

**Registered Office / Urse Plant**  
Finolex Industries Limited  
Gat No. 399, Village Urse, Tal.-Maval,  
Dist. Pune 410 506, Maharashtra, India  
CIN L40108PN1981PLC024153

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FIL: SEC: LODR 30 and 33  
November 11, 2017

National Stock Exchange of India Limited Manager – Listing Department 5, Exchange Plaza Bandra-Kurla Complex 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,

Ref: Revised Financial Presentation and Earnings release for Q2FY18

Further to our letter dated 10<sup>th</sup> November, 2017, we attach herewith the revised Financial Results Presentation and Earnings release for the quarter and six months ended 30<sup>th</sup> September, 2017 (Q2FY18).

Kindly take the above on record.

Thanking you,

For Finolex Industries Limited

Anil V. Whabi  
Director - Finance  
DIN 00142052

Encl: As above

**Corporate Office**  
Finolex Industries Limited  
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Maharashtra, India

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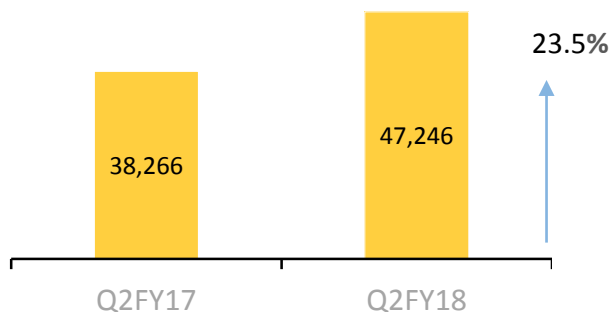
FINOLEX INDUSTRIES LIMITED

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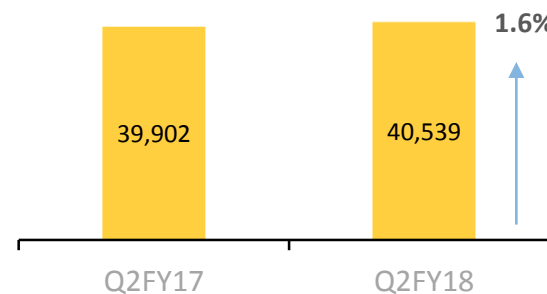
**Q2FY18 RESULTS**



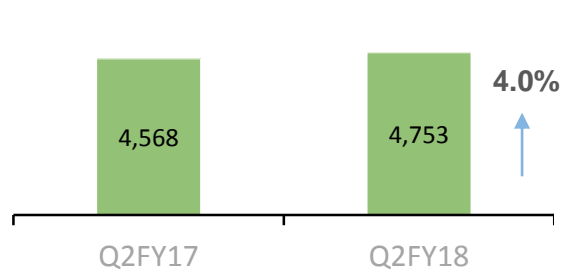
## Q2Y18 Results Summary



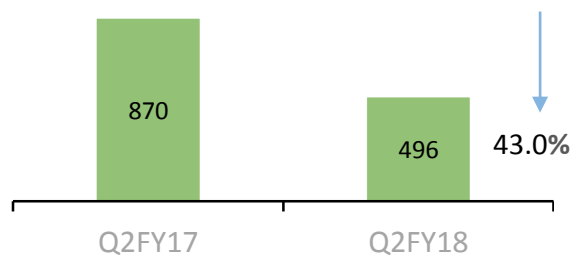
Volumes (MT) P & F #



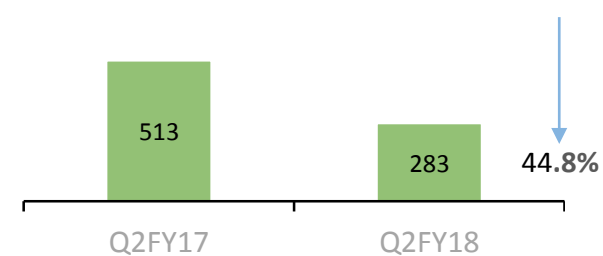
Volumes (MT) PVC resin\*



Revenue (excl. duty and taxes) (INR Mn)



EBITDA (INR Mn)



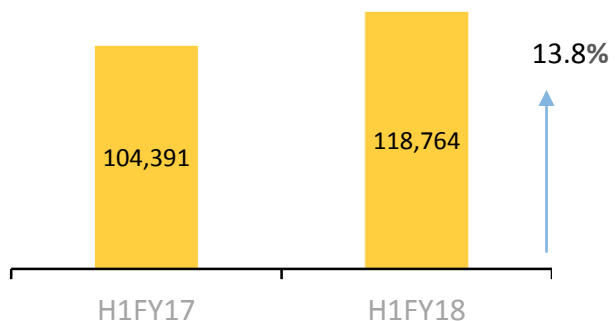
PAT (INR Mn)

Management Comments: In the past five years, the PBT of Finolex Industries has shown a CAGR of 40% with pipes and fittings volume CAGR of 7%. During the last six months, we have consciously focused on volume growth for the pipe segment, initiated by a moderation in the net realization, which we will watch carefully over the next two quarters..

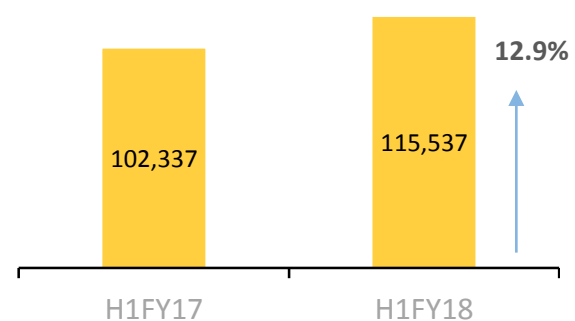
# P&F represents Pipes and Fittings

\* Including inter segment transfer

## H1FY18 Results Summary



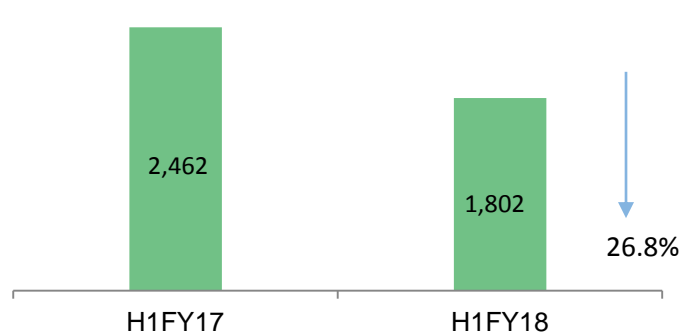
Volumes (MT) P & F #



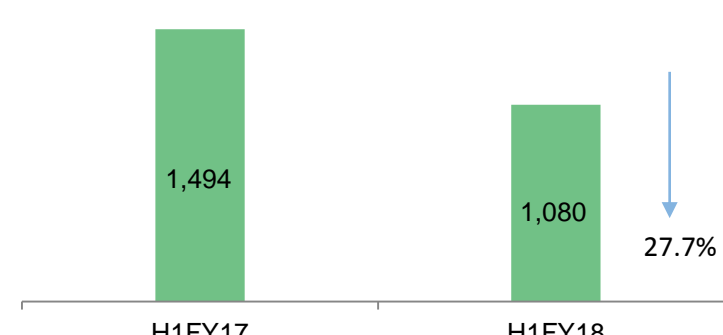
Volumes (MT) PVC resin\*



Revenue (excl. duty and taxes) (INR Mn)



EBITDA (INR Mn)



PAT (INR Mn)

# P&F represents Pipes and Fittings

\* Including inter segment transfer

## Profit & Loss Account

Particulars (INR Mn)	Q2FY18	Q2FY17
Total Income from operations *	4,753	4,568
EBIDTA	496	870
EBIDTA margin (%)	10.44%	19.05%
Depreciation	151	139
EBIT	345	731
EBIT %	7.26%	16.00%
Other Income	109	89
Finance costs	38	33
PBT	416	788
PBT %	8.75%	17.25%
Tax	133	275
PAT	283	513
PAT %	5.95%	11.23%

\* excluding excise duty and taxes

## Profit & Loss Account

Particulars (INR Mn)	H1FY18	H1FY17
Total Income from operations *	12,059	11,297
EBIDTA	1,802	2,462
EBIDTA margin (%)	14.94%	21.79%
Depreciation	296	271
EBIT	1,506	2,191
EBIT %	12.49%	19.39%
Other Income	148	121
Finance costs	68	83
PBT	1,585	2,229
PBT %	13.14%	19.73%
Tax	505	736
PAT	1,080	1,494
PAT %	8.96%	13.22%

\* excluding excise duty and taxes

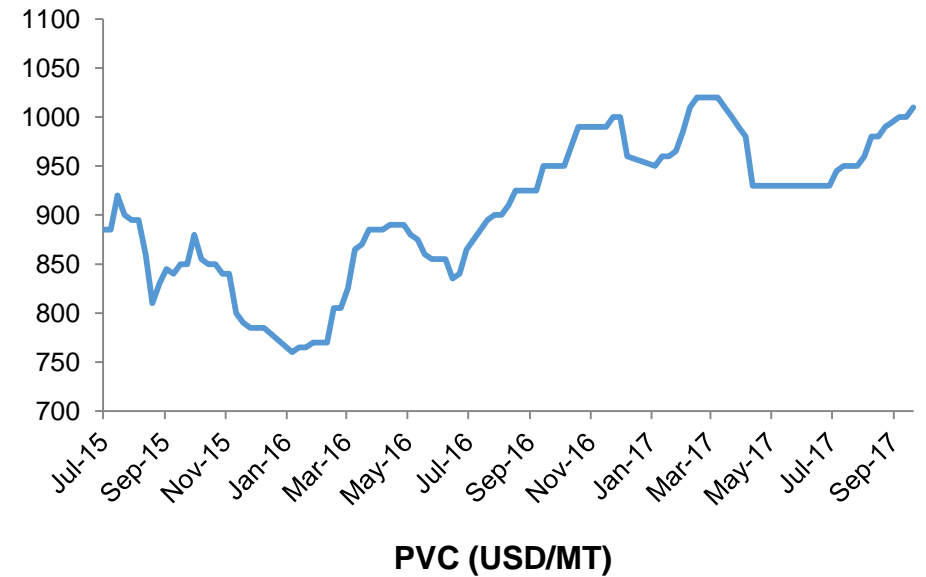
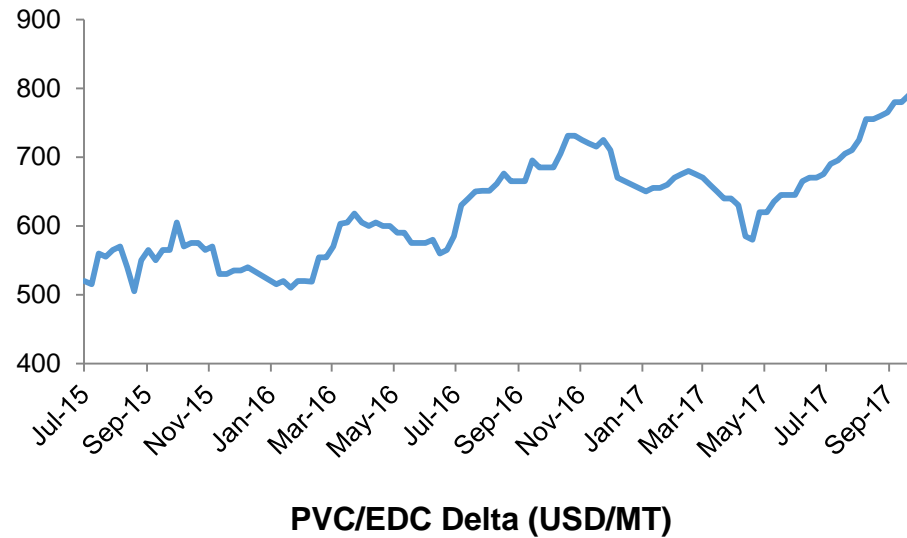
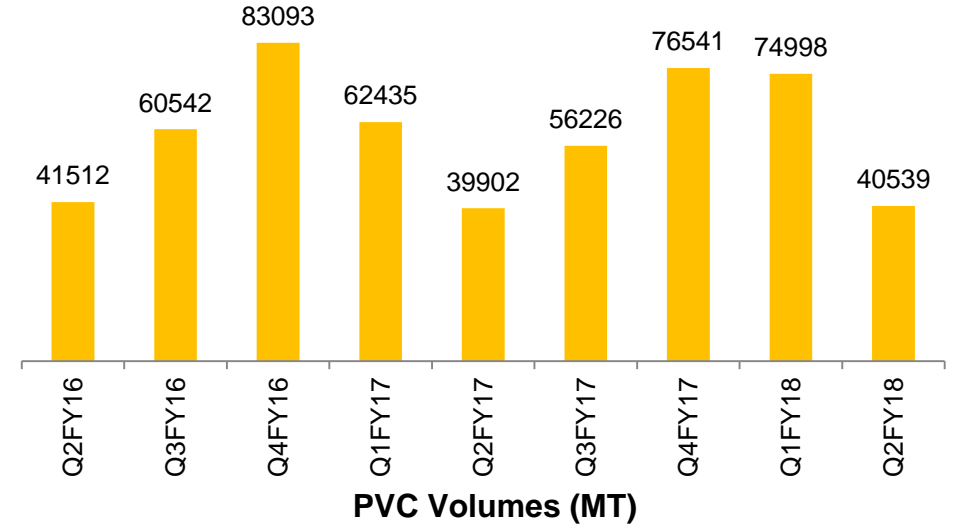
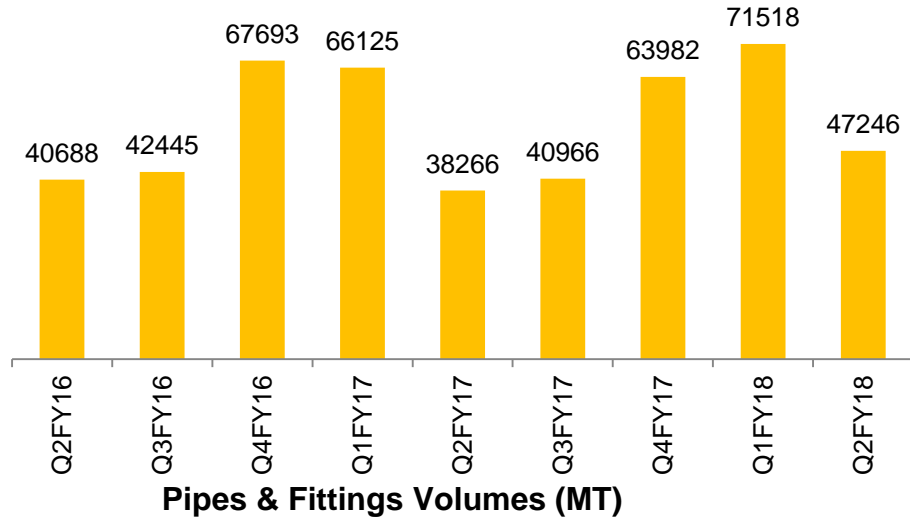
## EBITDA Bridge Chart Q2FY18

(INR Mn)



Note: Sales excludes excise duty and taxes.

## Business Scenario





## Quarterly - Profit & Loss

Particulars (INR Mn)	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18
Total income from operations *	5,472	8,094	6,728	4,568	5,797	8,877	7,307	4,753
EBIDTA	841	1,156	1,592	870	1,329	1,785	1,306	496
<i>EBIDTA margins (%)</i>	<i>15.4%</i>	<i>14.3%</i>	<i>23.7%</i>	<i>19.0%</i>	<i>22.9%</i>	<i>20.1%</i>	<i>17.9%</i>	<i>10.4%</i>
Depreciation	127	127	133	139	140	139	145	151
Other Income	30	198	32	89	29	94	38	109
Finance costs	81	45	50	33	59	11	30	38
PBT	663	1,181	1,441	788	1,158	1,729	1,170	416
<i>PBT margins (%)</i>	<i>12.1%</i>	<i>14.6%</i>	<i>21.4%</i>	<i>17.3%</i>	<i>20.0%</i>	<i>19.5%</i>	<i>16.0%</i>	<i>8.8%</i>
Tax	238	361	461	275	416	496	372	133
PAT	424	820	980	513	742	1,233	798	283
EPS	3.4	6.6	7.9	4.1	5.9	9.9	6.4	2.3

\* excluding excise duty and taxes

## Quarterly segmental - Profit & Loss

Particulars (INR Mn)	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18
<b>Segmental revenues *</b>								
PVC	3,567	4,538	4,048	2,564	4,043	5,572	5,137	2,742
PVC pipes & fittings	3,611	5,585	5,829	3,628	3,954	6,191	6,104	4,250
Power	357	355	388	321	378	361	382	259
<b>Segmental profits</b>								
PVC	462	548	890	552	933	1,147	951	372
<b>% of Revenues</b>	<b>13.0%</b>	<b>12.1%</b>	<b>22.0%</b>	<b>21.5%</b>	<b>23.1%</b>	<b>20.6%</b>	<b>18.5%</b>	<b>13.6%</b>
PVC pipes & fittings	315	536	568	252	303	590	290	136
<b>% of Revenues</b>	<b>8.7%</b>	<b>9.6%</b>	<b>9.7%</b>	<b>6.9%</b>	<b>7.7%</b>	<b>9.5%</b>	<b>4.8%</b>	<b>3.2%</b>
Power	61	92	129	58	86	56	50	(7)
<b>% of Revenues</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>13.1%</b>	<b>(2.7%)</b>
<b>Capital employed</b>								
PVC	5,649	5,660	5,214	5,056	6,354	5,623	5,660	4,007
PVC pipes & fittings	4,730	4,337	5,210	5,218	5,860	5,683	5,449	5,939
Power	2,500	2,527	2,674	2,374	2,375	2,170	2,328	2,138

\*excluding excise duty and taxes

## Profit & Loss - Key Indicators

Profit & loss account (INR Mn)	FY12	FY13	FY14	FY15	FY16*	FY17*
Revenue from Operations (excl. excise duty)	20,997	21,448	24,531	24,762	24,819	26,023
<b>Growth in sales (YoY %)</b>	<b>6.16%</b>	<b>2.15%</b>	<b>14.37%</b>	<b>0.94%</b>	<b>0.23%</b>	<b>4.85%</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>11.02%</b>	<b>16.72%</b>	<b>16.17%</b>	<b>8.53%</b>	<b>16.29%</b>	<b>21.63%</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>4.60%</b>	<b>8.87%</b>	<b>9.86%</b>	<b>3.26%</b>	<b>15.04%</b>	<b>19.87%</b>
PAT	752	1,361	1,701	478	2,544	3,522
<b>PAT Margin (%)</b>	<b>3.58%</b>	<b>6.35%</b>	<b>6.93%</b>	<b>1.93%</b>	<b>10.25%</b>	<b>13.53%</b>

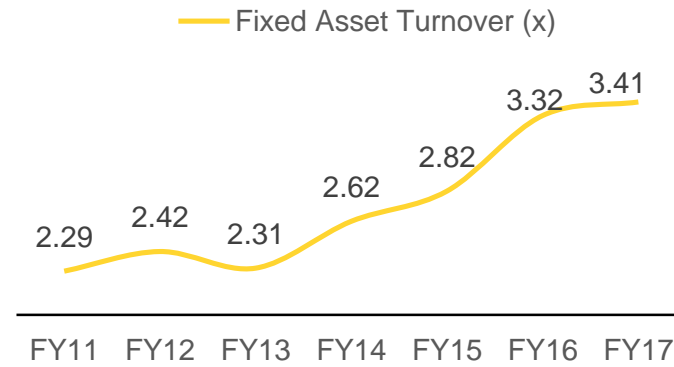
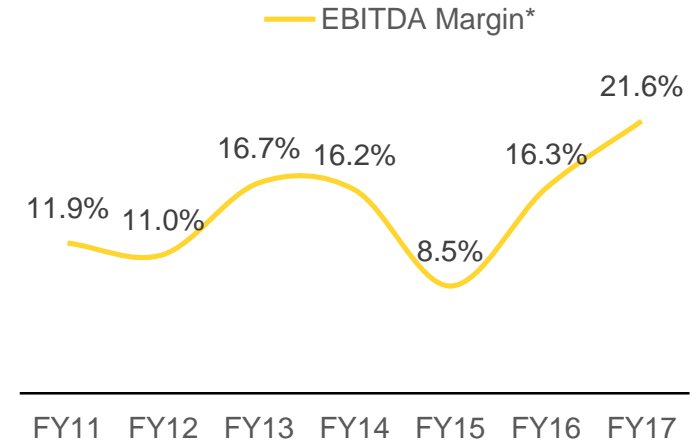
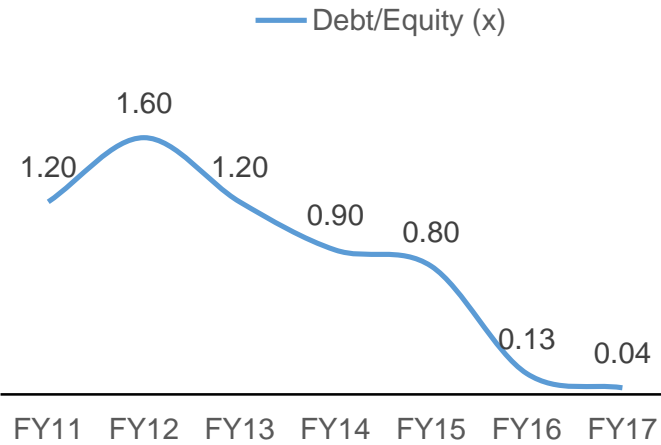
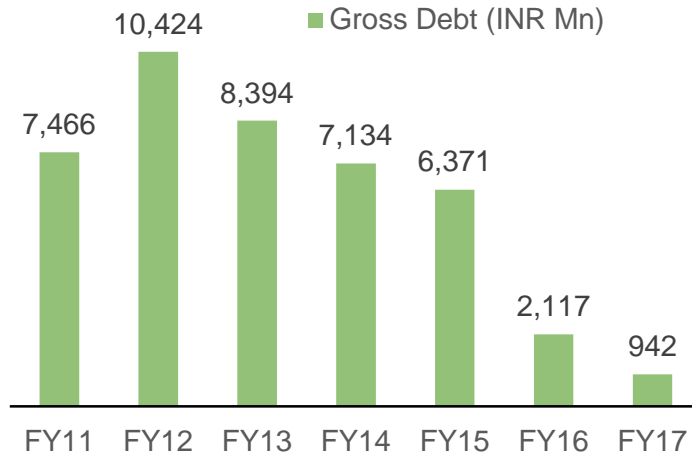
\*Figures as per IndAS

## Balance sheet - Key Indicators

Balance Sheet (INR Mn)	FY12	FY13	FY14	FY15	FY16*	FY17*	H1FY18*
<b>Equity and liabilities</b>							
Share capital	1,241	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	21,499
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	2,094
<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>2,094</b>
<b>Assets</b>							
Fixed assets (Net block)	7,840	8,795	9,052	8,678	8,496	8,551	8,683
Capital WIP	854	506	325	104	66	217	473
Non current investments	1,221	1,274	1,274	1,246	6,485	11,656	12,115
Current investments	3,711	2,322	941	551	1,687	566	1,569

\*Figures as per IndAS

## Key Ratios



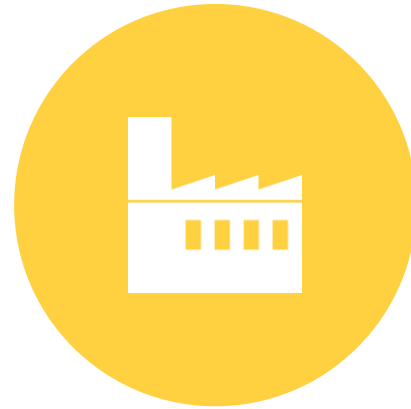
\*Standalone EBITDA Margin (EBITDA before Exceptional item and other income)

## Key Strategies



### EXPANDING FOOTPRINT

Expand distribution network in all geographies with higher focus in the northern and eastern regions



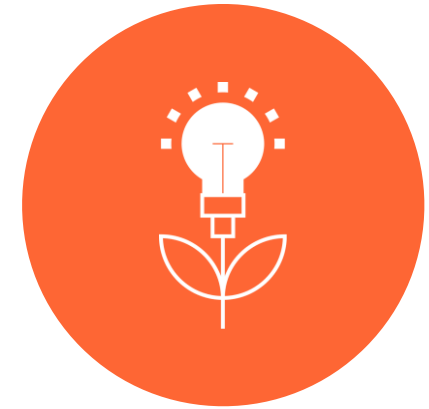
### CAPACITY EXPANSION

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



### CASH-N-CARRY

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



### BRANDING

Promote brand and quality consciousness amongst consumer.

## Opportunities – Agriculture sector



Total allocation for Rural, Agriculture sector is Rs.1,87,223 crores. MGNREGA allocation has also increased to its highest level at Rs.48,000 Cr this year. The Long Term Irrigation Fund (LTIF) set up in NABARD under Pradhan Mantri Krishi Sinchai Yojana, for financing and fast tracking the implementation of incomplete major and medium irrigation projects has been allocated an additional corpus of Rs. 20,000 Cr, thus doubling the corpus to Rs. 40,000 Cr



Pradhan Mantri Krishi Sinchai Yojana would allow maximising the reach of irrigation across the country, thus enhancing the ambit of area covered under the irrigation projects.



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.



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.

## Opportunities - 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 the year, the Company tied-up with the American company Lubrizol Corporation, inventors and the largest manufacturers of the CPVC compound worldwide. The tie-up will strengthen the Company's track record of providing superior products for the domestic market. The products have been highly appreciated and has brought renewed interest among the existing and new dealers.

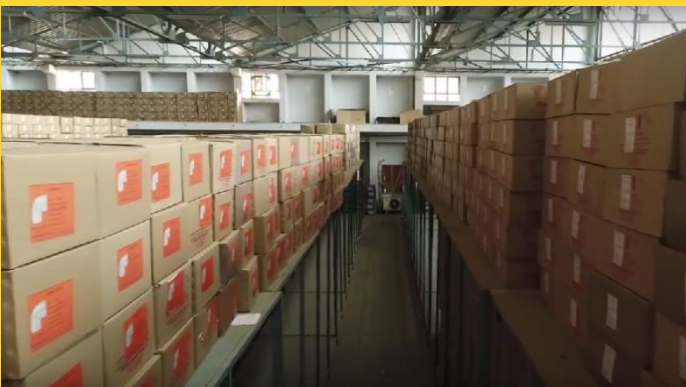


Swachh Bharat Mission (Gramin) has made tremendous progress in promoting safe sanitation. Sanitation coverage in rural India has gone up from 42% in October 2014 to 64%. Villages with sanitation coverage are now being given priority for piped water supply.

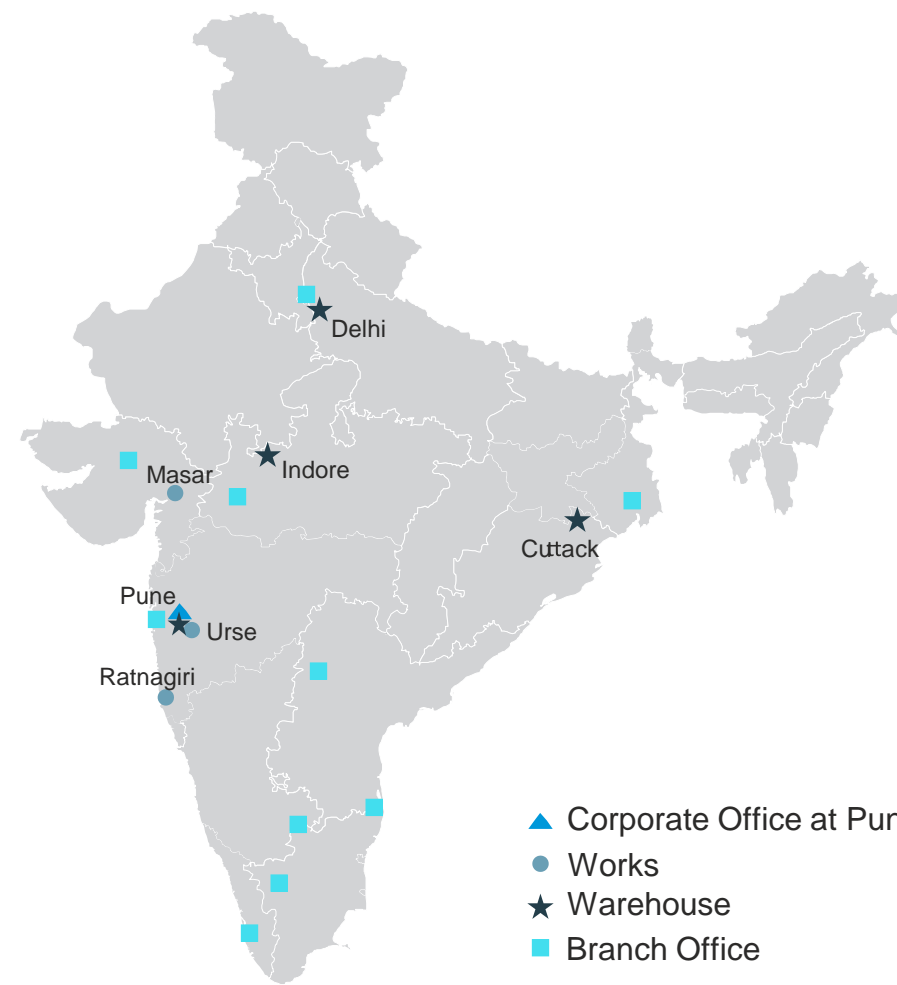


## Distribution reach

- FIL is on track in terms of expanding its scale of operations by increasing production capacity and distribution reach
- Wide network of 18,000 retail touch points



## Offices, Works and Warehouses



- ▲ Corporate Office at Pune
- Works
- ★ Warehouse
- Branch Office

## Branding & advertisements – some snapshots

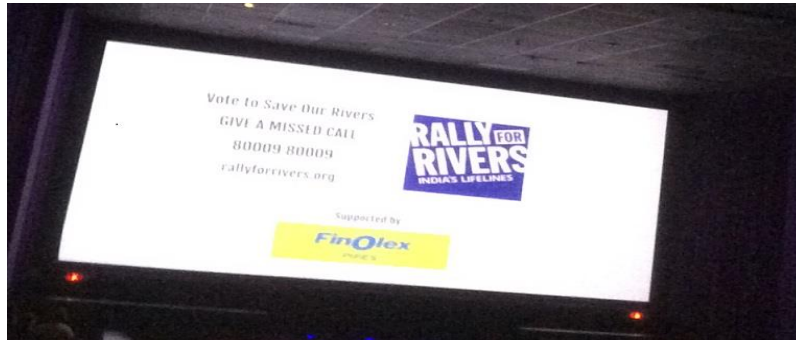


Finolex Industries participated in 'Agri Asia Exhibition' in Ahemdabad where we had our stall

Finolex Industries participated in 'E-TRANSACT - ET ACETECH MUMBAI CONNECT 2017'

Finolex Industries participated in 'Agri Intex Exhibition' in Coimbatore

## Branding & advertisements – some snapshots



Finolex Industries associated with 'Rally for Rivers' as National Support Partner

TV branding in India vs. Australia series and Champions Trophy - Finolex Industries Ltd. tied up with Star Sports Network for branding during the matches- L bands and Squeeze-ups.

Learning and Development Programme - L&D sessions conducted PAN India for Sales force to provide training in Flowguard Plus product range.

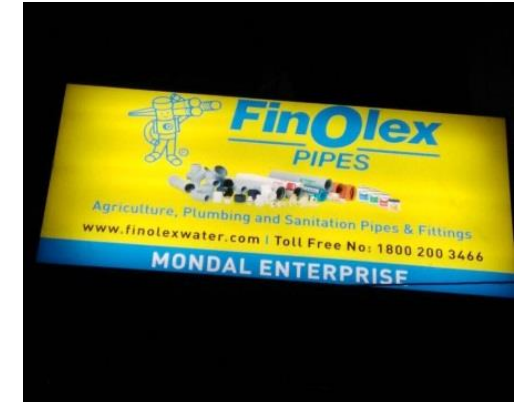
### Branding & advertisements – some snapshots



Branding at Ganpati, Navratri and Janmashtami festivals

Branding at Durga Puja and Rath Yatra festivals

## Branding & advertisements – some snapshots



In-shop branding at sub dealer outlets - 44 in West Bengal and 71 in Orissa.

## Corporate Social Responsibility – some snapshots



Donation of 2 wheelchairs to 2 children of Vidya Jyothi School.

Finolex Pipes and Mukul Madhav Foundation planted 3660 saplings of different varieties in various areas of Ratnagiri taluka with the support of 6 agencies.

Finolex Pipes and Mukul Madhav Foundation along with Sancheti Hospital sponsored surgery of Ms. Hirabai (cerebral palsy patient). She is now able to stand on her own.

40 trainees including the ANM & ASHA workers were awarded certificates in consultation with Symbiosis Nursing School for successfully completing their training at the Bhavdan Primary Health Centre.

## Corporate Social Responsibility – some snapshots



Finolex Pipes and Mukul Madhav Foundation organized 19th free medical camp to ensure the well-being of school students in Ratnagiri.

Finolex Pipes and Mukul Madhav Foundation contributed Rs. 10 lakhs towards construction of 50 toilets for the families of Sonale village, Thane district.

Finolex Pipes and Mukul Madhav Foundation supported the visually impaired students of Niwant Organisation and the specially abled children of Apang Sanstha & Vidya Jyoti School to take part in the '10th Yellow Ribbon NGO and Artisan Fair', 2017, organised by Ishyana.

In the loving memory of Late Shri.Pralhad P Chhabria, Finolex Pipes and Mukul Madhav Foundation provided financial assistance to the tune of Rs.25 lakh towards the Special Children Ward of Savali Care Centre.

## Accolades and awards



Finolex Pipes and Mukul Madhav Foundation was recently awarded ‘Best CSR Integrated Business under National Excellence for CSR and Sustainability’ at the ‘National CSR Leadership Congress & Awards’ held in Bengaluru, September 2017.

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

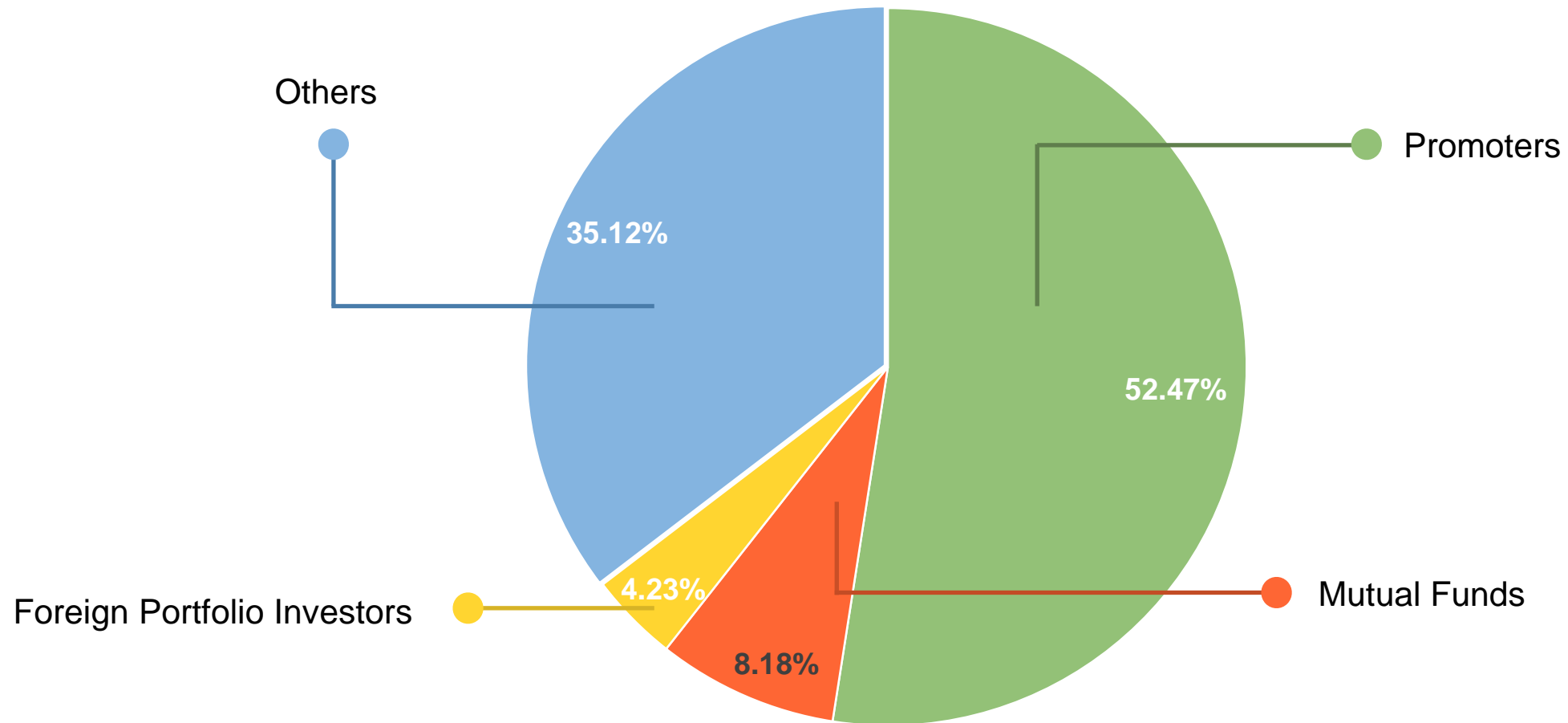
The National Record certificate by The Limca Book of Records for conducting the largest number of plumbers meets organised simultaneously across 26 states and 58 cities on 11 March, 2016.

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

India’s most Trusted Brand in the category “Manufacturing - Pipes” awarded by Brand Trust Report 2015.



## Shareholding Pattern as on September 30, 2017





Agri Pipes and Fittings



Column Pipes



Casing Pipes



ASTM Pipes and Fittings



CPVC Pipes and Fittings




Sewerage Pipes



Solvent Cement


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## FINOLEX INDUSTRIES LIMITED

 Mr. S. Krishnamoorthy (GM - Accounts & Finance)

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Finolex Industries Ltd.

Volume Data

Sr. No.	Particulars	Q3FY15	Q4FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18
1	<b>Production in MT</b>												
a	PVC Resin	82,034	78,125	60,048	38,815	67,892	80,147	59,756	40,937	83,266	67,751	63,805	34,528
b	PVC pipes & fittings	29,780	57,983	57,129	41,801	45,089	63,144	66,693	40,416	44,844	55,808	74,054	52,672
2	<b>Sales in MT</b>												
a	PVC Resin-External	47,183	49,723	17,866	17,535	29,952	41,418	12,751	13,080	25,281	36,124	15,725	6,494
	PVC Resin-Inhouse	14,643	47,782	45,164	23,977	30,590	41,675	49,684	26,822	30,945	40,417	59,273	34,045
	Total PVC	61,826	97,505	63,030	41,512	60,542	83,093	62,435	39,902	56,226	76,541	74,998	40,539
b	PVC Pipes	36,118	53,353	54,451	37,194	39,163	63,387	62,255	34,218	37,652	59,945	68,171	43,032
c	PVC Fittings	2,738	3,613	3,487	3,494	3,282	4,306	3,870	4,048	3,314	4,117	3,347	4,214
	Total Pipes and Fittings	38,856	56,966	57,938	40,688	42,445	67,693	66,125	38,266	40,966	64,062	71,518	47,246
	<b>In MWH</b>												
1	Power generated	13362	58018	53578	39428	49602	46180	55,243	46,909	55,710	53,640	57,999	36,277

Note: The above is subject to reconciliation



## Q2FY18 Earnings Release

Revenue	INR 4,753 mn
EBIDTA	INR 496 mn
PAT	INR 283 mn

### Finolex Industries Limited, Pune, India, November 10, 2017:

Finolex Industries Limited (NSE:FINPIPE | BSE:500940), India's leading manufacturer of PVC Pipes & Fittings, at its Board Meeting held today announced unaudited financial results for the second quarter ended September 30, 2017.

#### Highlights

- The sales volume for PVC Pipes & Fittings was at 47,246 MT in Q2FY18 up by 23.5% against 38,266 MT in Q2FY17.
- Total income from operations excluding excise duty and taxes was at INR 4,753 mn for Q2FY18 up by 4.0% against INR 4,568 mn in Q1FY17.
- EBITDA stood at INR 496 mn for Q2FY18 down 43.0% against INR 870 mn for Q2FY17.
- Profit after tax was at INR 283 mn for Q2FY18 down 44.8% against INR 513 mn for Q2FY17.

#### Management Comments

**Mr. Prakash P. Chhabria**  
Executive Chairman

“In the past five years, the PBT of Finolex Industries has shown a CAGR of 40% with pipes and fittings volume CAGR of 7%. During the last six months, we have consciously focused on volume growth for the pipe segment, initiated by a moderation in the net realization, which we will watch carefully over the next two quarters.”

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EBIDTA margin (%)	10.44%	19.05%	
Depreciation	151	139	
EBIT	345	731	-52.80%
EBIT %	7.26%	16.00%	
Other Income	109	89	
Finance costs	38	33	
PBT	416	788	-47.21%
PBT %	8.75%	17.25%	
Tax	133	275	
PAT	283	513	-44.83%
PAT %	5.95%	11.23%	

\* excluding excise duty and taxes.

### About Finolex Industries Limited

Finolex Industries Limited, headquartered in Pune, is the leading supplier of PVC Pipes & Fittings for the agriculture and non-agricultural sectors. Our state-of-the-art manufacturing plants at Pune and Ratnagiri in Maharashtra and Masar in Gujarat provide excellent resources to better serve our customers. Our own PVC Resin manufacturing facility in Ratnagiri, set in technical collaboration with Uhde GmbH, with Hoechst technology, provides a consistent supply of superior quality resin to our pipe manufacturing plants. This ensures we are able to deliver quality, superior products to our customers. Our open sea cryogenic jetty, the first of its



kind in the Indian private sector, has been the hallmark of our PVC Complex. We are the first Indian PVC Pipes manufacturer to have been awarded the ISO 9001:2008 Certification.

Our major strength lies in our skilled workforce. We recognize and attribute our operating excellence and success to our employees. We have a widespread presence throughout the country, with a wide network of over 18,000 retail outlets ably supported by dealers and sub-dealers. They work as our extended arm in bringing quality products to our customers. Our core values of quality, trust and integrity help us to build an unbreakable bond with both customers and stakeholders.

We believe in “Performance with Purpose” and are deeply concerned about society and our community. We have been actively working along with Mukul Madhav Foundation, our CSR partner, in contributing to the social and economic development of the underprivileged sectors of society in and around our plants in Ratnagiri, Pune and Masar. Our focus is on women and children in areas of education, healthcare, community development, environment and self-development.

Finolex Industries Limited most recently entered the “Limca Book of Records” for the largest number of plumber meets held in one day. The company has also been awarded ‘Water Company of the Year’ by The National CSR Leadership Congress & Awards, India’s most Trusted Brand in the category “Manufacturing – Pipes” by Brand Trust Report, “Excellence in CSR” by Amity Global School, “Support and Improvement in Quality of Education” by Global CSR Excellence & Leadership Awards, “Top 100 Brands in the Architecture and Design Sector” by Economic Times and has also been conferred the BT CSR Excellence Award 2016 in the category “The Physically Challenged.”

For more information, visit [www.finolexwater.com](http://www.finolexwater.com) or follow us on Twitter @finolexwater

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## Forward Looking Statement



**Safe Harbor Statement** – *Certain parts of this presentation describing estimates, objectives and projections may be a “forward looking statement” within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, our ability to obtain regulatory approvals, technological changes, cash flow projections, and our exposure to market risk as well as other risk. Finolex Industries does not undertake any obligation to update forward looking statements to reflect events or circumstances after the date thereof.*