

Finolex. *futureactive*

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In today's dynamic scenario, companies must adapt to change quickly or perish. We, at Finolex, have witnessed market upheavals and with great optimism looked for opportunities in newer areas and markets. It is with this pro-active effort that we present the concept of 'Future-activity'. Over the past few years, though we have lost 60% share of revenues from JFTC cables, we at Finolex, have developed and manufactured 'hybrid' products and increased revenues with contributions from all the other product segments. Despite setbacks, we know that with an eye on the future and with our ability to adapt to change, being 'futureactive' will help us deliver better results and better performance in the years ahead.

We have the size, scale, brand and the ambition to maintain our leadership in the industry. While our greatest strength lies in the ability to understand our customers' goals, our success is totally attributed to strong teamwork, continuous R&D efforts, total dedication and commitment of each and every member of the Finolex family to deliver unsurpassed quality with reliable products and services to the total satisfaction of all our customers.



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C H A I R M A N ' S M E S S A G E



Dear Stakeholders,

Year 2003-2004 has been a year of special significance to your Company. The Company is re-emerging. Total income has grown by 9 % and profit after tax is higher by 20 %. I am satisfied with the overall performance numbers, especially having regard to the challenging business environment in which your Company operates. Yet, I would like to share with you the matters which are important to me. We have taken following decisions which will have a far reaching impact on shaping the future of your Company :

The first and foremost decision taken is to remodel the JFTC capacity at Urse plant to cater to production of the state-of-art high-end communication cables and high-on-demand light duty electrical cables. Demand for modern day high-end communication cables like LAN cables and Coaxial cables is on rise for application in growing multimedia networks and broadband services. At the same time, buoyancy in our economy is contributing to accelerated growth in housing, agriculture, automobile and industrial sectors where electrical cables are used. The Company intends to capitalise on the expanding electrical cables market by leveraging on powerful Finolex brand and extensive distribution network. Of course the option to produce JFTCs will be retained, should demand for them re-surge in future.

The Company has exited from non-core activities namely implementation of power generation project for commercial exploitation, and real estate development.

I am confident, the stakeholders will appreciate the aforesaid steps taken by the Company and whole-heartedly support now and in future the initiatives taken by the Company for creating a better future for itself.

Lastly, I sincerely value the hard work put in, and contribution made, by every member of the Finolex Family for the growth and prosperity of the Company.

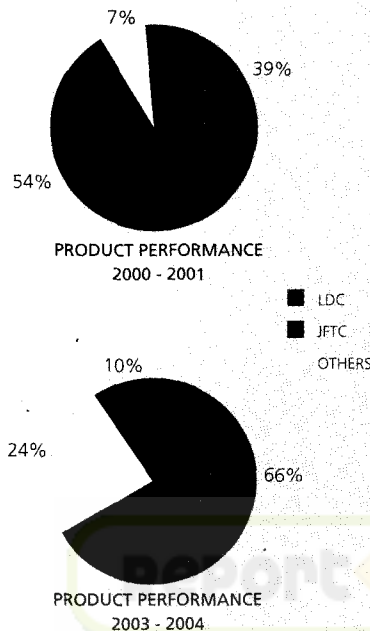
With warm regards and best wishes.

P P Chhabria

Looking



beyond horizons



The new age world has brought with it numerous opportunities, changing attitudes, perceptions and new demands. Instant communication has made people across the world a part of the global village, enhancing their lifestyle and making them aspire for more.

A new application or product for the customer today is obsolete tomorrow. Traditionally the Company relied on JFTC to contribute to its profit and revenues. Due to changing technologies and market dynamics, the JFTC business over the past few years has been on the decline. This challenged us to lessen our reliance on the JFTC segment, widen our horizons by augmenting our product portfolio and at the same time maintain the overall momentum of profits and growth. Three years earlier while JFTC contributed to 54% of the company's revenues, today its contribution is only 10%. So despite setbacks in

the JFTC market, Finolex has managed to adapt, in a very short period, and grow.

As Construction, Automobile, Telecommunications and IT industries are growing and offering immense scope for allied industries, Finolex is gearing up to meet the huge demand for cables and wires. With potential for high growth in these segments, capacity enhancement has been planned. Contribution from this expansion will help maintain leadership in the market, expand distribution capabilities and increase market penetration.

The Company will also continue to focus on high growth sectors like Telecommunications and Information Technology by developing and launching new products to provide high bandwidth to high density networks as well as to meet the growing requirements of multimedia networks and broadband services.



Thinking
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that powers growth

As a true leader the Company used all its experience and expertise to develop new products that cater to emerging markets. Through constant R & D efforts, Finolex spearheaded the industry with several product innovations. This provides new opportunities, new challenges and opens up new markets hitherto unforeseen. Whether it is agriculture, power, telecommunications, automobiles or industry, Finolex manufactures a cable for every need and requirement.

It was with this vision that Finolex enhanced the range of its product portfolio. With the emergence of call centres and the boom in BPO operations across the country, the demand for cables for voice and data applications is expected to grow exponentially and Finolex is geared up to meet these demands.

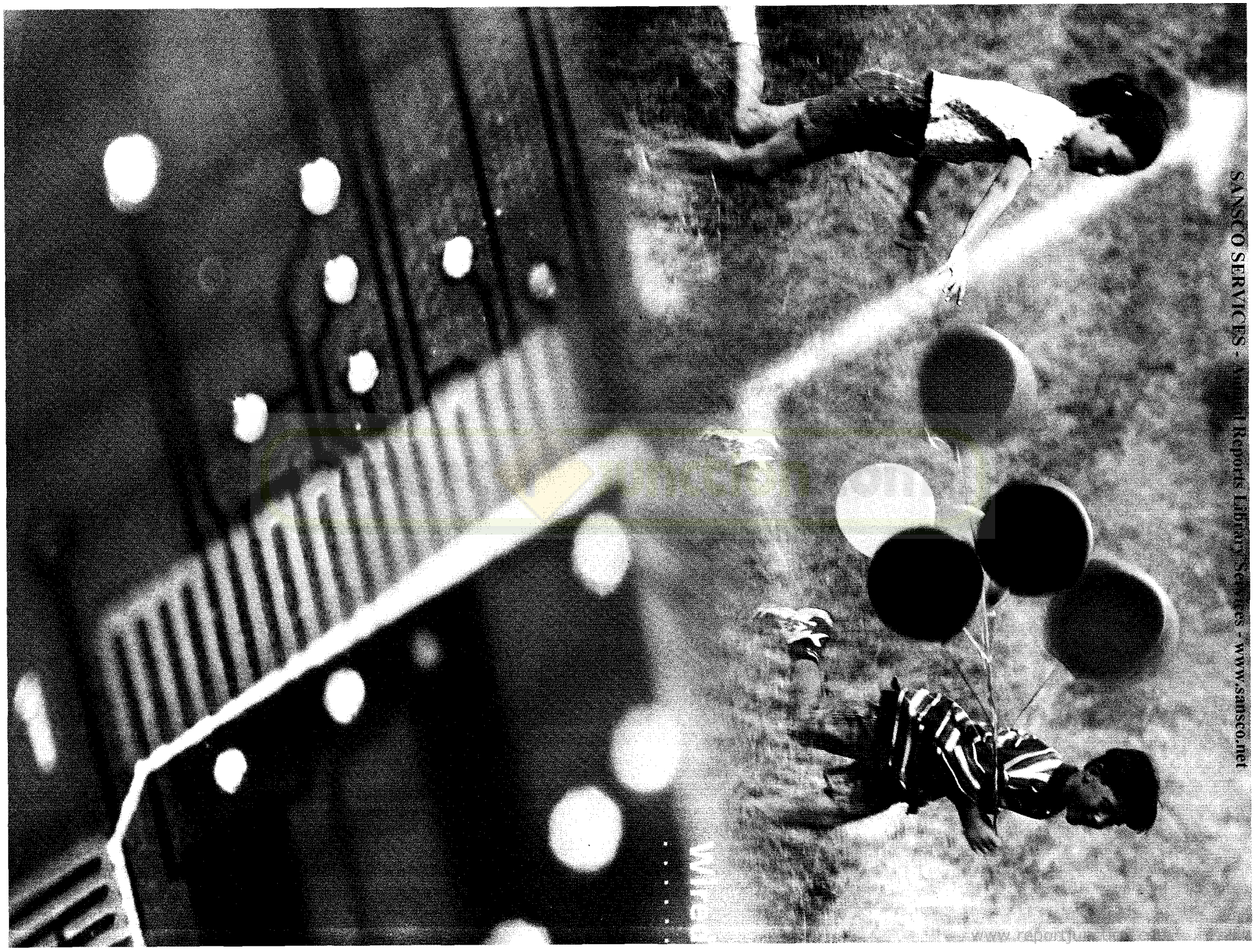
New products like 25-pair and 50-pair LAN CAT 5, aerial cables for

networking applications have been successfully developed and launched for private telecom operators. Optic Fibre Cables with power cords for broadband applications, screened LAN CAT 5 cables for petrol pump application are other products launched by the company signifying the superior technological capabilities of the Company.

Further, keeping abreast with the changes in the environment standards of Europe, lead-free PVC insulated Auto Cables for major wire harness manufacturers have been developed and supplied by us. These have met their stringent standards and international specifications.

We will continue to launch differentiated products as a showcase of our technologically advanced abilities. We endeavour to accelerate our product launches ahead of the competition and enter new, unpenetrated markets.





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To take advantage of the continuous improvements and enhanced functionalities incorporated in SAP software, the company has decided to upgrade its SAP version to the latest release "SAP Enterprise", the next generation of SAP R/3. Increased connectivity options, coupled with the strengthening of back-end infrastructure resources should result in greater business benefits and enrichment of customer experience.

Our B2B business module operated through the upgraded SAP system, offers our Channel Partners e-connectivity with need-based access to the main server to carry out online business with the Company. This enables the Channel Partners to precisely verify the availability of stock, delivery schedules and other order processing activities, thereby empowering him with live business data to effectively service the customer.

In our relentless efforts to meet and exceed the needs and demands, we have made rapid progress in the OEM markets and provided cable solutions to leading service providers who are our esteemed customers, sourcing their complex cable solutions from us. Finolex has a strong technology and human resource base to meet the exacting standards of these demanding customers.

In a highly competitive marketplace, growth is synonymous with performance which is why R&D efforts must be geared towards innovation. This commitment to innovation has propelled the Company towards compounded growth and continuous improvement in its operations. It has raised the benchmark in terms of commitment to exceptional standards of performance and productivity and willingness to embrace new ideas and knowledge.

Streamlined processes, informed decision-making, simpler and better ways of working help our customers maximize their businesses and raise profits.



**"I've spent my life's savings
building a home...
I expect my family
to be safe."**



Finolex. The safest name in electrical wires.

Finolex electrical wires are manufactured using raw materials by group companies - bright electrolytic grade copper with more than 99.97% purity and virgin grade PVC resin used in the PVC compound formulated and developed in-house. Finolex electrical wires have **more than 100% conductivity**. They bear the ISI mark and are certified by FIA/TAC authorities.



**ALSO AVAILABLE
FINOLEX HOTGARD AND
FLAMEGARD ELECTRICAL WIRES**



Finolex
Cables Limited

AN IS/ISO 9001 COMPANY

Finolex gets people together

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