



**Finolex**  
**Cables Limited**  
AN IS/ISO 9001 CERTIFIED COMPANY

FCL:SEC:SE:23:111

29<sup>th</sup> September, 2023

Corporate Relations Department BSE Limited 1st Floor, New Trading Ring Rotunda Building, P J Towers Dalal Street, Fort Mumbai – 400 001	The Manager Listing Department National Stock Exchange of India Ltd 'Exchange Plaza', C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	Mr Tom Schmit Luxembourg Stock Exchange PO Box 165 L-2011 Luxembourg Grand-Duchy of Luxembourg EUROPE
Scrip Code: 500144	Scrip Code: FINCABLES	

**Sub: Chairman's speech delivered at 55<sup>th</sup> Annual General Meeting (55<sup>th</sup> AGM) of the Company.**

**Dear Sir/Madam,**

Please find enclosed a copy of the Chairman's statement delivered at 55<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2023.

Thanking you,

**For FINOLEX CABLES LIMITED**

**Gayatri Kulkarni**  
**Assistant Company Secretary**  
**& Compliance Officer**

**Encl: As above**

**Registered Office:**

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**XCEEDS  
EXPECTATIONS**

**Chairman's Speech**  
**55<sup>th</sup> Annual General Meeting of Finolex Cables Ltd**  
**29<sup>th</sup> September 2023**

55th Annual General Meeting of Finolex Cables Ltd - 29th September 2023

Good afternoon, ladies and gentlemen...

On behalf of the **Board of Directors of Finolex Cables Ltd.**, it is my privilege and pleasure to welcome you all to the **55th Annual General Meeting** of your company. I hope that all your family members and well-wishers are safe and healthy.

At the outset, I would also like to sincerely thank you all for taking out time today from your busy schedule to join and attend the AGM of your company. It is the active participation of all the stakeholders and their constant support that gives us immense motivation to keep on striving for sustained excellence. Dear investors and stakeholders, the notice convening the AGM and the Director's report for the Financial Year 2022-23 are with you and I take them as read. The Auditor's report is duly audited and compliant basis the necessary statutory requirements.

There's a very popular saying in Sanskrit: **“अप्राप्यं नाम नेहास्ति धीरस्य व्यवसायिनः APRAAPYAM NAAM NEHASTI DHEERASYA VYAVSAHINA** which means *“there is nothing unattainable to the one who has courage and who works hard.”*

As I look back at FY23, I feel overwhelmed, seeing the collective determination of India as a nation, achieving some incredible feats in economic growth, geo-political strategies, and diplomacy. We are a powerful nation today, looked up to by the Global South and well on our way to become the world's third largest economy by 2027 or earlier, surpassing Japan and Germany. We have the fastest growing major economy in the world today and we will have the third largest stock

market by 2030, thanks to our intense focus and investments made in technology and energy sector.

Global investors are discussing “**Investing in India’s decade**” which will be driven by many megatrends like rising global offshoring, increasing digitalization and transformative energy transition that will ignite growth opportunities of unprecedented levels for companies like ours. The analytical consensus is that India’s GDP would touch at least \$7-7.5 trillion by 2030, and our stock markets would deliver an average annual growth of at least 11-12% for the next several years, reaching a market capitalization of \$10 trillion in the coming decade.

Here, I would like to highlight the growth of energy resources as well as transformation of the sector in line with modern environmental compulsions as key to our economic development. The government’s commitment to global net zero goals will influence our upcoming policies as it strives to provide reliable and sustainable power to India’s 6 lakh plus villages, upgrading transmission and distribution networks. Our determination to move away from fossil fuels to renewal energy will create huge demand for electric solutions including new mobility means. We expect this massive transition to boost our daily energy consumption by 60% over the next decade which would open-up enormous opportunities for investments in sectors like ours.

Thanks to the great vision and planning of the government, domestic consumption remains vibrant, propelling the economy forward. India’s G20 Presidency has been one of the positive aspects for positioning India to become an economic powerhouse, one of the largest democracies and economies in the world, which we all could witness very soon in the next decade. The government achieved herculean task of 100% electrification of all villages in India, a historic landmark in the journey of development for our country. Domestic demand side is improving with unlocking, infrastructure, and construction back in action. The government has envisaged Rs. 111 lakh crore capital expenditure in infrastructure sectors in

India from FY2020 to FY2025. The government's continued thrust on infrastructure investment is expected to improve the demand environment for the wire & cable industry.

The ongoing government programmes (Bharat Net Phase II) are expected to improve the broadband connectivity, and related technologies will continue to drive growth for communication cables. The Indian FMEG industry has many growth opportunities, led by macro drivers such as evolving consumer aspirations, increasing awareness, rising income, rural electrification, urbanisation, and digital connectivity.

At Finolex Cables, we are well-positioned to seize the opportunities presented by these market dynamics and accelerate our performance.

Talking about our financial and business performance for the fiscal year 2022-23, we achieved revenue from operations of Rs. 4,481 crores, representing a growth of 19% compared to Rs. 3,768 crores in the previous year. This growth can be attributed to improvements in volume and increased retail penetration. Our Profit before Taxes reached Rs. 646 crores, demonstrating a growth of over 22% compared to Rs. 526 crores in the previous year. Based on the Company's performance, the Board has recommended a dividend of ₹ 7.00 per equity share i.e., 350 % of the face value of ₹ 2 each.

Our firm financial standing, characterised by a debt-free balance sheet and strong cash position, empowers us with the capability to internally finance our capital expenditure and working capital needs.

We are continually looking for innovative ways to diversify our business and enhance revenue across multiple electrical product categories. Our foray into the FMEG segment was part of our diversification strategy to establish a firm presence in the competitive consumer electric market. Electrical wires and cables account for 82% of our revenues whereas

communication cables and electrical appliances account for 13% and 5% respectively.

As a leading electrical wires and cables brand, we offer a diverse portfolio of products across the segment. Our legacy of driving innovation led us to further explore the FMEG segment and launch products that include lighting products, electrical accessories, switchgear, fans, and water heaters. The excellent quality, unique designs and superior performance of our products have helped us expand our market outreach and become a key B2C player. This year, we have added Irons along with a complete range of BEE certified Ceiling Fans; products across our FMEG category to further diversify our product mix. We have also added LAN components to our product range. Operationally, we expanded our distribution network by 25,000 touchpoints, reaching a total of 2,00,000 retailers.

In the future, diversifying our product mix will help de-risk our business from market downturns in any specific category and generate revenues from consumer electric goods.

We have consistently invested in enhancing our manufacturing capabilities and capacities to meet the growing demands of our customers and drive higher growth. With the Indian economy projected to maintain its growth momentum in the coming years, the demand for wires and cables will remain robust across various sectors. Keeping the future in focus, we have planned a capital expenditure of Rs. 500 crores over the next 18-20 months to expand our plant capacities in various product categories.

We are also investing in backward integration to manufacture optical fiber preforms and expand our fiber draw capacity. We are expanding our auto cable capacity by 50% and we are progressing with the establishment of an e-beam facility as part of our ongoing expansion plans. We expect these capacities to come on stream in stages in FY 2024-25.

Our unwavering dedication to building a better tomorrow extends beyond the conventional emphasis on financial gain, as we prioritize sustainability, inclusivity, and prosperity. We firmly believe that sustainable growth can only be achieved by proactively addressing environmental, social, and governance issues. That is why we have taken strategic steps to promote equality both within and outside our organization, foster trust with our stakeholders, and contribute to a cleaner future. We aspire to lead by example, providing sustainable and dependable products in our field, bolstering our brand and reputation. Our efforts are aimed at creating a brighter future for all, filled with opportunities and prosperity.

Mr. Nikhil M Naik, Non-Executive, Non-independent Director, retires by rotation and being eligible, offers himself for appointment. The Board recommends his appointment.

As you are aware, my current term ended on 30<sup>th</sup> June, 2023 and that the Board has recommended my reappointment. I would like to assure members that I am as enthused and excited as I was when I first joined this organization 35 years ago and will continue to work with the same zeal and commitment that I have shown over the years. It would be an honor to continue to serve the Company and be a part of its future journey and growth, and I look forward to your continued support.

**Conclusion:**

**“Talent wins games but teamwork and intelligence win championships,”** said the great Michael Jordan. As I conclude, let me express my deepest appreciation and gratitude to all our employees who collectively kept our growth on a higher trajectory with their valuable contributions throughout the year. I would also like to extend my sincere gratitude to our esteemed Board Members for their invaluable guidance and insights. I want to acknowledge and thank our stakeholders, including customers, bankers, financial institutions, channel partners, business associates and suppliers,

for their support. Guided by an ambitious vision that is backed by right investments and capabilities,

I firmly believe that our Company is on the path to **Power a Bigger Tomorrow and Deliver Sustainable Value.**

Thank you.