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FIL: SEC: LODR-Reg30
14th January, 2017

| | |
|---|--|
| National Stock Exchange of India Limited Manager – Listing 5, Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400051 | BSE Limited Manager – Listing Registered Office: Floor 25 P.J.Towers Dalal Street Mumbai 400 001 |
| Scrip Code: Equity: FINPIPE | Scrip Code: Equity: 500940/FINOLEXIND |

Dear sirs,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”)

Pursuant to the applicable provisions of the Regulations, please note that on 13th January, 2017 investor meet was held with Schrodgers, Capital World, Capital Research, Polar, Neptune, Columbia Threadneedle, Pictet, Jupiter, Stewart Investors and conference call was held with William Blair.

The presentation for the same was submitted to the stock exchanges by our letter dated 17th December, 2016 and same is also enclosed herewith.

Thanking you,

Yours sincerely,

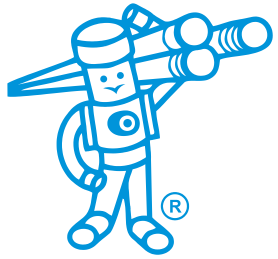
For Finolex Industries Limited

Vidya Shembekar
General Manager – Legal & Company Secretary
Membershsip No. ACS 8944

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Finolex Industries Limited
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FinOlex

INDUSTRIES



**FINOLEX
INDUSTRIES
LIMITED**

INVESTOR PRESENTATION
December 2016

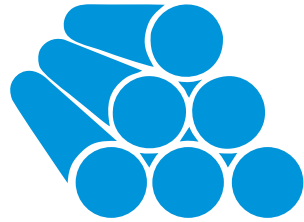
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Overview



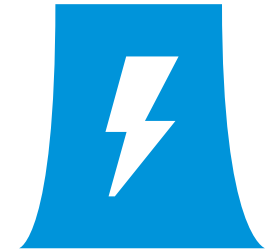
**Leading brand in
Indian PVC pipe
and fittings**



**Largest backward
integrated pipe and
fittings manufacturer
in India**

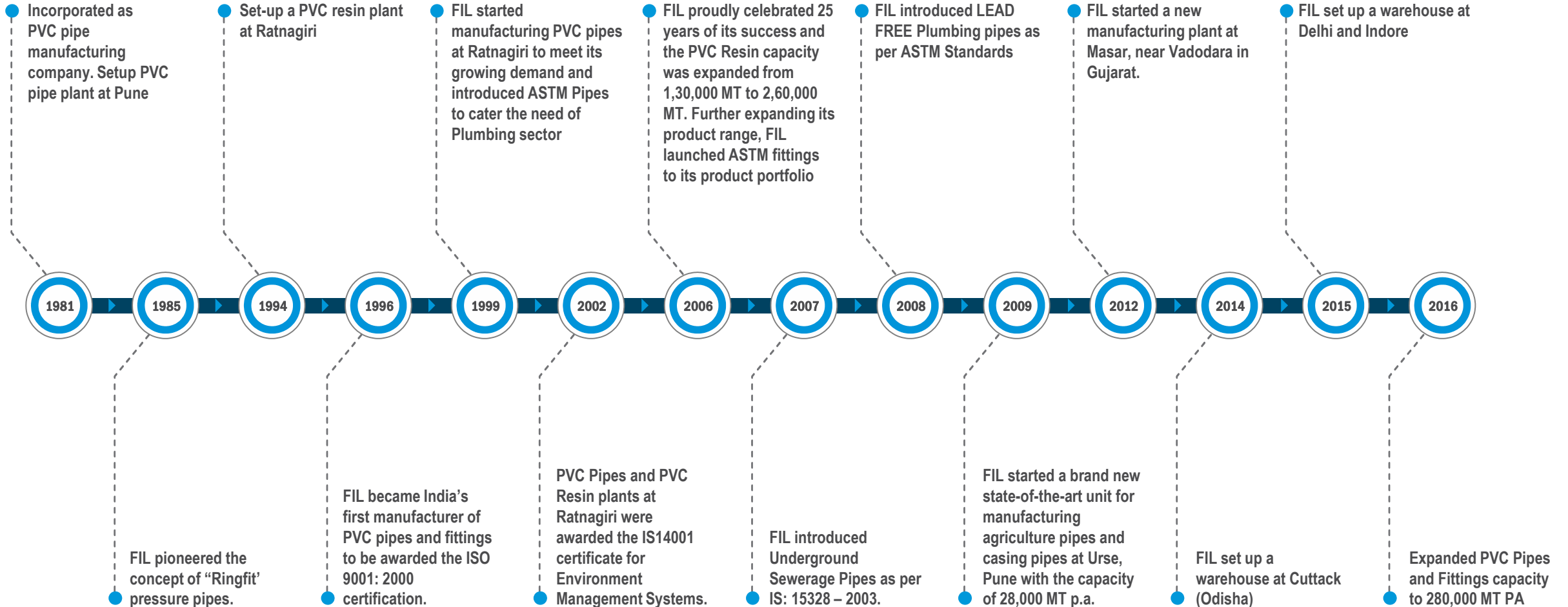


**One of the largest PVC
resin manufacturer
in India**



**43 MW power plant
for captive
consumption in
Ratnagiri**

Milestones



Business Segments

PVC PIPES & FITTINGS



With 3 manufacturing plants having a combined capacity of 280,000 mtpa FIL offers a wide range of PVC pipe & fittings for diverse applications in agriculture and non-agriculture sectors including housing, industrial and construction.

PVC RESIN



With a capacity of 272,000 mtpa of PVC resin, backward integration gives FIL the unique advantage of a consistent quality and availability of raw material. . With the rising internal consumption of PVC resin, FIL's business model is increasingly transforming to be B2C.

POWER PLANT



43 MW power plant at Ratnagiri (Maharashtra) is entirely for captive use and provides uninterrupted power to FIL's production facility there.

Products

Agricultural Pipes & Fittings



Agricultural pipes & fittings



Column pipes



Casing pipes



Solvent Cement

Plumbing & Sanitation Pipes & Fittings



ASTM Pipes & Fittings



CPVC Pipes & Fittings



Sewerage Pipes



SWR Pipes & Fittings



Solvent Cement

Manufacturing Plant

PVC resin
Plant at
Ratnagiri



Storage
tanks
for raw
material



PVC
resin
storage
section



Manufacturing Plant

PVC pipe
plant



Extruders
at plant



Extruder
lines



PVC fittings
warehouse



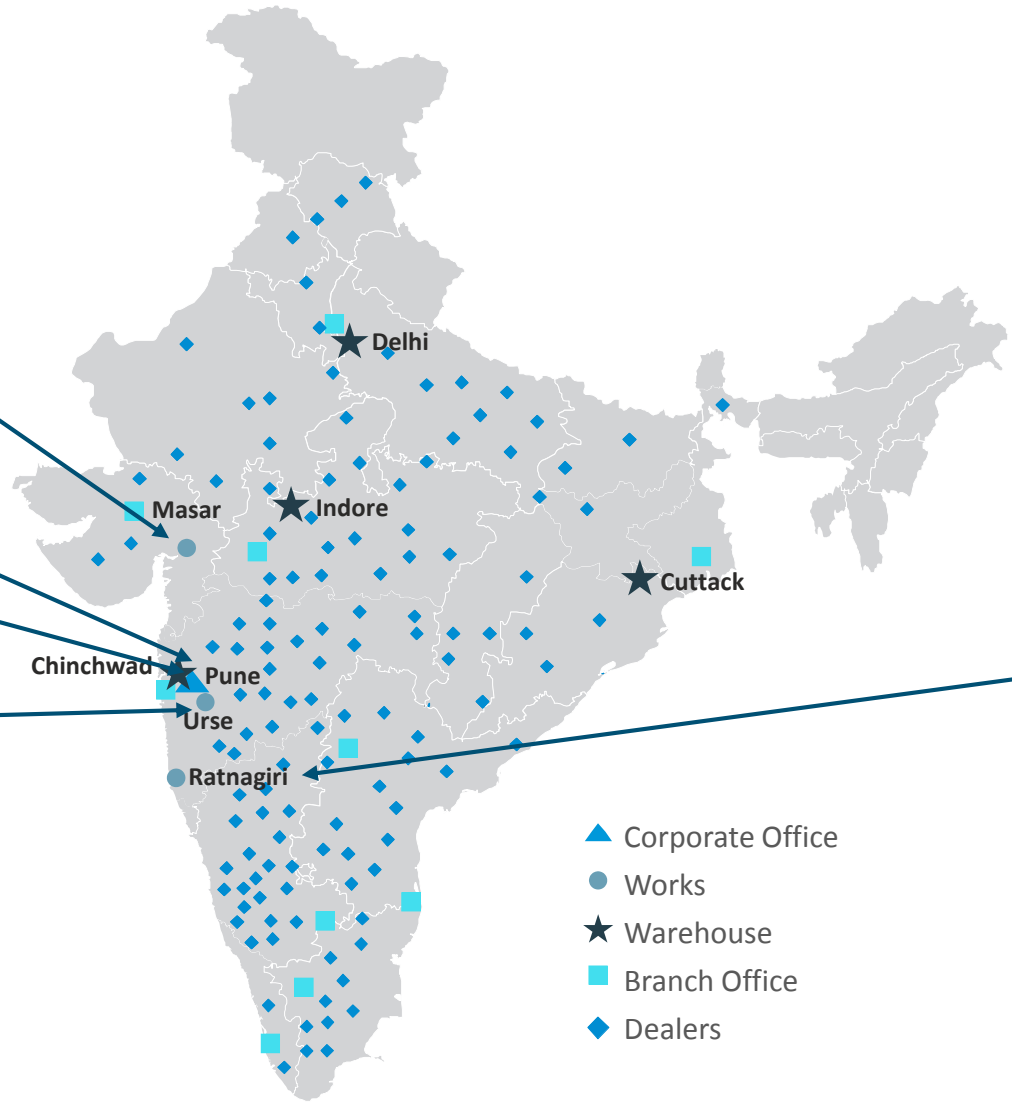
Pan India Reach

PVC Pipe Manufacturing Unit : Masar, Gujarat

Corporate Office: Chinchwad, Maharashtra
Warehouse : Chinchwad, Maharashtra

PVC Pipe Manufacturing Unit
Urse, Pune, Maharashtra

PVC Resin, PVC Pipe Manufacturing Unit &
Captive Power plant at
Ratnagiri, Maharashtra

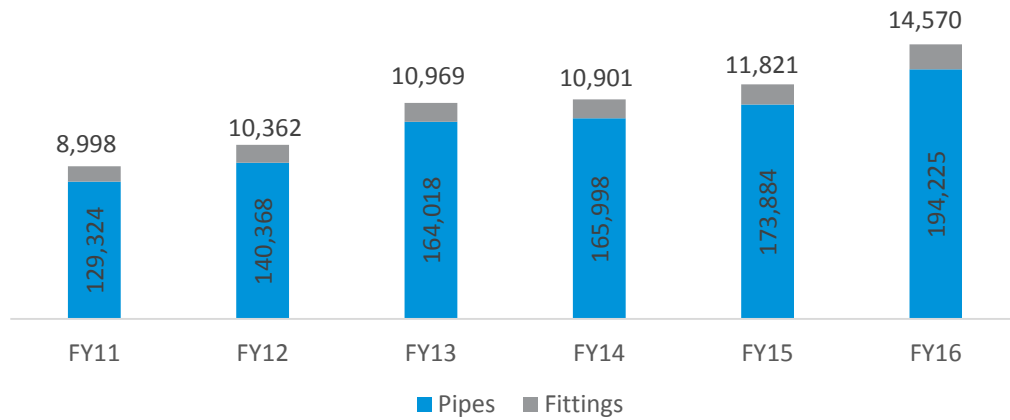


- ▲ Corporate Office
- Works
- ★ Warehouse
- Branch Office
- ◆ Dealers

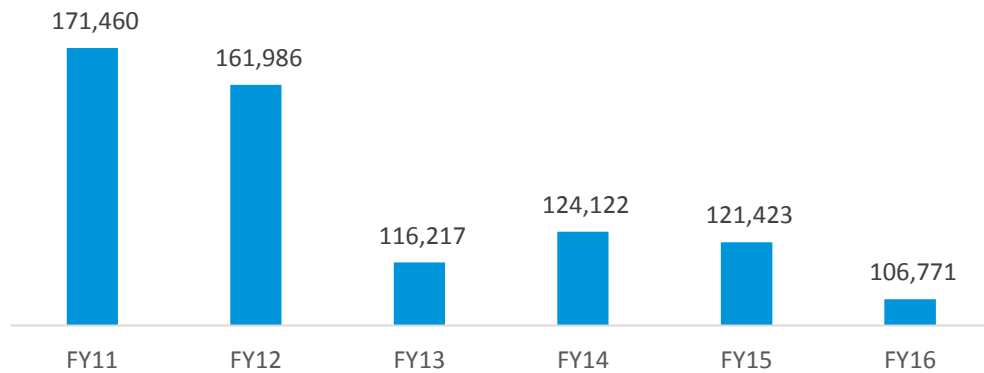
Over 700 dealers and 17,000+ retail touch points across the length and breadth of India

Financial Highlights

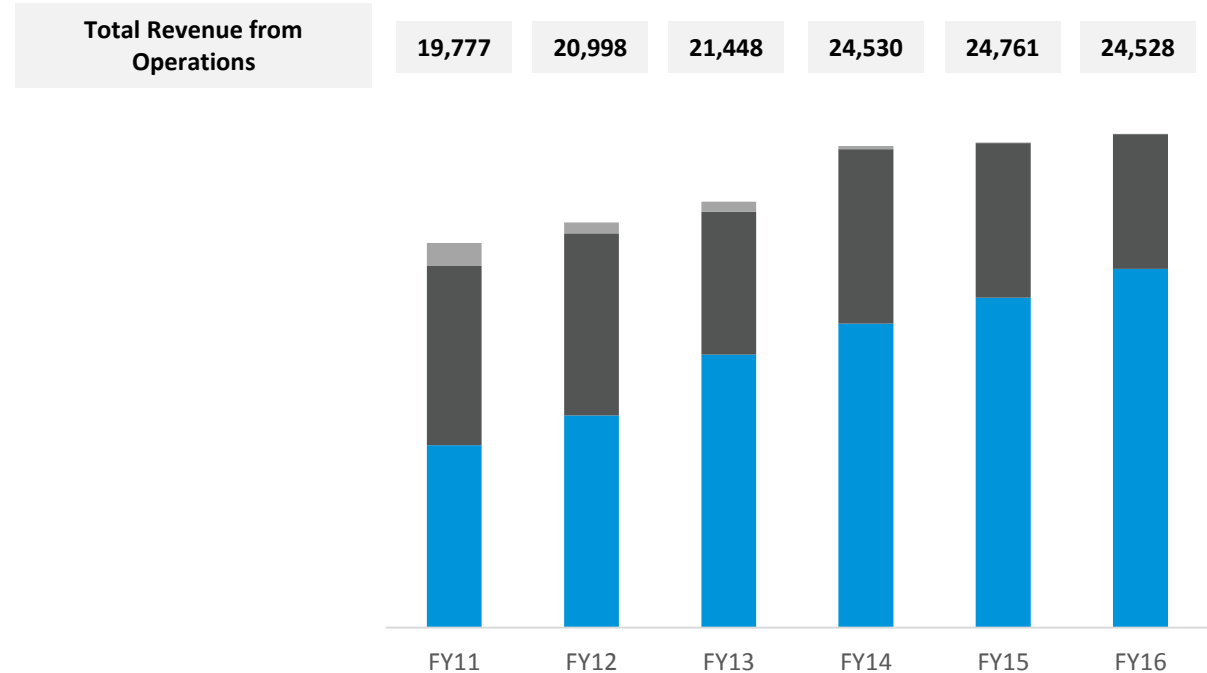
Pipes and Fittings Sales Volume (MT PA)



Resins Sales Volume (External) (MT PA)

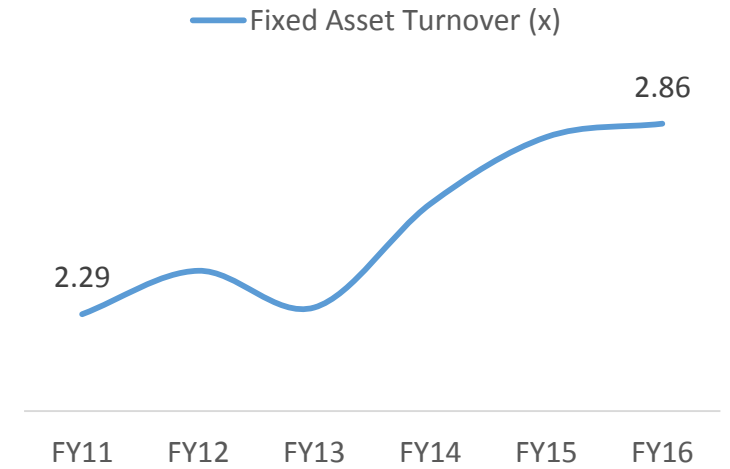
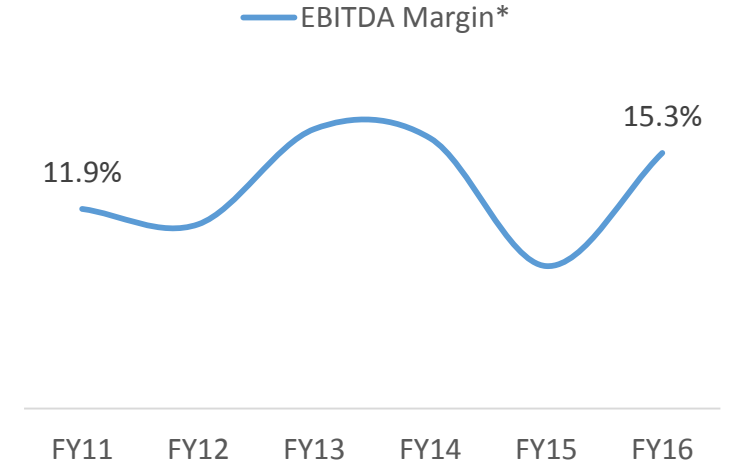
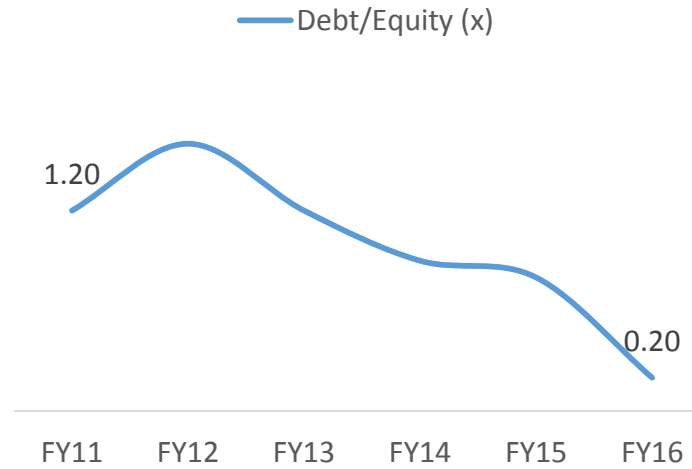
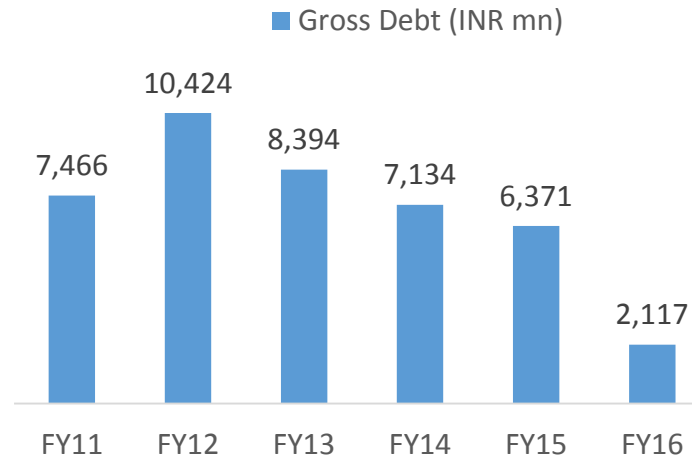
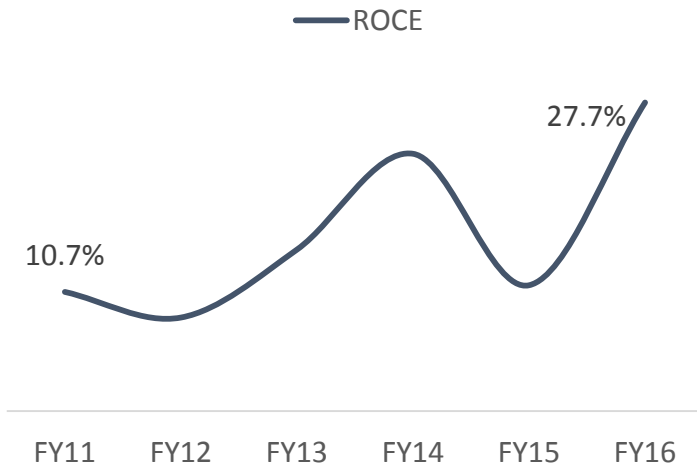
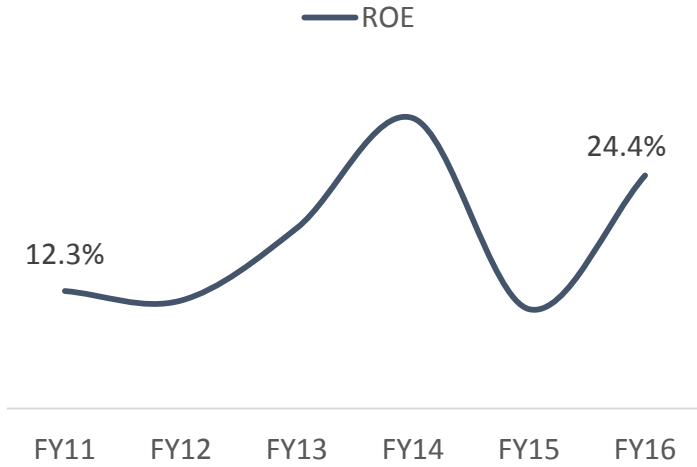


Revenue breakup (INR Mn)



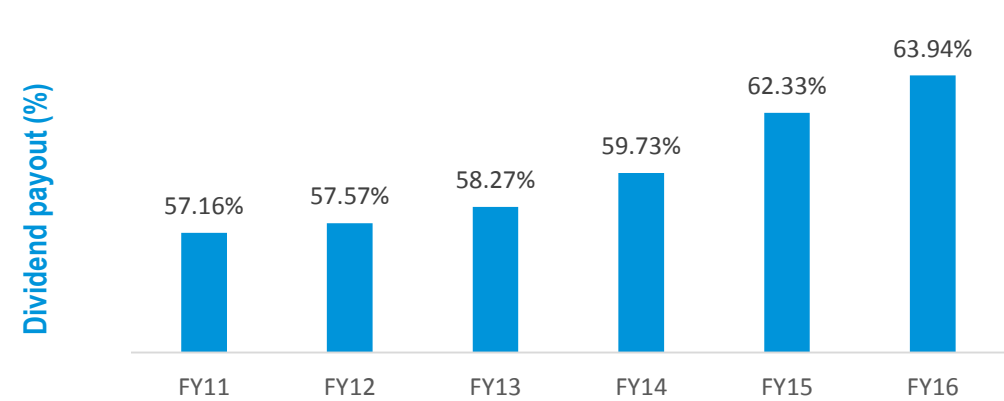
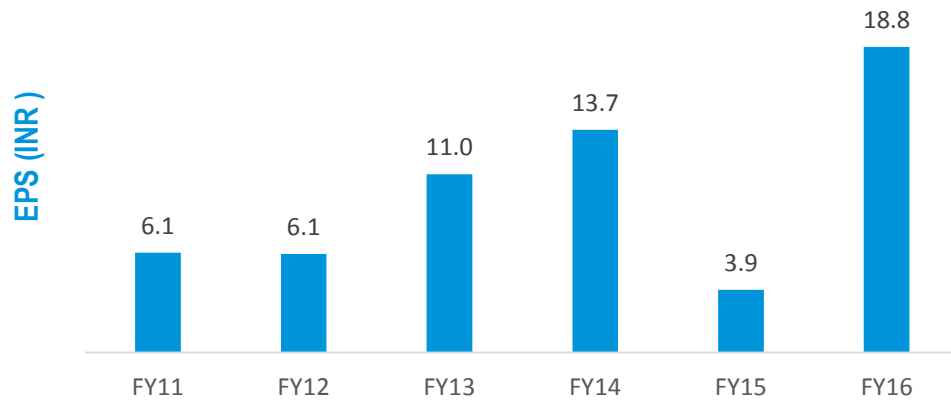
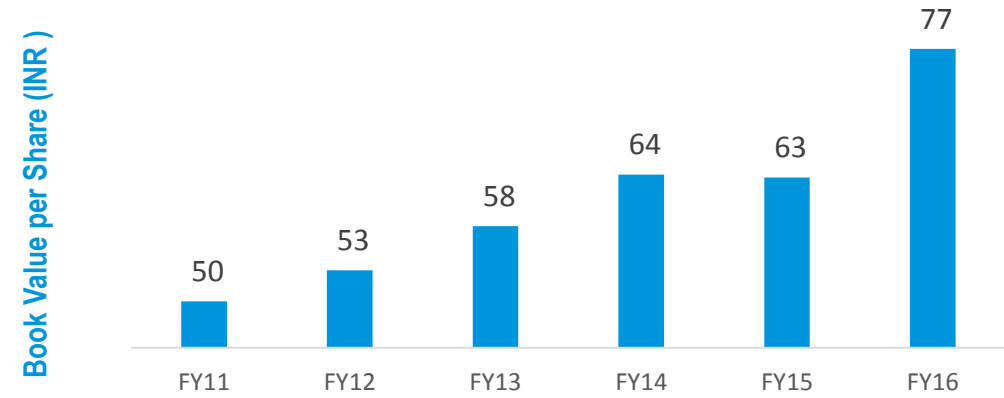
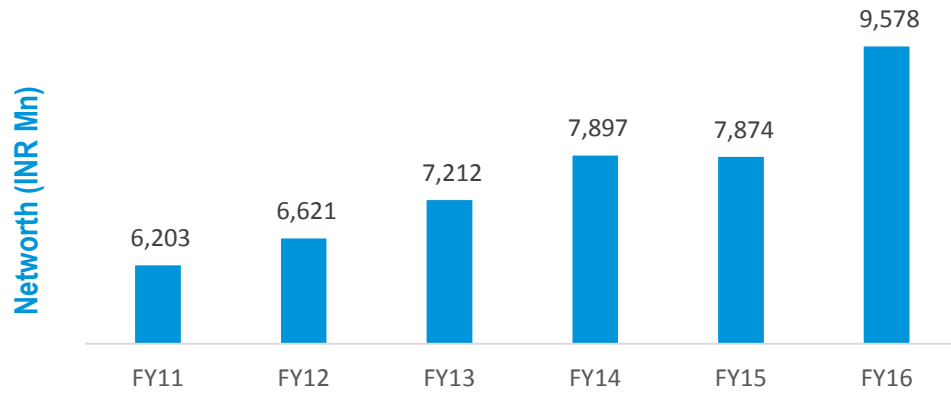
| | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 |
|-----------------------------|-------|--------|--------|--------|--------|--------|
| PVC Pipe & Fittings | 9,056 | 10,534 | 13,559 | 15,113 | 16,395 | 17,821 |
| PVC Resin (external sales) | 8,907 | 9,051 | 7,115 | 8,664 | 7,680 | 6,696 |
| Power (external sales) | 1,148 | 544 | 493 | 154 | 32 | 11 |

Key performance indicators

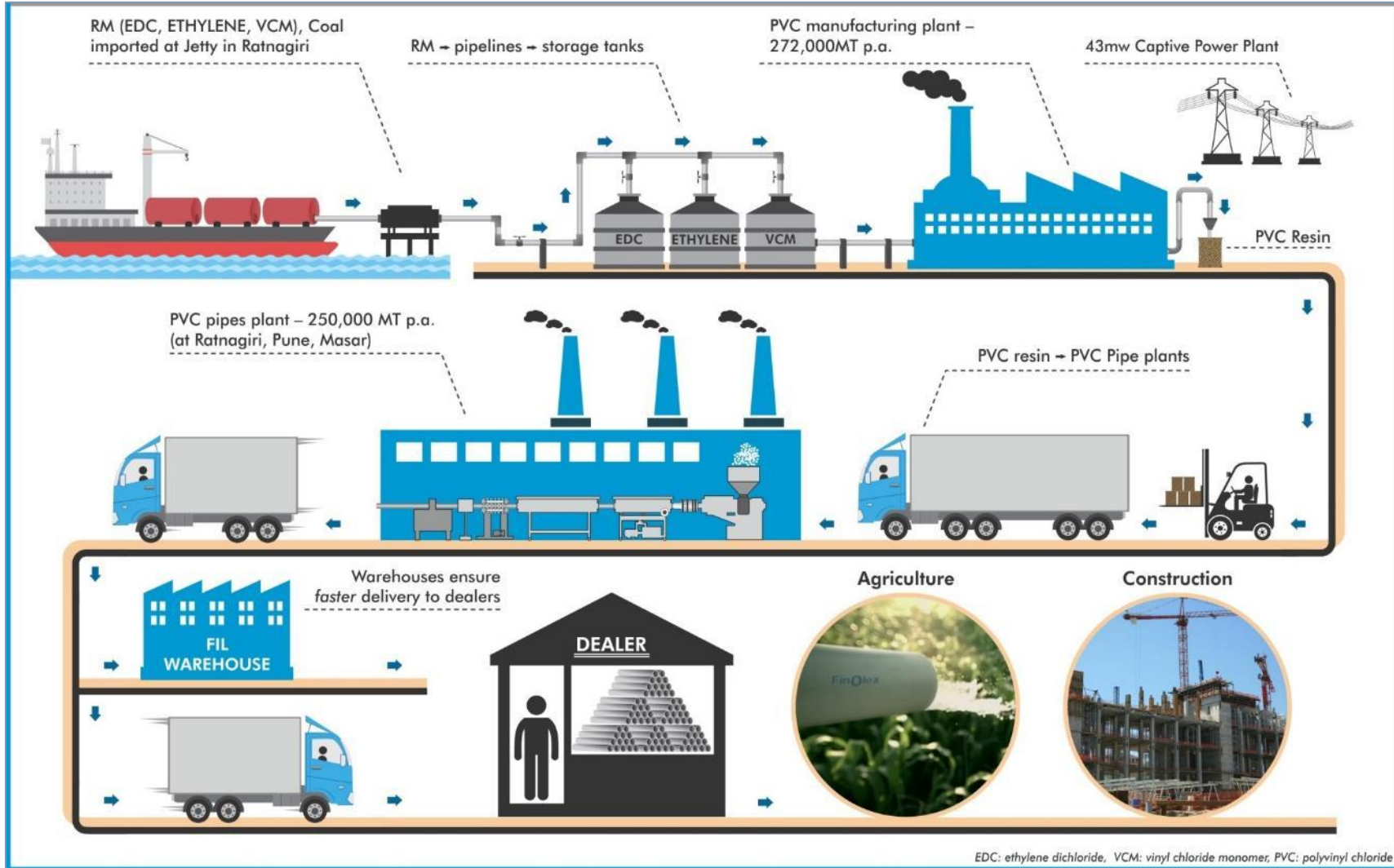


*Standalone EBITDA Margin (EBITDA before Exceptional item and other income)

Key performance indicators standalone



Value chain



Business Model

Key revenue driver – mainly PVC pipes and fittings segment, with steadily increasing in-house consumption of the PVC resin

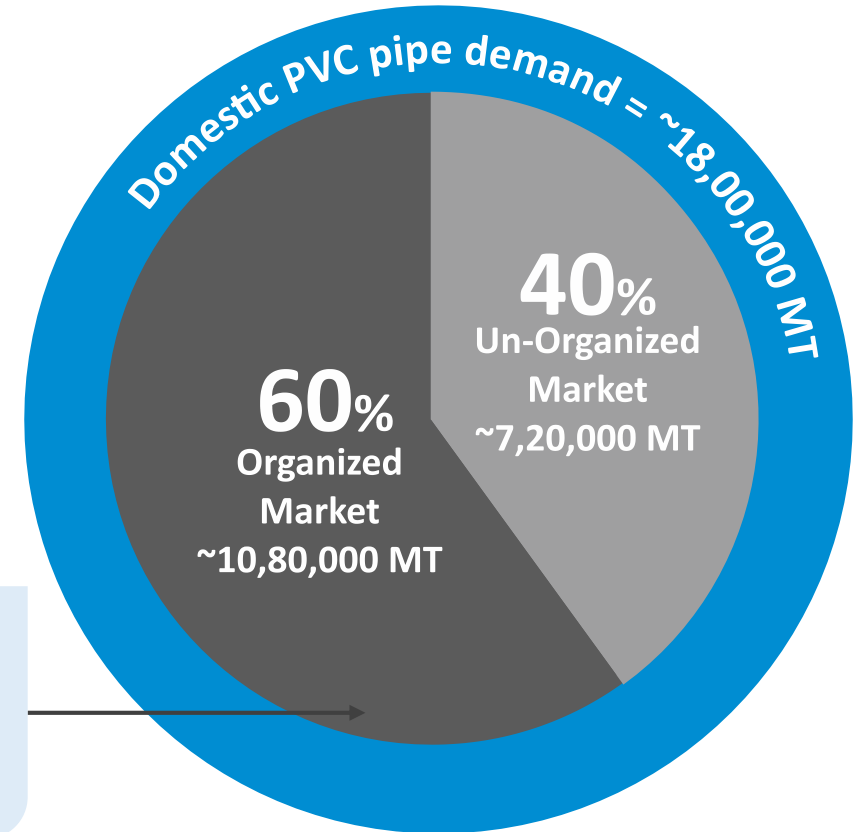
Key cost components - EDC, Ethylene and VCM are key raw materials for PVC production. PVC Resin is the key raw material for Pipes & Fittings production

Market wise sales are distributed between Agriculture (70%) and Non-agriculture (30%). Non-agriculture is mainly construction

Margins improvement initiatives are underway, however, raw material prices movement does impact operating margins in PVC resin segment

Operating under cash-n-carry model

PVC Pipe – Addressable Market



Key Strategies

MARGIN IMPROVEMENT

Increase sales of higher margin products.

CASH-N-CARRY

Cash-n-carry model to keep the balance sheet light



CAPACITY EXPANSION

Increase installed capacities of PVC pipes and fittings by 30,000 MT each year till FY18E with a capex at INR 300 mn p.a

BRANDING

Growing brand and quality consciousness amongst consumer



Future Outlook: Though demonetisation has created a temporary setback, the long term impact will be positive

Agriculture

Government Initiatives taken for farmers:

- Number of initiatives for irrigation schemes under 'Pradhan Mantri Krishi Sinchai Yojana' to be implemented. 28.5 lakh hectares will be brought under irrigation.
- Farmers adopting the formal banking channel for transactions
- Measures like unified agricultural market, INR 8.5 tn target for farm loans and investment in rural infrastructure to benefit the company
- Focus on increasing irrigation in non-rainfed areas
- Measures like unified agricultural market, large outlay of farm loans and investment in rural infrastructure
- Water management programs initiated by the Government

Construction

- Real estate regulatory bill coupled with GST and demonetization is likely to reduce the gap in primary and secondary market transactions.
- Organized players turn out to be eventual winners as cash usage declines.
- Housing for all by 2022 to provide 20 million houses in urban areas and 40 million houses in rural areas.
- Initiatives such as "Smart Cities" will increase demand for Company's products.
- Atal Mission for Rejuvenation and Urban Transformation (AMRUT) targets 500 cities to raise water supply, sewerage, urban transport system

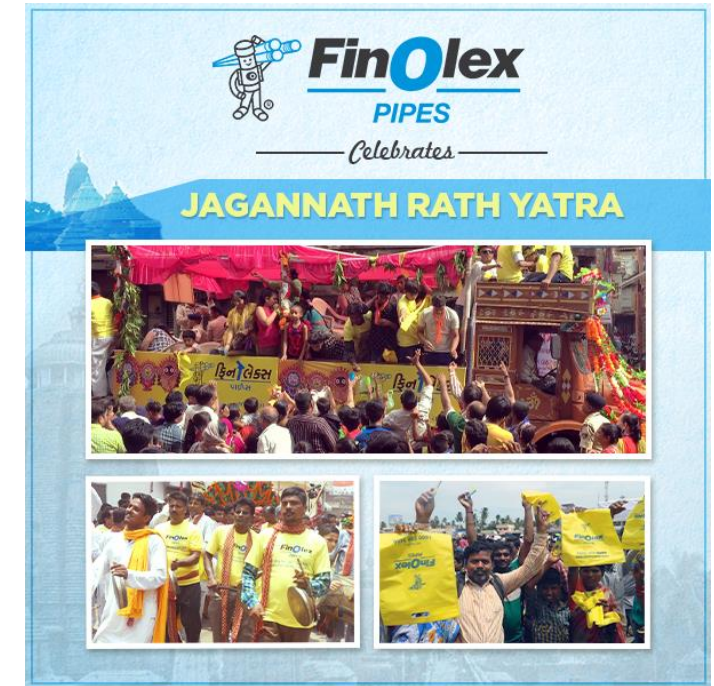
Branding & advertisements – some snapshots

Finolex pipes at Agri-Asia exhibition on Agriculture Technology



Endorsing Finolex Pipes in the movie M.S Dhoni the untold story starring Sushant Singh Rajput in the month of September 2016.

Finolex Pipes celebrates Jagannath Rath Yatra



Branding & advertisements – some snapshots



Finolex pipes Sub-dealer meet at Kolhapur

Distributing
Rain ponchos
and bags with
Finolex logo at
a Palkhi
procession



On-the-go
branding on
vehicles



Branding & advertisements – some snapshots



Promotions in regional languages during festivals

Finolex Pipes alongside CSR partner, the Mukul Madhav Foundation, took 50 children from the Apang Sanstha (Home for the Handicapped, Pune) to the Rising Pune Supergiants Indian Premier League match



Balance sheet – Key indicators

| Balance Sheet (INR mn) | FY12 | FY13 | FY14 | FY15 | FY16 | H1FY17* |
|---|---------------|--------------|--------------|--------------|--------------|--------------|
| Equity and liabilities | | | | | | |
| Share capital | 1,241 | 1,241 | 1,241 | 1,241 | 1,241 | 1,241 |
| Reserves and surplus | 5,381 | 5,971 | 6,656 | 6,633 | 8,337 | 18,783 |
| Long term borrowings | 1,896 | 1,397 | 2,322 | 1,837 | - | - |
| Short term borrowings (incl. loans repayable in one year) | 8,528 | 6,997 | 4,812 | 4,534 | 2,117 | 1,598 |
| Total borrowings | 10,424 | 8,394 | 7,134 | 6,371 | 2,117 | 1,598 |
| Assets | | | | | | |
| Fixed assets (Net block) | 7,840 | 8,795 | 9,052 | 8,678 | 8,496 | 8,498 |
| Capital WIP | 854 | 506 | 325 | 104 | 66 | 85 |
| Non current investments | 1,221 | 1,274 | 1,274 | 1,246 | 1,204 | 10,074 |
| Current investments | 3,711 | 2,322 | 941 | 551 | 1,677 | 156 |

Note: As per the provisions of section 129 (3) of the Companies Act, 2013, the Company has prepared consolidated financials statements (includes Finolex Plasson Industries Pvt Ltd) for the first time in FY16.

*Figures as per IndAS

Profit & Loss – Key indicators

| Profit & loss account (INR mn) | FY12 | FY13 | FY14 | FY15 | FY16 | FY16 (cons.) |
|--|---------------|---------------|---------------|--------------|---------------|---------------|
| Net Income | 20,998 | 21,448 | 24,530 | 24,761 | 24,528 | 24,528 |
| Growth in sales (YoY %) | 6.20% | 2.10% | 14.40% | 0.94% | -0.95% | - |
| EBIDTA before exceptional items | 2,313 | 3,587 | 3,966 | 2,111 | 3,751 | 3,751 |
| EBIDTA margins before exceptional items (%) | 11.02% | 16.72% | 16.17% | 8.52% | 15.29% | 15.29% |
| EBIDTA after exceptional items | 2,168 | 2,626 | 3,268 | 1,896 | 3,996 | 3,996 |
| PBT | 967 | 1,902 | 2,419 | 808 | 3,435 | 3,426 |
| PBT Margin (%) | 4.60% | 8.90% | 9.90% | 3.26% | 14.00% | 13.97% |
| PAT | 752 | 1,361 | 1,701 | 478 | 2,336 | 2,389 |
| PAT Margin (%) | 3.60% | 6.30% | 6.90% | 1.93% | 9.52% | 9.74% |

Note: As per the provisions of section 129 (3) of the Companies Act, 2013, the Company has prepared consolidated financials statements (includes Finolex Plasson Industries Pvt Ltd) for the first time in FY16.

Segmental – Profit and Loss

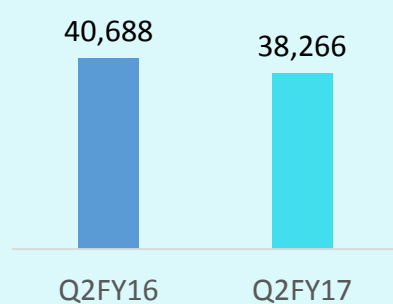
| <i>Particulars (INR mn)</i> | <i>FY11</i> | <i>FY12</i> | <i>FY13</i> | <i>FY14</i> | <i>FY15</i> | <i>FY16</i> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Segmental revenues | | | | | | |
| PVC | 14,848 | 14,910 | 15,637 | 17,130 | 15,601 | 14,835 |
| PVC pipes & fittings | 9,142 | 12,074 | 13,779 | 15,633 | 16,938 | 17,822 |
| Power | 1,482 | 1,756 | 2,071 | 1,645 | 1,307 | 1,395 |
| Segmental profits | | | | | | |
| PVC | 845 | 1,170 | 2,342 | 2,008 | 480 | 1,887 |
| % of Revenues | 5.69% | 7.85% | 14.98% | 11.72% | 3.07% | 12.72% |
| PVC pipes & fittings | 721 | 579 | 717 | 1,321 | 1,337 | 1,597 |
| % of Revenues | 7.89% | 4.80% | 5.20% | 8.45% | 7.89% | 8.96% |
| Power | 344 | 177 | 481 | 345 | 174 | 276 |
| % of Revenues | 23.19% | 10.09% | 23.24% | 20.98% | 13.34% | 19.81% |
| Capital employed | | | | | | |
| PVC | 7,152 | 6,758 | 7,462 | 7,775 | 6,060 | 4,673 |
| PVC pipes & fittings | 2,180 | 2,085 | 3,119 | 3,393 | 4,649 | 4,250 |
| Power | 2,996 | 3,859 | 3,151 | 3,131 | 2,552 | 2,488 |
| Other segments | 2,826 | 5,406 | 2,907 | 1,715 | 2,096 | 1,462 |

Segment revenue includes intersegment transfer

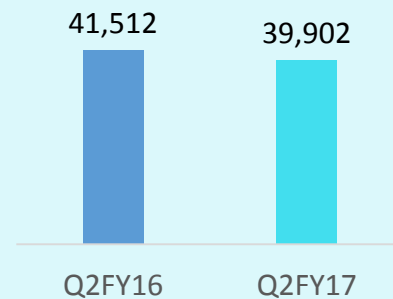
Q2FY17 & FY16 Results Summary

Q2FY17

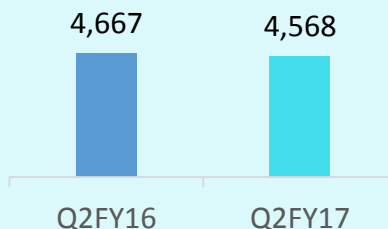
Volumes (MT) P & F #



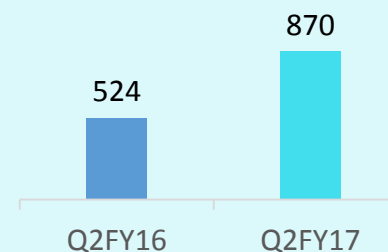
Volumes (MT) PVC resin*



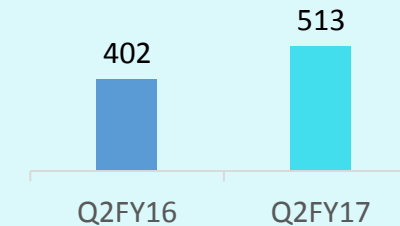
Total Revenue (INR Mn) net of excise duty



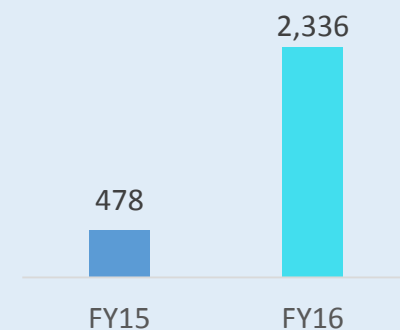
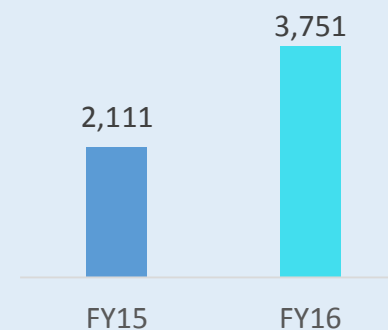
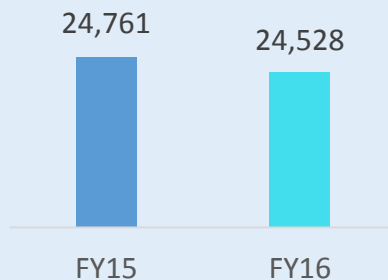
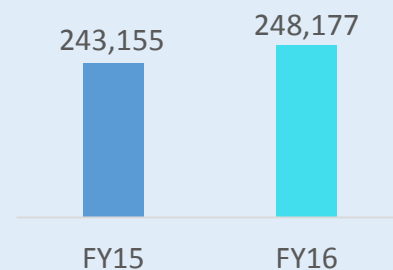
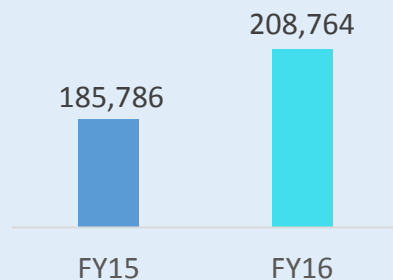
EBITDA (INR Mn)



PAT (INR Mn)



FY16



Management Comment: Based on robust demand for Pipes and Fittings, the company has shown all-round growth. We expect strong demand to continue in the coming quarters.

Profit & Loss Account

| Particulars (INR mn) | Q2FY17 | Q1FY17 | Q2FY16 | FY16 | FY15 |
|---------------------------------|--------|--------|--------|--------|--------|
| Net Sales (net of excise duty) | 4,568 | 6,729 | 4,667 | 24,528 | 24,761 |
| EBIDTA before exceptional items | 870 | 1,592 | 524 | 3,751 | 2,111 |
| EBIDTA margin (%) | 19.05% | 23.7% | 11.23% | 15.29% | 8.52% |
| Exceptional gains/(loss) | - | - | 245 | 245 | -215 |
| EBIDTA after exceptional items | 870 | 1,592 | 769 | 3,996 | 1,896 |
| Depreciation | 139 | 133 | 126 | 506 | 587 |
| EBIT before exceptional items | 731 | 1,460 | 398 | 3,245 | 1,524 |
| <i>EBIT margins</i> | 16.0% | 21.7% | 8.53% | 13.23% | 6.16% |
| Other Income | 89 | 32 | 114 | 391 | 202 |
| Finance costs | 33 | 50 | 164 | 446 | 704 |
| PBT | 788 | 1,441 | 592 | 3,435 | 808 |
| <i>PBT margins</i> | 17.25% | 21.4% | 12.68% | 14.00% | 3.26% |
| Tax | 275 | 461 | 190 | 1,099 | 330 |
| PAT | 513 | 980 | 402 | 2,336 | 478 |
| <i>PAT margins</i> | 11.23% | 14.6% | 8.61% | 9.52% | 1.93% |

Operating Highlights

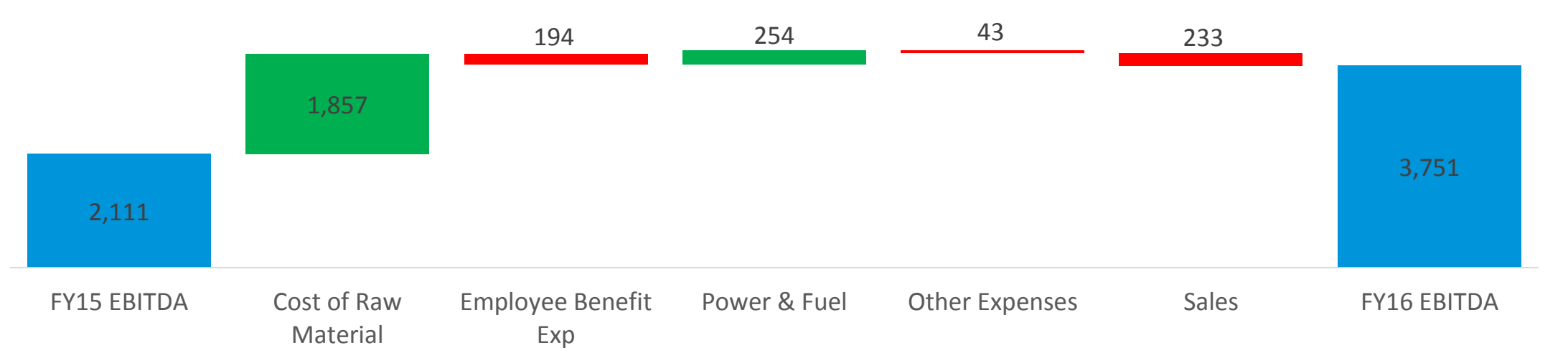
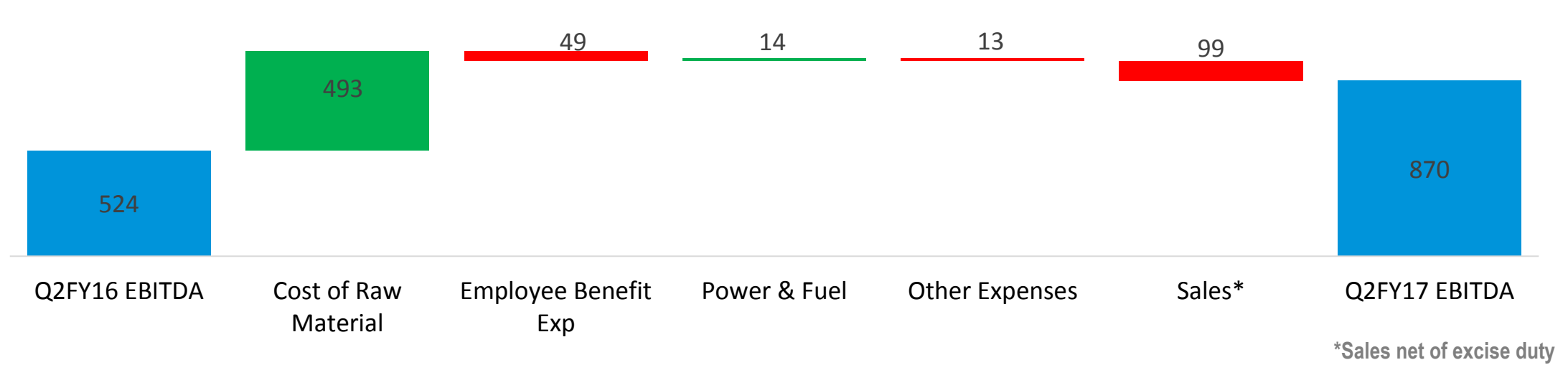
| Particulars | Q2FY17 | | | Q2FY16 | | | Growth Y-o-Y | |
|----------------------|---------|--------|----------|---------|--------|----------|--------------|--------|
| | INR Mn. | MT | Rs./Unit | INR Mn. | MT | Rs./Unit | Value | Volume |
| PVC resin | 2,562 | 39,902 | 64,207 | 2,581 | 41,512 | 62,175 | -2% | -4% |
| PVC pipes & fittings | 3,628 | 38,266 | 94,810 | 3,525 | 40,690 | 86,631 | 3% | -6% |
| Power | 321 | - | - | 299 | - | - | - | - |

| Particulars | FY16 | | | FY15 | | | Growth Y-o-Y | |
|----------------------|---------|----------|----------|---------|----------|----------|--------------|--------|
| | INR Mn. | MT | Rs./Unit | INR Mn. | MT | Rs./Unit | Value | Volume |
| PVC resin | 14,835 | 2,48,177 | 59,777 | 15,601 | 2,43,155 | 64,161 | -5% | 2% |
| PVC pipes & fittings | 17,822 | 2,08,764 | 85,368 | 16,938 | 185,786 | 91,170 | 5% | 12% |
| Power | 1,395 | - | - | 1,307 | - | - | 7% | - |

30,000MT of Pipe and Fittings capacity added during FY16. The total capacity of Pipe and Fittings stands at 2,80,000MT as on 31st March 2016. During the year fittings sales volume grew by 23% YoY.

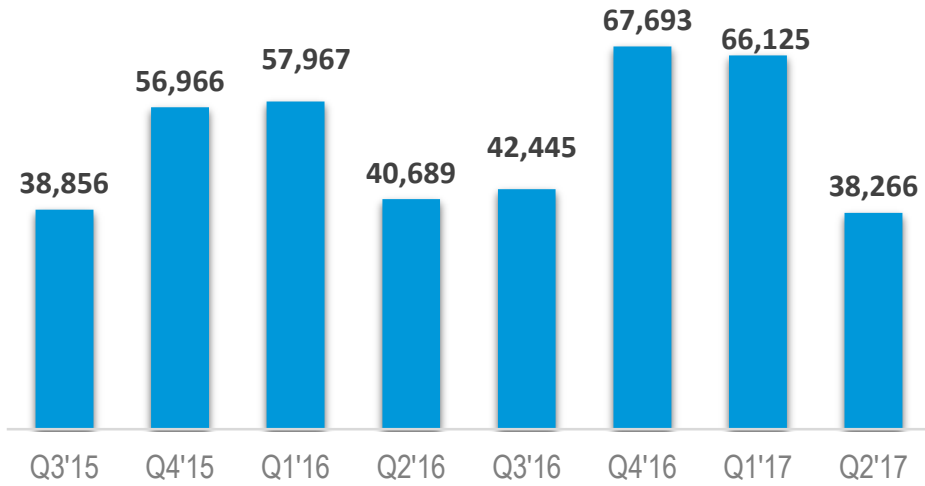
* Excluding excise duty

EBITDA Bridge Chart (INR mn)

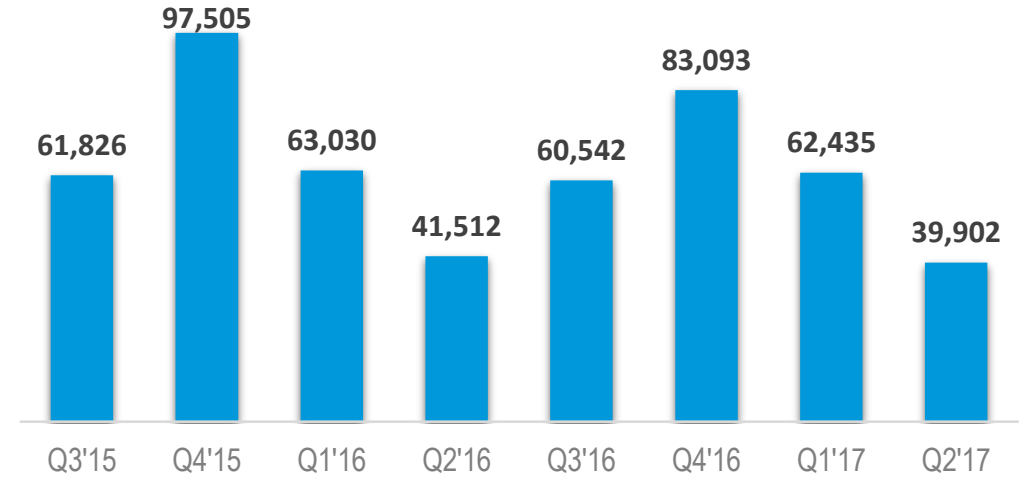


Business Scenario

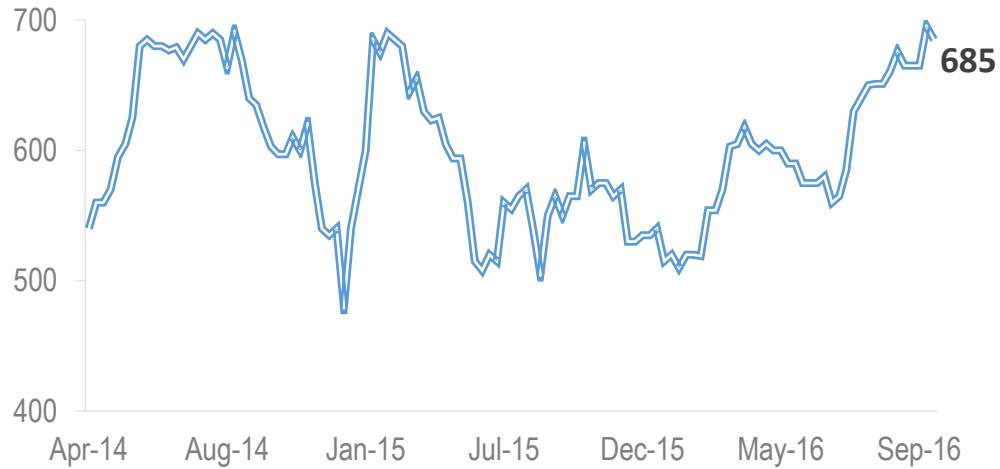
Pipes & Fittings Volumes (MT)



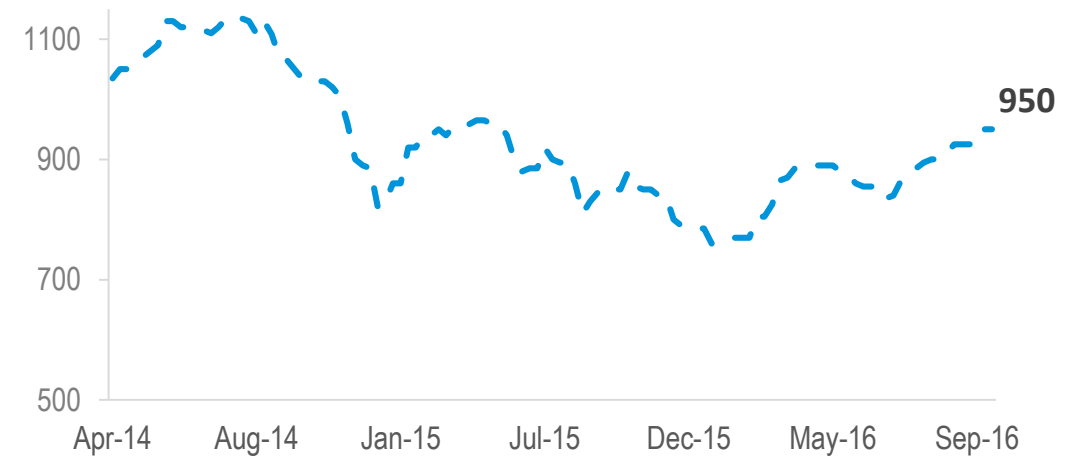
PVC Volumes (MT)



PVC/EDC Delta (USD/MT)



PVC (USD/MT)



Source: Platts Polymerscan weekly reports

Quarterly – Profit & Loss

| Particulars (INR mn) | Q3FY15 | Q4FY15 | Q1FY16* | Q2FY16 | Q3FY16 | Q4FY16 | Q1FY17* | Q2FY17* |
|--------------------------------|--------|--------|---------|--------|--------|--------|---------|---------|
| Net Sales (net of excise duty) | 6,429 | 7,846 | 6,334 | 4,667 | 5,472 | 8,055 | 6,729 | 4,568 |
| EBIDTA | (220) | 714 | 1,273 | 767 | 841 | 1,114 | 1,592 | 870 |
| <i>EBIDTA margins (%)</i> | - | 9.1% | 20.1% | 16.4% | 15.4% | 13.8% | 23.7% | 19.1% |
| Depreciation | 146 | 143 | 125 | 126 | 127 | 127 | 133 | 139 |
| Other Income | 14 | 50 | 54 | 141 | 35 | 188 | 32 | 89 |
| Finance costs | 287 | 104 | 158 | 164 | 80 | 45 | 50 | 33 |
| PBT | (639) | 517 | 1044 | 618 | 669 | 1,130 | 1,441 | 788 |
| <i>PBT margins (%)</i> | - | 6.6% | 16.5% | 13.2% | 12.2% | 14.0% | 21.4% | 17.3% |
| Tax | (201) | 241 | 324 | 199 | 238 | 345 | 461 | 275 |
| PAT | (438) | 277 | 721 | 419 | 430 | 785 | 980 | 513 |
| EPS | (3.5) | 2.2 | 5.8 | 3.4 | 3.5 | 6.3 | 7.9 | 4.1 |

*As per IndAS

Quarterly segmental – Profit & Loss

| Particulars (INR mn) | Q3FY15 | Q4FY15 | Q1FY16* | Q2FY16 | Q3FY16 | Q4FY16 | Q1FY17* | Q2FY17* |
|-----------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Segmental revenues # | | | | | | | | |
| PVC | 3,664 | 5,721 | 4,149 | 2,581 | 3,567 | 4,538 | 4,049 | 2,562 |
| PVC pipes & fittings | 3,480 | 4,862 | 5,100 | 3,525 | 3,611 | 5,585 | 5,829 | 3,628 |
| Power | 175 | 486 | 385 | 299 | 357 | 355 | 388 | 321 |
| Segmental profits | | | | | | | | |
| PVC | (456) | 216 | 692 | 198 | 462 | 536 | 890 | 550 |
| % of Revenues | (12.5%) | 3.8% | 16.7% | 7.7% | 12.9% | 11.8% | 21.9% | 21.5% |
| PVC pipes & fittings | 254 | 321 | 492 | 297 | 315 | 512 | 568 | 249 |
| % of Revenues | 7.3% | 6.6% | 9.7% | 7.9% | 8.7% | 9.2% | 9.7% | 6.9% |
| Power | (41) | 145 | 81 | 42 | 61 | 92 | 129 | 58 |
| % of Revenues | (23.4%) | 29.9% | 21.0% | 14.1% | 17.1% | 25.9% | 33.3% | 18.1% |
| Capital employed | | | | | | | | |
| PVC | 7,221 | 6,060 | 7,167 | 5,660 | 5,649 | 4,673 | 5,214 | 5,056 |
| PVC pipes & fittings | 4,789 | 4,649 | 4,302 | 4,337 | 4,730 | 4,250 | 5,210 | 5,218 |
| Power | 2,650 | 2,552 | 2,772 | 2,527 | 2,500 | 2,488 | 2,674 | 2,374 |

Excluding excise duty

*As per IndAS

Green initiatives



Internationally acclaimed Environment management system under ISO 14001, in place at the Ratnagiri plant.



Achieved the goal of Zero effluent discharge at the Ratnagiri plant



Awarded with “Certificate of Merit – believers Category” by “Frost and Sullivan's Green Manufacturing Excellence Award for Ratnagiri plant



Won Bronze trophy in the National Safety Council Awards Competition 2013 for the PVC manufacturing plant at Ratnagiri

Corporate Social Responsibility – some snapshots



Finolex Pipes' CSR partner Mukul Madhav Foundation being awarded the category of "WATER COMPANY OF THE YEAR"

Finolex Pipes and Mukul Madhav Foundation celebrates world cerebral palsy day.



Mukul Madhav Foundation initiates a physiotherapy session at Finolex Rehabilitation center, Wai

Corporate Social Responsibility – some snapshots



Finolex Pipes' CSR partner Mukul Madhav Foundation being awarded the BT-CSR Excellence award 2016 in association with ET Now for "CSR Excellence Award for The Physically Challenged!"

Finolex Pipes and Mukul Madhav Foundation have begun work to clean out 16 CNBs (Cement Nala bands) with the capacity of 30 TCM, extending water storage and percolation in the village of Rede, Tal-Malshiras, Solapur.



ENCOURAGING THE YOUTH TO DEVELOP AN INTEREST IN SPORTS



Sponsoring sports kits for local sports clubs in Ratnagiri

Accolades and awards



Mr. Prakash Chhabria being awarded at [Credai National The President's Conclave](#) held in September 2016 by our Chief Minister Mr. Devendra Fadnavis.

Accolades and awards



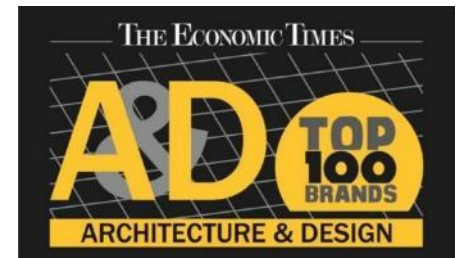
India's most Trusted Brand in the category "Manufacturing – Pipes" awarded by Brand Trust Report 2015

'Global CSR Excellence & Leadership Award' at the 5th edition of Blue Dart World CSR day initiative

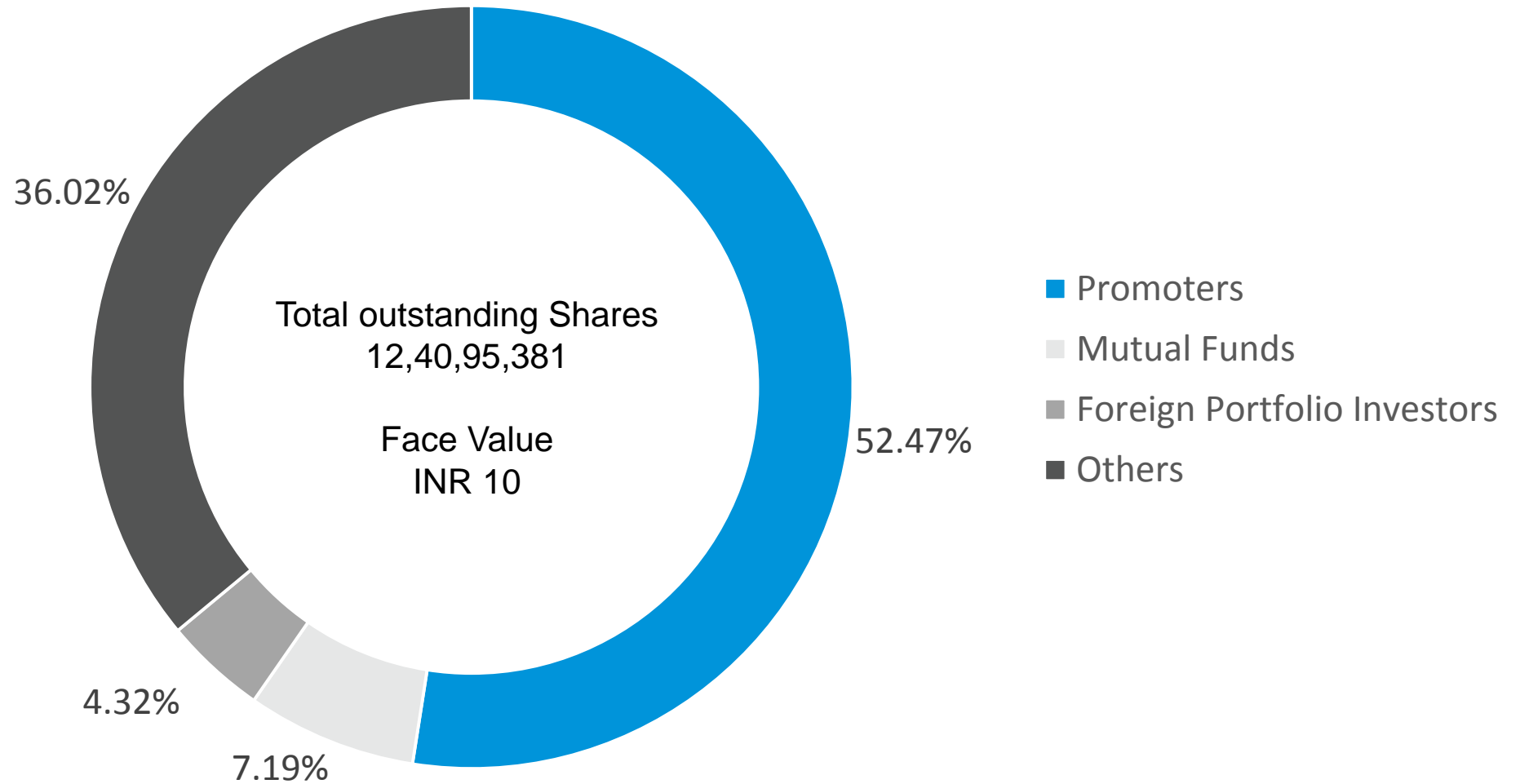


"Best Safety Practices Award – 2015" by National Safety council Maharashtra Chapter & Directorate of Industrial Safety & Health, Maharashtra State

Recognized by Economic Times as Top 100 Brands in the Architecture and Design Sector.



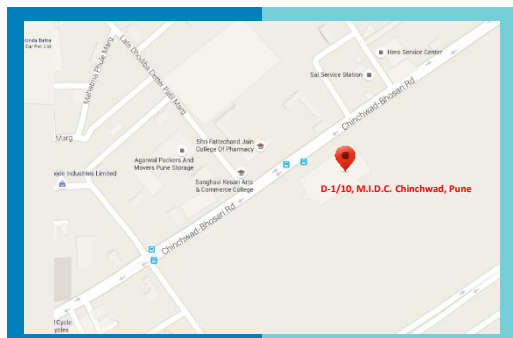
Shareholding Pattern as on September 30, 2016










FINOLEX INDUSTRIES LIMITED

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