona Virus causing Covid 19, resumed operations in a phased manner at different plants from April 29, 2020 onwards in accordance with the guidelines and norms prescribed by the Government authorities.

The Company has evaluated the impact of Covid 19 on the operations of the Company, inventories, investments, property, plant & equipment, current borrowings and trade payables. The management has considered the possible effects, if any, on the carrying amounts of these assets and liabilities up to the date of approval of these financial statements. Based on the information from the internal and external sources; the management estimates to recover the carrying amount of these assets and currently does not anticipate any material impairment.

(All amounts in ₹ Crores, unless otherwise stated)

Note 40 : 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 that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it 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, 2021**	**March 31, 2020**
Borrowings-Buyer's credit & Unsecured Loan	**203.85**	282.67
Debt	**203.85**	282.67
Share Capital	**124.10**	124.10
Other equity	**2,948.78**	1,805.71
Equity	**3,072.88**	1,929.81
Debt/equity ratio	**6.63%**	14.65%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

(Net Debt)/Surplus Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended 31 March 2021

Particulars	**March 31, 2021**	**March 31, 2020**
Cash and other liquid assets	**1,028.88**	185.32
Current Borrowings	**(203.85)**	(282.67)
(Net Debt)/Surplus	**825.03**	**(97.35)**

Particulars	**Other Assets**	**Liabilities from financing activity**	**TOTAL**
	Cash and Cash Equivalents	**Current Borrowings**	
(Net Debt)/Surplus as on April 01, 2020	**185.32**	**(282.67)**	**(97.35)**
Cash Inflow/(outflow)	843.56	78.82	922.38
(Net Debt)/Surplus as on March 31, 2021	**1,028.88**	**(203.85)**	**825.03**

(All amounts in ₹ Crores, unless otherwise stated)

Note 43 : Previous year comparatives

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W/W100682

Nachiket Deo
Partner
M.No. 117695
Pune
June 25, 2021

For FINOLEX INDUSTRIES LIMITED

Prakash P. Chhabria
Executive Chairman
DIN: 00016017
London

Bhumika L. Batra
Director
DIN: 03502004
Mumbai

Ritu P. Chhabria
Director
DIN: 00062144
London

Kanchan U. Chitale
Director
DIN: 01361110
Mumbai

Saurabh S. Dhanorkar
Director
DIN: 00011322
Pune

Sanjay S. Math
Managing Director
DIN: 01874086
Ratnagiri

Deepak R. Parikh
Director
DIN: 06504537
USA

Pradeep R. Rathi
Director
DIN: 00018577
Srinagar

Anami N. Roy
Director
DIN: 01361110
Pune

Anil V. Whabi
Director - Finance & CFO
DIN: 00142052
Pune
June 25, 2021

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of
Finolex Industries Limited

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Finolex Industries Limited ("the Company") and its associate Finolex Plasson Industries Private Limited ("the associate") which comprise the Consolidated Balance Sheet as at March 31, 2021, and Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 as amended ('the Act') in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at March 31, 2021, and its Consolidated profit (including Other Comprehensive Income), Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) as 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS 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 is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended

March 31, 2021. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of Inventory:

The company has at balance sheet date Inventory amounting to ₹ 918.82 Crores as disclosed in Note 8 which constitute 21.8% of total assets of the company. The inventory is valued at the lower of cost and net realizable value. Refer to Note 2.8 which describes company's accounting policy on valuation of inventory. The Inventory valuation is considered as Key Audit matter since it constitutes significant portion of assets and considering price volatility of raw material and management estimate in respect of realizable value.

Our audit methodology included the following:

- Obtained an understanding and assessed internal controls and its effectiveness with respect to process of Inventory recording, verification and valuation
- Reviewed the management's inventory verification process, observed the physical verification process for sample items, taken cognizance and assessed the trend of past inventory differences.
- Performed cut off procedures on test check basis to ensure completeness of Inventory.
- Tested on sample basis the accuracy of weighted average cost and Overhead absorption for Raw material, Work in Progress, Finished Goods and Trading material as per the accounting policy adopted by the company
- Evaluated the management judgement, estimate and process for identification and valuation of slow moving / non-moving, obsolete and damaged items of inventory.
- Performed analysis of Net realizable value (NRV) vs Cost of inventory on test basis to ensure that the Inventory is carried at Cost or NRV whichever is lower as per applicable Ind AS 2.
- Ensured presentation and disclosure as per applicable Ind AS and accounting framework

Valuation of investments:

At the balance sheet date, the value of current and non-current investments amounted to ₹ 1,584.70 crores representing 36.9% of the total assets. The net gain on fair valuation of investments amounted to ₹ 419.14 crores in the total comprehensive income. Investments have been considered as key audit matter since it constitutes significant portion of assets, having diversity in nature and various recognition and subsequent measurement principles. Refer note 2.7 and 2.16 to the Consolidated Financial Statements for its accounting policy.

Our audit methodology included the following:

- Obtained external confirmations in order to test the assertion of existence, accuracy, valuation and completeness.
- Evaluated independently the fair values of listed and quoted non-current investments.
- Critically analysed the assumptions made by the Management in fair valuation of unquoted non-current investments.
- Evaluated the process of the management to identify impairment (if any) for the investments measured at amortised cost.
- Assessed the compliance of the recognition and subsequent measurement principles as specified in the accounting policy adopted by the company
- Ensured presentation and disclosure as per applicable Ind AS and accounting framework

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Corporate Governance and Directors' Report, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS 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 Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the company and its associate are responsible for 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the company and its associate are responsible for assessing the Company's and its associate'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 management either intends to liquidate the Company and its associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its Associate are responsible for overseeing the financial reporting process of the Company and its Associate.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 SAs 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 Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS 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 financial 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 and its associate has adequate internal financial controls with reference to Consolidated Ind AS 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 management's 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 and its associate'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 Consolidated Ind AS 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 and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and of its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statement of such entity included in the consolidated Financial Statements of which we are the independent auditors. For the other entity (if any) included in the Consolidated Ind AS Financial Statements, which have been audited by 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.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2021 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

The management of the Company has not consolidated an immaterial Associate which has not commenced operations in which it holds 49.99 % equity shares amounting to ₹ 0.05 crores.

Our audit opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report 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 purposes of our audit.

    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.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of the written representations received from the directors of the company and its associate as on March 31, 2021 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to Consolidated Ind AS financial statements of the Company and its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report.

g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/ provided for by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section. The provisions of Section 197 of the Act is not applicable to associate being a private company.

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 and its associate has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements – Refer Note 37.2 and Note 43 to the Consolidated Financial Statements.

   (ii) The Company and its associate did not have any long-term contracts including derivative contracts as at March 31, 2021.

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate.

For **P G BHAGWAT LLP**
Chartered Accountants
ICAI Firm Registration Number-
101118W/W100682

Nachiket Deo
Partner
Membership Number: 117695
UDIN: 21117695AAAACR6917

Pune
25th June, 2021

Report on the Internal Financial Controls with reference to Consolidated Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Consolidated Ind AS Financial Statements of Finolex Industries Limited ("the Company") and its Associate as of March 31, 2021 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company and its Associate for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company and its Associate Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its Associate Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 its business, including adherence to 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

Our responsibility is to express an opinion on the Company and its Associate's internal financial controls with reference to Consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Ind AS financial statements, both issued by the Institute of Chartered Accountants of India. 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 Consolidated Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls with reference to Consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Ind AS financial statements included 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 Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company and its Associate's internal financial controls with reference to Consolidated Ind AS financial statements.

Meaning of Internal Financial Controls over financial reporting with reference to Consolidated Ind AS financial statements

A company's internal financial control over financial reporting with reference to Consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to Consolidated Ind AS financial statements includes 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 Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over financial reporting with reference to Consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Ind AS 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 over financial reporting with reference to Consolidated Ind AS financial Statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to Consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its Associate Company has, in all material respects, adequate internal financial controls with reference to Consolidated Ind AS financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company and its associate considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P G BHAGWAT LLP**
Chartered Accountants
ICAI Firm Registration Number-
101118W/W100682

Nachiket Deo
Partner
Membership Number: 117695
UDIN: 21117695AAAACR6917

Pune
25th June, 2021

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars				Note No	March 31, 2021	March 31, 2020
A	**ASSETS**					
1	**Non-current assets**					
	a)	Property, plant and equipment		3	1,001.29	1,015.29
	b)	Capital work-in-progress		3	8.15	7.28
	c)	Other Intangible assets		3	1.06	1.60
	d)	Investments accounted using equity method		4.1	94.52	83.52
	e)	Financial assets				
		i)	Investments	4	1,077.76	448.04
		ii)	Loans	5	3.21	2.68
		iii)	Other financial assets	6	30.18	8.66
	(f)	Tax assets (Net)			31.93	42.34
	(g)	Other non-current assets		7	57.93	57.63
	Total non-current assets				2,306.03	**1,667.04**
2	**Current assets**					
	(a)	Inventories		8	918.82	857.81
	(b)	Financial assets				
		i)	Investments	9	506.94	124.53
		ii)	Trade receivables	10	147.98	73.17
		iii)	Cash and cash equivalents	11.1	31.40	57.29
		iv)	Bank balances other than (iii) above	11.2	304.86	35.92
		v)	Loans	12	0.81	0.90
		vi)	Other financial assets	13	10.95	6.87
	(c)	Other current assets		14	66.09	67.81
	Total current assets				1,987.85	**1,224.30**
	Total assets				4,293.88	**2,891.34**
B	**EQUITY AND LIABILITIES**					
1	**EQUITY**					
	(a)	Equity share capital		15	124.10	124.10
	(b)	Other equity		16	3,014.86	1,861.88
	Total equity				3,138.96	**1,985.98**
	LIABILITIES					
2	**Non-current liabilities**					
	(a)	Financial liabilities		17	0.12	0.14
	(b)	Provisions		18.1	13.43	26.72
	(c)	Deferred tax liabilities (Net)		24	139.45	135.68
	(d)	Government grants		19	65.76	51.44
	Total non-current liabilities				218.76	**213.98**
3	**Current liabilities**					
	(a)	Financial liabilities				
		i)	Borrowings	20	203.85	282.67
		ii)	Trade payables	21		
			- total outstanding dues of Micro & Small Enterprises (Refer Note 41)		24.42	1.18
			- total outstanding dues of creditors other than Micro & Small Enterprises		370.79	227.02
		iii)	Other financial liabilities	22	249.20	135.90
	(b)	Other current liabilities		23	50.22	35.36
	(c)	Provisions		18.2	3.83	3.01
	(d)	Current tax liabilities (Net)		24	24.78	-
	(e)	Government grants		19	9.07	6.24
	Total current liabilities				936.16	691.38
	Total liabilities				1,154.92	**905.36**
	Total equity and liabilities				4,293.88	**2,891.34**
	Notes to accounts form an integral part of the financial statements					
	Corporate information & Significant accounting policies			1 to 2		
	Other notes			3 to 44		

As per our report of even date

For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W/W100682

Nachiket Deo
Partner
M.No. 117695
Pune
June 25, 2021

For FINOLEX INDUSTRIES LIMITED

Prakash P. Chhabria
Executive Chairman
DIN: 00016017
London

Bhumika L. Batra
Director
DIN: 03502004
Mumbai

Ritu P. Chhabria
Director
DIN: 00062144
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Anil V. Whabi
Director - Finance & CFO
DIN: 00142052
Pune
June 25, 2021

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Note No	March 31, 2021	March 31, 2020
	Income			
I	Revenue from Operations	25	3,462.82	2,984.51
II	Other income	26	71.55	29.91
III	**Total Income (I+II)**		3,534.37	**3,014.42**
IV	**Expenses**			
	Cost of materials and components consumed	27	1,940.24	2,037.71
	Purchase of stock-in-trade		10.00	13.84
	Changes in inventories of finished goods, work-in-progress and stock in trade	28	(21.48)	(108.88)
	Employee benefits expenses	29	166.80	145.55
	Finance costs	30	7.27	11.28
	Depreciation and amortisation expense	31	77.72	73.81
	Other expenses	32	377.95	448.85
	Total expenses (IV)		2,558.50	**2,622.16**
V	**Profit before share of profit/(loss) of an associate and tax (III - IV)**		975.87	**392.26**
VI	**Share of profit/(loss) of an associate before tax**		16.19	25.56
VII	**Profit before tax including share of associate (V + VI)**		992.06	**417.82**
VIII	**Tax expense**			
	Current tax	24	252.42	111.42
	(Excess) / short provision of earlier year(s)		(0.13)	(0.21)
	Deferred tax	24	1.98	(26.04)
	Total tax expense (VIII)		254.27	**85.17**
IX	**Profit for the period (VII-VIII)**		737.79	**332.65**
X	**Other Comprehensive Income (OCI)**			
A	**Items that will not be reclassified to profit or loss in subsequent periods:**			
	Re-measurement of defined benefit plans gain / (loss)		0.31	(3.38)
	Income tax effect on above	24	(0.08)	0.85
A(i)	**Re-measurement of defined benefit plans net off income tax**		0.23	(2.53)
	Equity instruments through OCI gain / (loss)		415.65	(621.15)
	Income tax effect on above	24	(0.83)	0.08
A(ii)	**Equity instruments through OCI net off income tax**		414.82	(621.07)
A(iii)	**Share of other comprehensive income (net of tax) of associate accounted for using the equity method**		0.14	0.22
	Total Other Comprehensive Income for the year net of tax [A(i)+A(ii)+A(iii)]		415.19	**(623.38)**
XI	**Total Comprehensive Income for the period (IX+X)**		1,152.98	**(290.73)**
XII	**Earnings per equity share having nominal value per share of ₹2**	34		
	Basic (₹)		11.89	5.36
	Diluted (₹)		11.89	5.36
	Notes to accounts form an integral part of the financial statements			
	Corporate information & Significant accounting policies	1 to 2		
	Other notes	3 to 44		

As per our report of even date

For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W/W100682

Nachiket Deo
Partner
M.No. 117695
Pune
June 25, 2021

For FINOLEX INDUSTRIES LIMITED

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Director - Finance & CFO
DIN: 00142052
Pune
June 25, 2021

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

STATEMENT OF CONSOLIDATED CASH FLOW

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr No	Particulars	March 31, 2021	March 31, 2020
I	**Cash flows from operating activities**		
	Profit before tax	992.06	417.82
	Adjustments to reconcile profit before tax to net cash flows		
	Share of (Profit)/Loss from associate before tax	(16.19)	(25.56)
	Depreciation and amortisation expense	77.72	73.81
	Balances written off / (written back)	(0.93)	(1.57)
	Profit on sale of investments (net)	(7.22)	(8.92)
	(Gain)/loss on fair valuation of investment	(3.33)	2.73
	(Profit)/loss on assets sale/discarded (net)	0.61	0.67
	Dividend income	(12.21)	(9.99)
	Interest income on investing activities	(29.79)	(4.87)
	Unrealised Exchange fluctuation (gain)/ loss - net	1.51	23.85
	Finance costs	7.27	9.49
	Operating profit before working capital changes	**1,009.50**	**477.46**
	Change in operating assets and liabilities		
	(Increase) / decrease in inventories	(61.01)	(237.35)
	(Increase) / decrease in trade receivables	(75.40)	1.14
	(Increase) / decrease in loans	(0.44)	(0.18)
	(Increase) / decrease in other financial assets	(21.52)	57.56
	(Increase) / decrease in other current assets	2.68	(26.49)
	Increase / (decrease) in trade payables	166.62	(79.45)
	Increase / (decrease) in provisions	(12.16)	3.37
	Increase / (decrease) in government grants	17.15	(6.25)
	Increase / (decrease) in other financial liabilities	112.51	48.94
	Increase / (decrease) in other current liabilities	14.86	(19.62)
	Cash generated from working capital changes	**143.29**	**(258.33)**
	Less - Income tax paid	(211.81)	(112.84)
	Net cash inflow from operating activities	**940.98**	**106.29**
II	**Cashflow from investing activities**		
	Proceeds from sale of property, plant and equipment	0.19	1.03
	Payment for purchase of property, plant and equipment	(64.91)	(61.29)
	Payment for purchase of long term investments	(213.92)	9.17
	Payment for purchase of short term investments (Net)	(372.02)	98.83
	Dividend income	13.14	10.92
	(Increase) / decrease in other bank balances	(264.76)	(14.40)
	Interest income	25.71	4.87
	Net cashflow from investing activities	**(876.57)**	**49.13**

STATEMENT OF CONSOLIDATED CASH FLOW

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr No	Particulars	March 31, 2021	March 31, 2020
III	**Cashflow from financing activities**		
	Finance costs	(7.69)	(10.56)
	Proceeds/ (Repayment) of borrowings (net)	(78.43)	193.17
	Dividend paid	(4.18)	(287.28)
	Net cashflow from financing activities	**(90.30)**	**(104.67)**
IV	**Net increase / (decrease) in cash and cash equivalents at the end of the year (I+II+III)**	**(25.89)**	**50.77**
V	Cash and cash equivalents at the beginning of the financial year	57.29	6.52
VI	**Cash and cash equivalents at the end of the financial year (IV+V)** (Refer note 11.1)	**31.40**	**57.29**

Components of cash and cash equivalents

Particulars	March 31, 2021	March 31, 2020
Balances with banks (current accounts)	31.24	36.99
Deposits with bank	-	20.00
Cash on hand	0.16	0.29
Total Cash and cash equivalents	**31.40**	**57.29**

The Company reports cashflows from activities using the indirect method as per Ind AS 7 “Statement of Cash Flows”.

As per our report of even date

For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W/W100682

Nachiket Deo
Partner
M.No. 117695
Pune
June 25, 2021

For FINOLEX INDUSTRIES LIMITED

Prakash P. Chhabria
Executive Chairman
DIN: 00016017
London

Bhumika L. Batra
Director
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Anil V. Whabi
Director - Finance & CFO
DIN: 00142052
Pune
June 25, 2021

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

Issued, Subscribed and fully paid Equity shares of ₹ 2 each (March 31, 2020 ₹ 10 each)

Particulars	No. of Shares	Amount
Opening Balance as at April 1, 2019	12,40,95,381	124.10
Additions during the year	-	-
Closing Balance as at March 31, 2020	**12,40,95,381**	**124.10**
Increase in the number of share on account of share split (Refer note 15 (iv))	49,63,81,524	-
Closing Balance as at March 31, 2021	**62,04,76,905**	**124.10**

(Refer Note No 15)

B. Other Equity

Particulars	Reserves and Surplus					
	General Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Total
Balance as at April 1, 2019	394.50	151.27	25.18	1,457.24	423.91	2,452.10
Profit for the period	-	-	-	332.65	-	332.65
Other Comprehensive Income (net of tax)	-	-	-	(2.53)	(621.07)	(623.60)
Add: Share in OCI of associate (net of tax)	-	-	-	0.22		0.22
Less: share in lease adjustment	-	-	-	(0.09)		(0.09)
Total Comprehensive income for the year	-	-	-	**330.25**	**(621.07)**	**(290.82)**
Interim Dividend	-	-	-	(124.10)	-	(124.10)
Tax On dividend	-	-	-	(25.70)	-	(25.70)
Final Dividend	-	-	-	(124.10)	-	(124.10)
Tax On dividend	-	-	-	(25.51)	-	(25.51)
Balance as at March 31, 2020	**394.50**	**151.27**	**25.18**	**1,488.09**	**(197.16)**	**1,861.88**
Balance as at April 1, 2020	**394.50**	**151.27**	**25.18**	**1,488.09**	**(197.16)**	**1,861.88**
Profit for the period	-	-	-	737.79	-	737.79
Other Comprehensive Income (net of tax)	-	-	-	0.23	414.82	415.05
Add: Share in OCI of associate (net of tax)				0.14		0.14
Total Comprehensive income for the year	-	-	-	**738.16**	**414.82**	**1,152.98**
Balance as at March 31, 2021	**394.50**	**151.27**	**25.18**	**2,226.25**	**217.66**	**3,014.86**

(Refer Note No 16)

As per our report of even date

For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W/W100682

Nachiket Deo
Partner
M.No. 117695
Pune
June 25, 2021

For FINOLEX INDUSTRIES LIMITED

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DIN: 00142052
Pune
June 25, 2021

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

1. Corporate Information

The consolidated financial statements comprise financial statements of Finolex Industries Limited ('the Company') and its Associate for the year ended March 31, 2021. The Company is incorporated and domiciled in India and its equity shares are listed on Bombay Stock Exchange and National Stock Exchange. Its registered office is situated at Gat No.399, Village Urse, Taluka Maval, District Pune, India. The company is engaged in the business of manufacturing PVC pipes & fittings and PVC resin. Its Associate, Finolex Plasson Industries Private Limited is also a company incorporated and domiciled in India. The Company 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 significant accounting policies

2.1 Basis of Preparation

The Company's Consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with rule 7 of the companies (Accounts) Rules, 2014. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) and the guidelines issued by the Securities and Exchange Board of India are also applied.

The financial statements were approved and were authorized for issue in accordance with a resolution of the Board of Directors on June 25, 2021.

2.2 Basis of measurement

The Consolidated financial statements have been prepared on accrual basis following 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 financial statements are presented in Indian rupees (INR) which is the Company's functional currency.

Amounts in the financial statements are presented in Indian Rupees in crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013 unless otherwise stated.

2.4 Current or non-current classification

The Company presents assets and liabilities in the 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.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of 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 recognized in the 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 1st April, 2011 to 31st March 2018. Further, the company during the current year has received extension for 5 years which will expire by March 2023. The aforesaid subsidy is 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 is recognising revenue from grant over the life of the property, plant and equipment.

Leases

From April 1, 2019, Ind AS 116 - 'Leases' had become effective and the management of the Company has opted for the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. However, the management has assessed the impact of Ind AS 116 and concluded them to be immaterial. Therefore no effects have been taken in the books of account.

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.

Further details about defined benefit obligations are provided in Note 35.

Property, Plant and Equipment & Intangible Assets:

The determination of depreciation and amortization 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 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.

Impairment of financial assets:

The impairment provisions 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 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 utilized.

2.6 Investment in Associate

An associate is an entity over which the 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 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 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 Company's share of the results of operations of the Associate. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the 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 Company and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an Associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Company's net investment in the Associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. If the Associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the 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 Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its Associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the Associate is impaired. If there is such evidence, the 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 of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the 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 investment and proceeds from disposal is recognised in profit or loss.

2.7 Fair value measurement

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 maximize 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.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short-term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

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 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 (refer note 38 for detailed disclosures.)

2.8 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 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.

2.9 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 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal

An item of property, plant and equipment is derecognized 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 net within other income/expenses in the 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 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, which are as follows:

Asset	Useful life (in years)
Plant and machinery	3 to 25
Building	60
Factory Building	30
Furniture and fixtures	10
Office equipment	5
Vehicles	8
Other Intangible Assets	6

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 adjustments are made whenever necessary.

2.10 Intangible assets and amortization

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.

Research and development expenditure on new products:

Expenditure on research is expensed under respective heads of account in the period in which it is incurred. Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) the Company has intention to complete the intangible asset and use or sell it;

c) the Company has ability to use or sell the intangible asset;

d) the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f) the Company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as Intangible assets under development.

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. Amortisation is recognised in statement of profit and loss on a straight-line basis over a period of 6 years from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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 Company is generally the principal as it typically controls the goods or services before transferring them to the customer

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 from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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 & Loss separately from fair value changes on 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.

Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. It also includes exchange differences in relation to the foreign currency borrowings to the extent those are regarded as an adjustment to the borrowing costs.

Borrowing costs such as interest expenses and foreign exchange loss to the extent considered as part of borrowing costs (if any) directly attributable to the construction of a qualifying asset (asset that takes substantial period of time to get ready for use usually 12 months) are capitalised as part of the cost.

Parts of an item of property, plant and equipment having different useful lives, (if any) are accounted for as separate items (major components) of property, plant and equipment.

All other borrowing costs are expensed in the period in which they are incurred.

2.12 Foreign currency transactions:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (functional currency). The 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. 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.13 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, 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 governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

2.14 Taxes

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. Tax is recognised in statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. 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 utilized.

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.

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 recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss.

Initial Measurement

Right to use asset

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset shall 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 liability

At the commencement date, the Company measures the lease liability 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 liability 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 to use asset

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses.

Lease Liability

Subsequently the Company measures the lease liability 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.

In the current year the management has assessed the impact of Ind AS 116 and concluded them to be immaterial. Therefore no effects have been taken in the books of account.

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 ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset.

Financial assetsare recognised in the 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 ('FVTOCI')

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. The EIR amortisation is included in finance expense/(other income) in the profit and loss statement. The losses arising from impairment are recognised in the statement of profit and loss.

This category generally applies to trade receivables, security and other deposits receivable by the company.

The Company's investment in its Associate is measured at cost.

(b) Financial assets classified as measured at FVOCI

A financial asset shall be measured at fair value through other comprehensive income 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 other comprehensive income except for interest income, impairment gains or losses and foreign exchange gains and losses which are recognised in the statement of profit and loss.

On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to 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 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, 12-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 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.

Particulars	Revised Classification	Accounting Treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the statement of Profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

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 fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the issue of the financial liability. financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

(a) Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss 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 group 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 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 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to the 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 liability are recognised in the statement of profit and loss.

The Company has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities 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 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 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 statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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 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.

2.18 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 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 recognized 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 of

- 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
- 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 Balance Sheet date.

2.20 Provision for employment benefits

Defined contribution plans

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.

Defined benefit plans

The employees' gratuity fund scheme managed by the Life Corporations of India (LIC) is the Company's defined benefit plans. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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 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 recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized 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 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

Refer Note 35 for additional disclosures relating to Company's defined benefit plan.

Provision for compensated absences

Provision for short term compensated absences is recognised for accumulated leaves that are expected to be utilized 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 share

Basic earnings per 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 period as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the period 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 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 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 Company.

Standards issued but not yet effective:

Amendments:

Amendment to Schedule III

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III

(Division I, II and III) of the Companies Act, 2013. The amendment is applicable from 1 April 2021 and it specifies additional disclosures in the financial statements.

Key amendments in Division II applicable to the Company include::

- Lease Liability be separately disclosed under the heading "Financial liabilities".
- Disclosures for prior period errors in the statement of changes in equity
- Disclosure of shareholdings of promoters
- Disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- Disclosure of deviation from stated purpose in use of borrowings from banks and financial institutions
- Disclosures under 'additional regulatory requirements' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable properties not held in the name of the company, loans and advances to promoters, directors, key managerial personnel and related parties, details of benami property held etc.
- Disclosures relating to amount of expenditure on CSR, crypto or virtual currency, undisclosed income etc.

The amendments are extensive and the Company is in the process of evaluating the same to give effect to the same as required by law.

Amendment to Indian Accounting Standard Rules, 2015

The Ministry of Corporate Affairs (MCA) vide Notification dated 18 June 2021 has issued Companies (Indian Accounting Standard) Amendment Rules, 2021 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable with immediate effect from the date of the notification i.e. from 18 June 2021 and would thus be applicable for the financial year ending 31 March 2022 and also for interim financial periods ending 30 June 2021, 30 September 2021, 31 December 2021.

The amendments to Ind ASs are intended to keep the Ind ASs aligned with the amendments made in IFRS and are in terms of insertion of certain paragraphs, substituting the definition of certain terms used in the standard along with aligning the bare text of Standards with Conceptual Framework of Financial reporting under Ind AS's.

While, largely, the amendments are clarificatory or editorial in nature, there are certain significant amendments as well.

Major amendments notified in the Companies (Ind AS) Amendment Rules, 2021 are provided below:-

a. **Ind AS 116 Leases** – The amendments extend the benefits of the COVID 19 related rent concession that were introduced earlier allowing lessees to recognize COVID 19 related rent concessions as income rather than as lease modification, from 30 June 2021 to 30 June 2022. The amendment also provides a practical expedient in respect of all lease modifications that change the basis for determining future lease payments because of interest rate benchmark reform.

b. **Ind AS 109 Financial Instruments** – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise because of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

c. **Ind AS 101 Presentation of Financial Statements** – The amendment substitutes the item (d) mentioned in paragraph BI as 'Classification and measurement of financial instruments'. The term 'financial asset' has been replaced with 'financial instruments'.

d. **Ind AS 104 Insurance Contracts** – The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.

e. **Ind AS 105 Non-current assets held for sale and discontinued operations** – The amendment substitutes the definition of — "fair value less costs to sell" with "fair value less costs of disposal"

f. **Ind AS 107 Financial Instruments**: Recognition, Presentation and Disclosure – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like

(i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;

(ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

g. **Ind AS 111 Joint Arrangements** – In order to maintain consistency with the amendments made in Ind AS 103, certain editorial changes have been made in Ind AS 111.

h. **Ind AS 114 Regulatory Deferral Accounts** – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment & derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.

i. **Ind AS 115 Revenue from Contracts with Customers** – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.

j. **Ind AS 16 Property, Plant and Equipment** –The amendment has been made by substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".

Amendments with Reference to New Conceptual Framework

i. **Ind AS 102 Share-Based Payment** – The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term 'Equity Instrument' which shall be applicable for the annual reporting periods beginning on or after 1 April 2021.

ii. **Ind AS 103 Business Combinations** – The amendment substitutes the definition of 'assets' and 'liabilities' in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.

iii. **Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors** – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting in Ind AS', respective changes have been made in the standard.

iv. **Ind AS 34 Interim Financial Reporting** – The amendments to this standard are made in reference to the conceptual framework of Financial Reporting in Ind AS.

v. **Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets** – The amendment substitutes the definition of the term 'Liability' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

vi. **Ind AS 38 Intangible Assets –** The amendment substitutes the definition of the term 'Asset' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standard.

vii. **Ind AS 106 Exploration for and evaluation of mineral resources** – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets.

The company is in the process of evaluating the changes due to amendments.

Exposure Drafts:

Following exposure drafts have been issue by the Institute of Chartered Accountants of India:

1. **Amendments to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" – Onerous Contracts**

   The exposure draft on amendments to Ind AS 37 issued by the Institute of Chartered Accountants of India proposes amendments regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

2. **Amendments to Ind AS 16, "Property, Plant and Equipment" – Proceeds before Intended Use**

   The exposure draft on amendments to Ind AS 16 issued by the Institute of Chartered Accountants of India proposes amendments regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

3. **Amendments to 101, "First-time Adoption of Indian Accounting Standards" – Subsidiary as a First-time Adopter**

   The exposure draft on amendments to Ind AS 101 issued by the Institute of Chartered Accountants of India proposes amendments to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

4. **Amendments to 41, "Agriculture" – Taxation in Fair Value Measurements**

   The exposure draft on amendments to Ind AS 41 issued by the Institute of Chartered Accountants of India proposes amendments to remove a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in Ind AS 41 with those in other Ind AS's.

5. **New Indian Accounting Standard (Ind AS) 117, Insurance Contracts**

   The exposure draft of Ind AS 117 is issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts.

The above exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from 1 April, 2021 as at the date of approval of these financial statements. On issue of the amendment by MCA, the Company would evaluate the impact of the change in the standalone financial statements.

(All amounts in ₹ Crores, unless otherwise stated)

Note 3 : Property, Plant and Equipment and Other intangible asset (including capital work in progress)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Leasehold Land (Right of Use asset)	Total	Capital Work-in-progress	Other intangible Assets
Gross Carrying Value										
Balance as at April 1, 2019	103.93	228.01	1,841.17	6.06	11.14	2.04	1.01	2,193.36	90.25	6.08
Additions	1.77	49.85	84.86	0.13	2.28	2.30	-	141.19	37.24	0.33
Deletions/ Transfer	-	-	(3.33)	(0.00)	(2.63)	(0.73)	-	(6.70)	(120.22)	
Balance as at March 31, 2020	**105.70**	**277.86**	**1,922.70**	**6.19**	**10.79**	**3.61**	**1.01**	**2,327.86**	**7.28**	**6.41**
Additions	2.50	7.19	53.80	0.10	-	0.35	-	63.94	14.90	0.04
Deletions/ Transfer	-	-	(6.62)	(0.06)	(0.31)	(0.02)	-	(7.01)	(14.02)	(0.51)
Balance as at March 31, 2021	**108.20**	**285.05**	**1,969.87**	**6.24**	**10.47**	**3.94**	**1.01**	**2,384.78**	**8.15**	**5.94**
Accumulated Depreciation / Amortisation										
Balance as at April 1, 2019	-	84.72	1,149.36	4.08	4.44	1.49	0.34	1,244.43	-	4.13
For the year										
Depreciation/ Amortisation	-	7.55	63.76	0.30	1.18	0.34	0.01	73.13	-	0.68
Deletions/ Transfer	-	-	(3.09)	(0.00)	(1.19)	(0.71)	-	(4.99)	-	-
Balance as at March 31, 2020	**-**	**92.27**	**1,210.02**	**4.38**	**4.43**	**1.12**	**0.35**	**1,312.57**	**-**	**4.81**
For the year										
Depreciation/ Amortisation	-	8.60	66.19	0.29	1.16	0.90	0.01	77.15	-	0.57
Deletions/ Transfer	-		(6.04)	(0.05)	(0.13)	(0.02)	-	(6.23)	-	(0.50)
Balance as at March 31, 2021	**-**	**100.87**	**1,270.17**	**4.62**	**5.47**	**2.00**	**0.36**	**1,383.49**	**-**	**4.88**
Net Block as at March 31, 2021	**108.20**	**184.18**	**699.69**	**1.62**	**5.01**	**1.94**	**0.65**	**1,001.29**	**8.15**	**1.06**
Net Block as at March 31,2020	**105.70**	**185.59**	**712.68**	**1.81**	**6.36**	**2.49**	**0.66**	**1,015.29**	**7.28**	**1.60**

Notes:

1. For Depreciation and amortisation refer accounting policy (Note 2.9)

(All amounts in ₹ Crores, unless otherwise stated)

Note 3 : Property, Plant and Equipment and Other intangible asset (including capital work in progress) (Contd..)

2. Property ,plant and equipment pledged as security :

Extension of second equitable mortgage, created in favour of Consortium of lenders on pari passu basis in respect of immovable properties falling within the battery limit of the site of the Company's plant for manufacture of PVC Resin, situated at Village Golap, District Ratnagiri in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth. Also Refer Note 20 for the same.

3. Capital work-in-progress:

Capital work-in-progress ('CWIP') comprises cost of property, plant and equipment that are not yet installed and ready for their intended use at the balance sheet date.

4. Capital commitments:

Refer Note 37.1 for disclosure of contractual commitments for the acquisition of Property, plant and equipment.

Note 4 : Investments : Non Current

Particulars	Face Value ₹*	Number of Shares as at *		Balances as at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investments in equity shares					
Quoted					
Investments designated at fair value through other comprehensive income (FVTOCI)					
Finolex Cables Limited	2	2,21,87,075	2,21,87,075	850.85	439.03
Investments designated at fair value through profit and loss (FVTPL)					
Gulf Oil Corporation Limited	2	4,950	4,950	0.11	0.06
Gulf Oil Lubricants India Limited	2	4,950	4,950	0.36	0.26
Gold Crest Corporation Limited	10	12,400	12,400	0.08	0.08
				0.55	0.40

(All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments : Non Current (Contd..)

Particulars	Face Value ₹*	Number of Shares as at *		Balances as at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Unquoted					
Investments designated at fair value through other comprehensive income (FVTOCI)					
Finolex Infrastructure Limited	10	53,73,938	53,73,938	12.38	8.55
Investments designated at fair value through profit and loss (FVTPL)					
The Saraswat Co-op Bank Limited#	10	1,000	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 - Bonds (Quoted)					
Perpetual Bonds					
9.56% State Bank of India	10,00,000	250	-	26.68	-
8.50% State Bank of India	10,00,000	250	-	26.37	-
8.75% State Bank of India	10,00,000	100	-	10.94	-
8.85% HDFC Bank Limited	10,00,000	300	-	32.62	-
8.99% Bank of Baroda	10,00,000	250	-	25.91	-
8.25% Bank of Baroda	10,00,000	200	-	21.22	-
Tax Free Bonds					
7.18% Indian Railway Finance Corporation 19 Feb 2023	1,000	1,00,000	-	10.78	-
8.23% Indian Railway Finance Corporation 18 Feb 2024	1,000	1,00,000	-	11.76	-
7.07% Indian Railway Finance Corporation 21 Dec 2025	1,000	60,000	-	6.90	-
7.93% Rural Electrification Corporation Limited 27 Mar 2022	1,000	60,000	-	6.59	-
8.01% Rural Electrification Corporation Limited 24 Sep 2023	1,000	75,000	-	8.42	-

(All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments : Non Current (Contd..)

Particulars	Face Value ₹*	Number of Shares as at *		Balances as at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
7.55% Indian Railway Finance Corporation 8 Nov 2021	1,00,000	250	-	2.64	-
7.19% Indian Railway Finance Corporation 31 July 2025	10,00,000	50	-	5.93	-
7.17% Rural Electrification Corporation Limited 23 July 2025	10,00,000	100	-	11.38	-
7.15% National Thermal Power Corporation Limited 21 Aug 2025	10,00,000	50	-	5.79	-
				1,077.76	448.04

*Number of shares/ bonds and face value are in full figures

The value of shares in full figures is ₹ 10,000/-

Note 4.1: Investments accounted using Equity method

Particulars	No of shares		Value of investments	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Associate Companies				
Equity Shares of ₹10 each in				
a) Finolex Plasson Industries Private Limited	46,35,000	46,35,000	83.52	66.41
Dividend received			(0.93)	(0.93)
Share in dividend distribution tax			-	(0.19)
Share in current year profits			16.19	25.56
Share in tax expenses			(4.40)	(7.46)
Share in current year OCI			0.14	0.22
Share in Ind AS 116 adjustment to retained earnings			-	(0.09)
Total value of investment in associate			94.52	83.52

Particulars	March 31, 2021	March 31, 2020
Aggregate cost of Quoted Investments	315.11	102.67
Aggregate cost of Unquoted Investments	12.43	8.60
Aggregate Market Value of Quoted Investments	1,065.33	439.43

(All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments : Non Current (Contd..)

Fair Value disclosures

Fair value disclosures along with Fair value hierarchy disclosures for financial assets and liabilities are stated in Note 38.

Risk Management Strategy

Refer Note 39 on financial risk management objectives and policies for financial instruments.

Note 5 : Non-current Loans

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Loans to employees	0.05	0.03
Security deposits	2.16	1.65
Other deposits	1.00	1.00
	3.21	2.68
Less: Loss Allowance	-	-
Total	**3.21**	**2.68**

There are no loans & security deposits having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2021 (₹ Nil as at March 31, 2020)

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

Note 6 : Other non-current financial assets

Particulars	March 31, 2021	March 31, 2020
Unsecured considered good		
Grant receivable under mega incentive schemes (Refer Note 19)	30.18	8.66
Total	**30.18**	**8.66**

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

(All amounts in ₹ Crores, unless otherwise stated)

Note 7 : Other non-current assets

Particulars	March 31, 2021	March 31, 2020
Unsecured considered good		
Capital advances	7.06	5.80
Prepaid expenses	0.15	0.98
Balances with government authorities	50.72	50.85
Total	**57.93**	**57.63**

Note 8 : Inventories

Particulars	March 31, 2021	March 31, 2020
Raw materials	373.41	333.03
Work-in-progress	79.52	53.53
Finished goods	398.30	402.07
Stock-in-trade	1.13	1.85
Stores and spares	61.28	62.97
Packing material	5.18	4.37
Total	**918.82**	**857.81**

a) Raw materials include goods in transit of ₹ 6.02 Crores (₹ 24.42 Crores as at March 31, 2020)

b) Write down of inventories to net realisable value amounted to ₹ 4.95 Crores (March 31, 2020: ₹ 3.33 Crores). These were recognised as an expense during the year.

c) The above inventories are hypothecated with bankers for working capital facilities. (Refer Note 20)

d) Refer Note 2.8 for basis of valuation of inventories.

(All amounts in ₹ Crores, unless otherwise stated)

Note 9 : Investments : Current

Particulars	Face Value ₹*	No. Of Units*		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investment in Mutual Fund classified as fair value through profit and loss (FVTPL)					
IDFC Ultra Short Term Fund Direct Growth	10	4,41,04,475	-	52.80	-
ICICI Prudential Fixed Maturity Plan Series 28 - 1185 Days Plan I Direct	10	2,41,65,680	-	30.56	-
Nippon India Floating Rate Fund Growth	10	1,43,55,726	-	51.66	-
Kotak Saving Fund Growth Direct Plan Growth	10	64,11,440	-	22.24	-
DSP Equity Opportunities Fund Direct - Growth	100	-	6,64,939	-	11.87
DSP Mid Cap Fund Direct - Growth	100	-	26,93,061	-	12.65
ICICI Prudential Overnight Fund Dir Growth	100	5,93,923	-	6.59	-
Nippon India Overnight Fund Direct Growth	100	4,22,498	-	4.67	-
DSP Overnight Fund Direct Growth	1,000	-	9,414	-	1.00
HDFC Overnight Fund Regular Growth	1,000	-	47,408	-	14.01
HDFC Overnight Fund Direct Growth	1,000	-	33,684	-	10.00
Axis Treasury Advantage Fund Direct Growth	1,000	82,096	-	20.38	-
Axis Overnight Fund Direct Plan Growth	1,000	1,47,154	-	16.01	-
DSP Ultra Short Term Fund Direct Growth	1,000	1,74,731	-	49.87	-
IDFC Over Night Fund Direct Growth	1,000	148	-	0.02	-
SBI Magnum Low Duration Fund - Growth	1,000	1,43,579	-	40.14	-
Investment in Fixed Deposits classified at Amortised cost					
Bajaj Finance Limited	-	-	-	-	75.00
LIC Housing Finance Limited	-	-	-	212.00	-
Total				**506.94**	**124.53**

(All amounts in ₹ Crores, unless otherwise stated)

Note 9 : Investments : Current (Contd..)

Particulars	March 31, 2021	March 31, 2020
Aggregate Cost of Quoted Investments	291.61	55.00
Aggregate Market Value of Quoted Investments	294.94	49.53
Aggregate Amount of Unquoted Investments	212.00	75.00

*Number of mutual fund units and face value are in full figures

Fair Value Disclosure

Fair value disclosures for financial assets & liabilities and fair value hierarchy disclosures for investment are stated in Note 38

Risk Management Strategy

Refer Note 39 on financial risk management objectives and policies for financial instruments.

Note 10 : Trade receivables

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Trade receivables	147.98	73.17
Less: Loss Allowance	-	-
Total	**147.98**	**73.17**

There are no trade receivables having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2021 (₹ Nil as at March 31, 2020)

There are no dues from private companies in which director of the company, is a director or a member.

For terms and conditions relating to related party receivables, refer Note 36.

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

Ref note 39 for credit risk of trade receivables.

(All amounts in ₹ Crores, unless otherwise stated)

Note 10 : Trade receivables (Contd..)

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 upto 60 days. Company also charges interest @ 18% p.a. in case of delay in collection of trade receivables.

The above trade receivables are hypothecated with bankers for working capital facilities. (Refer Note 20)

Note 11.1 : Cash and cash equivalents

Particulars	March 31, 2021	March 31, 2020
Balances with banks		
In current accounts	31.24	36.99
Deposits with original maturity of less than three months	-	20.00
Cash on hand	0.16	0.29
Total	**31.40**	**57.29**

Note 11.2 : Other bank balances

Particulars	March 31, 2021	March 31, 2020
Unpaid dividend accounts	28.24	32.42
Deposits with original maturity more than 3 months but less than 12 months	276.62	3.50
Total	**304.86**	**35.92**

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

(All amounts in ₹ Crores, unless otherwise stated)

Note 12 : Current Loans

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Loans to Employees	0.34	0.31
Security deposits	0.47	0.59
	0.81	0.90
Less: Loss Allowance	-	-
Total	**0.81**	**0.90**

There are no loans and deposits having significant increase in credit risk or which are credit impaired or doubtful as at March 31, 2021 (₹ Nil as at March 31, 2020)

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

Note 13 : Other current financial assets

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Interest receivable on Deposits	10.32	4.60
Other receivables	0.63	2.27
Total	**10.95**	**6.87**

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

Note 14 : Other current assets

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Advances to vendors	53.46	42.93
Prepaid expenses	5.16	6.03
GST receivables	7.47	18.85
Total	**66.09**	**67.81**

(All amounts in ₹ Crores, unless otherwise stated)

Note 15 : Equity Share Capital

Particulars	March 31, 2021		March 31, 2020	
	No. of shares*	Amount	No. of shares*	Amount
Authorised equity share capital of ₹ 2 each (March 31, 2020 ₹ 10 each)				
Reconciliation of number of Equity Shares Authorised				
Shares outstanding at the beginning of the period	15,00,00,000	150.00	15,00,00,000	150.00
Increase in the number of shares on account of share split (Refer note (iv) below)	60,00,00,000	-	-	-
Shares outstanding at the end of the period	75,00,00,000	150.00	15,00,00,000	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	**23,50,00,000**	**235.00**
Issued, Subscribed and fully paid up equity share capital of ₹ 2 each (March 31, 2020 ₹ 10 each)				
Reconciliation of number of Equity Shares and amount outstanding				
Shares outstanding at the beginning of the period	12,40,95,381	124.10	12,40,95,381	124.10
Increase in the number of shares on account of share split (Refer note (iv) below)	49,63,81,524	-		
Shares outstanding at the end of the period	62,04,76,905	124.10	12,40,95,381	124.10

out of above 2,163,000 (March 31, 2020 - 432,600) shares are held by Finolex Industries Limited Employee Welfare trust under ESOP scheme (refer note (iv) below)

(All amounts in ₹ Crores, unless otherwise stated)

Note 15 : Equity Share Capital (Contd..)

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held*	% of Holding	No. of Shares held	% of Holding
Finolex Cables Limited	20,09,62,985	32.39%	4,01,92,597	32.39%
Orbit Electricals Private Limited	11,66,54,505	18.80%	2,33,30,901	18.80%

*Refer note (iv) below

i) The Company has not made any bonus issue of equity shares during last 5 years.

ii) The Company has only one class of equity shares having a par value of ₹ 2/- each post effect of share split (March 31, 2020 ₹10/-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 proposed on June, 25 2021, a Final Dividend of ₹ 2/- (100%) per equity share (subject to tax) and a Special Dividend of ₹ 2/- (100%) per equity share (subject to tax) for financial year 2020-21. The same is subject to approval of the shareholders of the Company at the annual general meeting for the year ended March 31, 2021. During the financial year ended March 31, 2020 the Board of Directors had declared Interim dividend of ₹ 10/- (100%) per share (Face Value of ₹ 10/- each) on February, 27 2020 which is considered as final dividend.

iv) The Board of Directors at their Meeting held on February 1, 2021 approved the sub-division of each equity share of face value of ₹ 10/- fully paid up into 5 equity shares of face value of ₹ 2/- each fully paid up. The same has been approved by the Members on March 26, 2021 through postal ballot and e-voting. The effective date for the subdivision was April 16, 2021. Consequently the split

(All amounts in ₹ Crores, unless otherwise stated)

of of equity shares is been effected from April 16, 2021. Accordingly, equity shares and earning per shares have been adjusted for share split in accordance with IND AS 33 'Earning Per Share' read with Ind AS 10 Events after Reporting Period.

v) Capital Management:

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 20 and 11.1 offset by cash and cash equivalents) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Note 16 : Other Equity

Particulars	March 31, 2021	March 31, 2020
Reserves & Surplus		
- **Securities Premium Account**		
Opening Balance	151.27	151.27
Addition	-	-
Deletion	-	-
Closing Balance	**151.27**	**151.27**
- **Capital Redemption Reserve**		
Opening Balance	25.18	25.18
Addition	-	-
Deletion	-	-
Closing Balance	**25.18**	**25.18**
- **General Reserve**		
Opening Balance	394.50	394.50
Addition	-	-
Deletion	-	-
Closing Balance	**394.50**	**394.50**
- **Retained Earnings**		
Opening balance	1,488.09	1,457.24

(All amounts in ₹ Crores, unless otherwise stated)

Note 16 : Other Equity (Contd..)

Particulars	March 31, 2021	March 31, 2020
Add :		
Profit for the period/ year	737.79	332.65
Other Comprehensive Income (net)	0.23	(2.53)
Add: Share in OCI of associate	0.14	0.22
Less: share in lease adjustment		(0.09)
Re-measurement of defined benefit plan gain/ (loss)		
Less : Appropriation		
Equity Dividend- Interim (March 31, 2020: ₹ 10 per share)	-	(124.10)
Dividend Tax on Dividend- Interim	-	(25.51)
Equity Dividend- Final (March 31, 2020: ₹ 10 per share)	-	(124.10)
Dividend Tax on Dividend- Final	-	(25.70)
Closing Balance	2,226.25	1,488.09
Other Reserves		
- **Equity Instruments through Other Comprehensive Income**		
Opening Balance	(197.16)	423.91
Add : Increase/ (Decrease) in fair value during the period/ year (net)	414.82	(621.07)
Closing Balance	217.66	**(197.16)**
Total	3,014.86	**1,861.88**

Note

Nature and purpose of reserves

1. **Capital Redemption Reserve**

   During financial year ended March 31, 2002 and March 31, 2003, the company bought back shares of the company out of free reserves and in order to comply with the requirements of company law the company created share capital buy back reserve to the extent of the face value of shares bought back.

(All amounts in ₹ Crores, unless otherwise stated)

Note 16 : Other Equity (Contd..)

2. General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Note 17 : Other non - current financial liabilities

Particulars	March 31, 2021	March 31, 2020
Security deposits	0.05	0.05
Dealer deposits	0.07	0.09
Total	**0.12**	**0.14**

Refer note 38 for classification of financial instruments by catergory and into fair value level of hierarchy

Note 18.1 : Non-current provisions

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits		
Gratuity (Refer Note 35)	1.58	18.26
Compensated absences (Refer Note 35)	11.85	8.46
Total	**13.43**	**26.72**

Note 18.2 : Current provisions

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits		
Gratuity (Refer Note 35)	1.95	1.46
Compensated absences (Refer Note 35)	1.88	1.55
Total	**3.83**	**3.01**

(All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Government grants

Particulars	March 31, 2021	March 31, 2020
Non-current portion	65.76	51.44
Current portion	9.07	6.24
Total	**74.83**	**57.68**

a) The company was entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives, for the period from 1st April, 2011 to 31st March 2018. Further, during the year the company has received extension for 5 years which will expire by March 2023. The aforesaid subsidy is 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 is recognising revenue from grant over the life of the property, plant and equipment.

Liability movement

Particulars	March 31, 2021	March 31, 2020
As at the beginning of the year	57.68	63.91
Recognised during the year	26.22	-
Transfer to the statement of profit and loss	(9.07)	(6.24)
As at the end of the year	**74.83**	**57.68**

b) The company has received the eligibility certificate for the industrial promotion subsidy under the package incentive scheme as mentioned above. The government grant accured during the current year aggregating ₹ 26.22 Crores (March 31,2020 - Nil)

Asset movement

Particulars	March 31, 2021	March 31, 2020
As at the beginning of the year	8.66	32.87
Add: Grant accrued during the year	26.22	-
Less: Grant received during the year	(4.70)	(18.83)
Less: Electricity duty adjusted against the current bill	-	(5.39)
As at the end of the year	**30.18**	**8.66**

Also refer note 6

(All amounts in ₹ Crores, unless otherwise stated)

Note 20 : Current borrowings

Particulars	March 31, 2021	March 31, 2020
Acceptances from banks : Buyers Credit		
Secured	134.46	266.88
Unsecured	19.39	15.79
	153.85	**282.67**
Working capital demand loan from bank- Unsecured	50.00	-
TOTAL	**203.85**	**282.67**

Details of terms of borrowings and security for the borrowings

The aggregate limits of working capital borrowings (fund and non fund based) of ₹ 1,395.75 Crores (March 31, 2020 : ₹ 1,395.75 Crores) from a consortium of lenders lead by Bank of India together with all interest, liquidated damages, costs, charges and other moneys payable under working capital consortium agreement/sanction letters are secured by:

1) Hypothecation of inventories and book debts; and

2) Extension of second equitable mortgage, created in favour of a consortium of lenders on pari passu basis with other second charge holder by deposit of title deeds with Axis Bank Limited (ABL), New Delhi. ABL acting as an agent for the Consortium, which ranks subsequent and subservient in rank of priority over the first equitable mortgages created by deposit of title deeds in respect of immoveable properties falling within the battery limit of the site of the Company's plant for manufacture of PVC Resin, situated at Village Golap, District Ratnagiri in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

   Refer Note 39 for discussion on Company's financial risk management policies and procedures

Note 21 : Trade payables

Particulars	March 31, 2021	March 31, 2020
Trade payables		
a) total outstanding dues of Micro & Small Enterprises (Refer Note 41)	24.42	1.18
b) total outstanding dues of creditors other than Micro & Small Enterprises	370.79	227.02
Total	**395.21**	**228.20**

(All amounts in ₹ Crores, unless otherwise stated)

Note 21 : Trade payables (Contd..)

Trade payables including related parties are non-interest bearing and are normally settled within 30 to 45 days.

Refer Note 39 for discussion on Company's financial risk management policies and procedures.

Note 22 : Other current financial liabilities

Particulars	March 31, 2021	March 31, 2020
Interest accrued but not due	0.14	0.56
Employee benefits payable	44.72	22.93
Payable for expenses	169.69	74.79
Payable for capital purchases	6.41	5.20
Unpaid dividend	28.24	32.42
Total	**249.20**	**135.90**

Refer Note 39 for discussion on Company's financial risk management policies and procedures.

Note 23 : Other current liabilities

Particulars	March 31, 2021	March 31, 2020
Advances from customers	13.82	23.25
Statutory dues (includes indirect and witholding taxes)	36.40	12.11
Total	**50.22**	**35.36**

Note 24 : Income Taxes

The note below details the major components of income tax expenses for the year ended 31 March 2021 and 31 March 2020. 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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 24 : Income Taxes (Contd..)

A Composition of income tax expense is as follows:

Particulars	March 31, 2021	March 31, 2020
Statement of profit and loss		
Current tax		
Current income tax charge	252.42	111.42
Adjustments in the period for current tax of prior periods	(0.13)	(0.21)
Deferred tax		
Relating to temporary differences	1.98	(26.05)
Income tax expense reported in the statement of profit and loss	**254.27**	**85.17**
Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year:		
Remeasurement gains/ (losses) on defined benefit plans	(0.08)	0.85
Fair value changes of financial assets	(0.83)	0.08
Income tax charged to OCI	**(0.91)**	**0.93**

B 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, 2021	March 31, 2020
Accounting profit before tax expense	992.06	417.82
At applicable tax rate @ 25.168%	249.68	105.16
Adjustments For:		
Donations expenses	0.01	0.32
Corporate Social Responsibility expenses	2.26	2.50
Provision for expenses not allowed in tax	-	1.22
Other non-deductible expenses	5.10	0.11
Dividend income accrued in current year exempt from tax	-	(2.75)
Agricultural income U/S.10(1) (Income from Mango Harvesting contract.)	(0.01)	(0.01)
Deductions allowed under income tax	(3.93)	(0.17)

(All amounts in ₹ Crores, unless otherwise stated)

Note 24 : Income Taxes (Contd..)

B Reconciliation between tax expense and accounting profit multiplied by tax rate (Contd..)

Particulars	March 31, 2021	March 31, 2020
Other income credited to profit & loss A/c, either exempt or considered separately	(0.27)	11.09
Impact of Change in tax rate	-	(42.27)
Deferred tax on consolidation	1.08	0.19
Other items	0.34	9.79
Tax expense as per statement of Profit and loss	**254.27**	**85.17**

The Company's effective tax rates for the year ended March 31, 2021 and March 31, 2020 were 25.63% and 20.38% respectively.

C Composition of deferred tax assets and deferred tax liabilities and deferred tax (expense)/income

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Deferred tax liabilities				
Depreciation	(140.84)	(139.03)	(1.81)	42.73
Fair valuation of FVTOCI investment	(1.00)	(0.16)	(0.84)	-
Fair valuation of FVTPL investment	(0.86)	-	(0.86)	1.38
Deferred Tax on consolidation	(20.94)	(19.87)	(1.07)	(8.53)
Deferred tax assets			-	
Fair valuation of FVTOCI investment		-	-	-
Government grant- Deferred	18.83	14.52	4.31	(7.81)
Fair valuation of FVTPL investment	-	1.37	(1.37)	1.37
Provision for Doubtful debts & advances	-	-	-	(1.69)
TDS Disallowance	1.01	-	1.01	-
Leave encashment	3.46	2.52	0.94	(0.24)
Defined benefit obligation and others	0.89	4.97	(4.07)	(1.17)
Deferred tax (expense)/income			(3.77)	26.04
Net deferred tax assets/(liabilities)	(139.45)	**(135.68)**		

(All amounts in ₹ Crores, unless otherwise stated)

Note 24 : Income Taxes (Contd..)

D 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, 2021	March 31, 2020
As at the beginning of the year	**(135.68)**	(162.47)
Tax (expense)/ income recognised in the statement of profit and loss	**(1.98)**	26.05
Share of associate in OCI	**(0.88)**	(0.18)
Tax (expense)/ income recognised in the OCI	**(0.91)**	0.93
As at the end of the year	**(139.45)**	**(135.68)**

E Composition of deferred tax (expense)/ income recognised in the statement of profit and loss

Particulars	March 31, 2021	March 31, 2020
Deferred tax income	**0.44**	35.98
Deferred tax expense	**(4.21)**	(9.93)
Net deferred tax (expense)/ income	**(3.77)**	**26.04**

Tax Losses

Particulars	March 31, 2021	March 31, 2020
Unused tax losses for which no Deferred Tax Assets have been recognised- Long term capital Losses	**24.39**	24.39
Potential Tax benefit	**5.68**	5.68

During the previous year ended 31 March 2020, the Company had paid dividend to its shareholders. This had resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that dividend distribution tax represented additional payment to taxation authority on behalf of the shareholders. Hence dividend distribution tax paid was charged to equity.

(All amounts in ₹ Crores, unless otherwise stated)

Note 24 : Income Taxes (Contd..)

During the year 2019-20, new section 115BAA is introduced by the CBDT. As per this section, option is given to all existing companies to either pay Income tax as per the existing rates (i.e. 25% or 30% plus applicable surcharge and cess) or as per concessional rate of 22% plus applicable surcharge and cess. This new rate is available only if company forgoes certain exemptions and deductions. Since this new rate is beneficial, company has adopted the new tax rate of 25.168% (i.e. 22% including surcharge and cess) for computing Income tax & deferred tax for year ended 31 March, 2021.

Note 25 : Revenue from operations

Particulars	March 31, 2021	March 31, 2020
Revenue from sale of products	3,437.55	2,956.20
Other operating revenue		
a) Scrap sales	14.31	19.92
b) Recovery of port charges	1.89	2.15
c) Government grant/Subsidy (Refer Note 19)	9.07	6.24
Total	**3,462.82**	**2,984.51**

Note: The company derives revnue form sale of Pipe & Fittings and PVC resin, which is disclosed in note no. 33 as segment revenue. Hence, no disaggregation of revenue is provided separately.

Note 26 : Other income

Particulars	March 31, 2021	March 31, 2020
I) Interest on		
a) Deposit with bank and financial institution	19.35	4.59
b) Interest on Investment in bonds	10.43	-
c) On advance to vendor	3.77	3.22
d) Income Tax refund	0.16	-
e) Overdue receivables from customers	0.01	0.08
f) Others	0.01	0.28
II) Dividend from non-current investments		
a) Classified as fair value through FVTPL	0.01	0.01
b) Classified as fair value through FVTOCI	12.20	9.98

(All amounts in ₹ Crores, unless otherwise stated)

Note 26 : Other income (Contd..)

Particulars	March 31, 2021	March 31, 2020
III) Other non-operating income		
a) Insurance claims received	0.13	0.91
b) Net gains/(losses) on fair value changes on investment classified as FVTPL	3.49	(2.73)
c) Net gains/ (losses) on sale of current investments (mutual funds) classified as FVTPL	7.22	8.92
d) Net foreign currency exchange gain on transaction and translations	14.36	-
e) Excess provision written back	0.33	1.35
f) Credit balances written back	0.01	0.22
g) Others	0.07	3.08
Total	**71.55**	**29.91**

Note 27 : Cost of materials consumed

Particulars	March 31, 2021	March 31, 2020
Cost of raw materials consumed	1,912.31	2,007.31
Packing material consumed	27.93	30.40
Total	**1,940.24**	**2,037.71**

Note 28 : Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	March 31, 2021	March 31, 2020
Inventories at the end of the year		
Work-in-progress	79.52	53.53
Finished goods	398.28	402.07
Stock-in-trade	1.13	1.85
Sub Total (A)	**478.93**	**457.45**
Inventories at the beginning of the year		
Work-in-progress	53.53	44.96
Finished goods	402.07	302.28
Stock-in-trade	1.85	1.33
Sub Total (B)	**457.45**	**348.57**
Changes in inventories of finished goods, work-in-progress and stock in trade (B-A)	**(21.48)**	**(108.88)**

(All amounts in ₹ Crores, unless otherwise stated)

Note 29 : Employee benefits expense

Particulars	March 31, 2021	March 31, 2020
Salaries, wages and bonus	148.20	126.54
Gratuity fund expenses (refer Note 35)	2.88	2.53
Contribution to provident fund and other funds (refer Note 35)	5.17	4.84
Staff welfare expenses	10.55	11.64
Total	**166.80**	**145.55**

Note 30 : Finance cost

Particulars	March 31, 2021	March 31, 2020
Interest expense on borrowings and others	7.67	2.99
Other borrowing costs	1.75	1.79
Exchange differences regarded as an adjustment to borrowing cost	(2.15)	6.50
Total	**7.27**	**11.28**

Note 31 : Depreciation and amortisation expense

Particulars	March 31, 2021	March 31, 2020
Depreciation on property, plant and equipment	77.15	73.13
Amortisation of intangible assets	0.57	0.68
Total	**77.72**	**73.81**

Note 32 : Other expenses

Particulars	March 31, 2021	March 31, 2020
Power and fuel	97.85	107.99
Stores and spares consumed	34.48	29.29
Other manufacturing expenses	97.48	104.20
Rent on Short term or low value leases	1.74	2.12
Rates and taxes	13.04	10.61
Insurance	12.92	9.12
Repairs & maintenance (buildings)	6.36	15.06
Repairs & maintenance (plant & machinery)	15.42	31.47

(All amounts in ₹ Crores, unless otherwise stated)

Note 32 : Other expenses (Contd..)

Particulars	March 31, 2021	March 31, 2020
Repairs & maintenance (others)	3.20	2.63
Communication expenses	1.77	3.15
Travelling and conveyance	3.80	8.37
Directors' sitting fees	0.43	0.38
Commission to non-executive directors	3.00	1.00
Auditor's remuneration :		
- Statutory audit fees	0.29	0.29
- Tax audit fees	0.05	0.05
- Limited review	0.06	0.06
- GST audit fees	-	0.05
- Certification	0.08	0.03
- Out of pocket expenses	-	0.02
Advertisement, publicity and sales promotion	46.74	48.29
Freight outward expenses	0.51	1.62
Loss on sale/ discarded assets	0.61	0.67
Legal and professional fees	11.31	8.10
Donations	0.03	2.56
Corporate social responsibility (CSR) (refer note below)	9.00	11.92
Security expenses	8.06	8.03
Information technology maintenance	4.44	8.15
Net loss on foreign currency transactions and translations (other than considered as finance cost)	-	23.85
Miscellaneous expenses	5.28	9.77
Total	**377.95**	**448.85**

Corporate social responsibility (CSR) :

Particulars	March 31, 2021	March 31, 2020
Contribution to Mukul Madhav Foundation Trust (related party)	7.60	11.42
Contribution to others	1.40	0.50
	9.00	11.92
a) Amount required to be spent during the period	8.81	9.61
b) Amount spent during the year on:	9.00	11.92
i) construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	9.00	11.92

Note 33 : Segment Information

(All amounts in ₹ Crores, unless otherwise stated)

The Company is in the business of manufacturing of PVC resin and PVC pipes & fittings. Therefore as per Ind AS 108 "Operating Segments", the Company has disclosed two segments i.e. PVC resin and PVC pipes & 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 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, 2021

Particulars	PVC	Pipes & fittings	Total segments	Adjustments and eliminations	Total
Revenue					
External customers	827.52	2,635.30	3,462.82	-	3,462.82
Inter-segment	1,445.79	-	1,445.79	(1,445.79)	-
Total revenue	2,273.31	2,635.30	4,908.61	(1,445.79)	3,462.82
Income/(Expenses)					
Depreciation and amortisation	(13.99)	(46.27)	(60.26)	-	(60.26)
Segment profit	696.40	251.19	947.59	-	947.59
Total assets	975.96	1,115.98	2,091.94	-	2,091.94
Total liabilities	323.62	90.68	414.30	-	414.30
Other disclosures					
Capital expenditure	7.83	57.57	65.40	-	65.40

Year ended March 31, 2020

Particulars	PVC	Pipes & fittings	Total segments	Adjustments and eliminations	Total
Revenue					
External customers	430.56	2,553.95	2,984.51		2,984.51
Inter-segment	1,247.13	-	1,247.13	(1,247.13)	-
Total revenue	**1,677.69**	**2,553.95**	**4,231.64**	**(1,247.13)**	**2,984.51**
Income/(Expenses)					
Depreciation and amortisation	(14.05)	(42.19)	(56.24)	-	(56.24)
Segment profit	199.59	202.24	401.83	-	401.83
Total assets	**959.33**	**1,022.21**	**1,981.54**	**-**	**1,981.54**
Total liabilities	**178.05**	**77.42**	**255.47**	**-**	**255.47**
Other disclosures	8.77	45.97	54.74		54.74
Capital expenditure					

(All amounts in ₹ Crores, unless otherwise stated)

Note 33 : Segment Information (Contd..)

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 and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed for the entity as a whole.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed for the entity as a whole.

Capital expenditure consists of additions of property, plant and equipment and intangible assets and additions to capital work in progress.

Inter-segment revenues are eliminated on consolidation.

Reconciliation of profit

Particulars	March 31, 2021	March 31, 2020
Segment profit	947.59	401.83
Unallocable income	56.87	28.41
Finance costs	(7.27)	(11.28)
Unallocable expense	(21.32)	(26.70)
Share of profit/(loss) of an associate	16.19	25.56
Profit before tax	**992.06**	**417.82**

Reconciliation of assets

Particulars	March 31, 2021	March 31, 2020
Segment operating assets	2,091.94	1,981.54
Current tax assets	31.93	42.34
Financial assets carried at FVTPL	0.55	0.40
Financial assets carried at FVTOCI	863.23	447.58
Financial assets carried at cost	0.05	0.05
Financial assets carried at Amortised cost	213.92	-
Current investments	506.94	124.53
Cash and cash equivalents (including other bank balances)	336.26	93.21
Other unallocated assets	249.06	201.69
Total assets	**4,293.88**	**2,891.33**

(All amounts in ₹ Crores, unless otherwise stated)

Note 33 : Segment Information (Contd..)

Reconciliation of liabilities

Particulars	March 31, 2021	March 31, 2020
Segment operating liabilities	414.30	255.47
Deferred tax liabilities	139.45	135.68
Trade payables	1.14	1.18
Current Tax Liability	24.78	-
Short term borrowings	203.85	282.67
Financial liabilities at amortised cost	214.53	97.86
Interest accrued	0.14	0.56
Unpaid dividend	28.24	32.42
Statutory Dues	36.40	12.11
Provisions	17.26	29.73
Government Grant	74.83	57.68
Total liabilities	**1,154.92**	**905.36**

Capital employed : Segment Assets (-) Segment Liabilities

Particulars	March 31, 2021	March 31, 2020
PVC	975.96	959.33
PVC Pipes & Fittings	1,115.98	1,022.21
Unallocated	2,201.94	909.80
Total Segment Assets	**4,293.88**	**2,891.34**
PVC	323.62	178.05
PVC Pipes & Fittings	90.68	77.42
Unallocated	740.62	649.89
Total Segment Liabilities	**1,154.92**	**905.36**
PVC	652.34	781.28
PVC Pipes & Fittings	1,025.30	944.79
Unallocated	1,461.32	259.91
Capital Employed	**3,138.96**	**1,985.98**

Geographic information

The company considers Indian markets as whole and hence no separate geographical information has been provided.

(All amounts in ₹ Crores, unless otherwise stated)

Note 34 : Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. In compliance with Indian Accounting Standard 33 - 'Earnings per share', the disclosure of earnings per share for the year ended March 31, 2021 and March 31, 2020 has been arrived at after giving effect of share split. (Refer Note 15 (iv))

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, 2021	March 31, 2020
Basic		
Profit for the year before Tax (in ₹ Crores)	992.06	417.82
Less : Attributable Tax thereto	254.27	85.17
Net profit / (loss) after tax (in ₹ Crores)	737.79	332.65
Weighted average number of equity shares*	62,04,76,905	62,04,76,905
Basic earnings/(loss) per share of ₹ 2 each	**11.89**	**5.36**

*Refer note 15 (iv) for shares split

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 5.17 Crores (March 31, 2020: ₹ 4.84 Crores) is recognised as expenses and included in Note No. 29 "Employee benefit expense"

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 salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

March 31, 2021 : Changes in defined benefit obligation and plan assets

	April 1, 2020	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2021
		Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (Note 29)		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		
Gratuity												
Defined benefit obligation	23.81	1.85	1.40	3.25	(1.64)	-	-	(0.31)	0.06	(0.25)	-	**25.18**
Fair value of plan assets	4.09	-	0.44	0.44	(1.64)	-	-	0.19	(0.17)	0.02	18.75	**21.65**
Total benefit liability	**19.72**	**1.85**	**0.96**	**2.81**	**-**	**-**	**-**	**(0.50)**	**0.23**	**(0.27)**	**(18.75)**	**3.53**

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits (Contd..)

March 31, 2020 : Changes in defined benefit obligation and plan assets

Particulars	April 1, 2019	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2020
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 29)		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		
Gratuity												
Defined benefit obligation	19.25	1.41	1.38	2.79	(1.61)	-	-	1.89	1.49	3.38	-	23.81
Fair value of plan assets	4.16	(0.06)	0.32	0.26	(1.61)	-	-	(0.01)	0.01	-	1.28	4.09
Total benefit liability	**15.09**	**1.47**	**1.06**	**2.53**	**-**	**-**	**-**	**1.90**	**1.48**	**3.38**	**(1.28)**	**19.72**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	March 31, 2021	March 31, 2020
Insured managed funds (LIC)	**21.65**	4.09
(%) of total plan assets	**100%**	100%

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits (Contd..)

The principal assumptions used in determining above defined benefit obligations for the Group's plans is shown below:

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.30%	6.10%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.10%	7.50%
Expected average remaining working lives (in years)		
Gratuity	9.31	9.26
Compensated absences	9.31	9.26
Withdrawal rate (based on grade and age of employees)		
Gratuity	7.00%	7.00%
Compensated absences	7.00%	7.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		March 31, 2021	March 31, 2020
Discount rate	1% increase	1.43	1.38
	1% decrease	(1.60)	(1.55)
Future salary increase	1% increase	1.34	1.29
	1% decrease	(1.23)	(1.18)
Withdrawal rate	1% increase	(0.13)	(0.14)
	1% decrease	0.14	0.15

The sensitivity analyses above have 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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits (Contd..)

The same method has been applied for the sensitivity analysis as when calculating the recognised defined benefit obligation.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	5.09	4.88
Between 2 and 5 years	11.18	10.35
Beyond 5 years	18.15	17.34
Total expected payments	**34.42**	**32.57**

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	March 31, 2021	March 31, 2020
Gratuity	9.14	9.13

The followings are the expected contributions to planned assets for the next year:

Particulars	March 31, 2021	March 31, 2020
Gratuity	1.95	1.46

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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits (Contd..)

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise 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 uncertainities in estimating this increasing risk.

2. Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. 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, 2021 : Changes in defined benefit obligation of compensated absences

	April 1, 2020	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2021
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 29)			
Compensated absences								
Defined benefit obligation	10.01	1.48	0.60	2.21	4.29	(0.57)	-	**13.73**
Benefit liability	10.01	1.48	0.60	2.21	4.29	(0.57)	-	**13.73**

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 : Disclosure pursuant to Employee benefits (Contd..)

March 31, 2020 : Changes in defined benefit obligation of compensated absences

Particulars	April 1, 2019	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2020
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 29)			
Compensated absences								
Defined benefit obligation	7.89	1.23	0.53	2.04	3.80	(1.68)	-	10.01
Benefit liability	7.89	1.23	0.53	2.04	3.80	(1.68)	-	**10.01**

Note 36 : Related party transactions

Related parties have been identified on the basis of requirement of Ind AS 24 'Related Party Disclosures' and representation made by the Key Management Personnel and taken on record by the Board.

A. Names of the related party and nature of relationship where control exists

There are no parties where control exists.

B. 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	
Mrs. Ritu P. Chhabria	Relative of Key Management Personnel
Ms. Gayatri P. Chhabria	Relative of Key Management Personnel
Finolex Industries Limited Employees Gratuity Fund	Post employment benefit plan of company

(All amounts in ₹ Crores, unless otherwise stated)

Note 36 : Related party transactions (Contd..)

C. Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Prakash P. Chhabria	Executive Chairman
Mr. Sanjay S. Math	Managing Director
Mr. Anil V. Whabi	Director Finance & CFO

D. Transactions with Related Parties

Particulars	March 31, 2021	March 31, 2020
I. Sales, services and other income		
Sale of goods		
Finolex Plasson Industries Private Limited	**2.74**	20.54
Dividend Received		
Finolex Cables Limited	**12.20**	9.98
Finolex Plasson Industries Private Limited	**0.93**	0.93
II. Expenses		
Short-term employee benefits:*		
Salary and perquisites	**5.49**	**5.24**
Mr. Prakash P. Chhabria	**2.74**	2.74
Mr. Sanjay S. Math	**1.50**	1.25
Mr. Anil V. Whabi	**1.25**	1.25
Commission:	**23.20**	**7.50**
Mr. Prakash P. Chhabria	**15.00**	5.00
Mr. Sanjay S. Math	**5.20**	1.50
Mr. Anil V. Whabi	**3.00**	1.00
Mrs. Ritu P. Chhabria (Sitting fees)	**0.03**	0.03
Mrs. Ritu P. Chhabria (commission)	**0.41**	0.13
Ms. Gayatri Chhabria (Salary)	**0.10**	0.05
Dividend paid		
Finolex Cables Limited	-	80.39
Orbit Electricals Private Limited	-	46.66
Contribution towards corporate social responsibility		
Mukul Madhav Foundation	**7.60**	11.42
Contributions paid		
Finolex Industries Limited Employees Gratuity Fund	**18.75**	1.28

(All amounts in ₹ Crores, unless otherwise stated)

Note 36 : Related party transactions (contd..)

D. Transactions with Related Parties (Contd..)

Particulars	March 31, 2021	March 31, 2020
Amount payable to*		
	24.03	**8.32**
Mr. Prakash P. Chhabria	**15.47**	5.46
Mr. Sanjay S. Math	**5.39**	1.69
Mr. Anil V. Whabi	**3.17**	1.17
Mrs. Ritu P. Chhabria (commission)	**0.41**	0.13
Ms. Gayatri Chhabria (Salary)	**0.01**	0.01
Finolex Plasson Industries Private Limited	**0.07**	0.10

*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

Terms and conditions of transactions with related parties

Transaction entered into with related parties are made in ordinary coruse 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.

Commitments with related parties

The company has not given any commitment to the related party as at March 31, 2021 (March 31, 2020: ₹Nil)

Note 37 : Commitments and contingencies

37.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2021 ₹ 23.82 Crores(March 31, 2020: ₹ 28.38 Crores)

(All amounts in ₹ Crores, unless otherwise stated)

Note 37 : Commitments and contingencies (Contd..)

37.2 Contingent liabilities

Particulars	March 31, 2021	March 31, 2020
Claims against the Company not acknowledged as debt		
a) Liabilities in respect of income tax matters for which the Company has succeeded in appeal but Income Tax Department has gone in further appeal.	0.10	0.10
b) Liabilities in respect of income tax matters for which the Company has gone in further appeal.	4.70	3.98
c) Excise/Customs/Service Tax in respect of which either show cause notice is received or the Company/Department is in appeal.	91.43	78.01
d) Sales Tax matters in respect of which either show cause notice is received or the Company/ Department is in appeal.	4.59	3.27
e) Consumer Protection matters in respect of which customers have gone for recovery on account of quality claims.	0.27	0.27

Note 38 : 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 & 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 accounting standard 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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 38 : Fair value of financial assets and liabilities (Contd..)

Classification of financial instruments by category and into fair value level of hierarchy as at March 31, 2021

Particulars	Amortised Cost	FVTPL			FVTOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current investments:							
Investment in equity shares/ bonds of :							
Quoted							
Equity instruments	-	0.55	-	-	850.85	-	-
Bonds	213.92	-					
UnQuoted							
Equity instruments*	94.57	-	-	-	-	-	12.38
Current investments:							
Investments in units of mutual funds	-	294.94	-	-	-	-	-
Deposit with Non Banking Financial institutions	212.00	-	-	-	-	-	-
Trade and other receivables	147.98	-	-	-	-	-	-
Loans	4.02	-	-	-	-	-	-
Cash & cash equivalents	31.40	-	-	-	-	-	-
Other bank balances	304.86	-	-	-	-	-	-
Other financial assets	41.13	-	-	-	-	-	-
Total	1,049.88	295.49	-	-	850.85	-	12.38
Financial liabilities							
Borrowings	203.85	-	-	-	-	-	-
Trade and other payables	395.21	-	-	-	-	-	-
Other financial liabilities	249.32	-	-	-	-	-	-
Total	848.38	-	-	-	-	-	-

*In accordance with IND AS 27- Separate financial statement, company has valued its investment in associate at cost and consolidated as per equity method

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	Amortised Cost	FVTPL			FVTOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current investments:							
Investment in equity shares of :							
Quoted							
Equity instruments	-	0.40	-	-	439.03	-	-
UnQuoted							
Equity instruments	83.57	-	-	-	-	-	8.55
Current investments:							
Investments in units of mutual funds	-	49.53	-	-	-	-	-
Deposit with Non Banking Financial institutions	75.00	-	-	-	-	-	-
Trade and other receivables	73.17	-	-	-	-	-	-
Loans	3.58	-	-	-	-	-	-

(All amounts in ₹ Crores, unless otherwise stated)

Note 38 : Fair value of financial assets and liabilities (Contd..)

Particulars	Amortised Cost	FVTPL			FVTOCI		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Cash & cash equivalents	57.29	-	-	-	-	-	-
Other bank balances	35.92	-	-	-	-	-	-
Other financial assets	15.53	-	-	-	-	-	-
	344.06	**49.93**	**-**	**-**	**439.03**	**-**	**8.55**
Financial liabilities							
Borrowings	282.67	-	-	-	-	-	-
Trade and other payables	228.20	-	-	-	-	-	-
Other financial liabilities	136.04	-	-	-	-	-	-
Total	**646.91**	**-**	**-**	**-**	**-**	**-**	**-**

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, accrued interest, trade payables, borrowings, trade payables 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 investment 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 investment in mutual funds is determined using the quoted price (NAV) of the respective units in the active market at the measurement date. The Company has not performed a fair valuation of its investment in unquoted ordinary shares of Saraswat Co-op Bank Ltd , which are classified as FVTPL (refer Note 4), as the Company believes that impact of change, if any , on account of fair value is insignificant.

Fair value of financial instruments classified at FVTOCI:

These financial instruments consist of investment 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

(All amounts in ₹ Crores, unless otherwise stated)

Note 38 : Fair value of financial assets and liabilities (Contd..)

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 31 March 2021 and 31 March 2020, there were no transfers between Level 1 and Level 2 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.

Valuation inputs used in Level 3 and sensitivity of inputs to fair value:

Particulars	As at March 2021	As at March 2020	Valuation technique adopted	Significant unobservable inputs	Weighted average range		Sensitivity of Input to FV
					As at March 2021	As at March 2020	
Non Current Investments -Unquoted equity shares	12.38	8.55	Net asset method	Recknor rate	890-1880	890-1160	Increase/ (decrease) in the rate would decrese/ (increase) the fair value.

Note 39 : Financial risk management objective and policies

Risk Category	Exposure arising from	Measurement	Management
Credit risk	Cash and 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 and other financial liabilities	Rolling cash flow forecasts	Senior management ensures that the future cash flow needs are met through cash flow from the operating activities and short term borrowings from banks.
Market risk-interest rate risk	No risk since compny has no exposure of long term borrowings	Not applicable	Not applicable
Market risk-currency risk	Recognised Financial liabilities not denominated in INR	Sensitivity analysis	Natural hedging
Market risk-price risk	Investments	Sensitivity analysis	Portfolio diversification

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

The Company's principal financial liabilities comprise short term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade receivables and cash and cash equivalents 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

The Company evaluates credit risk with respect to trade receivables as significantly low, as its payment terms are mostly advance basis.

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. Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment company adjust it's exposure to various counter parties.

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

Company's maximum exposure to credit risk for the other components of balance sheet is the carrying amount as disclosed below:

Particulars	Asset group	Internal rating	Carrying amount net of impairment provision	
			As at March 31 2021	As at March 31 2020
Financial assets for which credit risk has not increased significantly from inception	Investments	A	1,679.21	656.08
	Loans	A	4.02	3.58
	Other financial assets	A	41.13	15.53

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. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost. Company enjoys strong access to domestic and international capital market across debt, equity and hybrids.

The table summarises the maturity profile of group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2021

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Short term borrowings	-	203.85	-	-	203.85
Trade payables	7.50	387.71	-	-	395.21
Other financial liabilities	34.12	107.04	108.04	0.12	249.32

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

As at March 31, 2020

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Short term borrowings	-	282.67	-	-	282.67
Trade Payables	36.20	192.00	-	-	228.20
Other financial liabilities	52.95	35.64	47.32	0.13	136.04

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 interest rate risk, currency risk and other price risk such as equity price risk and commodity 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 31 March 2021 and 31 March 2020. 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 31 March 2021.

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 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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

Details of foreign currency exposures (Unhedged)

Nature of exposure	Currency	As at March 31, 2021	As at March 31, 2020
Financial liabilities			
Borrowings (Secured)	USD	1.84	3.53
Borrowings (Unsecured)	USD	0.27	0.21
Interest on borrowings	USD	0.00	0.01
Trade payables	USD	4.38	1.99
Trade payables	EURO	0.00	0.01

Currency wise net exposure (liabilities - assets)

Currency	Amount in Foreign Currency	
	31 March 2021	31 March 2020
USD	6.49	5.74
EURO	0.00	0.01

Sensitivity Analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD & 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	31 March 2021	31 March 2020
Net unhegded exposure in INR		
USD	474.17	434.09
EURO	0.00	0.64

As at	Change in USD rate	Impact on profit before tax and equity (INR Strengthen)	Impact on profit after tax and equity (INR Strengthen)
31-Mar-21	+5%	23.71	17.74
	-5%	(23.71)	(17.74)
31-Mar-20	+5%	21.70	16.24
	-5%	(21.70)	(16.24)

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

Sensitivity Analysis (Contd..)

As at	Change in Euro rate	Impact on profit before tax and equity (INR Strengthen)	Impact on profit after tax and equity (INR Strengthen)
31-Mar-21	+5%	0.00	0.00
	-5%	0.00	0.00
31-Mar-20	+5%	0.03	0.02
	-5%	(0.03)	(0.02)

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 short term borrowings with fixed interest rates and hence the future cash-flows of relevant financial instrument are not affected by changes in market interest rate.

c) Price risk

i) Commodity Price risk

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 and 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.

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Financial risk management objective and policies (Contd..)

Commodity price sensitivity

The following table shows the effect of price changes for VCM, Ethylene EDC after the impact of hedge accounting:

Particulars	Change in year-end price	Effect on profit before tax
March 31, 2021		
VCM	+5%	37.19
	-5%	(37.19)
Ethylene	+5%	10.93
	-5%	(10.93)
EDC	+5%	13.92
	-5%	(13.92)
March 31, 2020		
VCM	+5%	30.37
	-5%	(30.37)
Ethylene	+5%	12.97
	-5%	(12.97)
EDC	+5%	17.17
	-5%	(17.17)

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.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 12.38 Crores . A decrease of 10% in the fair value will have an impact of approximately ₹ 1.24 Crores on OCI. An increase of 10% in the value of the securities would also impact OCI.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 850.85 Crores. A decrease of 10% on the NSE market index could have an impact of approximately ₹ 85.08 Crores on OCI and ₹ 0.055 Crores on Profit and loss or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI, profit and loss and equity.

(All amounts in ₹ Crores, unless otherwise stated)

Note 40 : 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 that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it 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, 2021	March 31, 2020
Borrowings-Buyer's credit & Unsecured Loan	203.85	282.67
Debt	203.85	282.67
Share Capital	124.10	124.10
Other equity	3,014.86	1,861.88
Equity	3,138.96	1,985.98
Debt/equity ratio	6.49%	14.23%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

(Net Debt)/Surplus Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended 31 March 2021

Particulars	March 31, 2021	March 31, 2020
Cash and other liquid assets	1,028.88	185.32
Current Borrowings	(203.85)	(282.67)
Non-Current Borrowings	-	-
(Net Debt)/Surplus	825.03	(97.35)

Particulars	Other Assets	Liabilities from financing activity	TOTAL
	Cash and Cash Equivalents	Current Borrowings	
(Net Debt)/Surplus as on April 01, 2020	185.32	(282.67)	(97.35)
Cash Inflow/(outflow)	843.56	78.82	922.38
(Net Debt)/Surplus as on March 31, 2021	1,028.88	(203.85)	825.03

(All amounts in ₹ Crores, unless otherwise stated)

Note 41 : Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006 (as amended)

Particulars	March 31, 2021	March 31, 2020
Principal amount outstanding as on year end*	24.42	1.18
Principal amount outstanding and overdue out of above	1.82	0.07
Interest due on above	0.00	0.00
Interest paid	-	-
Payment made beyond appointment date during the year	3.21	9.44
Interest due and payable for overdue payments made during the year	0.04	0.05
Total Interest accrued and remaining unpaid	0.04	0.06
Amount of further interest remaining due and payable in succeeding years	0.18	0.14

*Mainly includes retention money

Note : The information has been given in respect of such vendors on the basis of information available with the company.

Note 42 : Impact of lockdown due to Novel Corona Virus

The Company's factories which had to suspend operations temporarily from the March 23, 2020, due to Government's directives relating to the Novel Corona Virus causing Covid 19, resumed operations in phased manner at different plants from April 29, 2020 onwards in accordance with the guidelines and norms prescribed by the Government authorities.

The Company has evaluated the impact of Covid 19 on the operations of the Company, inventories, investments, property, plant & equipment, current borrowings and trade payables. The management has considered the possible effects, if any, on the carrying amounts of these assets and liabilties up to the date of approval of these results. Based on the information from the internal and external sources; the management estimates to recover the carrying amount of these assets and currently does not anticipate any material impairment.

(All amounts in ₹ Crores, unless otherwise stated)

Note 43 : Investment in associate

The Company has a 46.35% interest in Finolex Plasson Industries Private Limited (FPIPL) which is consolidated using Equity method. The associate company has its registered office and principal place of business at Urse, near Pune in India. The company is engaged in manufacturing of micro irrigation systems, fittings, accessories and range of irrigation components. Finolex Industries Limited has not consolidated Pawas Port Limited in which it holds 49.99% (₹0.05 Crores) as it has not commence its operations yet and does not have any material impact to the consolidated financial statements.

Summarised financial information of the above mentioned associate company (FPIPL) is as below:

Particulars	March 31, 2021	March 31, 2020
Cash & cash equivalents	3.33	2.21
Current assets	288.19	263.14
Non-current assets	63.57	72.55
Current liabilities	142.49	143.31
Non-current liabilities	8.67	14.37
Net assets	203.93	180.21
Proportion of Company's Ownership	46.35%	46.35%
Proportion of Company's Ownership in net assets	**94.52**	**83.52**

Reconciliation to carrying amounts:

Particulars	March 31, 2021	March 31, 2020
Opening net assets	180.21	143.29
Profit after tax for the year	25.41	39.05
Other comprehensive income for the year	0.31	0.47
Dividends paid including DDT	(2.00)	(2.41)
Ind-AS 116 implementation effect	-	(0.19)
Closing net assets	203.93	180.21
Proportion of Company's Ownership	46.35%	46.35%
Proportion of Company's Ownership in net assets	94.52	83.52
Less: Goodwill written off	-	-
Add: Consolidation adjustments	0.00	0.00
Carrying amount of investment in associate	**94.52**	**83.52**

(All amounts in ₹ Crores, unless otherwise stated)

Note 43 : Investment in associate (Contd..)

Summarized statement of Profit and loss

Particulars	March 31, 2021	March 31, 2020
Total Revenue	**395.52**	442.39
Total Expenses	**360.59**	387.25
Profit for the year	**25.41**	39.05
Other comprehensive income	**(0.31)**	(0.47)
Total comprehensive income	**25.72**	39.52

Share in Capital commitments and Contingent liabilities of associate:

Particulars	March 31, 2021	March 31, 2020
a) Share in Capital commitments (net of capital advances)	**3.22**	1.26
b) Share in claims against the associate company not acknowledged as debts - matters subjudiced		
i) Share of sales tax matters in respect of which either show cause notice is received or the Company/Department is in appeal	**0.10**	0.10
ii) Share in other matters	**0.38**	0.34
Total	**3.70**	**1.70**

Note 44 : Previous year comparatives

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W/W100682

Nachiket Deo
Partner
M.No. 117695
Pune
June 25, 2021

For FINOLEX INDUSTRIES LIMITED

Prakash P. Chhabria
Executive Chairman
DIN: 00016017
London

Bhumika L. Batra
Director
DIN: 03502004
Mumbai

Ritu P. Chhabria
Director
DIN: 00062144
London

Kanchan U. Chitale
Director
DIN: 01361110
Mumbai

Saurabh S. Dhanorkar
Director
DIN: 00011322
Pune

Sanjay S. Math
Managing Director
DIN: 01874086
Ratnagiri

Deepak R. Parikh
Director
DIN: 06504537
USA

Pradeep R. Rathi
Director
DIN: 00018577
Srinagar

Anami N. Roy
Director
DIN: 01361110
Pune

Anil V. Whabi
Director - Finance & CFO
DIN: 00142052
Pune
June 25, 2021

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

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 Crores)

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

(All amounts in ₹ Crores, unless otherwise stated)

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	Networth 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	2			3	4	5	6	
1	Finolex Plasson Industries Pvt. Ltd.	31.03.2021	46,35,000	7.50	46.35	Voting power	N.A.	94.52	11.78	Nil

Names of associates or joint ventures which are yet to commence operations: Pawas Port Limited

For and on behalf of the Board of Directors

For FINOLEX INDUSTRIES LIMITED

Prakash P. Chhabria
Executive Chairman
DIN: 00016017
London

Bhumika L. Batra
Director
DIN: 03502004
Mumbai

Ritu P. Chhabria
Director
DIN: 00062144
London

Kanchan U. Chitale
Director
DIN: 01361110
Mumbai

Saurabh S. Dhanorkar
Director
DIN: 00011322
Pune

Sanjay S. Math
Managing Director
DIN: 01874086
Ratnagiri

Deepak R. Parikh
Director
DIN: 06504537
USA

Pradeep R. Rathi
Director
DIN: 00018577
Srinagar

Anami N. Roy
Director
DIN: 01361110
Pune

Anil V. Whabi
Director - Finance & CFO
DIN: 00142052
Pune

Ashutosh Kulkarni
Company Secretary
M. No.: A18549
Pune

June 25, 2021

Notice of Annual General Meeting

NOTICE

NOTICE is hereby given that the Fortieth Annual General Meeting of the Members of Finolex Industries Limited (the "Company") will be held on Wednesday, 22nd September, 2021, 4.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business

1. To consider and adopt standalone and consolidated audited financial statements of the Company for the financial year ended 31st March, 2021 together with the reports of the Auditors and the Board of Directors thereon.

2. To declare a final dividend of ₹ 2 and a special dividend of ₹ 2 per equity share for the financial year ended 31st March, 2021.

3. To appoint a Director in place of Mr. Saurabh S. Dhanorkar (DIN: 00011322) who retires by rotation, and being eligible, offers himself for re-appointment.

Special Business

4. 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendments, 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 ₹ 4.00 Lakhs (Rupees four lakhs only) plus applicable taxes and reimbursement of actual out of pocket expenses 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 31st March, 2022 be and is hereby ratified 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 necessary, relevant, usual, customary and/or expedient to give effect to this Resolution."

5. To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules made thereunder as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Companies Act, 2013, with a cap of ₹ 4.00 Crores (Rupees four crores only) be paid and distributed by way of commission amongst the directors of the Company other than the managing director or executive directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each financial year commencing from 1st April, 2020.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Non-executive Directors shall be paid remuneration by way of Commission as set out above, as may be decided by the Board of Directors of the Company and subject to such statutory approvals as may be necessary, notwithstanding that it may exceed one percent of the net profits of the Company and subject to such restrictions, if any, as may be set out in the applicable provisions of and schedule V to the Act, from time to time.

RESOLVED FURTHER THAT the above remuneration shall be in addition to fee payable to the director(s) for attending the meetings of the Board or any Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

6. To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Rules, Regulations, Guidelines and Circulars thereunder, (including any statutory modification(s) or re- enactment(s) thereof for the time being in force) and as per the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (the "Board") authorizing to issue offer(s) or invitation(s) to subscribe to debt securities as defined under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, including Non-Convertible Debentures ("NCDs") for a sum not exceeding ₹ 250.00 Crores (Rupees two hundred fifty crores only) on a private placement basis or otherwise 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, as approved by the Members from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be considered necessary, relevant, usual, customary and/or expedient to give effect to this resolution including determining the terms and conditions for the issuance of the said debt securities and listing of the same, if required, on the designated stock exchanges in India."

By Order of the Board of Directors
For **Finolex Industries Limited**

Ashutosh B. Kulkarni
Company Secretary
M. No. : A18549

Pune
25th June, 2021

NOTES :-

1 In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM (e-AGM), without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2 The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act"), in respect of special businesses is annexed hereto. (being considered unavoidable)

3 The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.

4	Members whose shareholding is in the dematerialized form are requested to direct the change of address notifications and updation of bank mandate/ECS details/ specimen signature to their respective depository participants. Members holding shares in physical form may please send such details to KFin Technologies Private Limited (Unit: Finolex Industries Limited), ("KFIN") Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, India Toll Free: 1800 309 4001. Email ID: einward.ris@kfintech.com Website: www.kfintech.com. Contact Person: Mr. Mohd Mohsin Uddin - Senior Manager.
5	**Since the scrip of the Company is compulsorily traded in Demat form and shareholding in physical form are not transferable, members holding shares in the physical form are requested to consider dematerializing the same on priority to avail of numerous benefits of dematerialisation which includes easy liquidity, easy trading and transfer, saving in stamp duty and elimination of any possibility of loss of documents and bad deliveries.**
6	Members who have not appointed nominees are requested to do so. The prescribed form for appointment of nominee / change in nominee are available on the Company's website https://www.finolexpipes.com/wp-content/uploads/2015/07/Nomination-Form.pdf
7	Members desirous of obtaining any information concerning the accounts and operations of the Company for the financial year ended on 31st March, 2021 are requested to address their questions to the Compliance Officer at investors@finolexind.com so as to reach on or before Monday, 13th September, 2021. This will ensure that the requested information may be made available.
8	While lodging requests for transmission/ transposition of shares/deletion of name due to death, please ensure that copies of PAN card(s) of all transferors and transferees/legal heirs are enclosed to the said request. In the absence of PAN card copies, the Company/ RTA cannot give effect to the requests for transmission/ transposition, name deletion etc.
9	**Unclaimed Dividend:** Members are requested to note that pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, as amended, dividend remaining unclaimed/ unpaid for the period of seven years from the date of transfer to "Unclaimed Dividend Account" shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, dividend declared by the Company for the financial year 2013-14 which remained unclaimed, is due for transfer to the IEPF, in October, 2021. Besides, as per Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ('the Rules'), the Company is also required to transfer shares of Members on which dividends remain unpaid / unclaimed for a period of seven consecutive years from the financial year 2013-14, to the Demat account of IEPF Authority in October, 2021. Therefore, the Members who have not claimed their dividend pertaining to the year 2013-14 and/or any subsequent years and that is still remain outstanding, are requested to lodge their claims with KFIN, the Company's RTA, at the earliest for obtaining payments thereof. After such transfer to IEPF, the shareholders are required to follow the procedure mentioned in Rule 7 of the said Rules for claiming refund from IEPF. Members are also requested to furnish Bank Account No., name of Bank, Branch, IFSC Code and place with PIN Code No. where the account is maintained to prevent fraudulent encashment of dividend warrants.

10	All documents as referred to in the notice and explanatory statement annexed thereto and register of contracts, register of Directors and KMP's as required under the Act, will be available for inspection through electronic mode of KFIN.
11	Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
12	**Information relating to attendance at the AGM (Meeting)**
	Pursuant to the provisions of the circulars 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. In this notice, the terms member(s) or shareholder(s) are used interchangeably.
	c Body 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: deulkarcs@gmail.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 5.00 p.m. (IST) on Tuesday, 21st September, 2021.
	e The Members can join the e-AGM 30 minutes before and after 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.

13	**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 2020-21 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 2020-21 for calling the AGM will be uploaded on the website of the Company at www.finolexpipes.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the same will be available on the website of e-voting agency KFin Technologies Private Limited at the website https://evoting.kfintech.com/. 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 website and manner of registering the e-mail IDs of those shareholders who have not registered their email addresses with the Company/ RTA.
	On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the **Annual Report**, Notice of e-AGM and e-voting instructions **will be sent only in electronic form to the registered email addresses of the shareholders**. Therefore, those shareholders who have not yet registered their email address are requested to **register the email address** with RTA by following the procedure given below:

a	Visit the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx
b	Select the company name i.e. FINOLEX INDUSTRIES LIMITED
c	Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical
d	Enter DPID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.
e	If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.
f	In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
g	Enter the email address and mobile number.
h	System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.
i	Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.
j	The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
k	Alternatively, members may send an email request addressed to einward.ris@kfintech.com along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFIN to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.

	l	Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
	m	In case of queries, members are requested to write to einward.ris@kfintech.com or call at the toll free number 1-800- 309-4001.
	n	Shareholders are requested to visit the website of the company www.finolexpipes.com or the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited or the website of the Registrar and Transfer Agent https://evoting.kfintech.com for downloading the Annual Report and Notice of the e-AGM.
14	**Instructions for the Members for attending the e-AGM through Video Conference:**	
	a	Member will be able to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at https://evoting.kfintech.com/ under shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected. 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 by following the remote e-Voting instructions mentioned in the notice.
	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.
15	**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 clicking on the tab 'Speaker Registration' during the period starting from 18th September, 2021 (9.00 a.m.) up to 20th September, 2021 (5.00 p.m.).
	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 will be considered.
16	**E-Voting** (Voting through electronic means):	
	In compliance with the provisions of Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,	

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 40th Annual General Meeting (e-AGM) of the Company. Necessary arrangements have been made by the Company with KFin Technologies Private Limited ('KFIN'), to facilitate e-voting. Members who have cast their votes by e-voting prior to the e-AGM may attend the e-AGM but shall not be entitled to cast their votes again. The Company has appointed Mr. S.V. Deulkar, Partner or failing him Mr. Sridhar Mudaliar, Partner or failing him Ms. Sheetal Joshi, Partner of M/s. SVD & Associates, Company Secretaries, Pune as the Scrutinizer for analyzing the remote e-voting and e-voting processes conducted during e-AGM in a fair and transparent manner.

Remote e-voting and e-voting at the e-AGM rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on Wednesday, 15th September, 2021 (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. 15th September, 2021 such person may obtain the User ID and password from KFIN by email request on einward.ris@kfintech.com. The remote e-voting period commences on Sunday, 19th September, 2021 (9.00 a.m.) and ends on Tuesday, 21st September, 2021 (5.00 p.m.). The voting module shall be disabled by KFIN for remote e-voting thereafter. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

A	**Instructions for remote e-voting are as under:-**	
	For Physical cases (Shares held in Physical Mode)	
	a	Launch internet browser by typing the URL: https://evoting.kfintech.com
	b	Enter the login credentials provided in the email and click on Login.
	c	Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.
	d	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.,).
	e	Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
	f	Login again with the new credentials.
	g	On successful login, the system will prompt you to select the "EVENT" i.e. "Finolex Industries Ltd."
	h	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, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned above. If the 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.
	i	Members holding multiple folios may choose to vote differently for each folio/ demat account.

	j	You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking "SUBMIT".
	k	Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also 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 vote, to the Scrutinizer at e-mail ID: deulkarcs@gmail.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". In case remote e-voting is opted for, the documents should reach the Scrutinizer on/before Tuesday, 21st September, 2021at 5.00 p.m.
	l	In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at https://evoting.kfintech.com/public/Faq.aspx or call KFIN on 1-800-309-4001 (toll free).
	For Individual Shareholders Holding Shares in Demat mode	
	In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in Demat mode is given below:	

NSDL	CDSL
1. User already registered for IDeAS facility: ** I. URL: https://eservices.nsdl.com. II. Click on the "Beneficial Owner" icon under 'IDeAS' section. III. On the new page, enter existing User ID and Password. Post successful authentication, click on "Access to e-voting". IV. Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period.	**1. Existing user who have opted for Easi / Easiest **** I. URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi. III. Login with user ID and password. IV. Option will be made available to reach e-voting page without any further authentication. V. Click on e-voting service provider name to cast your vote.

NSDL	CDSL
2. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com (Select "Register Online for IDeAS"). or https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp II. Proceed with completing the required fields. **(Post registration completion, follow the process as stated in point no.1 above)	**2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. **(Post registration is completed , follow the process as stated in point no.1 above)
3. First time users can visit the e-voting website directly and follow the process below: I. URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. V. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.	**3. First time users can visit the e-voting website directly and follow the process below:** I. URL: www.cdslindia.com. II. Provide demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective Electronic Service Provider (ESP) where the e-voting is in progress. V. Click on company name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

Individual Shareholders (holding securities in Demat mode) login through their depository participants
You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option. Please click on e-voting option and you will be redirected to NSDL/ CDSL Depository site after successful authentication. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

Individual Shareholders (holding securities in Demat mode) login through their depository participants
Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website. Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

B	Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote through remote e-voting shall not be allowed to vote again at the e-AGM.
C	In case of any query pertaining to e-voting, please 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).
D	The Scrutinizer shall, after scrutinizing the votes cast at the e-AGM and through remote e-voting, make a Consolidated Scrutinizer's Report and submit the same to the Chairperson of the Company, not later than two (2) working days of conclusion of the AGM.
E	The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website (www.finolexpipes.com) and on the website of KFIN at https://evoting.kfintech.com. The results shall simultaneously be communicated to the BSE Limited and National Stock Exchange of India Limited.
F	A copy of this notice will be placed on the websites of the Company and KFIN.
G	**Voting at the e-AGM:** Members who unable to vote through remote e-voting may avail the e-voting system provided by KFin Technologies Private Limited, at the time of e-AGM. Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have not cast 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.

17 BOOK CLOSURE AND DIVIDEND

The register of members and the share transfer books of the Company will remain closed from Thursday, 16th September, 2021 to Wednesday, 22nd September, 2021 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31st March, 2021.

Dividend, if declared at the AGM will be credited / dispatched on/after 4th October, 2021 to those members whose names appear on the register of members (holding shares in physical form) on/before the close of business hours on Wednesday, 15th September, 2021 of the Company or on the register of beneficial owners maintained by the depositories as at the close of their business hours on Wednesday, 15th September, 2021.

Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the Members where the dividend cannot be paid through electronic mode.

18 Dividend related information:

The Finance Act, 2020 has abolished the Dividend Distribution Tax ('DDT') and has introduced the system of dividend taxation in the hands of the members with effect from 1st April, 2020. Accordingly, the Company would be required to deduct Tax at Source ('TDS') in respect of approved payment of dividend to its members (resident as well as non-resident).

Resident Members:

Tax shall be deducted at source under Section 194 of the Income Tax Act, 1961 ('Act') @ 10% on the amount of dividend declared and paid by the Company during financial year 2021-22, subject to the following:

Sr. No.	Particulars	Rate of TDS applicable	Section under the Act
1	PAN is not available/ Invalid PAN	20%	206AA
2	Non-filing of return of income tax for any of the last two financial years (i.e. FY 2018-19 and FY 2019-20); and TDS as well as TCS deduction in each of these years in case of the member, is ₹ 50,000 or more (refer **Note 1**)	20%	206AB

Note 1: Provisions of Section 206AB of the Act are applicable with effect from 1st July, 2021.

No tax shall be deducted at source on the dividend payable to a resident individual if the total dividend to be received by the said resident individual from the Company during a financial year does not exceed ₹ 5,000; or if an eligible resident member provides a valid declaration in Form 15G/ Form 15H or other documents as may be applicable to different categories of members.

Further, if a member has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company, tax shall be deducted on the dividend payable to such member at the rate specified in the said certificate.

Non-resident Members:

Tax is required to be deducted at source in the case of non-resident members in accordance with the provisions of Section 195 of the Act at the rates in force. As per the relevant provisions of the Act, the TDS on dividend shall be @ 20% or applicable rate plus applicable surcharge and health & education cess on the amount of dividend payable to the non-resident members. For FII/ FPI members, Section 196D provides for TDS @ 20% or applicable rate plus applicable surcharge and health & education cess.

However, as per Section 90 of the Act, non-resident members have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with applicable Multilateral Instrument (MLI) provisions, if they are more beneficial to them.

In order to claim the benefit of DTAA, the non-resident members will have to provide required documents/ declarations.

Also, in order to avoid tax deduction at source @ 40% plus applicable surcharge and health & education cess as per section 206AB of the Act, all non-resident members are requested to submit declaration in the prescribed format.

A list of such documents/ declarations required to be provided by the **resident members** and list of documents/declarations required to be claim benefit of DTAA by the **non-resident members** are available on the Company's website at https://www.finolexpipes.com/investors/compliance-report/. Kindly note that the documents should be uploaded with KFin Technologies Private Limited, the Registrar and Transfer Agent at https://ris.kfintech.com/form15 or emailed to einward.ris@kfintech.com.

A separate communication to shareholders on Tax Deduction at Source / Withholding tax on Dividend was sent on 16th July, 2021.

No communication on the tax determination/ deduction shall be entertained after **13th September, 2021**

The above referred documents submitted by member will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial member.
- For deduction of tax at source, the Company would be relying on the above data shared by KFin as updated up to the record date.

Application of TDS rate is subject to necessary due diligence and verification by the Company of the member details as available in Register of Members on the Record Date and above prescribed documents. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate. In such case, the members may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted. The Company shall arrange to email the soft copy of the TDS certificate to members at the registered email ID within the prescribed time, post payment of the said dividend, if declared in the AGM. The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES https://www.tdscpc.gov.in/app/login.xhtml or the e-filing website of the Income Tax department of India https://www.incometax.gov.in/home.

In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member(s), such Member(s) will be responsible to indemnify the Company, and also provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities.

For further details and formats of declaration, please refer to FAQs on Tax Deduction at Source on Dividends available on the Company's website at https://www.finolexpipes.com/investors/compliance-report/

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all material facts relating to Special Business mentioned at item Nos. 4 to 6 mentioned in the accompanying Notice.

Item No. 4

M/s. S. R. Bhargave & Co., Cost Accountants, Pune, (Firm Registration No. 000218) have been appointed as the Cost Auditors of the Company for the financial year 2021-22 by the Board of Directors at its meeting held on 25th June, 2021. It is proposed to pay ₹ 4.00 Lakh (Rupees Four lakh only) plus applicable taxes and reimbursement of actual out of pocket expenses as the remuneration to the Cost Auditors for the financial year 2021-22.

M/s. S. R. Bhargave & Co., have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have concluded the audit of the cost records of the Company for the financial year 2020-21 under the provisions of the Companies Act, 2013 ("the Act").

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 Ordinary Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set forth in Item No. 4 for the approval of the Members.

Item No. 5

The members of the Company at their 36th Annual General Meeting held on 11th August, 2017 by way of a Special Resolution passed in pursuance of the Companies Act, 2013 (the "Act") and other applicable provisions, if any, approved the payment of remuneration by way of commission to the non-executive directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Act, with an overall cap of ₹ 2.00 Crores (Rupees two crores only).

Pursuant to the provisions of Sections 149, 197 and other relevant provisions of the Companies Act, 2013 and taking into account the business prospects, roles and responsibilities, contributions, performance of the non-executive directors and in the interest of higher level of excellence in corporate governance on account of statutory and regulatory changes, it is proposed that the Directors other than managing director and the executive directors shall be paid for each financial year of the Company commencing from 1st April, 2020, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013 with an overall cap of ₹ 4.00 Crores (Rupees four crores only). This remuneration will be distributed by way of commission amongst all or some of the directors as approved by the Board of Directors from time to time and subject to any other applicable requirements under the Companies Act, 2013.

This remuneration shall be in addition to fee payable to the directors for attending the meetings of the Board or any Committee thereof and reimbursement of expenses for participation in the Board and other meetings.

Pursuant to the Companies (Amendment) Act, 2020, read with rules made thereunder, if a company fails to make profits or makes inadequate profits in a financial year, any non-executive director of such company, including an independent director, may be paid remuneration in accordance with Schedule V of the Act. Presently, no approval of the Central Government is required for the said payment of commission, since it is within the prescribed limits as specified under section 197 of the Act. However, in future, if approval of Central Government is required to be obtained then the payment will be subject to the approval of Central Government.

Accordingly, an approval of the members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the directors of the Company other than managing director and executive directors, as set out in the resolution at item no. 5 of the notice.

The Board recommends the Special Resolution set forth in item no. 5 for the approval of the members.

None of the Directors/key managerial personnel and/or their relatives, except the concerned non-executive director and their respective relatives are directly or indirectly concerned or interested, financially or otherwise, except to the extent of remuneration that may be received by them and their respective shareholding, if any, in the Company, in the resolution set out in Item No. 5 of the Notice.

Item No. 6

The SEBI vide its circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated 26thNovember, 2018 mandated that the Large Corporates as defined under the said circular, shall raise not less than 25% of its incremental borrowings by way of issuance of debt securities, as defined under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 which, inter alia, includes the Non-Convertible Debentures (NCDs) issued on a private placement basis.

Your Company as on date is not falling under the definition of Large Corporate prescribed under the said SEBI Circular. However, it is proposed to obtain consent of the members of the Company in case the Company may require to issue the debt securities as defined under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 including NCDs on a private placement basis and listing of the same on the designated stock exchanges.

Pursuant to the provisions of Section 42 of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (hereinafter collectively referred to as the “Rules”), the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a company offering or making an invitation to subscribe to NCDs, on a private placement basis is required to obtain the prior approval of the members of the Company by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.

Accordingly, the approval of the members of the Company is being sought by way of a Special Resolution in terms of the Sections 42 and 71 of the Act read with the Rules made thereunder and applicable SEBI regulations, guidelines and circulars to enable the Company to offer or invite subscription for the debt securities including NCDs on a private placement basis, in one or more tranches during the period of one year from the date of passing of this resolution at Item No. 6, up to a sum not exceeding ₹ 250.00 Crores (Rupees two hundred fifty crores only) within the overall borrowing limits of the Company, as approved by the members from time to time.

The Board recommends the resolution set out at Item no. 6 for approval of the members.

None of the directors or any other key managerial personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 6.

By Order of the Board of Directors
For **Finolex Industries Limited**

Ashutosh B. Kulkarni

Pune
25th June, 2021

Company Secretary
M. No. : A18549

Additional information of the Directors seeking re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on General Meetings (SS-2).

Mr. Saurabh S. Dhanorkar

(a) A brief resume of the director

Mr. Saurabh S. Dhanorkar, 65, is a graduate from Sydenham College, Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India. He is having vast experience of about 38 years in the fields of the finance, marketing and general management. After a brief stint with an international accounting firm, Mr. Dhanorkar joined Finolex Industries Limited in 1983 in the Finance Department. After working as Head of Finance for 5 years, he took over as Marketing Head for PVC Resin Division when the Company went into backward integration with a project for manufacturing of PVC Resin. In 1996, he was appointed on the Board of Directors of the company as Whole-time Director designated as Director (Commercial). He was designated as an Assistant Managing Director (AMD) & Chief Operating Officer (COO) with effect from 1st December, 2006. He worked as Managing Director of the Company from 11th August, 2012 till his retirement on 30th November, 2016. He worked as a member of the core management team of the Company and has witnessed a transition from a small PVC Pipe manufacturer in Pune to a multi-location Petrochemical and Plastics processing Company. He has widely travelled and has presented papers in various national and international conferences.

(b) Nature of expertise in specific functional areas

Expert in the field of finance, marketing and general management.

(c) Disclosure of relationships between directors inter-se

None of the directors are related to Mr. Saurabh S. Dhanorkar.

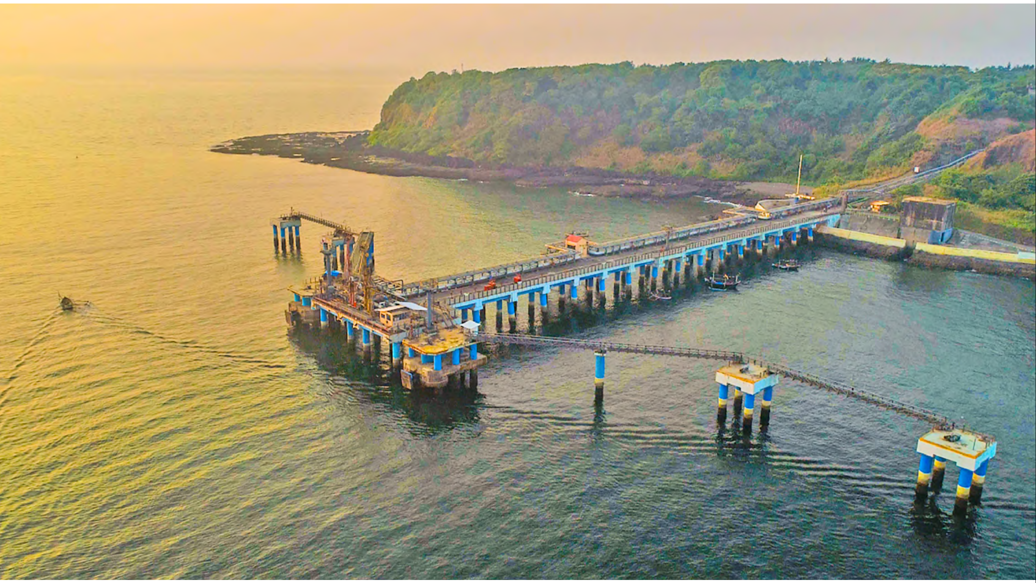
(d) Names of other entities in which the person also holds the directorship and the membership of Committees of the board of directors*

Mr. Dhanorkar does not hold any directorship or committee membership of in any other company. Mr. Dhanorkar is a member of the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Share Transfer Committee and Finance Committee of the Company.

(e) Shareholding in the Company including shareholding as a beneficial owner

Mr. Saurabh S. Dhanorkar holds 5,621 equity shares of the Company as on 31st March, 2021 (post sub-division of equity shares - 28,105 equity shares). He does not hold any shares as a beneficial owner.

***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 which is a part of this Annual Report.



Finolex Industries Limited

Corporate Office

D-1/10, MIDC, Chinchwad, Pune - 411 019,
Maharashtra, India. Tel.: +91-20-2740 8200
E-mail: investors@finolexind.com
Website: www.finolexpipes.com