



Finolex
Cables Limited
AN IS/ISO 9002 COMPANY



annual report 2000 - 2001

50 million users
Over 35 million core kilometers
One Company



...One Company that
serves with a smile



Learning Centre

Total Cable Solutions



R. G. D'Silva

Company Secretary

Bankers

Central Bank of India
Bank of Baroda
BNP Paribas
Citibank N.A.
Corporation Bank
HDFC Bank
Standard Chartered Grindlays Bank
State Bank of India
The Bank of Nova Scotia

Auditors

B. K. Khare & Company
Chartered Accountants

Solicitors

Crawford Bayley & Co.

Regd. Office

26/27, Mumbai-Pune Road,
Pimpri, Pune 411 018

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B. G. Deshmukh



P. G. Pawar



B. J. Rathi



of Directors



Sanjay K. Asher



M. L. Jain
Executive Director



V. K. Chhabria
Joint Deputy Managing Director



D. K. Chhabria
Managing Director

Corporate Vision

To maintain leadership
by being the largest and
the most diversified Cable
Company in India through
Total Quality, Latest
Technology and Best
Customer Service.

P. P. Chhabria Chairman



Dr. N. A. Kalyani



Board



Atul C. Choksey



Dr. H. S. Vachha

B. S. Deshmukh



P. G. Pawar



B. J. Patil



of Directors



Sanjay K. Asher



M. L. Jais
Executive Director



V. K. Chhabria
Joint Deputy Managing Director

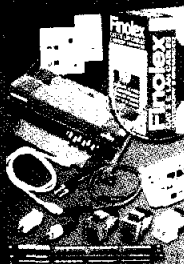


D. S. Chhabria
Managing Director

Lan cables and Components

Finolex UTP CAT 5 and CAT 5 E LAN cable together with connectivity products from Leviton, USA is marketed by Finolex Cables Limited under the brand name 'OptiNet'.

The OptiNet range of products along with 15 years performance warranty caters to the networking infrastructure market.



PVC Insulated Battery cables

Finolex Battery cables are used by India's leading automotive and engine manufacturers. The use of special grade PVC compound makes the cable impervious to water, petrol, diesel, acids, engines and lubricating oils and grease.



Products

REPORT  junction.com

Jelly Filled Telephone cables

Finolex offers a range of Solid Foam and Foam Skin Jelly Filled Telephone cables ranging from 5 pair upto 2400 pair. Quad and High Frequency Shield cables are also offered. Air Core and Aerial cables are also available.



Co-Axial cables

Finolex offers a wide range of cables used for transmission of radio frequency signals from Cable TV head-end to the Cable TV viewers. The first to offer Physical Foam Co-Axial cables in India, Finolex now offers the Foam Filled version. It will also offer a range of Branch and Trunk cables.



Flamegard

The 'Flamegard' formulation, in the event of fire, ensures that the spreading of fire is contained and the gas emission is less poisonous as compared to ordinary cables. Smoke generation is contained to facilitate the fire control efforts.



Thin Wall Auto cables

These 105°C Temperature Resistant PVC Insulated cables are specially designed for new generation automobiles and are manufactured to German standards. These cables can safely operate under extreme temperatures and are popular worldwide.



at a glance

REPORT JUNCTION

Winding Wires and 3 Core Flat cables

Flexible cables

Finolex PVC Insulated Single Core and Multi Core Flexible cables conform to IS 694 and IS 1990. These are manufactured under stringent quality standards and meet the requirements of varying electrolytic load factors of a range of various applications.



Finolex was among the first to manufacture Winding wires and 3 Core Flat cables. It has also developed a special range of Winding wires with 'Thinwall' Insulation. This provides a more compact pump with higher power for better efficiency.



Chairman's



It has been another remarkable year at your Company with the income from operations crossing the landmark Rs.600 crores. Behind this performance lies astute business strategies, futuristic foresight and a profound customer insight. A combination that spells success for your Company, its customers, its employees and all its stakeholders.

The implications of the continuing firm economy and strong consumer confidence mean a radical reconstruction of how we compete with the challenges in terms of competitive pressures and technology changes. The critical support in designing and implementing strategies, that create real momentum and fully embrace the opportunities the new technologies bring in, are already in place.

We are confident that the market for our key product line is in a growth phase and we are well positioned to exploit the emerging opportunities. Capacity enhancement, aggressive brand building and network expansion have been undertaken to reach the customer at his doorstep.

Today, there is a need to attain a global dimension in the true sense. The Indian market with its large potential has naturally attracted global players in domestic segments, enhancing competition and increasing pressures on margins. We have anticipated this much earlier and are well prepared. One of the significant achievements was our successful penetration of export market with a record export growth of over 70%. Despite severe competition from other global manufacturers, your Company has been able to secure a major export order of approximately Rs.90 crores for the supply of Foam Skin Telephone cables to be executed in the year ending March 2002.

In recognition of its consistent export performance, your Company has been accredited the status of 'Export House' under the Exim Policy of the Government of India. This recognition will go long way in helping our export drive.

We have also been successful in consolidating our position in the Co-axial, LAN and SwitchBoard cable segment achieving a growth of over 50%.

In order to face the challenges ahead and seize the opportunities emerging in the old as well as the new economy sectors, we have taken various strategic initiatives. We have developed and introduced Jelly Flooded version of RG6 and RG11 Co-axial cables, which will meet international quality requirement and are preferred choice of the customer. Efforts are also underway to introduce enhanced versions of these cables. With the proposed investment in Verna, Goa, your Company shall soon be introducing CATV Co-axial trunk cables, which will complement the total range of Co-axial products to the customer.

Your Company has aggressive plans to leverage the capacity expansion in LDC segment by increasing the reach to the customers through additional marketing outlets. The Company has

Statement

increased its LDC product range capacity from 700 TCKM to 900 TCKM.

As a means of enhancing the shareholder value, during the year ended 31st March, 2000, your Company made the first offer to buy-back the shares at a price of Rs. 275/- per share upto 10% of the share capital. The Company received a response for buy-back of approximately 4.90% of the share capital. This year the Board has again recommended, for your approval, buy-back of shares at a price not exceeding Rs.250 per share for an aggregate amount of Rs.75 crores.

Your Company is strengthening IT linkages within the organisation. It is developing concepts and business plans to transform itself into an e-enabled enterprise. After successfully implementing the Enterprise Resource Planning Software Package (SAP) linking the network of branches and depots with the head office and manufacturing units, we are in the process of finalising, for our country wide channel partners, a Business to Business (B2B) application development involving system integration.

Business has become more globalised and increasingly competitive, requiring greater emphasis to be laid on corporate governance as a mechanism for self-restraint and effective control, and as a means to promote stakeholder value. We continue to practice the broad principles of Corporate Governance over the years by placing strong emphasis on transparency, accountability and integrity, so as to continuously enhance the value of stakeholders.

Finolex Wire Products Limited, a wholly owned subsidiary Company, has recorded a turnover of Rs.526 crores during the 18 months period ended 31st March, 2001. Further, the actions taken by the management during last year in improving the operations have yielded positive results and the Company is generating profits since last quarter of the previous year. This trend is expected to continue in the current year.

We are conscious of the criticality of human resource and have launched new initiatives for synergising various aspects of human resource management, besides our focus on training and development. The proposed broad and innovative Employee Stock Option Plan is aimed at providing more motivation and better growth for employees, while encouraging them to utilise their skills to involve in the growth and value creation of your Company.

We are confident that despite the intense competitive markets, your Company is growth oriented and is well positioned in terms of its Brand Equity, Marketing Strategy, New Product Plans and Export Drive.

My warmest wishes to you and your families.

P.P. CHHABRIA