

ANNUAL REPORT 2010-11



Change is customary



Growth is intentional

2010-11 | 2006 Cr

2005-06 | 862 Cr

2000-01 | 605 Cr

1995-96 | 488 Cr

1990-91 | 117 Cr

1985-86 | 37 Cr

1980-81 | 14 Cr





He, who is open to change, is open to opportunities. It's just the perception that determines opportunities from potential risks. Change is certain. The ability to look out for opportunities, in the season of change, sets the leader apart. However, those who are determined, tend to work on these opportunities and succeed.

We at Finolex since our inception, have been transforming ourselves to adapt and ride on the change. From modernizing Plants with state of the art technology to offering innovative solutions to Customers to our continual increasing reach. Over the years, Finolex has emerged as a very powerful brand only to be identified as a Company for the people and by the people. We embrace change as it comes. Consequently, we imbibe growth through Technology, Network and People.

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Chairman's Message

Dear Shareholders,

The year that went by has been one with tumultuous developments both within India as well as globally. While the Asian economy (barring Japan) continued to grow, the rest of the globe continues to be sluggish. The financial position of many of the European economies has caused quite some concern, as also the political turmoil in the Middle East. Rising commodity prices and inflationary trends in many countries including India have emerged as challenges in the quest for growth.

It is my belief, that despite the high levels of inflation, India continues to be rather well-positioned to achieve continued economic success and growth in this very challenging environment. The demand on infrastructure, urban development requirements, and measures promised by the government towards improving the rural economy as well as initiatives being taken by the government in ensuring financial inclusion at all levels will generate sufficient investment and propel growth.

Your Company is again well-placed to benefit from the opportunities that the Indian economy will continue to offer. The product offering from your Company is geared to meet the demands that a growing economy will create. Your Company places great emphasis on product quality and believes in using up-to-date and appropriate technology at all its facilities. Another area of focus for the coming period is in the expansion of network and reach, specifically in the North and North Eastern regions of the country, adding Distributors and Dealers to make further inroads in these markets. Your Company believes that people are its best assets and ambassadors, and continues to invest in talent enhancement.

As we embark on a new financial year, I look forward to your continued support and encouragement in taking your Company to greater heights.

With best wishes,

P. P. Chhabria

Chairman

Technology Growth

Over the years the Company has established its reputation as an innovative leader and quality manufacturer by continuously upgrading technology, modernising manufacturing facilities and maintaining highest standards of quality and services. Today, the name Finolex Cables has become synonymous with quality and enjoys overwhelming confidence of the customers.

We have always been committed towards fulfilling the needs of customers. Our manufacturing units are equipped with state-of-the-art machinery to manufacture high quality cables and offer complete and cost effective solutions to customers. While enhancing our capacities in Electrical and Data & Telecommunication cables, the Company has augmented its product portfolio by foraying into the manufacture of High Voltage Power Cables, Electrical



Switches and Compact Fluorescent Lamps (CFL's).

Finolex with the expertise of producing international standard low voltage Power Cables has extended its range to cover cables upto 66 kV class. 'Finopower' XLPE insulated Medium & High Voltage Power Cables, by virtue of having "Discharge Free" characteristics, offer longer life and reliability in performance.

Cables with round circular compacted conductor with very smooth surface finish are

manufactured on a CCV line with true triple extrusion and dry inert gas (Nitrogen) curing process. The extrusion line has on-line monitoring system for measuring and controlling insulation thickness and eccentricity of core throughout the length. Ultra-modern, clinically clean material handling plant ensures use of contamination free di-electric in the cable.



The Joint Venture with J-Power Systems Corporation (JPS) of Japan to offer complete turnkey solutions in Extra High Voltage (EHV) cable systems in India and abroad (upto 500 kV) will catapult Finolex to a higher league this year, with the technological capability in VCV (Vertical Continuous Vulcanising) line to produce high voltage XLPE insulated Power Cables. These EHV cables need to have very high quality and reliability standards since they are installed in the transmission network in urban areas where corridors for overhead lines are not available.

The JV, by the name Finolex J-Power Systems Pvt. Ltd., also offers complete services of turnkey installation of EHV cable systems along with the supply of compatible Power Cables Accessories (Jointing / Termination Kits). J-Power Systems Corporation itself is a 50:50 joint venture between **Hitachi Cables and Sumitomo Electric Industries, Japan** who are the world leaders in the EHV Cable Technology.

Network Growth

India is growing rapidly with a large and highly potential middle class. Tier 2 cities, tier 3 cities and towns are developing and business is being generated in these cities. Profile of the consumers and their buying patterns are changing. Finolex is geared and taking initiatives to participate in this growth story by expanding its rural network.

At Finolex Cables we believe in constant growth in this ever changing competitive world. With the growing number of Dealers, Channel Partners,





FARO's and FAD's we have not only strengthened our network but have also reached a high of success.

The company has created a pan India strong and dependable distribution network of Channel Partners, Dealers besides representatives appointed in the overseas market. Not only has the distribution network been built with an objective to serve the customer at his doorstep, the Company undertakes a periodical review for the upgrade and expansion of the systems. The domestic distribution network is supported by Branch Offices and Depots opened by the Company at a number of locations across the country.

Today, we have over 2500 Channel Partners and more than 20,000 Dealers through whom we service our customers. Motivation of our Channel Partners and Dealers has always been vital to us and towards this we have taken several initiatives to organize training programmes, tours and special family packages to various destinations.

A unique Channel Finance Program in association with leading banks is offered to our Channel Partners for enhancing their business and margins. Our 19 fully equipped Offices and Depots support us to move our products and services to our customers.

People Growth

India is a growing nation with a very high percentage of young and energetic force. The number of students graduating in engineering and science streams each year is colossal. Indian intellect is well appreciated in the IT spheres across the globe and the Indian talent has finally put the nation on the world map.

Finolex believes in nurturing, training and retaining this valuable resource which drives the organisation. Employees have always been the strength and we value them and have worked toward nurturing and strengthening this resource.



As representatives of one of the leading industrial houses, we are aware of and appreciate the very skill sets which fuel its growth & enable it to maintain the leading edge in a very competitive market.

The Finolex team has grown over the years and we have evaluated and enabled an infrastructure to provide the best of facilities to our employees. Our IT systems has been designed with the objective to provide enterprise wide SAP and zero defect on critical servers.

Our well knitted network with 19 Branch offices and 5 manufacturing hubs spread across the country have made us easily accessible to our customers and have boosted Company's growth in many folds.

We recognize the importance of a motivated and skilled human resource. We strive to create a challenging and enabling work environment that encourages entrepreneurial behaviour, innovation and the drive towards business excellence.



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	
S. B. (Ravi) Pandit	
Pradeep R. Rathi	
Adi J. Engineer	
D. K. Chhabria	<i>Managing Director</i>
M. Viswanathan	<i>Director Finance & Chief Financial Officer</i>

R. G. D'Silva	Company Secretary & Vice President (Legal)
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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
Cost Auditors	Joshi Apte & Associates Cost Accountants
Solicitors	Crawford Bayley & Co.
Registered Office	26/27, Mumbai-Pune Road, Pimpri, Pune 411 018 Tel.: 020-27506200 / 27475963