

FIL: SEC: LODR-Reg30

1<sup>st</sup> June, 2017

National Stock Exchange of India Limited Manager – Listing Department 5, Exchange Plaza Bandra-Kurla Ccplex Bandra (East), Mumbai 400051	BSE Limited Manager – Listing Department 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 find below the Schedule of the investor meet.

1st June 2017		Hotel Sofitel, BKC
Name of Client:		Finolex Industries
Representative		Mr Anil Whabi-Chief Financial Officer
Time	Name & Representative(s) of Corporate	Meeting Type
10:00 - 11:00am	UTI- Swati Kulkarni, Axis MF- Amrita Basu & anupam Tiwari, Axis MF- Hitesh Das, BNP Paribas-Saumil Mehta, ICICI Treasury-Deepak Shinde, Tata Investment Corp- Vishal Jajoo, Barings- Mitali Chitre, (G)	Group
11:15 - 12:15 pm	IDFC MF- Sumit Agarwal --	one on one
12:15 - 1:15 pm	Franklin Templeton- Saurabh Das	one on one

**Registered Office / Urse Plant**  
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Gat No. 399, Village Urse, Tal.-Maval,  
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CIN L40108PN1981PLC024153


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1:15 - 2:15 pm	Enam- Dipen Sanghvi, Canara Robeco- Shridatta Bhandwaladar, GSAM- Dheeresh, Lapis- Kunal, TA Associates- Chinmaya, Tamohara- Devang Desai, Indara Capital- Mcenro Samdani, Suyash Advisors- Neelesh Wagle, (G)	Group
2:15 - 3:15 pm	Steadview- Nikhil Agarwal, Tamohara- Sudhanshu Asthana, Ask Investment-Sjain, DHFL Prameria- Aditya Malpani, ING Insurance- Shyam Bhat(G)	Group
3:30 - 4:30 pm	HDFC Life- Nishit	one on one
4:30 - 5:30 pm	Birla Life- Dhrumil Shah, CWC-Sumit Gupta, Kotak PE- Bhavin (G)	Group

The presentation for the same is enclosed herewith.

For Finolex Industries Limited

  
Vidya Shembekar  
General Manager – Legal & Company Secretary



Encl: As above

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FINOLEX INDUSTRIES LIMITED

Investor Presentation  
June 2017



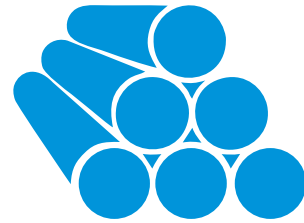
## Contents

<b>Overview</b>	<b>3</b>	<b>Financial Highlights</b>	<b>16</b>
<b>Milestones</b>	<b>4</b>	<b>Key Performance Indicators</b>	<b>17</b>
<b>Business Segments</b>	<b>5</b>	<b>Balance Sheet</b>	<b>19</b>
<b>Products</b>	<b>6</b>	<b>Profit and Loss Account</b>	<b>20</b>
<b>Manufacturing Plants</b>	<b>7</b>	<b>Segmental – Profit and Loss</b>	<b>21</b>
<b>Pan India Reach</b>	<b>9</b>	<b>Q4FY17 &amp; FY17 Results Summary</b>	<b>22</b>
<b>Value Chain</b>	<b>10</b>	<b>Quarterly - Profit and Loss</b>	<b>23</b>
<b>Business Model</b>	<b>11</b>	<b>Green Initiatives</b>	<b>27</b>
<b>Key Strategies</b>	<b>12</b>	<b>Corporate Social Responsibility (CSR)</b>	<b>29</b>
<b>Union Budget Highlights 2017-18</b>	<b>13</b>	<b>Accolades and awards</b>	<b>31</b>
<b>Branding</b>	<b>15</b>	<b>Shareholding Pattern</b>	<b>32</b>

## Overview



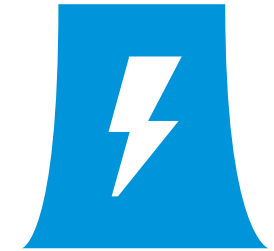
**Leading brand  
in  
Indian PVC  
pipe  
and fittings**



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

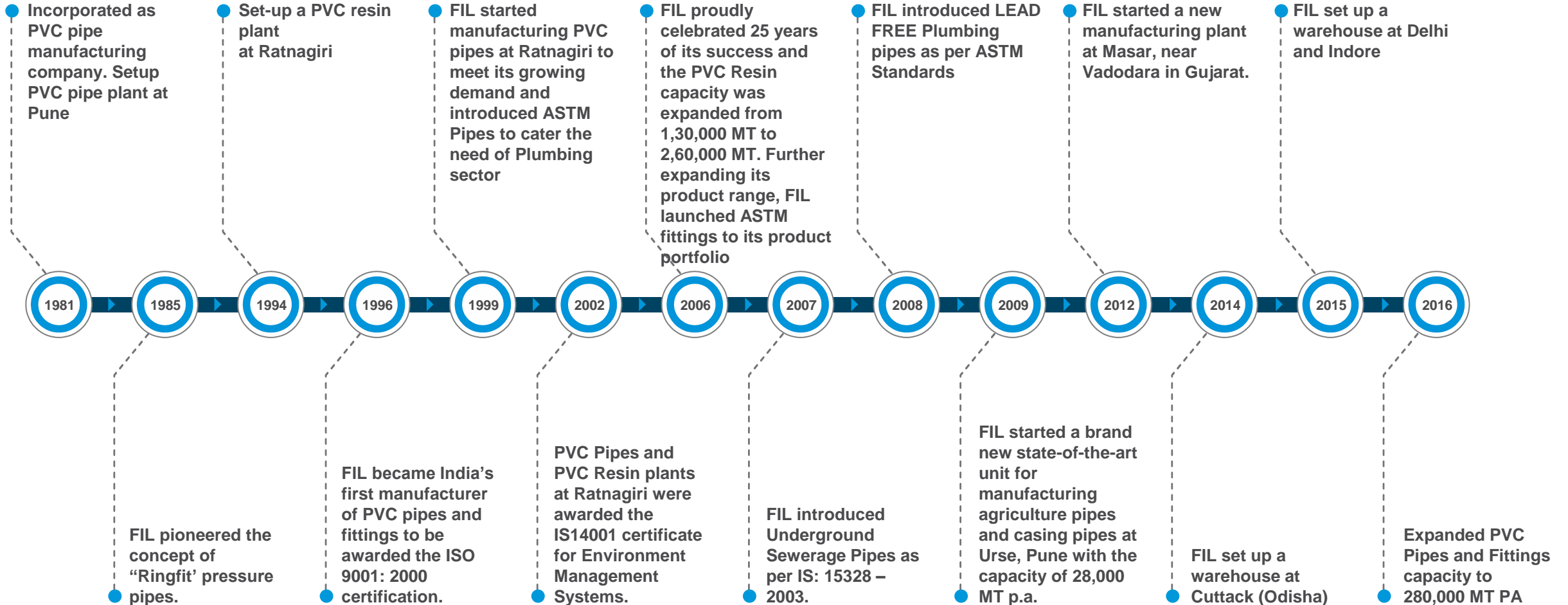


**One of the largest  
PVC  
resin manufacturer  
in India**



**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**



## Manufacturing Plant

PVC resin  
Plant at  
Ratnagiri



Storage  
tanks  
for raw  
material



PVC  
resin  
storage  
section



# Manufacturing Plant

PVC pipe  
plant



Extruders  
at plant



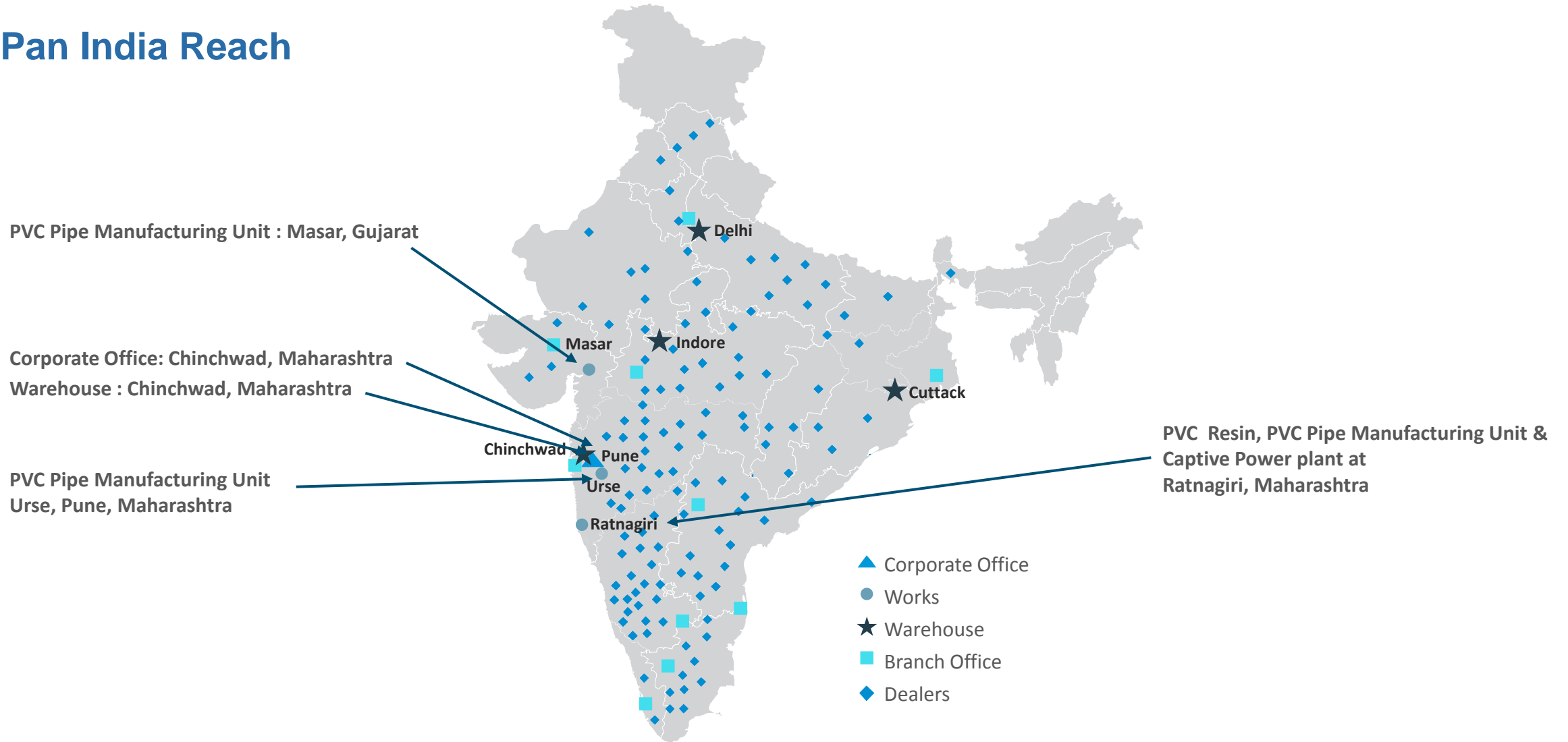
Extruder  
lines



PVC  
fittings  
warehouse

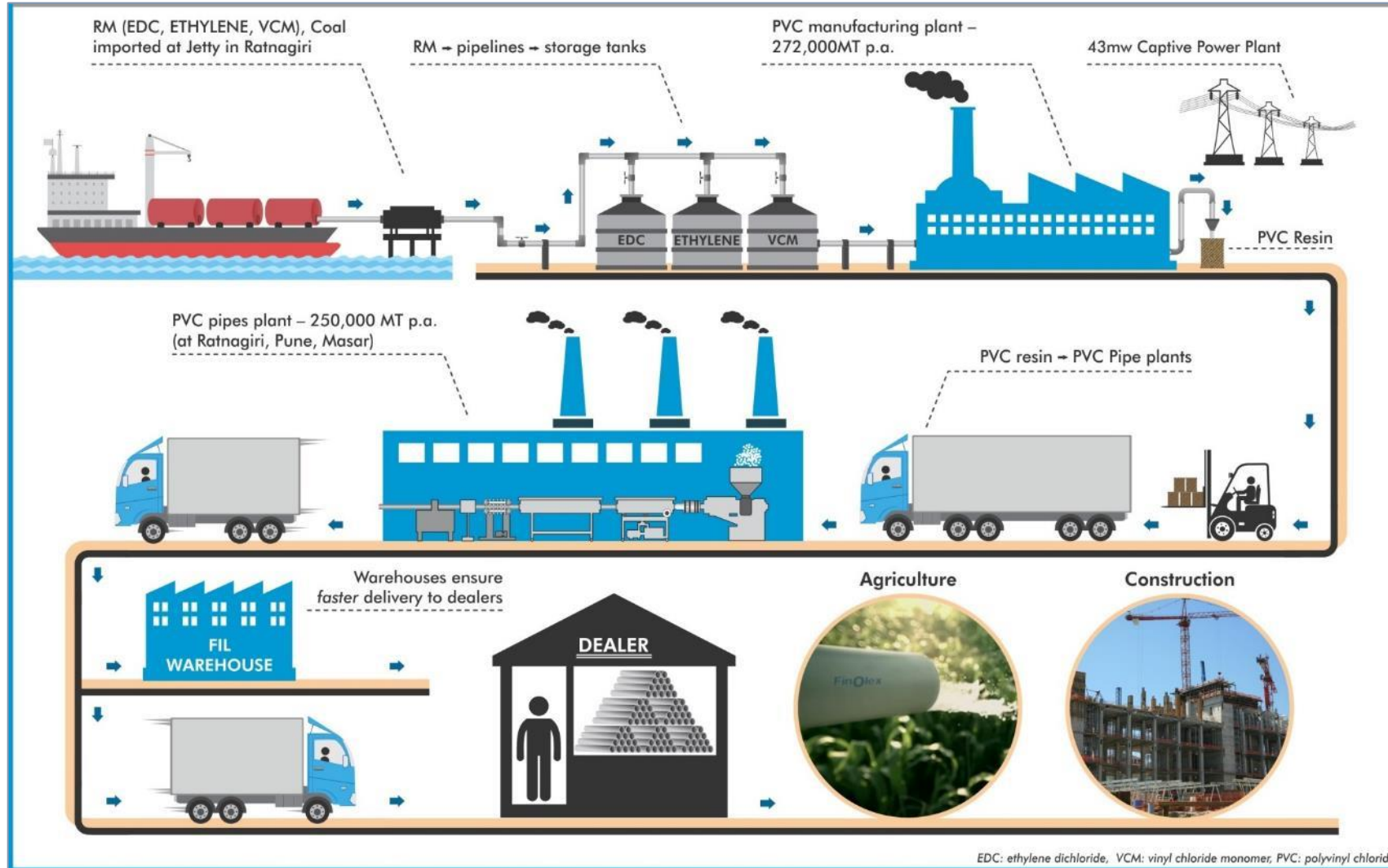


# Pan India Reach



Over 700 dealers and 18,000+ retail touch points across the length and breadth of India

# Value chain



## Business Model

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

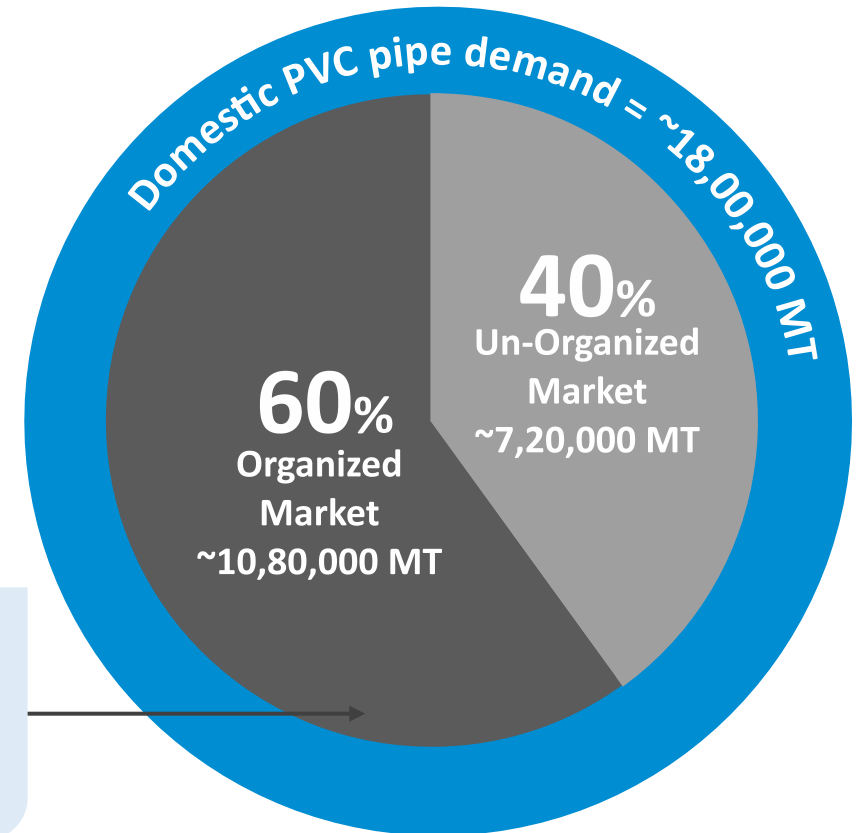
Key cost components - EDC, Ethylene and VCM are key raw materials for PVC production. PVC Resin is the key raw material for Pipes & Fittings production

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

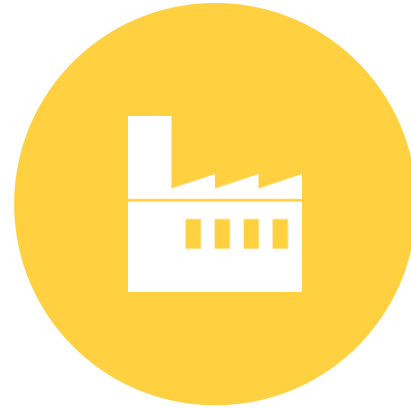


## Key Strategies



### MARGIN IMPROVEMENT

Increase sales of higher margin products. Scale up share of fittings in sales mix.



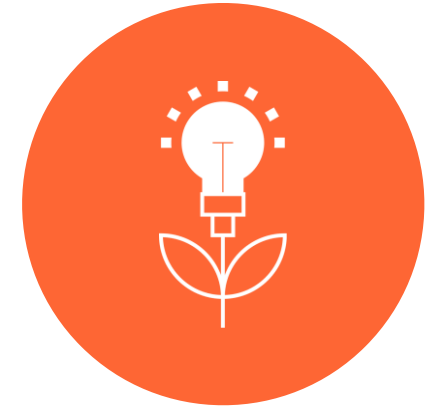
### CAPACITY EXPANSION

Increase installed capacities of PVC pipes and fittings in order to capture expected increase in demand.



### CASH-N-CARRY

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



### BRANDING

Growing brand and quality consciousness amongst consumer.

## Union Budget Highlights 2017-18 – Agriculture sector



Total allocation for Rural, Agriculture sector is Rs.1,87,223 crores. Increased allocation for Irrigation corpus to Rs. 40,000 crores will infuse further growth of pipes & fittings for the next few years. Dedicated micro irrigation fund worth Rs.5000 crs to be set-up by NABARD. Target for agri-credit fixed at Rs.10 Lakh crores.



Farmer's benefit from the sixty days interest waiver which is provided to them on farm loans taken from co-operative banks. This would help to have more cash at their disposal for purchases. Committed to double farmer income in five years.



The coverage provided under the Fasal Bima Yojna Scheme has increased to 40% in the current year and 50% in 2018-19 to protect farmers from any accidental damage.



6

Over the next few months 3 crore Kisan credit cards will be converted to RuPay cards which shall enable farmers to buy/sell agricultural produce directly through the card and there will be no need to rush to banks.

## Non - Agriculture sector



Surplus liquidity post demonetisation, government initiates to provide houses in rural and urban areas which may have a fresh demand for pipes. Affordable housing to be given infrastructure status. Proposal to complete construction of one crore houses by 2019. Boost in housing due to refinancing by NHB.



During 2017-18, another 5 lakh ponds will be constructed for drought-proofing.



Swachh Bharat Mission (Gramin) has made tremendous progress in promoting safe sanitation. Sanitation coverage in rural India has gone up from 42% in October 2014 to about 60%. Villages with sanitation coverage are now being given priority for piped water supply.



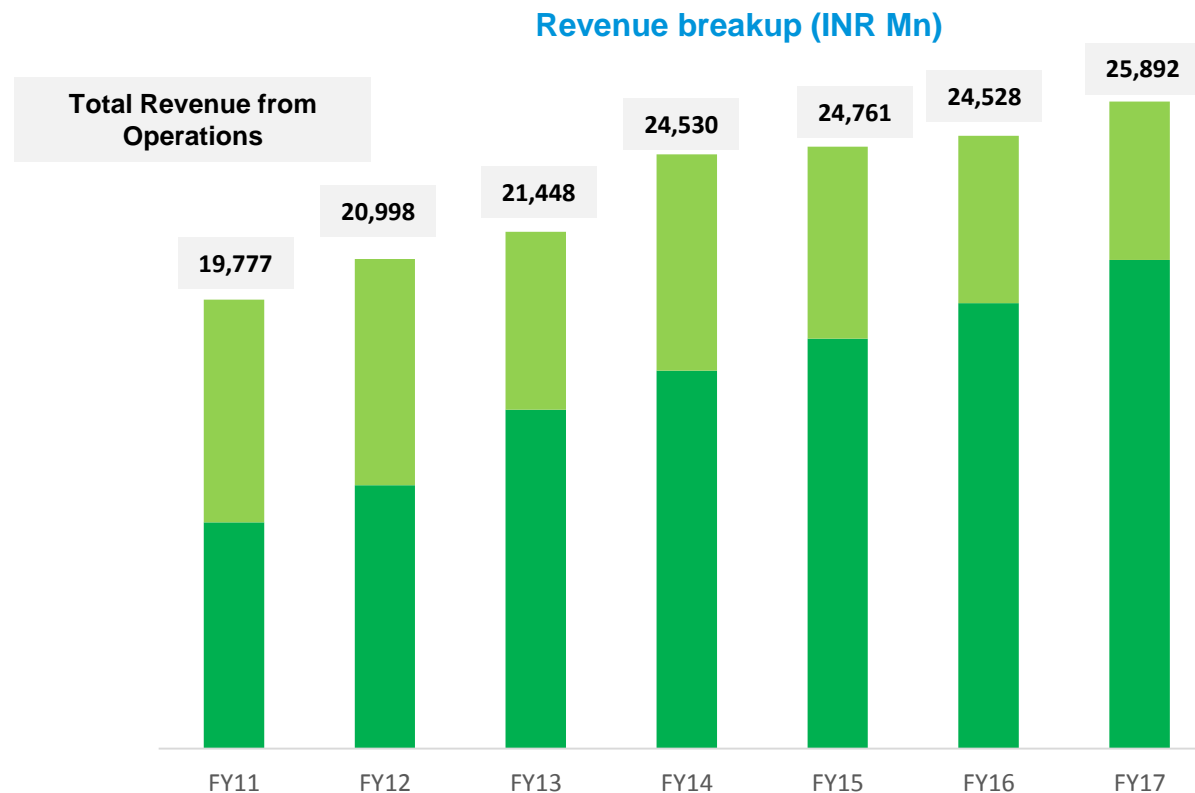
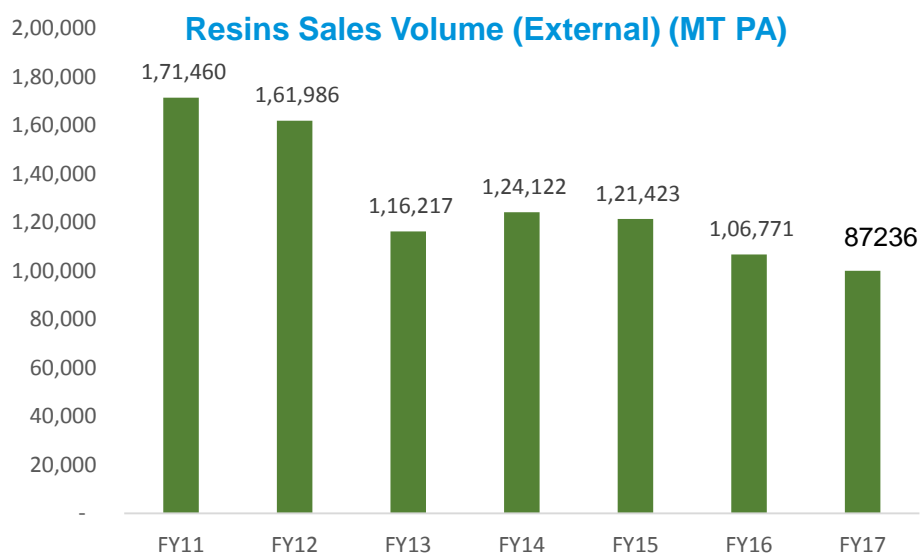
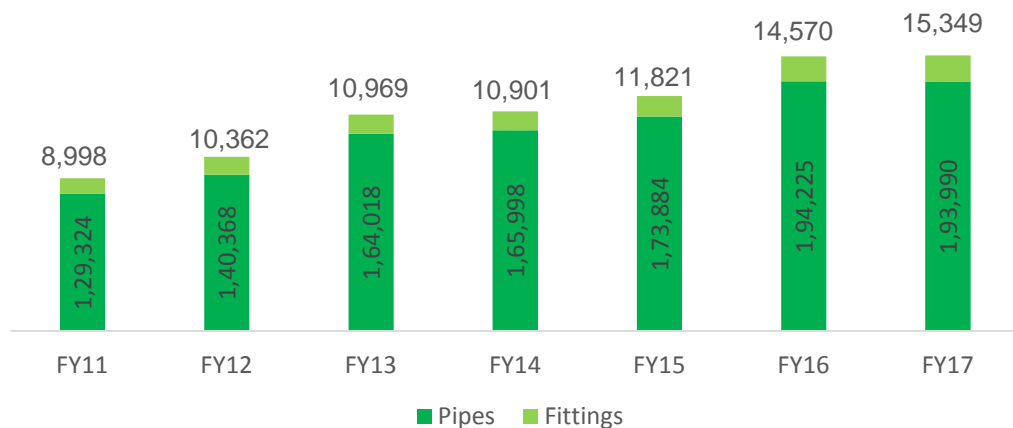
## Branding & advertisements – some snapshots



Finolex pipes participates in Krishi Mela and Housing Societies Management Show

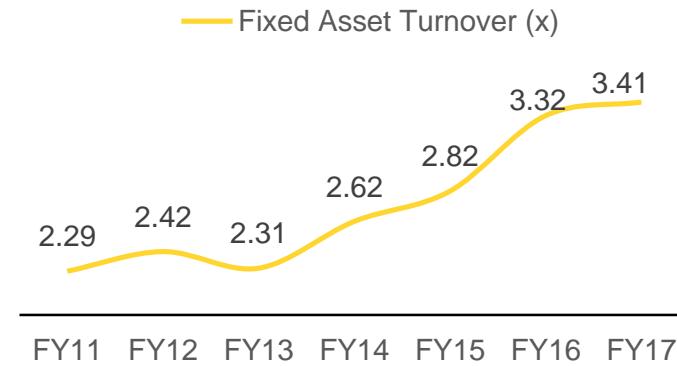
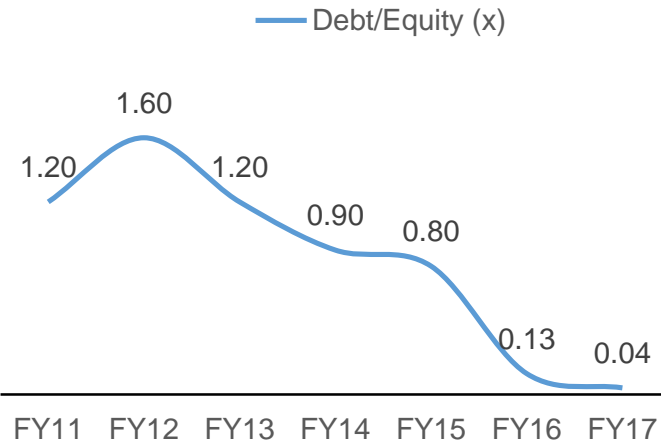
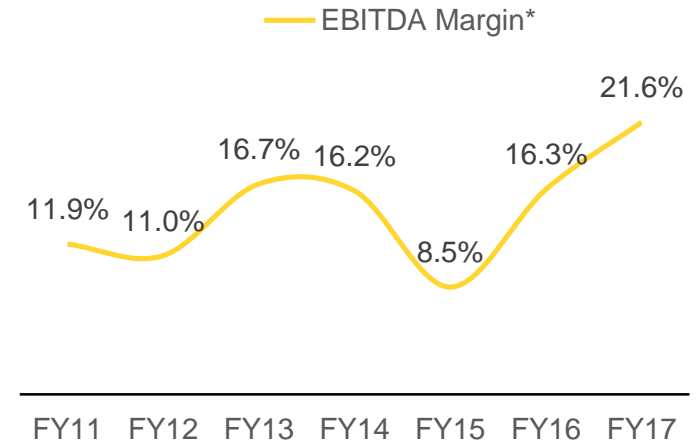
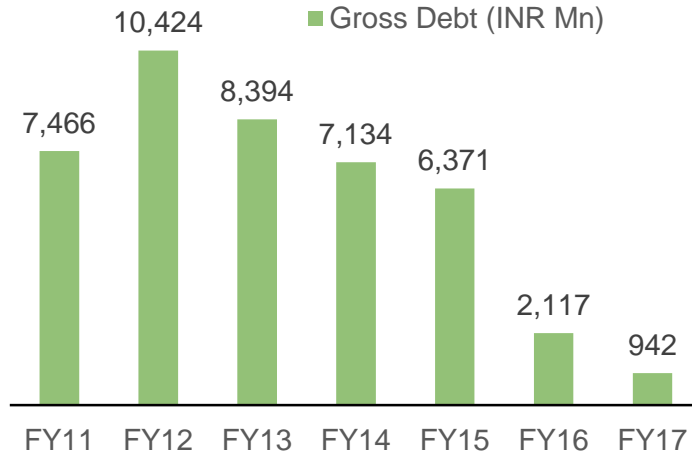
Finolex Pipes celebrates festivals across states of Punjab, Karnataka, Gujarat and Kerala

# Financial Highlights



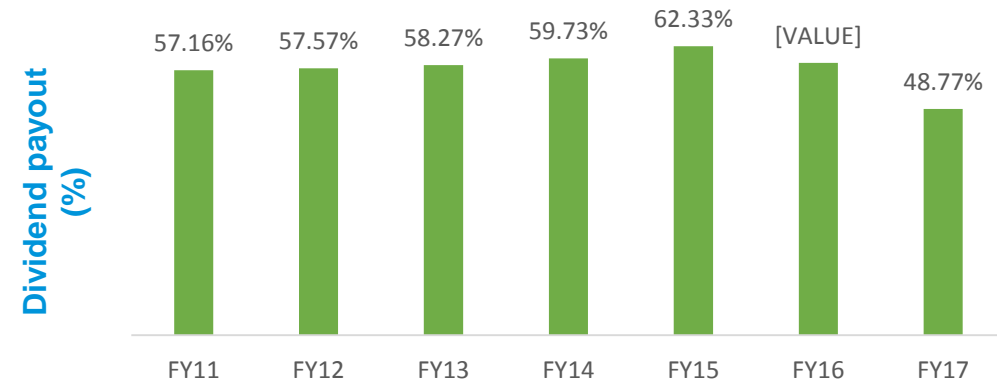
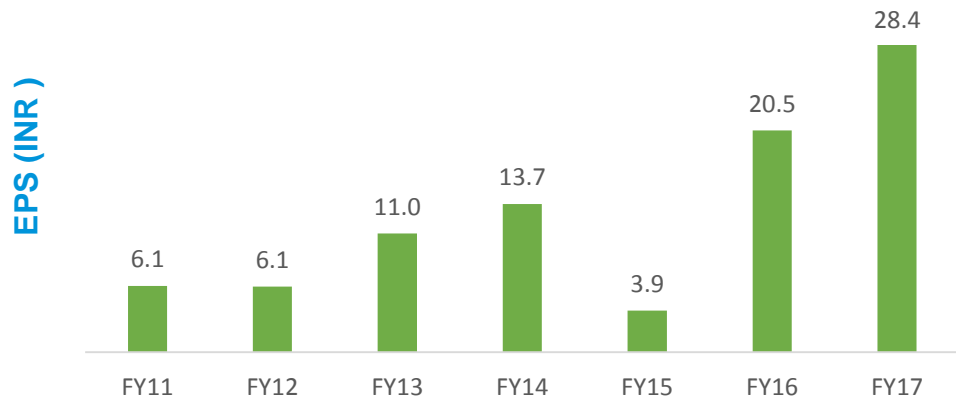
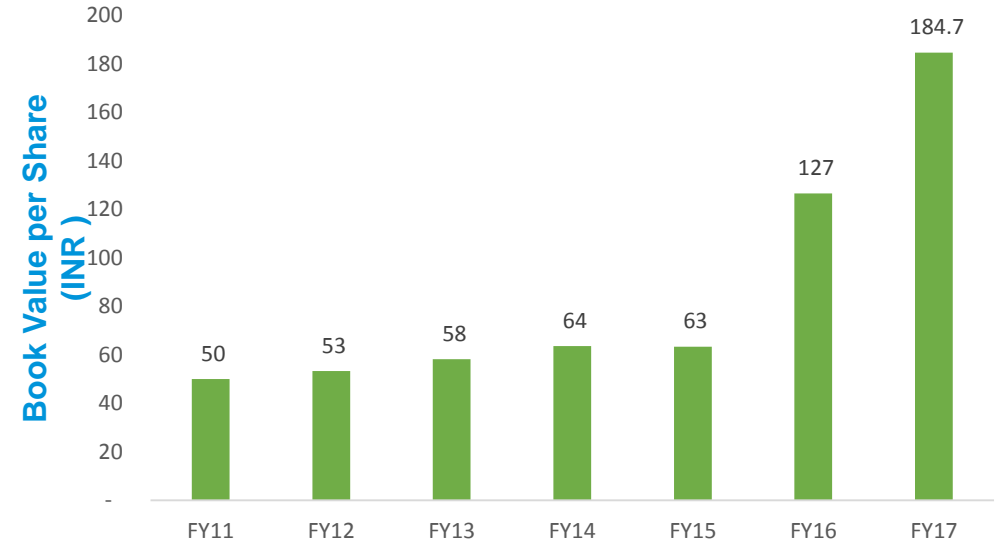
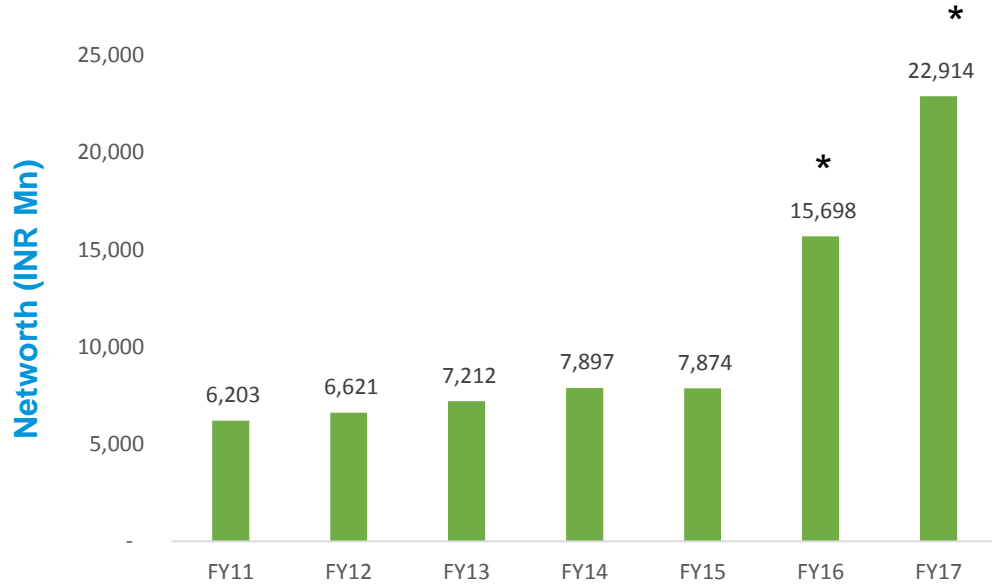
	FY11	FY12	FY13	FY14	FY15	FY16	FY17
PVC Pipe & Fittings	9,056	10,534	13,559	15,113	16,395	17,821	19,545
PVC Resin ( external sales)	8,907	9,051	7,115	8,664	7,680	6,696	6,347
Power ( external sales)	1,148	544	493	154	32	11	-

## Key performance indicators



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

## Key performance indicators standalone



\*Figures as per IndAS

## Balance sheet – Key indicators

Balance Sheet (INR Mn)	FY12	FY13	FY14	FY15	FY16*	FY17*
<b>Equity and liabilities</b>						
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	14,458	21,673
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	1,117	942
<b>Total borrowings</b>	<b>10,424</b>	<b>8,394</b>	<b>7,134</b>	<b>6,371</b>	<b>1,117</b>	<b>942</b>
<b>Assets</b>						
Fixed assets (Net block)	7,840	8,795	9,052	8,678	8,496	8,551
Capital WIP	854	506	325	104	66	217
Non current investments	1,221	1,274	1,274	1,246	6,485	11,656
Current investments	3,711	2,322	941	551	1,687	566

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 FY 16.

\*Figures as per IndAS

## Profit & Loss – Key indicators

Profit & loss account (INR Mn)	FY12	FY13	FY14	FY15	FY16*	FY17*
Revenue from Operations (incl. excise duty)	23,219	24,334	27,867	28,271	28,431	29,876
<b>Growth in sales (YoY %)</b>	<b>5.94%</b>	<b>4.80%</b>	<b>14.52%</b>	<b>1.44%</b>	<b>0.57%</b>	<b>5.08%</b>
EBIDTA before exceptional items	2,313	3,587	3,966	2,111	4,044	5,630
<b>EBIDTA margins before exceptional items (%)</b>	<b>9.96%</b>	<b>14.74%</b>	<b>14.23%</b>	<b>7.47%</b>	<b>14.22%</b>	<b>18.84%</b>
EBIDTA after exceptional items	2,168	2,626	3,268	1,896	4,289	5,630
PBT	967	1,902	2,419	808	3,733	5,170
<b>PBT Margin (%)</b>	<b>4.16%</b>	<b>7.82%</b>	<b>8.68%</b>	<b>2.86%</b>	<b>13.13%</b>	<b>17.30%</b>
PAT	752	1,361	1,701	478	2,544	3,522
<b>PAT Margin (%)</b>	<b>3.24%</b>	<b>5.59%</b>	<b>6.10%</b>	<b>1.69%</b>	<b>8.95%</b>	<b>11.79%</b>

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 and as such previous years' figures have not been disclosed.

\*Figures as per IndAS

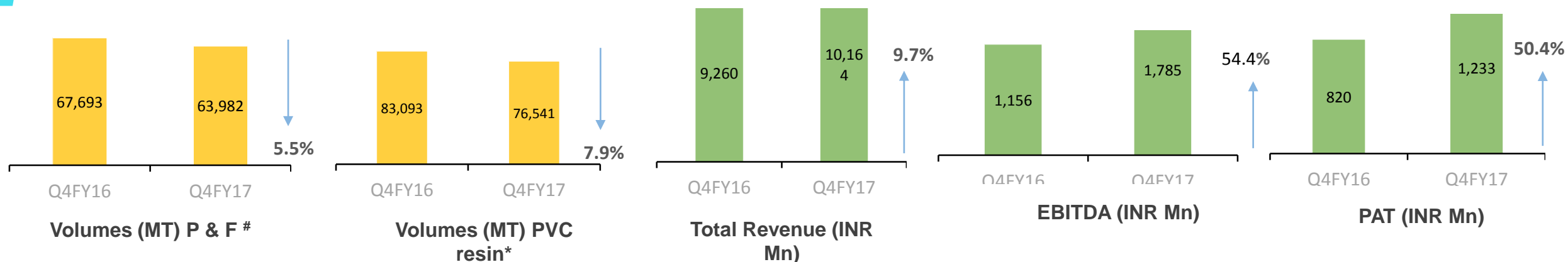
## Segmental – Profit and Loss

<i>Particulars (INR mn)</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>	<i>FY17</i>
<b>Segmental revenues</b>							
PVC	14,848	14,910	15,637	17,130	15,601	16,287	17,567
PVC pipes & fittings	9,142	12,074	13,779	15,633	16,938	20,305	22,169
Power	1,482	1,756	2,071	1,645	1,307	1,395	1,449
<b>Segmental profits</b>							
PVC	845	1,170	2,342	2,008	480	1,987	3,547
<b>% of Revenues</b>	<b>5.69%</b>	<b>7.85%</b>	<b>14.98%</b>	<b>11.72%</b>	<b>3.07%</b>	<b>12.20%</b>	<b>20.19%</b>
PVC pipes & fittings	721	579	717	1,321	1,337	1,787	1,774
<b>% of Revenues</b>	<b>7.89%</b>	<b>4.80%</b>	<b>5.20%</b>	<b>8.45%</b>	<b>7.89%</b>	<b>8.80%</b>	<b>8.00%</b>
Power	344	177	481	345	174	276	329
<b>% of Revenues</b>	<b>23.19%</b>	<b>10.09%</b>	<b>23.24%</b>	<b>20.98%</b>	<b>13.34%</b>	<b>19.78%</b>	<b>22.70%</b>
<b>Capital employed</b>							
PVC	7,152	6,758	7,462	7,775	6,060	5,660	5,623
PVC pipes & fittings	2,180	2,085	3,119	3,393	4,649	4,337	5,683
Power	2,996	3,859	3,151	3,131	2,552	2,527	2,170

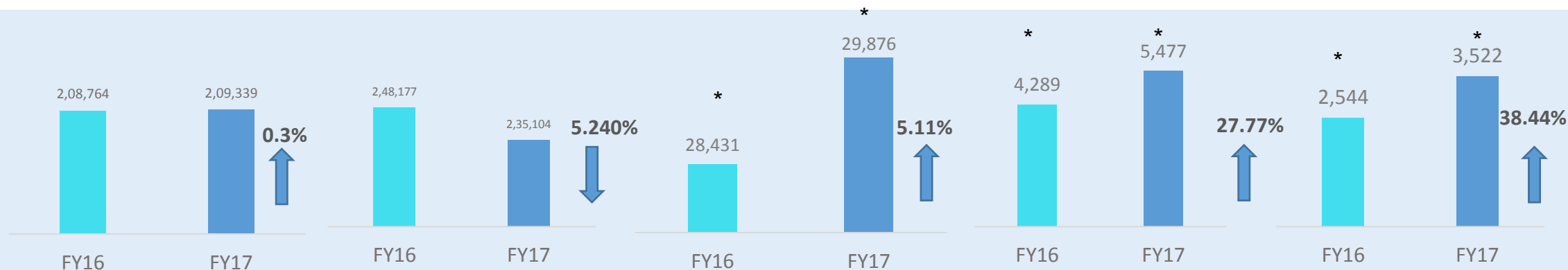
\*Figures as per IndAS

Segment revenue includes intersegment transfer

## Q3FY17 & FY16 Results Summary



### FY17



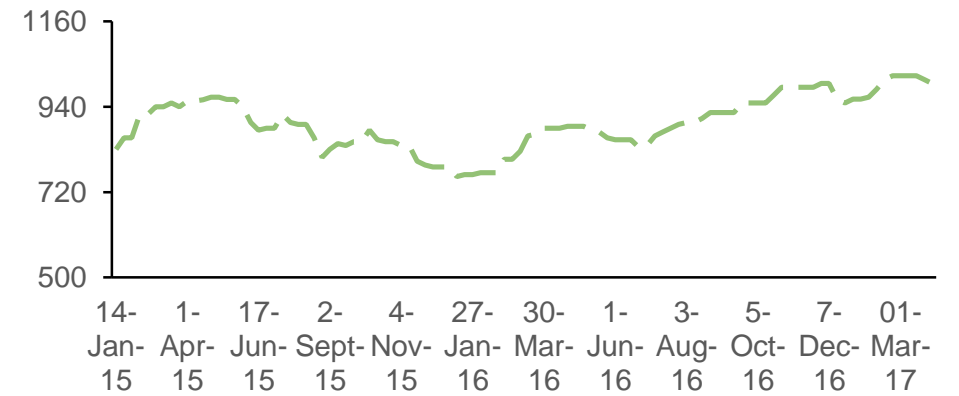
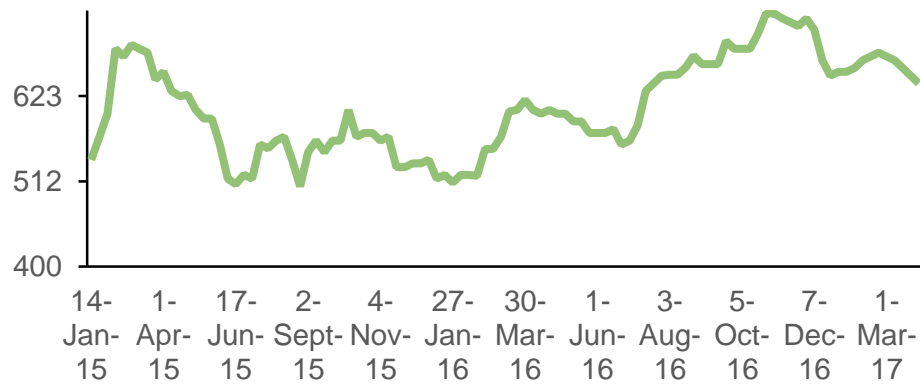
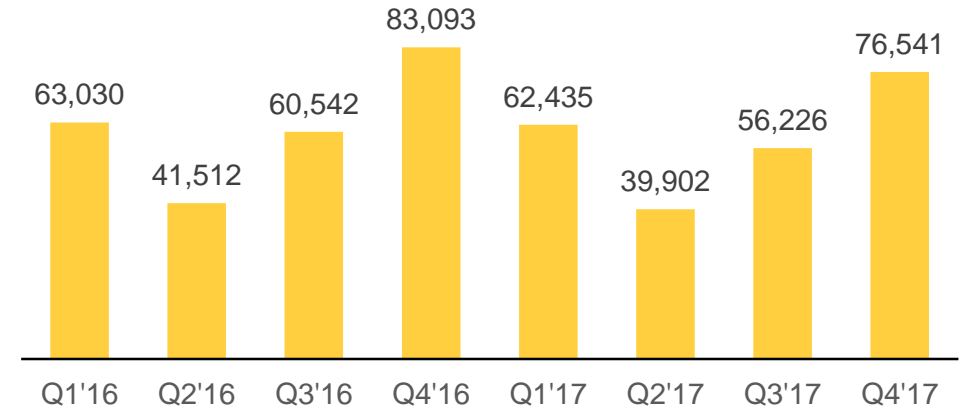
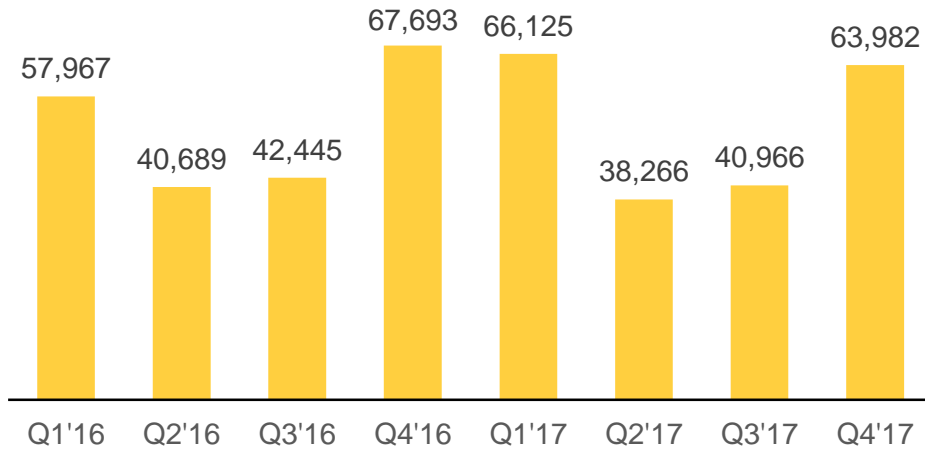
Management Comment: We have benefited from lower crude prices which have positively affected the raw material costs and aided better margins. Government initiatives as well as demand from agri and non-agri segments should push up growth in PVC pipe segment.



## Profit & Loss Account

Particulars (INR Mn)	FY17	FY16
Total Income from operations	29,876	28,431
EBIDTA	5,630	4,044
EBIDTA margin (%)	18.84%	14.22%
Depreciation	550	506
EBIT	5,080	3,538
EBIT %	17.00%	12.44%
Other Income	243	396
Finance costs	153	447
Exceptional items (gain)/loss	-	(245)
PBT	5,170	3,733
PBT %	17.30%	13.13%
Tax	1,648	1,189
PAT	3,522	2,544
PAT %	11.79%	8.95%

# Business Scenario



PVC/EDC Delta (USD/MT)

Source: Platts Polymerscan weekly reports

PVC (USD/MT)

## Quarterly – Profit & Loss

Particulars (INR Mn)	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
Total income from operations *	7,323	5,341	6,251	9,260	7,769	5,234	6,656	10,164
EBIDTA	1,273	524	841	1,156	1,592	870	1,329	1,785
<i>EBIDTA margins (%)</i>	<i>17.4%</i>	<i>9.8%</i>	<i>13.5%</i>	<i>12.5%</i>	<i>20.5%</i>	<i>16.6%</i>	<i>19.9%</i>	<i>17.56%</i>
Depreciation	125	126	127	127	133	139	140	139
Other Income	54	114	30	198	32	89	29	94
Finance costs	158	164	81	45	50	33	59	11
PBT	1,044	592	663	1,181	1,441	788	1,158	1,729
<i>PBT margins (%)</i>	<i>14.3%</i>	<i>11.1%</i>	<i>10.6%</i>	<i>12.8%</i>	<i>18.5%</i>	<i>15.1%</i>	<i>17.4%</i>	<i>17.0%</i>
Tax	324	190	238	361	461	275	416	496
PAT	721	402	424	820	980	513	742	1,233
EPS	5.8	3.2	3.4	6.6	7.9	4.1	5.9	9.9

\*As per IndAS

## Quarterly segmental – Profit & Loss

Particulars (INR Mn)	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
<b>Segmental revenues *</b>								
PVC	4,489	2,802	3,884	4,979	4,336	2,759	4,379	6,069
PVC pipes & fittings	5,754	3,978	4,073	6,310	6,581	4,100	4,446	6,981
Power	385	299	357	355	388	321	378	361
<b>Segmental profits</b>								
PVC	692	198	462	548	890	552	933	1,147
<b>% of Revenues</b>	<b>15.4%</b>	<b>7.1%</b>	<b>11.9%</b>	<b>11.0%</b>	<b>20.5%</b>	<b>20.0%</b>	<b>21.3%</b>	<b>18.9%</b>
PVC pipes & fittings	492	279	315	536	568	252	303	590
<b>% of Revenues</b>	<b>8.6%</b>	<b>7.0%</b>	<b>7.7%</b>	<b>8.5%</b>	<b>8.6%</b>	<b>6.1%</b>	<b>6.8%</b>	<b>8.5%</b>
Power	81	42	61	92	129	58	86	56
<b>% of Revenues</b>	<b>21.0%</b>	<b>14.1%</b>	<b>17.1%</b>	<b>25.9%</b>	<b>33.3%</b>	<b>18.1%</b>	<b>22.8%</b>	<b>15.5%</b>
<b>Capital employed</b>								
PVC	7,167	5,660	5,649	5,660	5,214	5,056	6,354	5,623
PVC pipes & fittings	4,302	4,337	4,730	4,337	5,210	5,218	5,860	5,683
Power	2,772	2,527	2,500	2,527	2,674	2,374	2,375	2,170

\*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



Ritu Prakash Chhabria, Managing trustee, Mukul Madhav foundation was part of the National Women's Parliament on February 10 at Amravati, Andhra Pradesh. She shared the dais with N Chandrababu Naidu, Chief Minister, Andhra Pradesh, Kodela Siva Prasada Rao, Speaker, and other dignitaries.



A series of CSR activities were conducted in this quarter. Prominent being donation of prosthetic limbs, artificial limbs, walkers to Bandorwala Hospital.  
A RO water purifier was installed in a primary school in Abhor village, Gujarat.



Smt.Amruta Fadnavis, First Lady of Maharashtra, visited Mukul Madhav Vidyalaya, Ratnagiri for its Annual concert held in February. The students were felicitated for their achievements both in academics and co-curricular activities.

## Recent Updates



Mr. Prakash Chhabria, Executive Chairman, Finolex Industries Limited along with Mr. Matthew Timmons, Managing Director, Lubrizol Advanced Materials India Pvt. Ltd at the Finolex FlowGuard launch event



Recently Awarded with The Supply Chain Enterprise Icon of the Year - 2017” by Global Logistics Excellence Awards

## Accolades and awards



The National Record certificate by The Limca Book of Records for conducting the largest number of plumbers meets organised simultaneously across 26 states and 58 cities on 11 March, 2016.

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

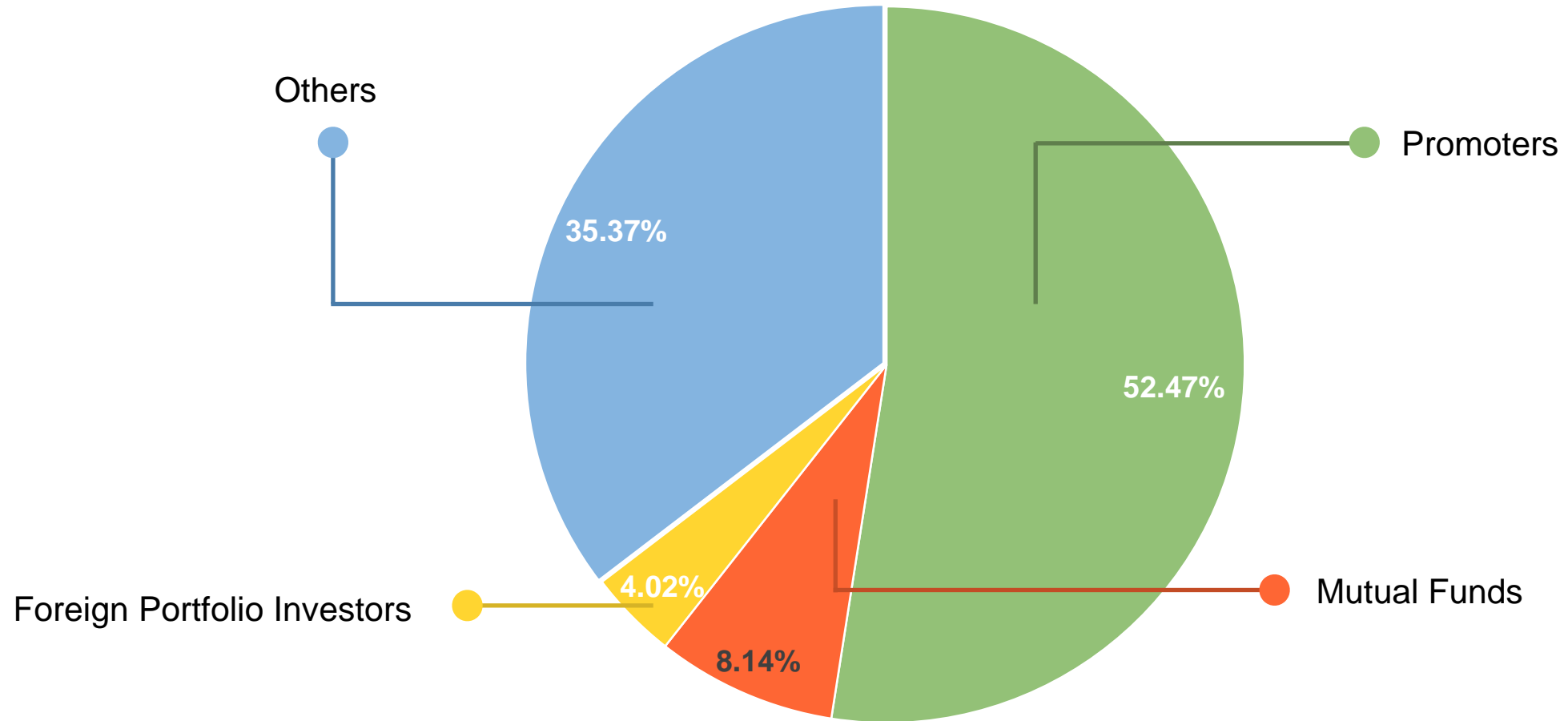
Global CSR Excellence & Leadership Award at the 5th edition of Blue Dart World CSR day initiative

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 March 31, 2017





Agri Pipes and Fittin



Column Pipes



Casing Pipes



ASTM Pipes and Fittings



CPVC Pipes and Fittings




Sewerage Pipes



Solvent Cement


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