



Finolex
Cables Limited
AN IS/ISO 9001 CERTIFIED COMPANY

FCL:SEC:SE:24:101

28th September, 2024

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
Scrip Code: 500144	Scrip Code: FINCABLES

Sub: Chairman's speech delivered at 56th Annual General Meeting (56th AGM) of the Company.

Dear Sir/Madam,

Please find enclosed a copy of the Chairman's statement delivered at 56th Annual General Meeting of the Company held on Saturday, 28th September, 2024.

Thanking you,

For FINOLEX CABLES LIMITED

Gayatri Kulkarni
Assistant Company Secretary
& Compliance Officer

Encl: As above

Registered Office:

26-27, Mumbai-Pune Road, Pimpri, Pune – 411018. Tel: 020 27506200.
Visit us at: www.finolex.com | Email: sales@finolex.com | CIN: L31300MH1967PL016531

**XCEEDS
EXPECTATIONS**

Chairman's Speech
56th Annual General Meeting of Finolex Cables Limited
28th September 2024

56th Annual General Meeting of Finolex Cables Limited - 28th September 2024

Good afternoon, ladies and gentlemen...

It is my honor and pleasure, on behalf of the Board of Directors of Finolex Cables Limited, to welcome you all to the 56th Annual General Meeting of your company.

I would like to begin by expressing my heartfelt appreciation to all of you for taking the time from your busy schedules to attend the AGM of your company today. Your active involvement and consistent support as stakeholders inspire us greatly, motivating us to strive for continued excellence.

Dear investors and stakeholders, the notice convening the AGM and the Director's Report for the Financial Year 2023-24 are with you, and I consider them as read. The Auditor's Report has been duly audited and complies with all necessary statutory requirements.

It gives me immense pride to stand before you today and reflect on what has truly been a remarkable year for Finolex Cables. FY24 has been a period of significant progress, characterized by key achievements and milestones that underscore our resilience, adaptability, and unwavering commitment to excellence.

Economic Scenario and Government Initiatives

Despite global challenges, the Indian economy has shown impressive strength, fueled by a robust investment cycle in infrastructure and a significant rise in manufacturing activities. In FY 2023-24, India achieved a remarkable 8.2% economic growth, with the trajectory expected to sustain. With increasing private sector capital expenditure, growing exports, rising income levels, and strong consumption, along with supportive policy reforms, India is well-positioned to remain one of the fastest-growing major economies.

The wires and cables market in India is projected to grow at a CAGR over 12-14% from FY 2023-27, this growth trajectory is significantly influenced by the government's strong focus on infrastructure development.

Several key initiatives are driving this positive outlook. The "Make in India 2.0" initiative, alongside the Union Budget 2024-25's capital expenditure allocation of ₹11.11 lakh crore for FY 2024-25, and the ₹80,671 crore earmarked under the PM Awas Yojana, are expected to boost demand in the sector. Furthermore, programs such as Ujjwal Discom Assurance Yojana (UDAY) and the Integrated Power Development Scheme (IPDS) will enhance electrification, further propelling industry growth.

Ongoing infrastructure development, urbanization, the rise of smart cities, and the expansion of residential and commercial real estate are all contributing to the substantial growth of the cables and wires segment. Additionally, rural electrification and the shift towards renewable energy will further drive this sector's expansion.

At Finolex Cables, we are strategically positioned to capitalize on these opportunities. Our commitment to innovation and excellence will enable us to accelerate our performance and contribute meaningfully to this dynamic market.

Financial and business performance

Regarding our financial performance, I am thrilled to announce that we have achieved exceptional growth this year, with revenue increasing by 12% to reach ₹5,014 crores, up from ₹4,481 crores in FY 2022-23. This marks a significant milestone for our company as we have crossed the ₹5,000 crores revenue threshold for the first time. Nearly all product segments exhibited strong volume growth, with electrical wires experiencing a 15% increase and cables seeing a remarkable 26% rise in volume. Although the volume of optical fiber cables (OFC) declined by 30% due to a shortage of government tenders and delays in telecom contracts, we successfully secured some contracts in February and March, which helped boost volumes toward the end of the year. Despite these challenges, we remain optimistic about the potential of optical fiber cables and continue to invest in this area.

Furthermore, our new product segments achieved revenues exceeding ₹200 crores for the first time, closing the year at ₹225 crores. We are targeting ₹500 crores in revenue from new products over the next 2-3 years. Given the strong performance, your board has recommended a dividend of Rs. 8 per equity share i.e. 400% of the face value of Rs. 2 each.

Expanding Innovations and Capabilities

In response to evolving consumer needs, we are expanding into the home automation market with innovative products designed to enhance user comfort and safety. Our new offerings include smart switches, smart door locks, and halogen-free, flame-retardant green cables.

About a year ago, we announced expansion plans and allocated Rs. 500 crores for capital expenditure to scale up manufacturing, expand our product portfolio, and improve brand engagement and operational efficiency.

We are establishing an Electron Beam facility with machines capable of producing wires and cables with thermal resistance of up to 150°C, featuring enhanced environmental and abrasion resistance. This facility will support the production of solar cables, high-quality residential electrical wires, and instrumentation cables for railway applications. This facility will also support the growing needs of the electric vehicle market for EV battery cables, a segment we are actively developing.

Expansion to our optical fiber and cabling operations are progressing well, through two phases, with the Preform facility set to start production by Quarter 4 of this Financial Year.

To support our expanded operations, we have invested in a new 60,000 sq. ft. warehouse in Nelamangala, Bengaluru, enhancing our logistics and distribution capabilities. Our effort on strengthening our retail presence and distribution network is bearing fruit – we are currently able to reach approximately 215,000 retailers.

Future Plans

As a prominent player in the wires and cables segment, we will continue to diversify our extensive portfolio and expand distribution to serve both institutional and retail clients. In the thriving FMEG sector, we remain committed to introducing innovative, sustainable products and enhancing brand visibility through robust distribution and branding initiatives.

Leveraging cutting-edge technology, our core capabilities, and a strong balance sheet, we are strategically positioned to capitalize on growing opportunities. We are focused on delivering innovative products, reaching new heights, and providing enduring value to our stakeholders.

Directors

Mr. Nikhil M Naik, Non-Executive, Non-independent Director, is retiring by rotation and being eligible, offers himself for reappointment. The Board recommends his appointment and acknowledges his service during his tenure as Chairman of the Board.

Conclusion:

As Steve Jobs aptly stated, "Great achievements in business are seldom the result of an individual effort but rather the collective contribution of a dedicated team." As I conclude, I wish to extend my profound appreciation and gratitude to all our employees, whose combined efforts have propelled our growth to new heights throughout the year. I also wish to express my sincere thanks to our esteemed Board Members for their invaluable guidance and insights. Additionally, I would like to acknowledge and thank our stakeholders—including customers, bankers, financial institutions, channel partners, business associates, and suppliers—for their unwavering support.

I firmly believe that our company is on a trajectory toward being "**Powered by Technology and Empowered by Growth**" through our commitment to delivering quality products, embracing the latest technologies, and consistently ensuring customer satisfaction.

Thank you.