



Education



Healthcare



Spread Hope, Spread Happiness.

Finolex Industries Limited

38th Annual Report
2018-19



Sanitation



Skill Development



Social Welfare



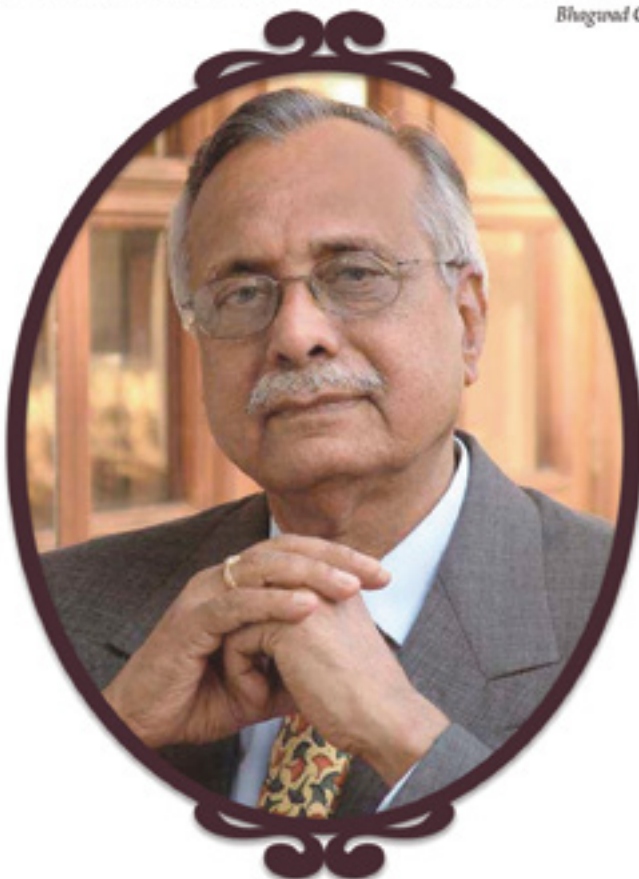
Water Conservation

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.

Bhagavad 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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"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



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www.finolexpipes.com

₹ **350** Cr.

Profit After Tax in 2018-19

₹ **3091** Cr.

Revenues in 2018-19

₹ **28.19** per share

Earnings per Share in 2018-19

Corporate Information

Board of Directors

Mr. Prakash P. Chhabria
Executive Chairman

Mr. Sanjay K. Asher
Independent Director

Mr. Kanaiyalal N. Atmaramani
Independent Director
(upto December 31, 2018)

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

Mrs. Kanchan U. Chitale
Independent Director
(effective April 1, 2019)

Mr. Dara N. Damania
Independent Director

Mr. Saurabh S. Dhanorkar
Non-Executive &
Non-Independent Director

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

Audit Committee

Mr. Shrikrishna N. Inamdar
Chairman

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. Dara N. Damania
Chairman

Mr. Prakash P. Chhabria

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. Dara N. Damania

Mr. Prabhakar D. Karandikar

Dr. Sunil U. Pathak

Mr. Saurabh S. Dhanorkar

Auditors

M/s. P. G. Bhagwat

Chartered Accountants, Pune

Solicitors & Advocates

Crawford Bayley & Co., Mumbai

Bankers

Bank of India

ICICI Bank Limited

Bank of Baroda

Citibank N.A.

Bank of Maharashtra

Corporation Bank

Corporate Office

D1/10, MIDC Chinchwad

Pune 411 019

Maharashtra, India

Tel. No.: 020-27408200/27408572

Fax No.: 020-27474444/27479000

Registered Office

Gat No. 399, Village Urse, Taluka Maval,

District Pune 410 506,

Maharashtra, India

Tel. No.: 02114-237251

Fax No.: 02114-237252

Registrar and Share Transfer Agent

Karvy Fintech Pvt. Ltd.

Karvy Selenium Tower B,

Plot No. 31 & 32,

Gachibowli Financial District,

Nanakramguda, Serilingampally Mandal,

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.karvyfintech.com

Corporate Identity No. (CIN) : L40108PN1981PLC024153

Email : investors@finolexind.com

Website : www.finolexpipes.com

Quick Facts

38 years

Of robust organic growth

1323

Employee strength as on 31st March 2019

3

Manufacturing facilities: Pune, Ratnagiri and Masar

Zero

Long-term debt as on 31st March 2019

**CRISIL A1+/
IND A1+**

Maintained short-term credit rating- CRISIL/ India ratings

**CRISIL AA/
IND AA**

Maintained long-term credit rating- CRISIL/ India ratings

19.55%

EBITDA Margin

₹ 350 crore

Profit after tax in 2018-19

₹ 6071 crore

Market capitalization value as on 31st March 2019

Ten Year Financial Highlights (standalone)

(₹ in Lakhs)

	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
	IND AS	IND AS	IND AS	IND AS	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP
Profit And Loss Account Data										
Revenue from operations (Excluding Excise duty)	309,132	273,779	260,236	248,191	247,615	245,303	214,482	209,978	197,773	145,493
EBITDA *	60,430	48,393	56,301	40,444	21,336	39,662	35,874	21,676	21,968	26,280
EBIT **	53,422	42,332	50,797	35,386	15,469	33,432	30,433	14,124	14,526	20,113
Profit before tax	53,562	43,883	51,696	37,327	8,078	24,186	19,016	9,674	11,495	17,397
Profit after tax	34,980	29,854	35,218	25,441	4,778	17,015	13,614	7,515	7,617	13,232
Dividend (including tax on dividend if applicable) [Proposed for FY 2018-19]										
Balance Sheet Data										
Share capital	14,960	14,960	17,176	14,936	2,978	10,163	7,933	4,327	4,354	4,354
Net worth	12,410	12,410	12,410	12,410	12,410	12,410	12,409	12,409	12,404	12,401
Loan funds	252,842	276,457	229,139	156,985	78,740	78,969	72,116	66,211	62,031	58,768
Gross block	9,056	10,071	9,418	11,171	58,706	65,592	71,063	101,244	73,458	83,351
Capital Employed	219,944	117,947	198,235	192,269	189,394	184,997	177,100	162,554	156,373	153,335
	168,142	147,262	133,024	111,332	96,626	100,932	84,123	82,346	77,944	116,826
Key Ratios										
EBITDA (%)	19.55%	17.68%	21.63%	16.30%	8.62%	16.17%	16.73%	10.32%	11.11%	18.06%
Return on capital employed (%) ***	31.77%	28.75%	38.19%	31.78%	16.01%	33.12%	36.18%	17.15%	18.64%	17.22%
Earnings per share (₹)	28.19	24.06	28.38	20.50	3.85	13.71	10.97	6.06	6.14	10.67
Debt to equity	0.04	0.04	0.04	0.07	0.75	0.83	0.99	1.53	1.18	1.42
Dividend payout (%)	42.77%	50.11%	48.77%	58.71%	62.33%	59.73%	58.27%	57.57%	57.16%	32.90%
Interest coverage(times)	49.24	49.30	36.69	9.05	3.57	5.98	6.97	2.89	3.68	5.64
Book value per share (₹)	203.75	222.78	184.65	126.50	63.45	63.64	58.12	53.36	50.01	47.39
Market Capitalisation (₹)	607,137	818,719	718,450	451,893	352,059	237,022	119,007	62,358	108,367	81,051

* EBITDA - Earnings before interest, tax, depreciation & amortisation and exceptional items (excluding other income)

** EBIT - Earnings before interest, tax, and exceptional items (excluding other income)

*** Return on capital employed - EBIT / Capital employed

Chairman's Message



In a competitive business environment, your Company has delivered an improved performance for the year 2018-19.

Dear Shareholders,

I am pleased to present before you the 38th annual report of your Company.

In a competitive business environment, your Company has delivered an improved performance for the year 2018-19. We continue to carry forward the values that form our foundation, as we move onwards and upwards.

While our industry faced challenges led by volatility in the price of PVC and softer demand growth in PVC Pipes & Fittings, Finolex reported a healthy double-digit growth of 12.91% in revenue from operations to ₹ 3,091 Crore. The bottom line registered a growth rate of 17.18% to ₹ 350 Crore with a healthy margin of 11.32%.

In the coming years, we believe there would be a robust growth in the pipes & fittings market considering the

government's thrust on development. Programs including Pradhan Mantri Krishi Sinchai Yojana (Prime Minister Agriculture Irrigation Scheme), and increased allocation towards agricultural and allied activities, namely, irrigation facilities, building agri-market infrastructure and the introduction of the Kisan credit card to farmers, could lead to a rise in demand for agriculture pipes and fittings. In the non-agricultural segment, significant demand push from various initiatives including 'Housing for All 2020' and Smart City Mission, could see a rise in domestic pipes & fittings.

In the coming years, we propose to increase our capacities, broaden our dealer/retailer network and add new products to our portfolio. We remain focused on achieving growth and delivering quality products.

Mukul Madhav Foundation (MMF), our CSR Partner, continues to be an integral part of our CSR activities to help those who are less fortunate. Our focus areas include:

- Education
- Healthcare
- Sanitation
- Skill development
- Social Welfare
- Water conservation

I am delighted to inform you that your director and Managing Trustee of MMF Mrs. Ritu Prakash Chhabria, was felicitated with 'Pune Gaurav Puraskar' for her outstanding contribution to the society, at the hands of renowned Social Activist Smt. Medha tai Patkar in the presence of Dr. Neelam Gorhe, Dy. Speaker, Maharashtra Legislative Council. MMF has received an appreciation certificate from Vadodara District Collector, Gujarat for installation of rain water harvesting kit at Muval Primary School for the Government's Sujalam Sufalam Project.

The year that went by was a very successful one and all of this would not have been possible without the efforts and hard work of

our employees. At Finolex, employees are at the centre of everything we do, as a result we continuously ensure their well-being with regular training and development programs to enhance their skills and competencies.

I would like to express my appreciation to every Board member for their invaluable contribution. I would also like to thank the entire management team at Finolex for their commitment and passion, that has enabled us keep up pace and profits consistently.

In conclusion, I would like to appreciate our shareholders' continued support and shared belief of driving Finolex to be a market leader.

I look forward to another exciting year ahead.

Regards

Prakash P. Chhabria
Executive Chairman

Our Value Creating Business Model

