

Annual Report 2002 - 2003



Innovative talent



Indigenous strengths



Ingenious strategy



Finolex
Cables Limited
AN IS/ISO 9002/14001 COMPANY

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Innovative talent. Indigenous strengths. Ingenious strategy.

In an ever-changing world of uncertainties, there is one fact that rings loud and clear. 'Change, adapt or perish'.

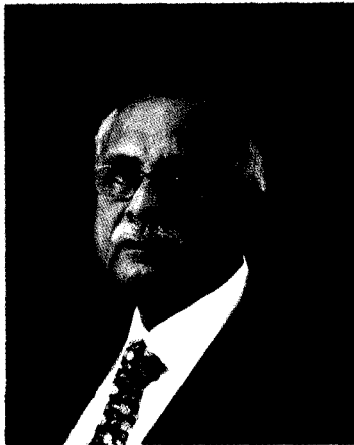
Finolex has over decades given to India and the world, the finest quality in cables for a number of applications for different markets. All this is thanks to a clear, focused vision and an attitude that embraces change. Firmly rooted in innovations, strength and strategy, Finolex today is India's largest cable manufacturer. As it marches forward, Finolex promises to bring people together by offering the best – the best in products and services through

innovations, strength and strategy.



TOTAL CABLE SOLUTIONS

Chairman's message



Dear Stakeholders,

The year 2002-2003 which is just over has been a difficult year for the Company. Both, the total income of Rs. 5,210.58 million and profit before tax of Rs. 282.23 million for the said year were on a lower side. The reasons have been explained in the Directors' Report. Nevertheless, in such difficult market conditions, I consider your Company's performance to be relatively better. I am happy that this achievement has been possible only due to the co-operation of all of you. The challenges posed by the competitive forces and technology changes, amongst others, would call for a continued co-operation and contribution of the stakeholders for attaining a better future for the Company.

The electrical cables business is in a growth phase and as a Company, we are well positioned to exploit the emerging opportunities. The 3 core flat cables / winding wires used in submersible pumps and auto / battery cables used in wiring harness for automobiles have shown very handsome growth. The Company has aggressive plans to expand its LDC business which has grown over 15% during last year and has high potential.

In communication cables business, the domestic jelly filled telephone cables demand seems to have reached its optimum level. However, export market for the same continues to offer good potential. Co-axial, LAN and Switch Board cables segment achieved a growth of over 35%. The market for other products of this business segment is also fast growing. Thus communication cables business will continue to contribute to the Company's earnings significantly.

Your Company has successfully launched V-SAT cables for V-SAT application for connecting the dish to the base station. Your Company has also launched a new variant of optic fibre cable called 'TOP Cable' wherein the glass fibres are totally encapsulated by extruded FRP sheath over the loose tube. This design is suitable for aerial application with high wind load factor. Your Company has also introduced into the market UPS cables which are used for providing power from UPS to the computer/appliances in the networking environment. Your Company has enlarged the LAN cable product range by introducing CAT 6 cable for high speed performance upto 350 MHz, which is approved by Underwriters Laboratories Inc. (UL), USA.

The Company has undertaken an ambitious programme to set-up optic fibre capacity to reduce dependence on imports. The first phase of this optic fibre project has not been achieved due to technical problems encountered by the supplier of the machinery.

The Company successfully completed its second buyback of equity shares during the year under review.

Your Company is an e-enabled enterprise. It uses ERP system of SAP for carrying out speedy processing of the transactions. Through B2B business module, the channel partners have been offered e-connectivity with need-based access to the main server to carry out online business with the Company. The said distributors have been made available 'channel finance' from banks on concessional terms for enduring their trade cycles. There are other incentives offered to the channel partners, their dealers and electricians, solely with an objective of establishing a strong linkage with the end user - "the customer".

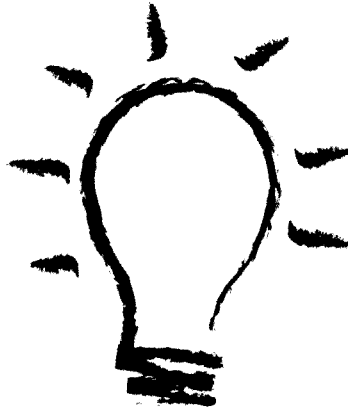
Since, business is becoming increasingly competitive and more globalised, it requires greater emphasis to be laid on better corporate governance as a mechanism of self restraint and effective control. The Company has been practising principles of good corporate governance over years thereby placing a strong emphasis on transparency, accountability and integrity. The intentions are, and the attempt is, to enhance the value of the Company to its stakeholders.

Finolex Wire Products Limited, a wholly owned subsidiary company which provides quality CC rods to the Company, has recorded a turnover of Rs. 2983.64 million for the year 2002-2003. This Company has also setup a capacity to manufacture 32,000 Kms. of optic fibre cables in Goa. The combined manufacturing operations have resulted in a net profit of Rs. 2.21 million for the year.

Your Company is aware of the challenges ahead. With its brand equity, innovative skills, market strategy and export drive, your Company will be able to meet these challenges and accomplish its objectives.

My best wishes to you and to your family members.

P.P. CHHABRIA



innovative talent

The new-age world has brought with it numerous opportunities, changing attitudes, perceptions and new demands.

Instant communications have made people across the world a part of the global village, enhancing their lifestyles and making them aspire for more.

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Our Journey

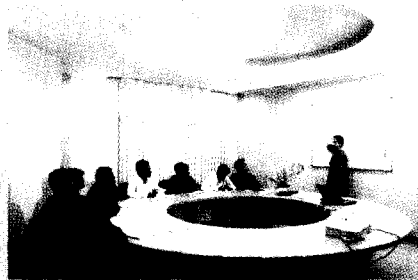
Finolex has always been at the forefront of the country's industrial revolution. As the country's leading cable manufacturer, Finolex not only believes in investing in the best technology for its products, but also believes in investing in its key asset - its people. People are the driving force behind the Company's success and so Finolex has initiated Training Programmes for different cadres of employees. Upgradation of skills, processes and motivational workshops are routinely conducted by a dedicated team at Finolex training centre.

Recognising Electricians and Electrical Contractors as a vital link in communicating the advantages of using Finolex electrical wires, the Company has initiated specialised training

programmes for Electricians from several cities across India. Across the wide spectrum of products, Finolex aims to reach out through training programmes for Cable TV Operators, submersible pump rewinders and farmers, architects and builders, ERP managers and many more people.

A new application or product for the customer today, is obsolete tomorrow. Finolex understands the changing needs of customers and believes in being ready for the future. With an attitude that is open to change and adaptability, Finolex has

spearheaded the industry with several product innovations through constant R&D efforts. Efforts that are geared towards change and in readiness for tomorrow.





indigenous strengths

Total quality in a product can only be achieved by total control.

Control over the raw materials used, control in the manufacturing process and technology and control through a vast distribution network that reaches the far corners of the country.

QUALITY RESOURCES FOR INCREASED REVENUES

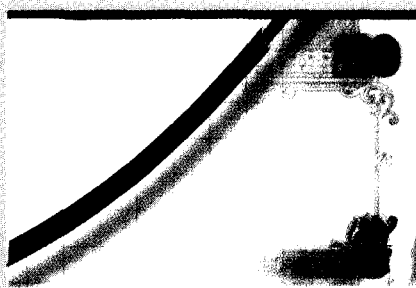
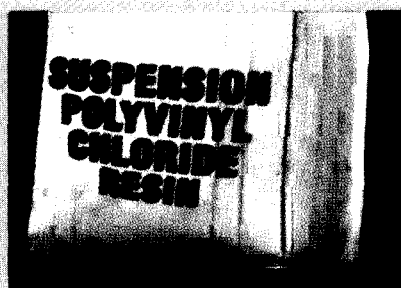
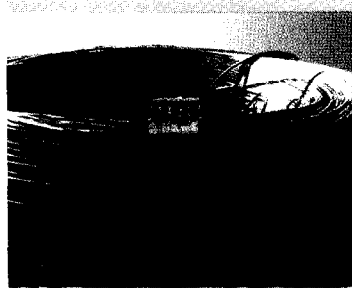
At Finolex Cables, we believe that a product is only as good as its raw material and manufacturing process. The reason why we have consciously taken steps in backward integration, manufacturing the basic raw materials - copper and PVC at our Group companies.

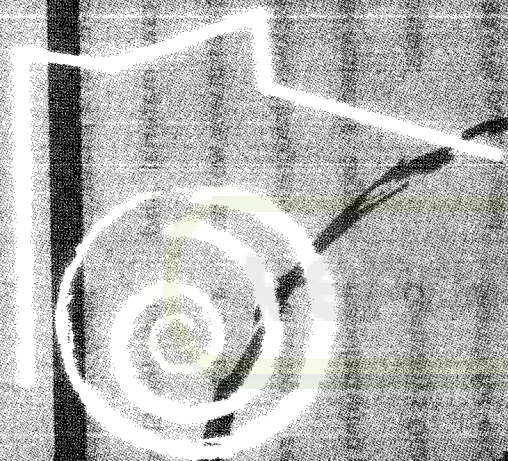
Electrolytic grade copper, 99.97% pure, is used to make the conductor of every wire, ensuring that electricity flows smoothly without interruptions or resistance. Virgin grade PVC resin is used to formulate the PVC compound that insulates every copper wire. The PVC compound has no impurities and is smoothly extruded over the copper wires on state-of-the-art extrusion machines.

Finolex is an ISO 9002 company. All Finolex products conform to the highest standards of

safety and quality. Certifications are achieved under the ISI mark and FIA/TAC authorities, and a UL listing and verification for LAN cables. Pursuing a 'zero defect' culture across its manufacturing processes and technologies, the Company's Quality Policy reflects a relentless search for excellence and commitment to perfection. With a clear focus on customer satisfaction, Finolex not only provides quality products, but has set up a nationwide sales distribution network of dealers and distributors, to ensure that the customer is never out of reach of a Finolex product.

Manufacturing expertise since 1956 and providing cables for every need across different segments of industry is what makes the brand Finolex a household name in the country today.





ingenious strategy

Success is never achieved overnight. It is a journey in pursuit of excellence, a search for excellence with a vision, a vision to be the 'Global Cable Solutions' provider, that is making us a leader in the industry, able for every need across all segments of industry.

FROM MINDPOWER TO BUSINESSPOWER

Finolex believes that growth lies not only in selling volumes of one great, quality product, but also in diversifying and being present across different markets. Be it agriculture, power, telecommunications, automobiles or industry, Finolex manufactures a cable for virtually every need. This provides new opportunities, new challenges and opens up new markets hitherto unforeseen. It was with this vision that Finolex started by manufacturing auto and battery cables for the automotive sector. Gradually came the electrical cables for construction and winding wires and 3-core flat cables for submersible pump motors. Today, the Company also manufactures co-axial cables for Cable TV networks and LAN cables supplied with components for hi-tech computerised networks. Finolex also manufactures fibre optic cables for all applications including fibre-to-home design, the future of networking and communication technology.

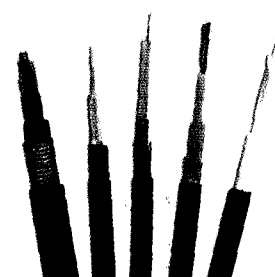
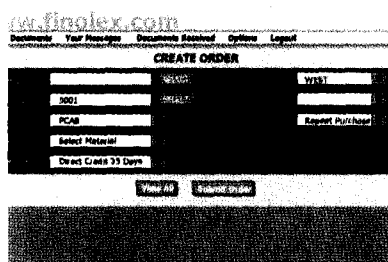
Living in a world of instant communications, the Company's SAP initiative was completed in a record time. Today, all the branch and regional

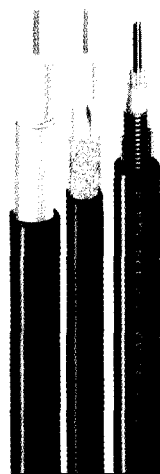
offices of Finolex are connected through SAP and dealers and distributors can place orders, check inventory and prioritise delivery schedules.

Finolex believes that growth can also be achieved through awareness. The Finolex Cables website is a step in this direction. To optimise customer interaction, the Finolex website has a business-to-business (B2B) section that allows channel partners to place orders with the company directly. This allows for quick delivery and greater customer satisfaction.

Product Range :

- Flame Retardant Electrical Wires – Housegard, Hotgard and Flamegard
- Single & Multi Core Flexible Cables
- Single Core Flexible Cables for UPS Cabling
- PVC Winding Wires & 3-Core Flat Cables
- Trunk & Distribution CATV Cables
- Branch & Drop Co-axial Cables
- 105 °C Temperature Resistant Auto Cables
- Cat 5, Cat 5 E, Cat 5 E+ & Cat 6 LAN Cables & Components
- Telephone & Switchboard Cables
- Low Voltage Power & Control Cables
- Jelly Filled Telephone Cables
- Fibre Optic Cables
- PVC Sheets.





Finolex introduces India's first superior range of Trunk and Distribution co-axial cables in 412, 500, 540 & 715 series with aluminium tube construction designed as per international standards. This guarantees a high level of picture and sound quality.

Special features of Finolex Trunk and Distribution co-axial cables :

- Specially imported copper-clad aluminium inner conductor for superior RF transmission
- Imported gas injected, physical foam, polyethylene dielectric ensures high velocity of propagation
- Special aluminium alloy secondary outer tube conductor for 100% shielding ensures distortion-free transmission of signals upto 1 GHz

Also available RG59, RG6 & RG11 Branch & Drop Cables with jelly flooding.



Finolex
Cables Limited

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Finolex gets people together

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