

FinOlex

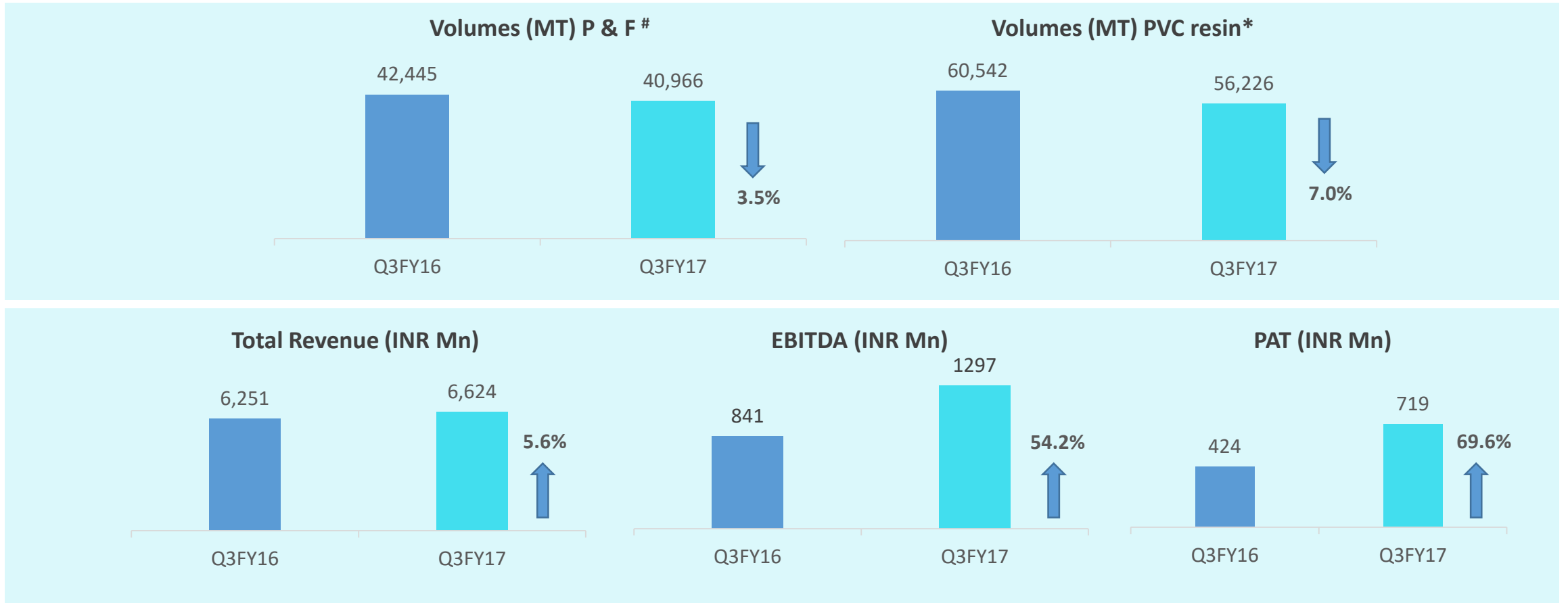
INDUSTRIES



**FINOLEX INDUSTRIES
LIMITED**

Q3FY17 RESULTS

Q3FY17 Results Summary



Management Comment: The volumes in Q3FY17 were lower compared to Q3FY16 due to lower offtake as a result of demonetisation. The profitability improved due to higher spread in PVC segment. We expect pipes & fittings volumes to pick up in the coming months.

* Including inter segment transfer

P&F represents Pipes and Fittings

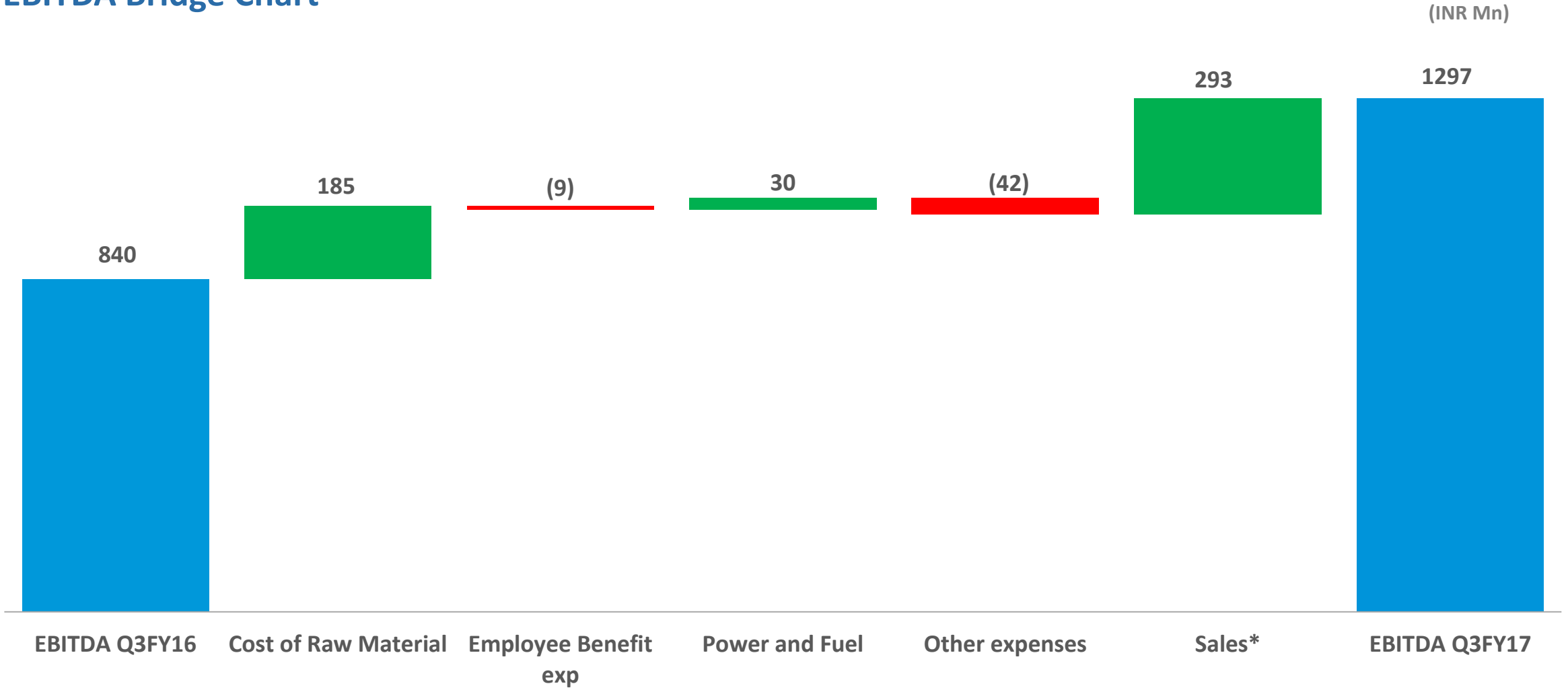
Profit & Loss Account

Particulars (INR Mn)	Q3FY17	Q3FY16
Total Income from operations	6,624	6,251
EBIDTA	1,297	841
EBIDTA margin (%)	19.58%	13.45%
Depreciation	140	127
EBIT	1,157	714
EBIT %	17.47%	11.42%
Other Income	29	30
Finance costs	59	81
PBT	1,126	663
PBT %	17.00%	10.61%
Tax	407	238
PAT	719	424
PAT %	10.85%	6.78%

Profit & Loss Account

Particulars (INR Mn)	9MFY17	9MFY16
Total Income from operations	19,627	18,919
EBIDTA	3,759	2,638
EBIDTA margin (%)	19.15%	13.94%
Depreciation	412	379
EBIT	3,347	2,259
EBIT %	17.05%	11.94%
Other Income	150	199
Finance costs	142	403
Exceptional items (gain)/loss	-	(245)
PBT	3,355	2,300
PBT %	17.09%	12.16%
Tax	1,142	751
PAT	2,213	1,549
PAT %	11.28%	8.19%

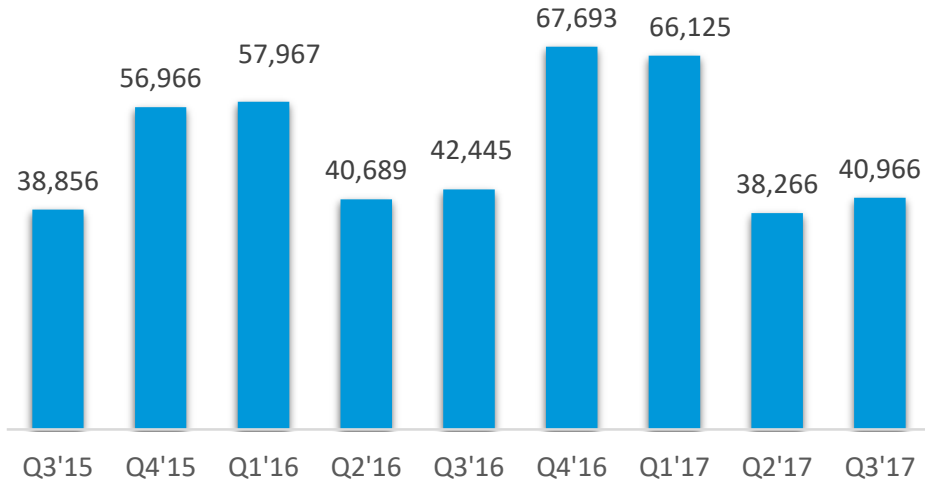
EBITDA Bridge Chart



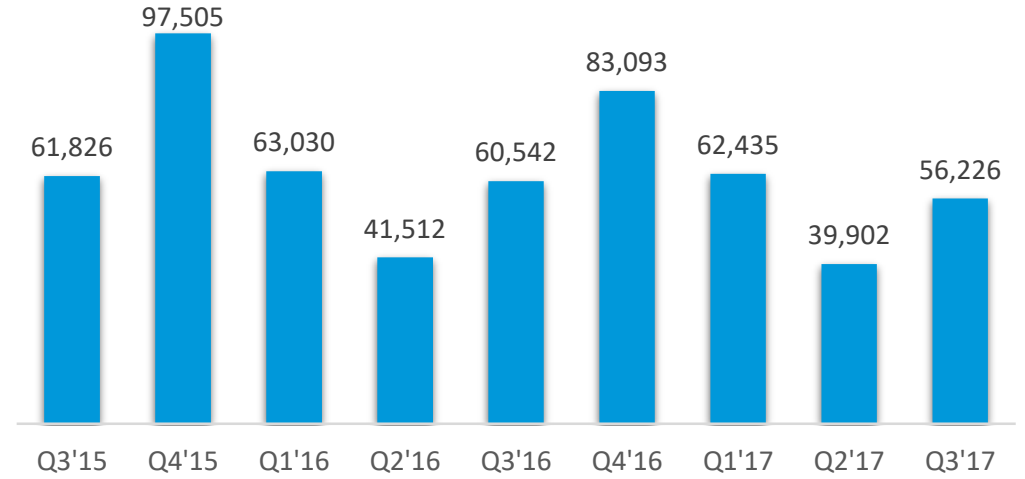
*Sales net of excise duty

Business Scenario

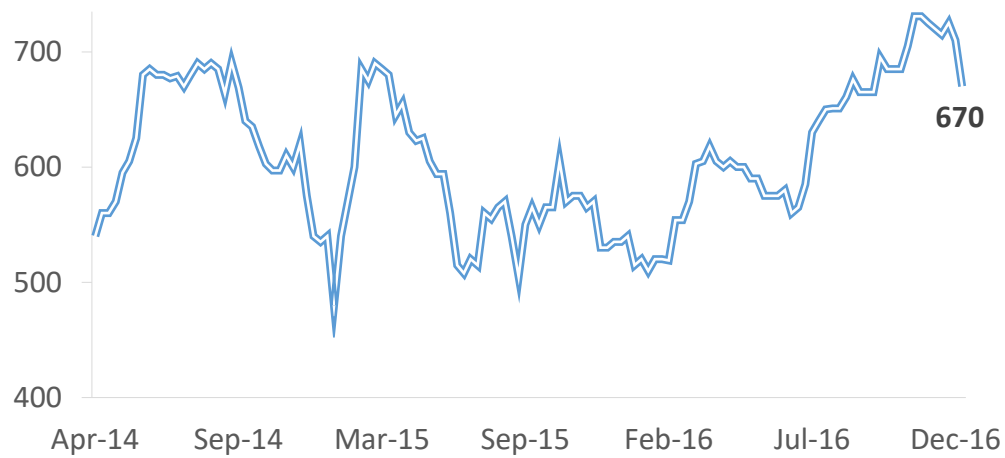
Pipes & Fittings Volumes (MT)



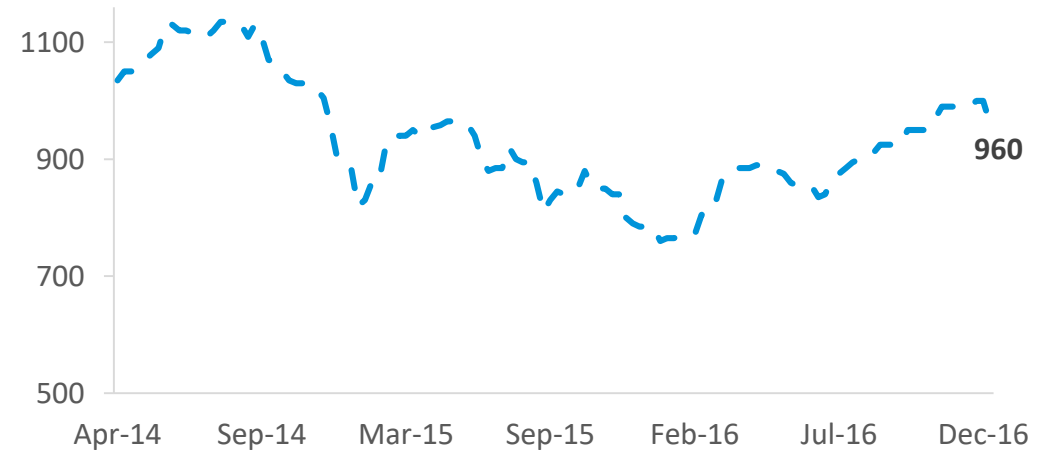
PVC Volumes (MT)



PVC/EDC Delta (USD/MT)



PVC (USD/MT)



Source: Platts Polymerscan weekly reports

Quarterly – Profit & Loss

Particulars (INR Mn)	Q4FY15	Q1FY16*	Q2FY16*	Q3FY16*	Q4FY16	Q1FY17*	Q2FY17*	Q3FY17*
Total income from operations	9,024	7,323	5,341	6,251	9,221	7,769	5,234	6,624
EBIDTA	714	1,273	524	841	1,114	1,592	870	1,297
<i>EBIDTA margins (%)</i>	7.9%	17.4%	9.8%	13.5%	12.1%	20.5%	16.6%	19.6%
Depreciation	143	125	126	127	127	133	139	140
Other Income	50	54	114	30	188	32	89	29
Finance costs	104	158	164	81	45	50	33	59
PBT	517	1,044	592	663	1,130	1,441	788	1,126
<i>PBT margins (%)</i>	5.7%	14.3%	11.1%	10.6%	12.3%	18.5%	15.1%	17.0%
Tax	241	324	190	238	345	461	275	407
PAT	277	721	402	424	785	980	513	719
EPS	2.2	5.8	3.2	3.4	6.3	7.9	4.1	5.8

* Figures as per IndAS

Quarterly segmental – Profit & Loss

Particulars (INR Mn)	Q4FY15	Q1FY16*	Q2FY16*	Q3FY16*	Q4FY16	Q1FY17*	Q2FY17*	Q3FY17*
Segmental revenues								
PVC	6,318	4,489	2,802	3,884	4,979	4,336	2,759	4,379
PVC pipes & fittings	5,453	5,754	3,978	4,073	6,310	6,581	4,100	4,446
Power	486	385	299	357	355	388	321	378
Segmental profits								
PVC	216	692	198	462	536	890	552	933
% of Revenues	3.4%	15.4%	7.1%	11.9%	10.8%	20.5%	20.0%	21.3%
PVC pipes & fittings	321	492	279	315	512	568	252	303
% of Revenues	5.9%	8.6%	7.0%	7.7%	8.1%	8.6%	6.1%	6.8%
Power	145	81	42	61	92	129	58	86
% of Revenues	29.9%	21.0%	14.1%	17.1%	25.9%	33.3%	18.1%	22.8%
Capital employed								
PVC	6,060	7,167	5,660	5,649	4,673	5,214	5,056	6,354
PVC pipes & fittings	4,649	4,302	4,337	4,730	4,250	5,210	5,218	5,860
Power	2,552	2,772	2,527	2,500	2,488	2,674	2,374	2,375

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

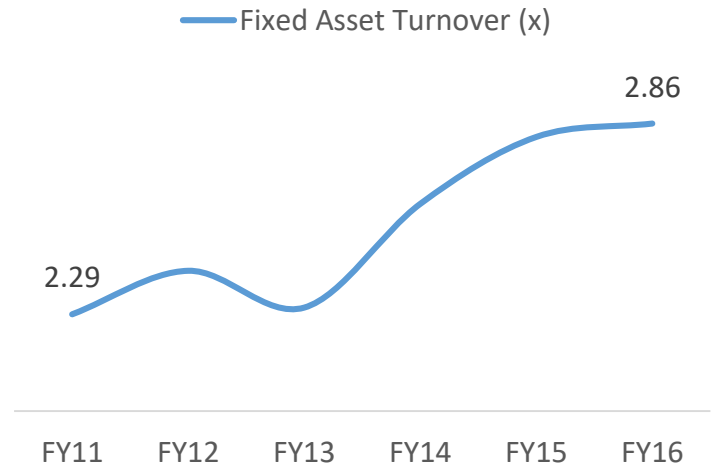
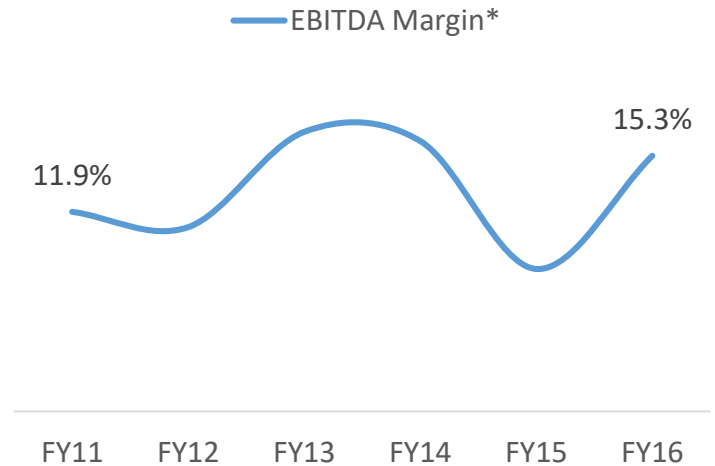
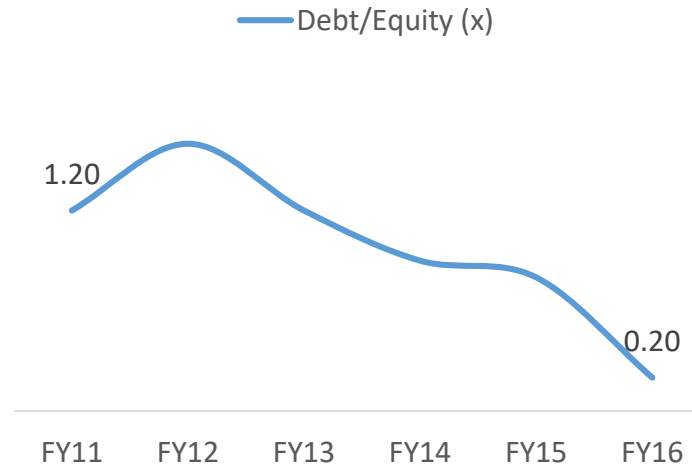
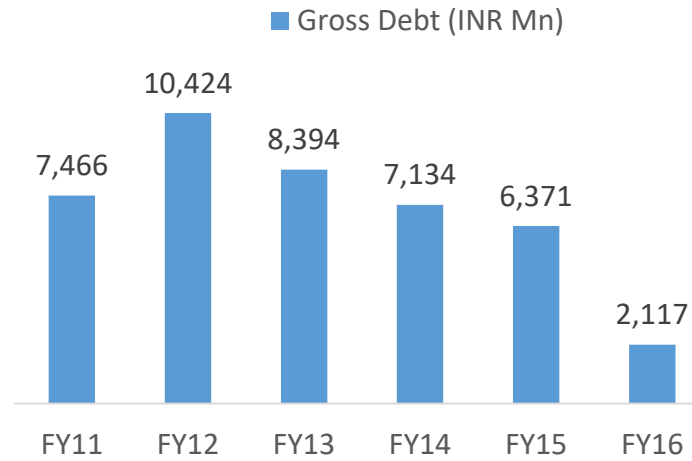
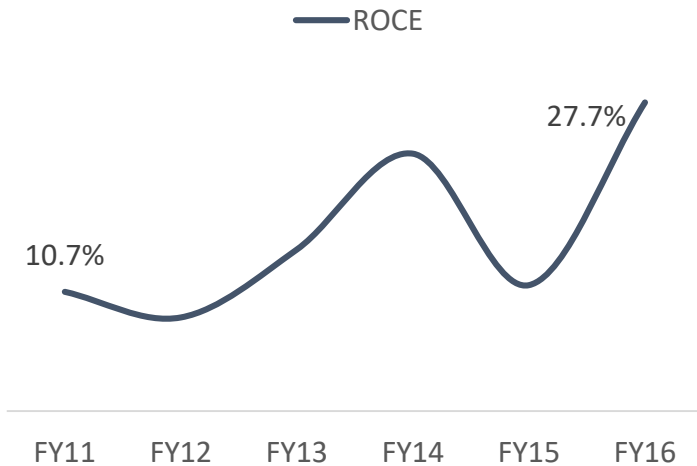
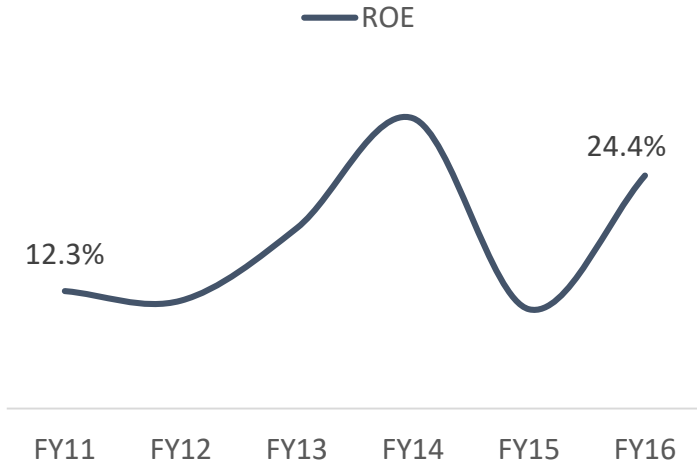
*Figures as per IndAS

Balance sheet - Key Indicators

Balance Sheet (INR Mn)	FY12	FY13	FY14	FY15	FY16	H1FY17*
<i>Equity and liabilities</i>						
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
<i>Assets</i>						
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

*Figures as per IndAS

Key Ratios



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

Key Strategies

MARGIN IMPROVEMENT

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

CASH-N-CARRY

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



CAPACITY EXPANSION

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

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 Rs5000crs to be set-up by NABARD. Target for agri-credit fixed at Rs10 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.



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 demonetization, 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.

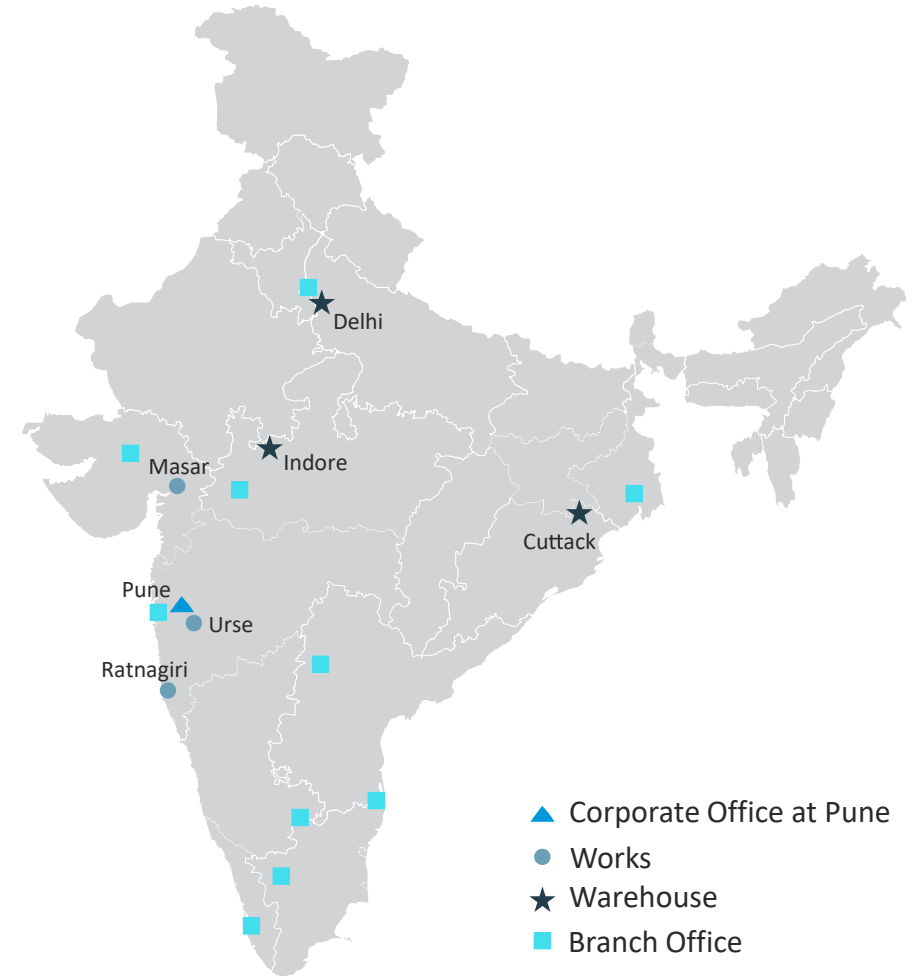
Distribution reach

- FIL is on track in terms of expanding its scale of operations by increasing production capacity and distribution reach
- Wide network of 17,000 retail touch points

Images of warehouses



Offices, Works and Warehouses



Branding & Advertisements – some snapshots



Finolex pipes branding at the Shaheedi Jor Mela at Fatehgarh Sahib, Punjab



Finolex pipes advertising at Himatnagar in Gujarat



Finolex pipes branding on the occasion of Navratri at Kolkata, West Bengal



Finolex Pipes celebrating Navratri at Raigarh



Finolex pipes advertises on the occasion of Christmas in Kerala

Branding & advertisements – some snapshots

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



Finolex pipes at Agri-Asia exhibition on Agriculture Technology

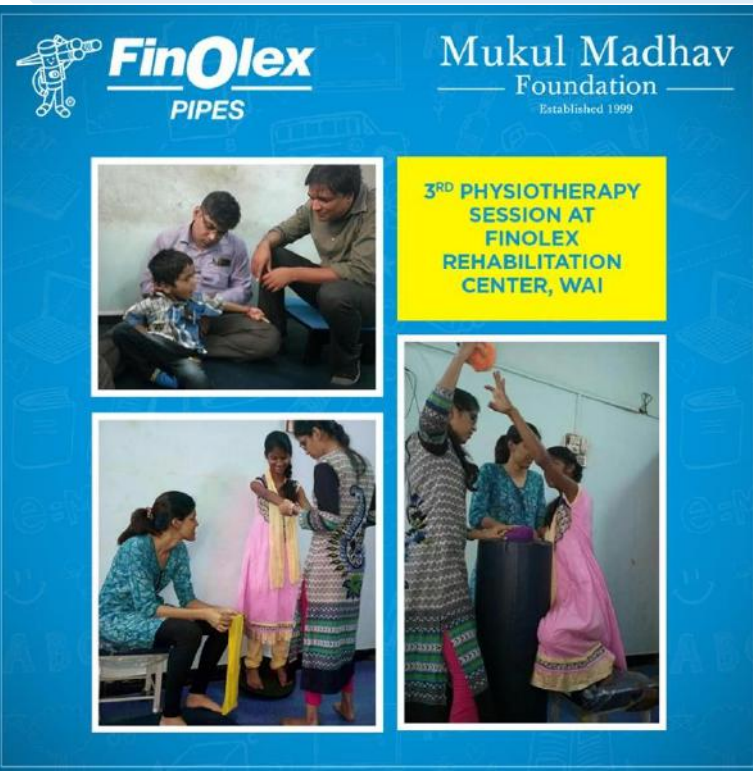


Finolex Pipes celebrates Jagannath Rath Yatra



Corporate Social Responsibility – some snapshots

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



On 21st Dec. 2016, Mukul Madhav Foundation paid a tribute to its Founder and the Founder of Finolex Group, Late Shri Pralhad P. Chhabria, by donating medical equipment and furniture at the Pune Police Hospital, Shivajinagar



On the occasion of the "28th Road Safety Week", Finolex Pipes in association with Mukul Madhav Foundation, Gulf Oil India, Pune City Police & Pune Traffic Police to raise awareness towards road safety ethics



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.

Finolex Pipes' CSR partner [Mukul Madhav Foundation](#) being awarded the category of "WATER COMPANY OF THE YEAR"



AWARDED UNDER THE CATAGORY OF "WATER COMPANY OF THE YEAR"

Accolades and awards

The National Record certificate by “The Limca Book of Records” for conducting the largest number of plumbers meets organized 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

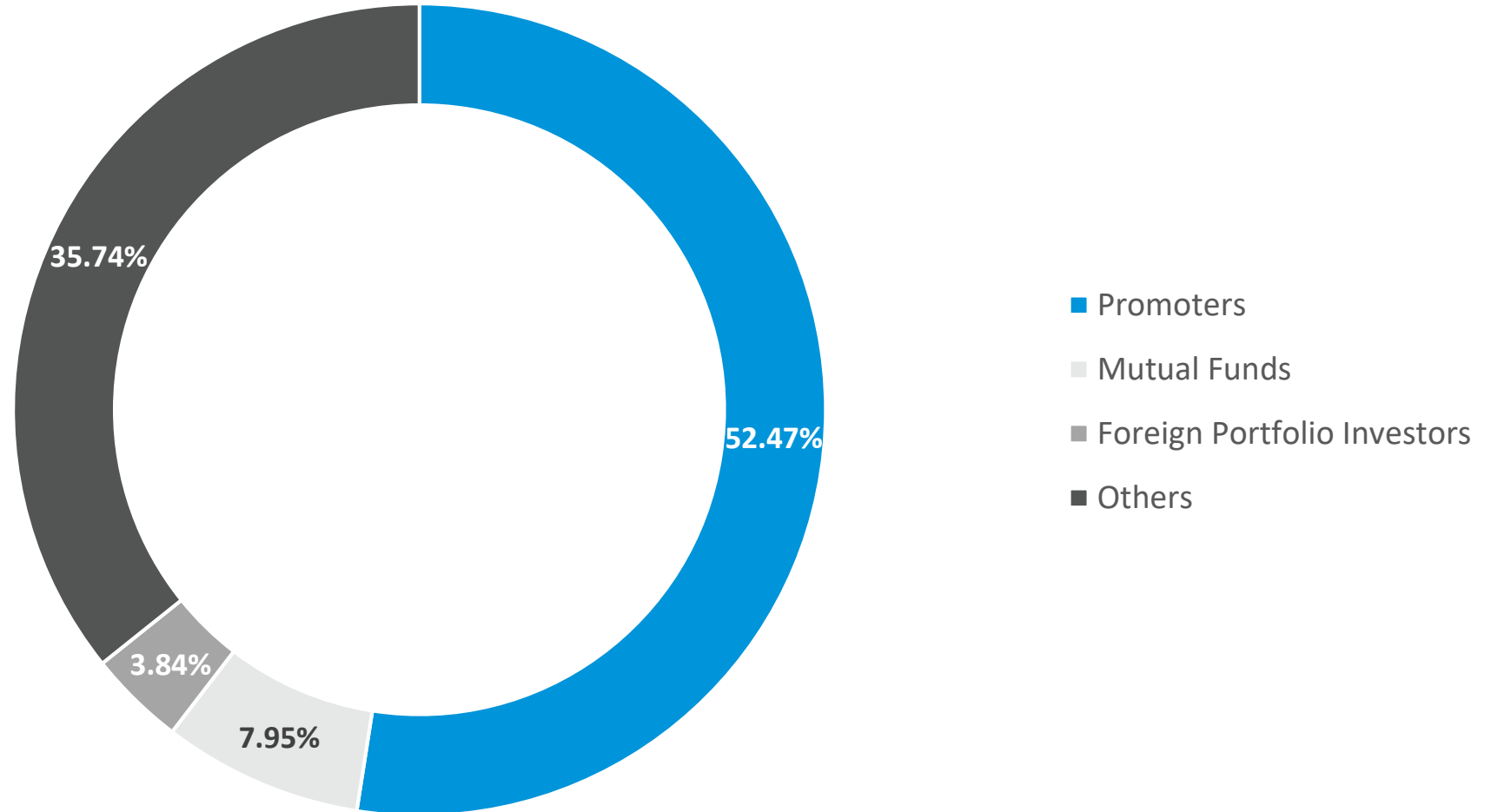


“Best Safety Practices Award – 2015” by National Safety council Maharashtra Chapter & Directorate of Industrial Safety & Health, Maharashtra State



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

Shareholding Pattern as on December 31, 2016





Agri Pipes and Fittings



Column Pipes



Casing Pipes



ASTM Pipes and Fittings



CPVC Pipes and Fittings



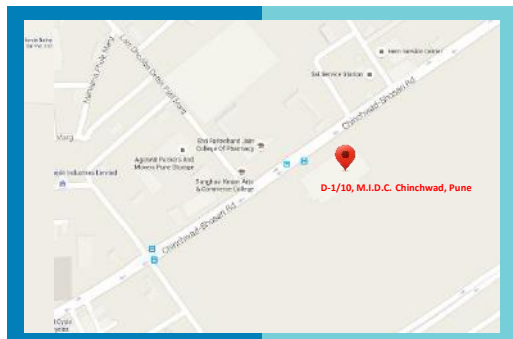
Sewerage Pipes








Solvent Cement

FINOLEX INDUSTRIES LIMITED

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