

Board of Directors

P. P. Chhabria	<i>Chairman</i>
Dr. H. S. Vachha	
B. G. Deshmukh	
Atul C. Choksey	
Sanjay K. Asher	
P. G. Pawar	
Dr. N. A. Kalyani	
S. B. (Ravi) Pandit	
Pradeep R. Rathi	
D. K. Chhabria	<i>Managing Director</i>
V. K. Chhabria	<i>Dy. Managing Director</i>
M. L. Jain	<i>Asst. Managing Director and Chief Operating Officer</i>
P. B. Parasnis	<i>Asst. Managing Director and Chief Financial Officer</i>

Company Secretary & Asst. Vice President (Legal)	R.G. D'Silva
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Bankers	Central Bank of India Bank of Baroda BNP Paribas Citibank N. A. Corporation Bank HDFC Bank Ltd. ICICI Bank Ltd. Standard Chartered Bank State Bank of India The Bank of Nova Scotia
Auditors	B. K. Khare & Co. Chartered Accountants
Solicitors	Crawford Bayley & Co.
Registered Office	26/27, Mumbai-Pune Road, Pimpri, Pune 411 018.

Directors' Report

To

The Members

Your Directors are pleased to present their 39th Annual Report and Audited Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS :

(Rs. in million)

	2007	2006
Income	10,526.253	7,761.664
Profit Before Interest, Depreciation and Tax	1,382.582	1,043.285
Less : Interest	147.987	113.613
Less : Depreciation	264.288	313.164
Profit Before Tax	970.307	616.508
Less : Provision for Taxation		
(a) Current Tax	280.000	78.100
(b) Deferred Tax	(4.623)	28.720
(c) Fringe Benefit Tax	5.000	6.000
Profit After Tax	689.930	503.688
Surplus brought forward and other adjustments	113.101	568.680
	803.031	1,072.368
APPROPRIATIONS		
Debenture Redemption Reserve	100.000	350.000
Proposed Dividend	214.115	183.527
Tax on Proposed Dividend	36.389	25.740
General Reserve	300.000	400.000
Surplus carried to Balance Sheet	152.527	113.101
	803.031	1,072.368

DIVIDEND

Your Directors are pleased to recommend enhancement in dividend from 60% to 70% on the equity shares. Accordingly, the dividend amount per equity share will be Rs. 1.40. The total dividend outgo (including dividend tax) will be Rs. 250.504 million. Dividend distribution as a percentage of the net profit is 36.31%.

OPERATIONS

Income for the year under review was Rs. 10,526.253 million and net profit was Rs. 689.930 million. The income was higher by 36 % and net profit was up by 37% over the previous year. Segmentally, electrical cables contributed 69%, communication cables contributed 15%, copper rods contributed 13% and other products contributed 3% to the total sale of products. The sales-mix, which has emerged over the last few years, is in synch with the overall business objectives of your Company.

The year under review will always be remembered for an important milestone achieved by the Company. Your Company crossed the prestigious Rs. 10 billion sales benchmark. Your Company witnessed good growth in profit for the year. The conversion of JFTC (jelly filled



Finolex

Cables Limited

telephone cable) capacity at Urse, mainly to manufacture light duty electrical cables, started yielding results during the year. Exports recorded a strong growth. There was no traditional JFTC business with BSNL/MTNL due to lack of tenders from these two companies. The positive effects of the system of Value Added Tax (VAT) (which was introduced in the year 2004), though non-measurable, were noticed. A couple of important states were still missing on the VAT map at the close of the year. Also, there is no unanimity in VAT rates for many of the Company's products amongst states. As and when the remaining states adopt VAT system and all the states attain uniformity in VAT rates, business conditions will further improve for the Company.

The Company continued to pursue cost rationalization and containment measures during the year.

PROJECTS

To leverage on high brand-equity and the existing well entrenched distribution network, the Company had decided to undertake projects to manufacture certain new products/expand production base.

Electrical Switches Project

An electrical switch is meant for controlling the flow of power. The Company manufactures electrical cables which act as a conduit for transmitting power. The electrical cables are made of wires which are terminated at and connected to an electrical switch. Thus the flow of power is controlled through an electrical switch. Therefore, the business of electrical switches is complementary to the electrical cable business of the Company. The Company has developed and introduced two ranges of electrical switches; premium range for the niche market and classic range for the mass market. Characterised by the superior quality of polycarbonate and silver coated contacts and terminals used in the making of the most modern switches, 'Finoswitch' is safe, durable and is tested to last over 60,000 clicks. The switches are marked with a unique fluorescent strip that glows in the dark and acts as a guide. Electrical switches were launched in June 2006. They have been well received by the market.

Compact Fluorescent Lamps (CFLs) Project

Expanding its reach to providing more products in electrical solutions, the Company launched 'Finoglow', its brand of CFLs, during August 2006. Finoglow is an energy saving lamp. It can save upto 80% energy as against an incandescent lamp. Available in retrofit and non-retrofit range, CFLs are available in different colours, wattage and sizes. Finoglow CFLs have a high colour rendering index which gives true colour lighting. The market response to CFLs has been positive.

The government is considering to ban use of GLS (incandescent) lamps to help in reducing global warming. CFLs will substitute for GLS lamps. Considering the immense growth potential, the Company is planning for substantial expansion of manufacturing capacity for CFLs.

High Voltage Power Cables Project

The macro environment for power cable sector is very strong on the back of improved investment scenario in the country. Large investment is coming in power generation, distribution, rural electrification, upgrading existing distribution networks, industrial capacity expansion, construction and the like. These factors would drive demand growth for power cables in India. In order to cater to this market segment, the Company will manufacture insulated, underground usage power cables upto 66 KV rating. Manufacturing facility is under erection. Trial runs are expected to take place before September, 2007.

The manufacturing units for all of the above mentioned new products are set up at the Urse location where the Company has adequate land and developed infrastructure.

Uttaranchal (now called Uttarakhand) Project

The main activities consuming electrical cables in bulk like building industry, automobile industry, agricultural irrigation and electricity distribution are in growth mode. The system of VAT is in place with many states which is expected to generate accelerated business for organised sector. The governmental thrust on development of infrastructure and power generation offer a wide scope for the business of electrical cables. In order to capitalise on the growing business opportunities, the Company decided to set up a green field manufacturing facility for light duty electrical cables and electrical switches near Roorkee in the Uttarakhand State. Estimated capital expenditure is Rs. 2 billion, planned to be incurred in two stages broadly in equal proportion. The first stage of this project is under execution and the plant is scheduled for trial runs before September, 2007. The Uttarakhand manufacturing facility will enjoy fiscal incentives by way of excise duty exemption and income tax benefit for defined periods. Besides enhancing the competitiveness of the Company, this manufacturing facility will help the Company to stay close and service the present and potential customers in the northern and eastern regions of the country.

NEW PRODUCTS

The Company's initiative to launch new products continued this year also. The Company's R&D team designed and developed and the marketing team successfully launched following state-of-art cables: 1.1 KV grade XLPE insulated and heat resistant PVC jacketed flat cable for submersible pump motor application; LAN Cat-6 cable with ring type marking for export as well as domestic market; 50 ohm coaxial cable with conductor dia 2.75 mm for mobile telephone antenna; 100 pair switchboard cable for ADSL transmission in short range application; and RG11 coaxial cable with copper clad aluminium conductor for cable TV network. The 1.1 KV flat cable has application in agricultural sector which is focused by the government for development. The Company expects market expansion to happen for newer type of communication cables due to growing broadband usage.

EXPORTS

The Company has its presence in the international market for some time now. The Company has been exporting electrical cables, LAN cables, optic fibre cables and a variety of customised cables. During the year under review, the Company started exporting communication cables to its customers in the developed nations. FOB value of the exports for the year was Rs. 672.532 million verses Rs. 368.402 million for the previous year. With the best technology products in its armoury, the Company is putting a greater thrust on exports.

FINANCE

In order to meet a part of the funds requirement for the Projects, the Company contracted an external commercial borrowing (ECB) in Japanese Yen equivalent to USD 30 million. Of this, the Company took disbursement of USD 20 million equivalent of Japanese Yen loan before 31st March, 2007. The balance amount has been drawn in the month of April 2007. The Company has hedged its exposures to Japanese Yen prudently and has effectively converted the Yen loan into a USD loan. The ECB was raised at competitive rates and is expected to save good amount of interest cost for the Company, especially since the local interest rates are showing hardening trends. The ECB was contracted for a period of five years.

Your Company has been accorded P1+ rating, the highest rating for a Rs. 2 billion short term debt program and AA+/stable rating for a Rs. 500 million for a long term non-convertible debenture program by CRISIL. The Company has already issued non-convertible debentures and utilised the long term rating. The short term rating is being used by the Company for judicious cash flow management. For the year under review, the Company did well on cash flow management by striking a balance between liquidity and borrowing, while timely meeting the requirement of funds for the Projects and business expansion. Also, the Company had been able to limit the interest cost inspite of rising interest rates.

SUPERBRAND STATUS

It is a matter of pride that the Company has been selected as the 'Superbrand' in the exclusive and elite Superbrand category. Starting with Business Superbrand status, the Company has moved forward and has been awarded the Consumer Superbrand as well for 2006-07. The Company is the only Indian cable company to have achieved this distinction.

SIX SIGMA

During the second half of the year, the Company launched 'Six Sigma' initiative. Six Sigma is synonymous with the processes that produce only 3.4 defects per million opportunities. Six Sigma is a complete business system that will drive the Company through a disciplined methodology to focus on solving greatest business challenges before it. Six Sigma strongly supports the Company's Mission, Principles and Strategy. It is a system that will allow the Company to reduce costs, reduce defects, improve quality and reliability, lower administrative and operational cycle times and improve overall customer satisfaction. Six Sigma involves hard work; results will be well worth the effort and investment of resources. Six Sigma is scheduled to be implemented throughout the Company. It is intended to make Six Sigma 'A way of Life!' within the Company.

SUBDIVISION OF EQUITY SHARES

The Company had held an extraordinary general meeting of its shareholders on 8th December, 2006 seeking approval for subdivision (split) of equity shares to face value of Rs. 2 per share from face value of Rs. 10 per share. After completing required formalities, the split of equity shares came into effect from 16th January, 2007. The need for the split was felt for increasing availability of the equity shares in the market.

FIXED DEPOSITS

The Company had stopped accepting fixed deposits since 28th April, 2003. As on 31st March, 2007, the unclaimed deposits were Rs. 0.116 million. The reminders sent by the Company in the past to these deposit holders at their last known address were not helpful in liquidating the unclaimed deposits. If the deposits continue to remain unclaimed, they will be transferred to the General Revenue Account of the Central Government on the due dates.

EMPLOYEES

The Company is well aware that management of human capital poses challenge these days. The Company has been able to attract human talent and retain it to a fair extent. The Company endeavors to ensure that its different functions are adequately manned. The Company operates on a dual remuneration system; a part of the remuneration is paid on assured basis whereas the balance is linked to achievement of predetermined performance criteria. The Company lays emphasis on training of its employees for improving human skill sets. The training needs are identified through a defined process. The employees from different functions and positions across the organisation are grouped together according to the training requirements and the training is given at the learning centres set up by the Company. This process has helped the Company in building team spirit amongst the employees. Industrial relations continued to be cordial during the year.

The company had 1,038 permanent employees on its roll as on 31st March, 2007.

CORPORATE GOVERNANCE

The statement of Management Discussion and Analysis is annexed hereto and forms a part of this Report.



CORPORATE SOCIAL RESPONSIBILITY

The Company functions as a responsible corporate citizen. It contributes to the exchequer handsomely and duly discharges its legal obligations. The Company is conscious of the environmental issues, which are considered while deciding business matters. In fact all of the Company's plants are accredited with ISO 14001 (Environment Management System) certification. The Company has adopted a Code of Conduct. The Company values honesty and integrity and works towards building an environment of trust and confidence while functioning.

Besides, the Company is known for financially supporting worthy social causes. The Company has contributed for establishment and development of Finolex Academy of Management and Technology which runs a full fledged engineering college, affiliated to Mumbai University, at Ratnagiri. The Academy also offers Masters degree in Computer Applications. International Institute of Information Technology or I2IT as it is known, is also assisted by the Company. I2IT offers post graduate MS and MBA courses with various specialisations in Advanced Information Technology.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that;

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently and have made judgements 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, 2007 and of the Profit and Loss Account for the year ended 31st March, 2007;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information on conservation of energy, technology absorption, foreign exchange earning and outgo required to be given pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

PARTICULARS OF EMPLOYEES

Information as required under the provisions of Section 217(2A) of the Companies Act, 1956 (the Act) and the rules framed thereunder forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders, excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder desirous of obtaining a copy of the said statement may write to the Company Secretary & Assistant Vice President (Legal) at the Registered Office of the Company.

LISTING OF SECURITIES

The Company's equity shares are listed on the two premier stock exchanges of the country namely Bombay Stock Exchange Limited and National Stock Exchange of India Limited, amongst other stock exchanges. The Company has issued Global Depository Receipts which are listed on the Luxembourg Stock Exchange. The Company's non-convertible debentures are listed on wholesale debt market segment of the National Stock Exchange of India Limited.

DIRECTORS

The Company deeply regrets the sad demise of Late Balasaheb J Rathi, an esteemed Director of the Company for a period of 22 years. Late Mr. Rathi's business acumen had immensely benefited the Company through his presence on the Board of Directors. The Company will always remember his contribution as a Director. May his soul rest in peace!

Mr. B.G. Deshmukh, Dr. H.S. Vachha and Mr. Atul C. Choksey retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Mr. S.B. (Ravi) Pandit was co-opted as an Additional Director on 1st August, 2006. He is the Chairman and Group Chief Executive Officer of M/s KPIT Cummins Infosystems Limited. Mr. Pandit is MS from MIT, USA where he specialised in Finance and Controls. He is the Ex-President of the Maharashtra Chamber of Commerce, Industries and Agriculture. A Fellow member of the Institute of Chartered Accountants of India, he has over 25 years of experience in the fields of information technology, corporate strategy formulation and management consulting. He is also a senior partner in M/s Kirtane & Pandit, Chartered Accountants and a Director on the Boards of several companies. Mr. Pandit's appointment is to be confirmed by the members at the ensuing Annual General Meeting. The Board of Directors considers it necessary to have a person of Mr. Pandit's eminence and experience as a Director, which will only benefit the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company.

Mr. Pradeep R. Rathi was co-opted as an Additional Director on 10th May, 2007. He is M. S. (Chemical Engineering) MIT, USA and MBA

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from Columbia University, USA. For the last 30 years, he is working with Sudarshan Chemical Industries Limited, presently holds the position of the Managing Director of the said company. He is actively involved with Indian Chemicals Manufacturers' Association and has represented the Association in different capacities. He was also the Chairman of Foreign Trade Sub-Committee of Mahratta Chamber of Commerce, Industries and Agriculture. The Board of Directors feels that Mr. Pradeep R. Rathi's presence as a Director of the Company will greatly benefit the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company.

Mr. P.B. Parasnis, Assistant Managing Director and Chief Financial Officer's earlier appointment as a Director came to an end on 22nd April, 2007. The Board of Directors has re-appointed him as a Director of the Company for a further period of five years effective from 23rd April, 2007 subject to approval by the members. The members are requested to re-appoint Mr. P.B. Parasnis as a Director of the Company as per the resolution proposed in the notice convening the Annual General Meeting of the Company.

AUDITORS

M/s B.K. Khare & Company, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

ACKNOWLEDGEMENT

Your Directors place on record their sincere gratitude towards the channel partners, dealers and customers of the Company for their cooperation to grow on business. Your Directors are thankful to other business associates of the Company for extending their unqualified support. Your Directors thankfully acknowledge the cooperation and support received from the central and state governments, statutory authorities, local bodies, banks and financial institutions. The employees are a crucial and an integral part of the Company's business activities. The Directors value their contribution towards the Company's progress and greatfully acknowledge it. An important constituent of the business is the members of the Company to whom the Directors are thankful for the trust and confidence shown.

For and on behalf of the Board of Directors

Pune
Dated : 10th May, 2007



P.P. Chhabria
Chairman



Annexure to Directors' Report

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 :

A. Conservation of Energy :

- a) Energy Conservation measures :
 - i) Replacing of aluminum fans by FRP fans on all cooling towers to reduce energy consumption.
 - ii) Installation of new power distribution panel to take the lighting load on MSEB to improve utilization of DG.
 - iii) Installation of Real Time Power Factor Correction panel to improve load factor of the system for optimum utilization of energy.
 - iv) Recovery of start up / colour change PVC by use of PVC Scrap Granulator
 - v) Introduction of motor generator set to get conditioned and continuous quality power so as to eliminate continuous DG running and ensure optimum utilization of fuel.
 - vi) Incorporating more energy efficient shop floor lights at specific places to reduce lighting power consumption.
 - vii) Installation of auto level controller in water pumps to reduce both wastage of power and natural resource like water.
 - viii) Preventive maintenance of machines to reduce energy loss.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
Various proposals / measures for reducing energy consumption are under consideration.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
Impact has not been separately measured.
- d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the schedule thereto: Not applicable.

B. Technology Absorption :

Efforts made in technology absorption as per Form B are as follows :

Form for disclosure of particulars with respect to Absorption, Research and Development (R&D)

1. Specific areas in which the Company is pursuing R & D efforts :
Following new cables have been designed, developed and successfully launched in the market :
 - i) Lead free LAN cables.
 - ii) Lead free electrical wiring cables.
 - iii) Lead free insulation and sheathed cables and wires meeting ROHS requirement.
2. Benefits derived as a result of the above R&D :
The aforesaid newly developed products have been introduced in the market and give significant benefits in terms of quality, better performance of the end-user application and import substitution.
3. Future plan of action:
 - To develop cross-linkable HFFR cables for high temperature working.
 - To develop anti rodent and termite proof cables.
 - To develop low water peak optic fibres.
 - To develop cost effective FTTH Cables.
 - To develop ZHFR building wires.
4. Expenditure on R & D

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

Technology Absorption, Adaptation and Innovation :

1. Efforts in brief, made towards technology absorption, adaptation and innovation :
 - a) Power Modules for heating control were indigenised for substantial savings.
 - b) Overall temperature control of the manufacturing process was improved by using specially designed PID controllers in-house.
 - c) Imported equipment PLC programs were suitably modified for minimum product damage during power interruptions for reducing in process scrap.
 - d) Continuous efforts are going on for further developing, improving and upgrading all types of cables.
2. Benefits derived as a result of the efforts e.g. product improvement, cost reduction, product development, import substitution etc. :

Several tangible and intangible benefits from new technology are derived such as cost reduction, productivity, development of new products, import substitution and better customer services. Development and manufacture of new products with enhanced features will extend the product range of the Company, enabling it to cater to different customer needs.
3. Imported technology (imported during the last 5 years reckoned from the beginning of the financial year) :
 - a) Technology Imported : Nil
 - b) Year of Import : Not applicable
 - c) Has technology been fully absorbed ? : Not applicable
 - d) If not fully absorbed, areas where this has not taken place, reasons therefor, and future plans of action : Not applicable

C. Foreign Exchange Earnings and Outgo :

Exports have shown good growth in the year. The geographical spread of exports has now widened to the countries in the developed part of the world. The Company continues to remain focused on export activity and is confident of achieving an impressive export turnover in due course of time.

- i) Earnings by way of Exports : Rs. 672.532 million
- ii) Outgo by way of Imports : Rs. 1,169.770 million

For and on behalf of the Board of Directors

Pune
Dated : 10th May, 2007

P.P. Chhabria
Chairman



Management Discussion and Analysis

1. BUSINESS OF THE COMPANY:

The Company currently operates in two main business segments, Electrical Cables and Communication Cables. The Company also manufactures Continuous Cast Copper Rods (CCC rods), essentially for captive consumption; however a part of the production of CCC rods is also sold. The Company manufactures PVC Sheets for various applications like roofing, signage and interiors. The Company has recently added Electrical Switches and Compact Fluorescent Lamps (CFLs) to its range of products.

1.1 Main Segments :

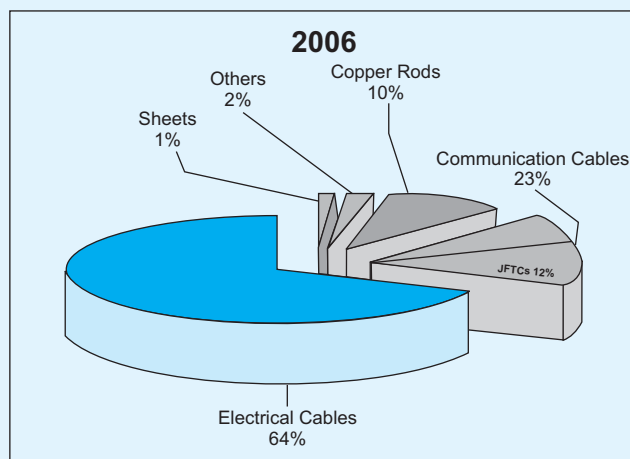
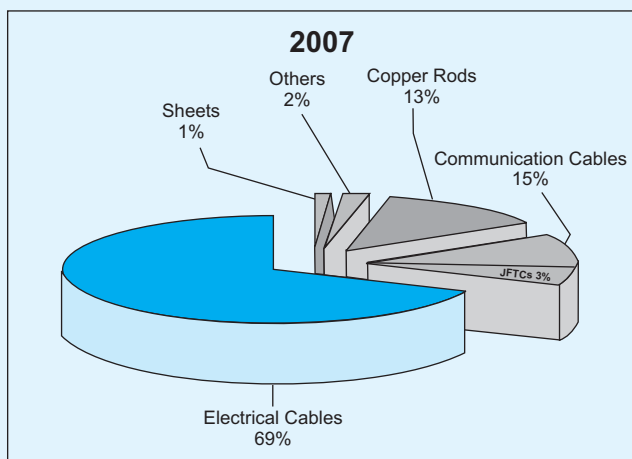
The Company is the leading domestic manufacturer of electrical and communication cables with a wide product range. The Company thus offers a "Total Cable Solution". The broad segmentation of the products manufactured by the Company is as follows :

<u>Group</u>	<u>Products Covered</u>	<u>Application</u>
Electrical Cables	1100 V PVC insulated cables	Electrification of residential, commercial and industrial establishments, electrical panel wiring and consumer electrical goods.
	Motor winding PVC insulated cables and 3 core flat cables	Submersible pumps and electrical motors.
	Automotive/battery cables	Wiring harness for automobile industry and battery cables for various applications
	UPS cables	For providing power from the UPS to the computer/appliances in the networking environment.
	Heavy duty, underground, low voltage, power and control cables	Connection to the user point from main supply of power.
Communication Cables	Jelly filled telephone cables (JFTCs)	Telephone line connections to exchanges and users.
	Local area network (LAN) cables	Indoor and outdoor networking, voice and data transmission, broadband usage.
	PE insulated telephone cables (Switchboard cables)	Telephone instrument connections to EPABX.
	Coaxial cables	Cable TV network solutions.
	Optic fibre	Principal raw material for optic fibre cables.
Copper Rods	Optic fibre cables	For use in networks requiring high speed transfer of large bandwidth due to voice, image and data transmission.
	V-SAT cables	For connecting V-SAT dish to base station.
	CCC rods of 8 mm diameter	Raw material for manufacture of copper based cables.
	Premium & classic switches, sockets, regulators, etc	Domestic lighting, hotels, shops, offices, corridors.
	Retrofit & non-retrofit lamps	Domestic lighting, hotels, shops, offices, corridors.
Electrical Switches		
Compact Fluorescent Lamps (CFLs)		
PVC Sheets	PVC corrugated sheets, foam sheets and rigid sheets	Industrial roofing, wall cladding, signage boards, partition boards, exhibition display boards and false roofing.

The Company's product application range is thus for electrical usage, transmission of voice, data and images (contents) for domestic, commercial and industrial applications to electrical products, touching every person in his daily life.

1.2 Revenue Break up :

Segment-wise revenue breakup for the last two years is as follows:



2. REVIEW OF OPERATIONS:

- Production of metal based electrical and communication cables during the year under review was at 1,565 TCKM (thousand core kilometers) (previous year : 2,505 TCKM). Production of optic fibre cables during the year was 20,547 cable kilometers (previous year : 21,733 cable kilometers). The sale value of electrical cables increased by 47% and the sale of communication cables was lower by 8% (due to moderate JFTC business) over the earlier year.
- The sale of CCC rods (net of interdivisional transfers) was at Rs. 1,526.408 million.
- Exports were higher at Rs. 672.532 million as against Rs. 368.402 million of the earlier year.
- The income from operations (including excise duty) was higher at Rs. 11,859.227 million for the year under review as compared to Rs. 8,615.224 million for the earlier year.
- Profit after tax was higher at Rs. 689.930 million against Rs. 503.688 million for the earlier year.
- To leverage on high brand equity and the existing well entrenched distribution network, the Company launched two electrical products namely electrical switches called 'Finoswitch' and CFLs called 'Finoglow' during the year.
- The Company decided to set up a green field manufacturing facility for light duty electrical cables and electrical switches near Roorkee in the State of Uttarakhand.
- ECB equivalent to USD 30 million was contracted to meet a part of the funds requirement for capital expenditure.
- The equity shares were subdivided into face value of Rs.2 each from the face value of Rs.10 each, effective 16th January, 2007.
- The Company received recognition as a Consumer Superbrand as well for 2006-07.
- Six sigma initiative was launched.
- A reference may please be made to the financial statements.

3. KEY STRENGTH AREAS

3.1 Leading Manufacturer

The Company is India's leading manufacturer of electrical and communication cables with a wide product range. This status not only helps the Company in term of economies of scale, but also as a market leader, it is well positioned to reach out to new customers, both domestic and international.

3.2 Technical Superiority of Products

The Company lays a lot of emphasis on maintaining superiority status in terms of quality and product features through in-house research and development. The Company has defined quality assurance processes and strives for improvement in products. This product advantage is key reason why the Company has been able to carve out a niche position for itself in the market.

3.3 Extensive Distribution Network

The Company has created a strong and dependable distribution network of channel partners and dealers, spreading across the country. The distribution network also includes commission agents/dealers appointed in the overseas market. The intention is to service the customer at his doorstep. Not only has the distribution network been built, but the Company also undertakes a periodical review of it for upgradation and expansion. The domestic distribution network is well supported by branch offices and depots opened by the Company at a number of locations throughout the Country.