



**We need to go  
out and look for  
opportunities...**



**Finolex  
Industries  
Limited**

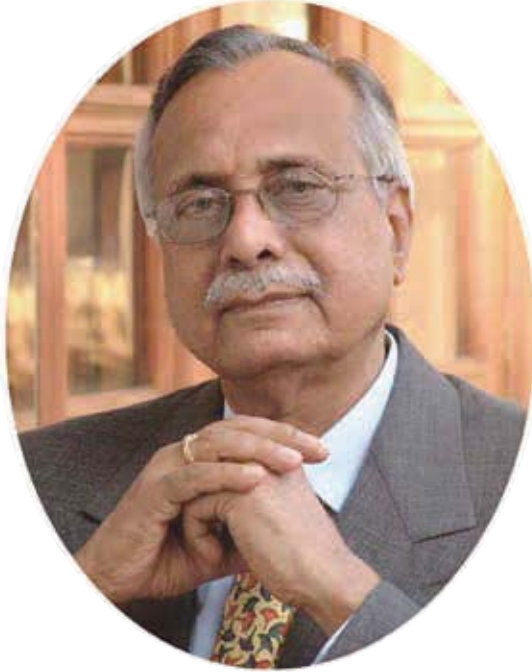
**37<sup>th</sup> ANNUAL REPORT  
2017-18**

देहिनोऽस्मिन् यथा देहे कौमारं यौवनं जरा । तथा देहान्तरप्राप्तिर्धीरस्तत्र न मुह्यति ॥

भगवद् गीता अ. २.१३

Just as in the physical body of the embodied being is the process of childhood, youth and old age; similarly by transmigration from one body to another, the wise are never deluded.

*Bhagwad Gita, Ch. 2.13*



**Shri. Pralhad P. Chhabria**

(12.03.1930 - 05.05.2016)

**"I have not gone, just moved on.  
Each morning we are born again to work hard &  
live another beautiful journey..."**

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Chairman's Message  
PG NO **06**



Ensuring Value Creation with  
Our Business Model  
PG NO **08**

₹ **299** Cr.  
**Profit After Tax in 2017-18**

₹ **2,738** Cr.  
**Revenues in 2017-18**

₹ **24.06** per share  
**Earnings per Share in 2017-18**

**“We need to go out and look for opportunities to help those less fortunate than ourselves, even if that service demands sacrifice. It is an unselfish will to serve should be our moto.” - Anonymous**

# Corporate Information

## Board of Directors

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

**Mr. Sanjay K. Asher**  
*Independent Director*

**Mr. Kanaiyalal N. Atmaramani**  
*Independent Director*

**Mrs. Ritu P. Chhabria**  
*Non-Executive &  
Non-Independent Director*

**Mr. Dara N. Damania**  
*Independent Director*

**Mr. Saurabh S. Dhanorkar**  
*Non-Executive &  
Non-Independent Director  
(w.e.f. August 11, 2017)*

**Mr. Shrikrishna N. Inamdar**  
*Independent Director*

**Mr. Prabhakar D. Karandikar**  
*Independent Director*

**Mr. Sanjay S. Math**  
*Managing Director*

**Dr. Sunil U. Pathak**  
*Independent Director*

**Mr. Anil V. Whabi**  
*Director – Finance*

**Mr. Devang B. Trivedi**  
*Company Secretary  
(w.e.f. February 12, 2018)*

## Audit Committee

Mr. Shrikrishna N. Inamdar  
*Chairman*  
Mr. Kanaiyalal N. Atmaramani  
Mr. Dara N. Damania  
Mr. Prabhakar D. Karandikar  
Dr. Sunil U. Pathak  
Mr. Saurabh S. Dhanorkar

## Corporate Social Responsibility Committee

Mr. Prakash P. Chhabria  
*Chairman*  
Mrs. Ritu P. Chhabria  
Mr. Sanjay S. Math  
Dr. Sunil U. Pathak  
Mr. Saurabh S. Dhanorkar

## Stakeholders' Relationship Committee

Mr. Kanaiyalal N. Atmaramani  
*Chairman*  
Mr. Prakash P. Chhabria  
Mr. Dara N. Damania  
Mr. Shrikrishna N. Inamdar  
Mr. Prabhakar D. Karandikar  
Dr. Sunil U. Pathak  
Mr. Saurabh S. Dhanorkar

## Risk Management Committee

Mr. Prakash P. Chhabria  
*Chairman*  
Mr. Sanjay S. Math  
Mr. Anil V. Whabi  
Dr. Sunil U. Pathak  
Mr. Saurabh S. Dhanorkar

## Nomination and Remuneration Committee

Mr. Shrikrishna N. Inamdar  
*Chairman*  
Mr. Sanjay K. Asher  
Mr. Kanaiyalal N. Atmaramani  
Mr. Dara N. Damania  
Mr. Prabhakar D. Karandikar  
Dr. Sunil U. Pathak  
Mr. Saurabh S. Dhanorkar

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## Auditors

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M/s. P. G. Bhagwat  
Chartered Accountants, Pune

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## Solicitors & Advocates

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Crawford Bayley & Co., Mumbai

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## Registrar and Share Transfer Agent (w.e.f. 3rd August, 2018)

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Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B,  
Plot No. 31 & 32,  
Gachibowli Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032, India.  
Phone No.: 040-67162222  
Extn Nos. 1583 & 1562  
Fax No.: 040-23420814, 23001153  
Toll Free: 1800 3454 4001  
Email ID: einward.ris@karvy.com  
Website: www.karvycomputershare.com

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## Bankers

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Bank of India  
ICICI Bank Limited  
Bank of Baroda  
Citibank N.A.  
Bank of Maharashtra  
Corporation Bank

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## Corporate Office

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D1/10, MIDC Chinchwad  
Pune 411 019  
Maharashtra, India  
Tel.No.: 020-27408200/27408571  
Fax No.: 020-27479000

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## Registered Office

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Gat No.399, Village Urse Maval,  
District Pune 410 506.  
Maharashtra, India  
Tel.: 02114-237251  
Fax: 02114-237252

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Corporate Identity No. (CIN): L40108PN1981PLC024153  
Email:investors@finolexind.com  
Website: www.finolexpipes.com

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# Finolex at a glance

**We are the largest manufacturer of PVC pipes and one of the largest manufacturers of PVC resin in India.**

Our journey at Finolex Industries Limited (FIL) started in 1981 as a pipe manufacturing company headquartered in Pune. We are the only PVC pipes company to have an integrated set up for production of PVC resin

with a captive power plant. We continue to focus on value-creation for the long-term with quality products. We conduct our business responsibly, leaving a positive impact on society and community within which we operate.

## Our product portfolio

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### Agriculture



Agriculture Pipes & Fittings



Casing Pipes



Column Pipes



Solvent Cement & Lubricant

### Non-agriculture



Plumbing Pipes & Fittings



FlowGuard Plus CPVC Pipes & Fittings



Sewerage Pipes



SWR Pipes & Fittings



Solvent Cement & Lubricant

## Quick Facts

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# First

Indian PVC Pipes manufacturer to receive ISO 9001:2015 certification

# 3

Number of manufacturing facilities

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# CRISIL A1+ / IND A1+

Short term - CRISIL / India Ratings as on 31st March 2018

# CRISIL AA / IND AA

Long term - CRISIL / India Ratings as on 31st March 2018

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# 1288

Number of Employees as on 31st March 2018

# Zero

Long Term borrowing as on 31st March 2018

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# 8187

Market Capitalization as on 31st March 2018 (in ₹ Crore)

# Chairman's Message



**We are looking towards the future, a future which is full of growth and opportunity for all...**

Dear Shareholders,

**I am happy to present before you the 37th Annual Report of the Company.**

Your Company's performance during the year under review focused on volume growth. The pipes and fittings volume increased by 20.4% y-o-y basis, resulting in a 5.2% increase in total revenues to ₹ 2,738 Crore for 2017-18 against ₹ 2,602 Crore in the previous year. However, volatile raw material prices and increased operational costs

did impact the profitability and margins. Our EBITDA stood at ₹ 484 Crore against ₹ 563 Crore, while PAT was ₹ 299 Crore against ₹ 352 Crore a decrease of 15.2%

Our association with Lubrizol Corporation, USA for CPVC pipes and fittings increased our visibility in the plumbing and sanitation segment. Finolex FlowGuard Plus CPVC Pipes



and Fittings recorded sales of ₹ 147 Crore, contributing 5.4% to the total revenue during the year. Our overall tonnage for the CPVC segment increased by 42% to 5,878 tons. We continue to conduct workshops and training programs pan India for plumbers and other professionals on a regular basis to enhance our product and brand awareness.

We are looking towards the future, a future which is full of growth and opportunity for all - our country, business partners, customers, employees, society and your Company. With our increasing product portfolio, expanding dealer network and a substantial sales force out on the field, we are on track to offer an even better service to our customers. To ensure this, within the next few weeks, we will have implemented SAP S/4 HANA which will transform the Company from its traditional manufacturing background to a customer-centric business. SAP S/4 HANA will be the backbone of FIL's future IT landscape. Your company will attain operational excellence across all areas of the value chain with focus on the supply chain and sales.

We are poised to embrace new opportunities. Our team continues to work relentlessly to develop new products and increase market share. We are expanding our capacity across

our three plants - Masar, Pune and Ratnagiri, with investments of ₹ 250 Crore in FY18 and FY19.

As a responsible corporate we believe in spreading hope amongst those who feel they don't have the right to be hopeful. Having joined hands with Mukul Madhav Foundation, our CSR partner we have been able to touch lives in the following sectors.

- Healthcare
- Education
- Social and Community Welfare
- Sanitation
- Water Conservation

Under each sector there are credible projects which are primarily focused on reaching out to people in rural India. We consciously increase our CSR budget year on year there by enabling and assisting our CSR partner to undertake more projects and reach out to many more worthy causes.

I am delighted to inform you that your director and Managing Trustee of Mukul Madhav Foundation (MMF) Mrs Ritu Chhabria, was honoured with a prestigious 'Global Award' by the Global Sindhi Council, presented by Shri Ch. Vidyasagar Rao, Hon'ble Governor of Maharashtra "for

her eminent innovative and historic contribution in the field of healthcare, social welfare and education."

A strong pillar to our sustainable growth is the commitment and talent of the employees of your Company. We undertook several activities for training to reinforce the occupational safety and health conditions of the employees at our facilities.

The Board remains firm in building the blocks of growth on a foundation of sound governance. I would like to express my appreciation to every Board member for their invaluable contribution. With the continued support of our shareholders, customers, dealers, vendors and employees, I look forward to another exciting year of growth and success.

Regards

**Prakash P. Chhabria**  
Executive Chairman

# Ensuring Value Creation with Our Business Model

