



Innoventive Industries Limited

23rd Annual Report | 2013-14



Corporate Information

BOARD OF DIRECTORS

(As on June 12, 2015)

Mr. Chandu Chavan	Chairman & Managing Director
Mr. Ravindra Katre	Whole-time Director
Mr. Pradeep Tupe	Independent Director
Mrs. Pournima Gadiya	Independent Director
Dr. Rajendra Jagdale	(Resigned on 14.08.14)
Mr. Sanjay Asher	(Resigned on 30.09.14)
Mr. Laxman Sankade	(Resigned on 15.10.13)
Mr. Sanjay Waghulade	(Resigned on 13.09.13)
Mr. Ramprasad Joshi	(Resigned on 20.10.13)
Mr. Yashpaul Gupta	(Resigned on 20.10.13)
Mrs. Deepali Agrawal	(Appointed as Nominee Director on 15.03.2014 and Resigned on 01.12.14)

STATUTORY AUDITORS

B. K. Khare & Co.,
Chartered Accountants,
Pune

CORPORATE OFFICE

601 & 602, Nucleus Mall,
1 Church Road, Camp,
Pune – 411001.

BANKERS

Allahabad Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Central Bank of India
Export Import Bank of India
ICICI Bank Limited
IDBI Bank Limited
Indian Overseas Bank
State Bank of Bikaner & Jaipur
State Bank of India
The Saraswat Co-op Bank Limited
UCO Bank
United Bank of India
Bank of Maharashtra
DBS Bank Limited
The Ratnakar Bank Limited

PLANTS

Unit I:

GAT No. 1261, Sanaswadi,
Pune Nagar Road,
Tal. Shirur, Pune - 412208

Unit II:

Gat No. 56/3/4/5, Pimple Jagtap,
Tal. Shirur, Dist. Pune – 412208

REGISTERED OFFICE

Gat No. 56/4/5,
Pimple Jagtap, Taluka: Shirur,
District: Pune – 412208.

Forward Looking Statement

In this Annual Report, we have disclosed forward-looking statements to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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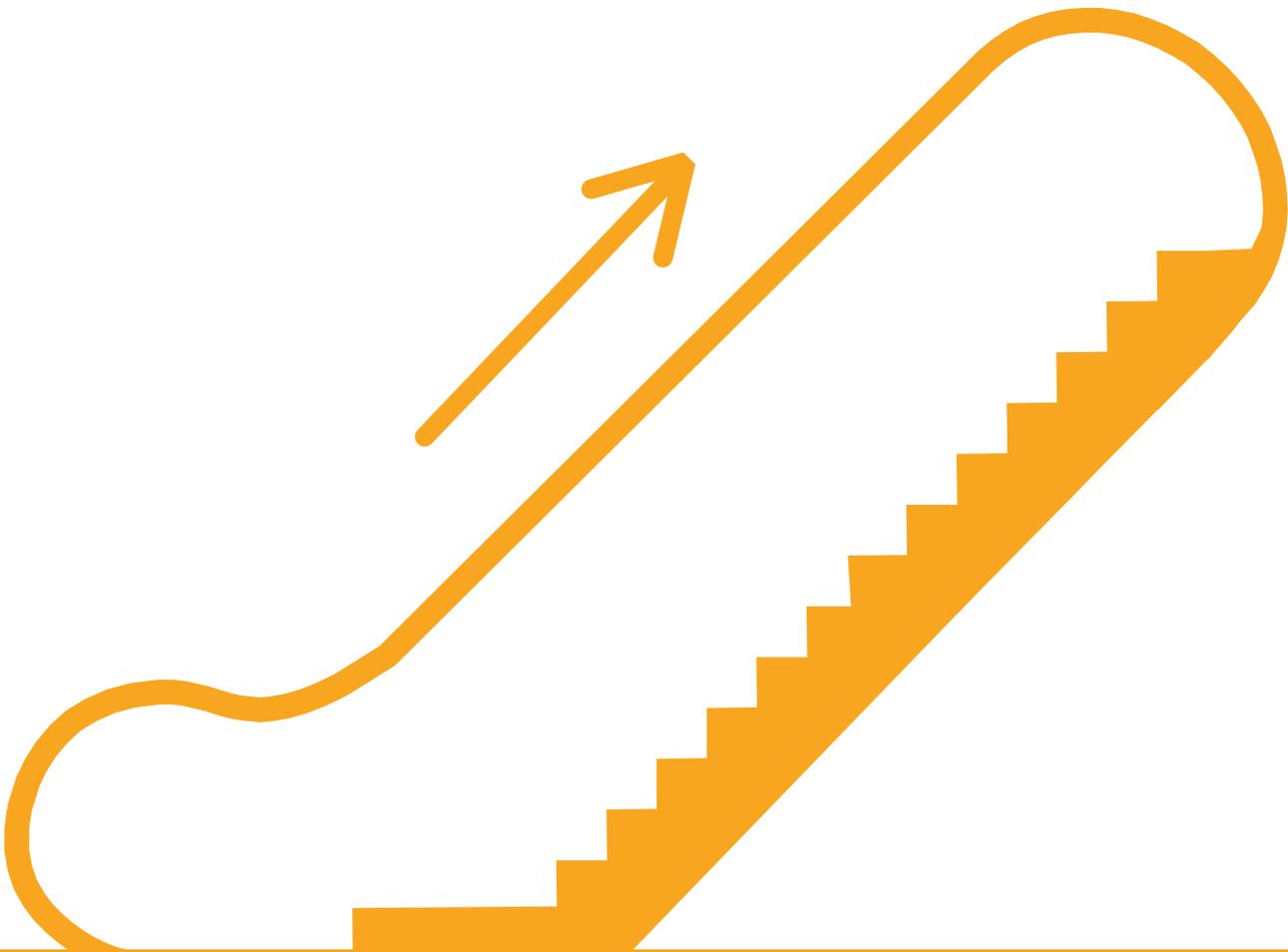
Vision & Mission Statement

Our Vision

To evolve globally as value creator for customers by specializing in Total Engineering Solutions and Supply Chain Management.

Our Mission

To instill the core values of Excellence, Freedom, Integrity, Respect and Harmony.





Overview

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Our Evolution

2002

- Commenced manufacturing of ERW and CEW tubes

2006

- Commenced manufacturing of auto components

2007

- Acquired majority stake in Saicon Steels¹
- Acquired 26% equity stake in Sankalp Engineering²

2008

- Was awarded 'Mega Project' status by the GoM³ for our Unit II project
- Raised equity stake in Sankalp Engineering to 51%
- Kavos Capital acquired 5% stake in our Company

2009

- Was converted into a public limited company
- Received Eligibility Certificate under the Package Scheme of Incentives 2007⁴

2010

- Change of Company's name to Innoventive Industries Limited
- Raised ₹ 350 mn of equity from Kavos Capital

2011

- Raised ₹ 304 mn from Standard Chartered Private Equity under Pre-IPO Placement of equity shares • Was listed on NSE and BSE with a successful IPO

2012

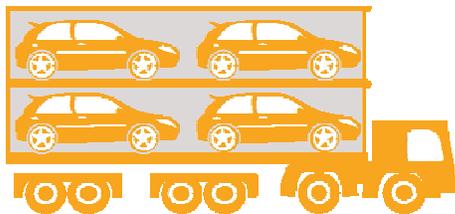
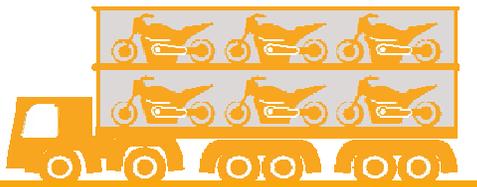
- Was awarded the patent for innovative, energy efficient cold pilgering technology
- Acquired 85% equity stake in Salem Steel 5 to gain a foothold in the US market
- Acquired a 51% stake in Innovative Technomics⁶

1. Saicon Steels Private Limited is engaged in converting hot rolled coils to cold rolled coils and manufactures a wide range of low and medium grade carbon and special grade CR products.
2. Sankalp Engineering & Services Private Limited caters to the oil and gas industry and manufactures oil well drilling couplings, casing couplings, pup-joints, cross-overs, etc.
3. Government of Maharashtra
4. The Eligibility Certificate under the Package Scheme of Incentives 2007 is granted for recognition of 'Mega Project' status.
5. Salem Steel NA, LLC is a global distributor of ERW, DOM and seamless tubing.
6. Innovative Technomics Private Limited, is a leading manufacturer of FCMA soft starters and testing equipment's for water pumping & irrigation, sugar, steel and various industries.



Our Presence, Products & User Industries

- Our exports primarily comprise of Tube Products and Oil & Gas Components.
- Established presence in key strategic markets of the Middle East by setting up a subsidiary.
- Acquisition and business integration of Salem Steel North America, LLC has further enhanced our reach in North America.



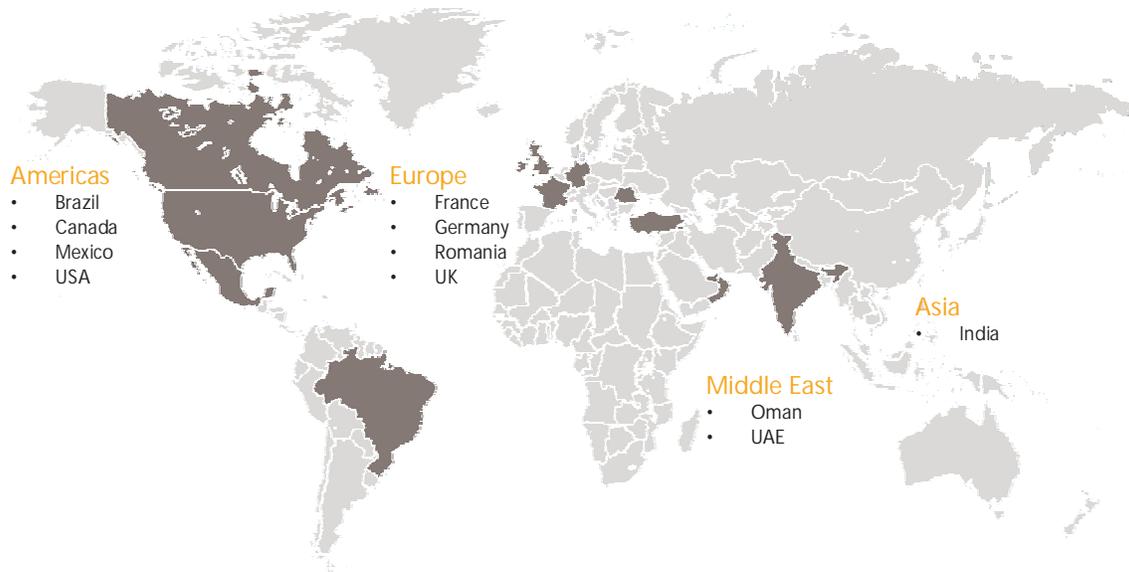
Automotive

Swing Arm Assembly, Trailing
Arm Assembly, Engine Mounting
Brackets, Stands, Foot-steps

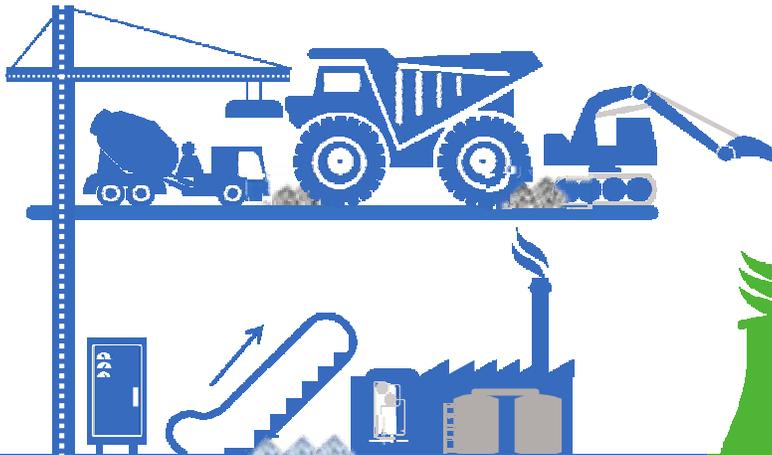


Oil & Gas

Machined Tubing,
Couplings, Casing
Couplings, Pup joints,
Crossovers

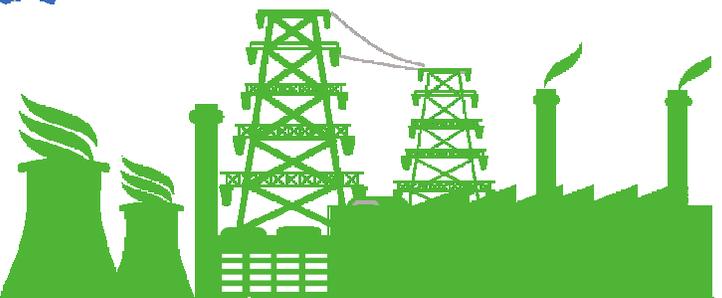


■ Shaded region represents our current export markets.



Mining, Construction Equipment, General Engineering

ERW Tubes, DOM/CEW Tubes,
Hydraulic Cylinder Tubes, FCMA Soft
Starters, Other Machined Components



Power

Membran
Boilers an
Panel S
Heat ex



Message From The Chairman

Dear Shareholders,

It gives me pleasure to present the Company's 23rd Annual Report for the financial year ending March 31, 2014 to you.

I take this opportunity to address the concerns you may have regarding the present status and future opportunities for Company. I would also like to outline our strategy to grow our enterprise and enhance shareholder value going forward.

I am confident that Company will recoup its past glory, but it will take time.

We have assimilated the learning of the past and created a blueprint, which, we are confident, will enable us, reach, our goal.

We are optimistic about Company's long-term prospects. We believe the Company has the dynamism, the resources, the know-how and the motivation to not only drive growth in the future, but also to development in a few selected domain technology areas.

Our continuous ability to innovate enables us to enhance our execution and service delivery. The growing level of dedication and passion to excel gives us the confidence to meet our desired growth objectives.

In addition, we will fulfill our obligations to all our stakeholders, customers and employees as well as the nation and the larger society, providing all of them with industry-leading values through

advanced and responsible management.

The Company is planning to consolidate and optimise the existing resources in the best possible way. We shall be focusing on stabilizing our operations to achieve our goal. We are further focusing on improving our efficiencies at all the levels. We expect the steel demand in India to pick up gradually. The current economic environment in combination with growth ambitions carries with it an evolving set of risks.

Your company, recognizes that these risk need to be managed to protect its customers, employees, shareholders and other stakeholders to achieve its business objective and enable sustainable growth.

Your company, realises its responsibility towards the society in which it operates and contributes towards the society and environment.

An integrated system of risk management and internal controls framework has been deployed taking into account various factors such as size and nature of the inherent risk and the regulatory environment.

With a 3.3% increase in demand in 2014, followed by an even better 4.5% in 2015 citing expectations of reforms implemented by a new government.

Management appreciates dedication and commitment of Company's team and is confident that they will guide the company through uncertain times and unforeseen challenges.

The Innoventive team continues to work diligently at

sustaining operational excellence and remains resolved to manage any challenges and seize every opportunity that may arise.

We see a team with greater determination to succeed and an unrelenting commitment to provide exceptional customer service. These together with the passion to pursue knowledge and courage to make a difference will enable the Company to achieve its long-term operational and financial priorities and goals.

Future opportunities & challenges have been analyzed and addressed. That is how we ensure that your company can maneuver its growth potential. We seek and shall rely on your continued support in pursuit of these objectives. We would like to thank all our business partners for preserving their confidence in us during tough business environment like this and we express our gratitude towards the employees, who are the driving force behind the success of this organization over the years.

Management is committed to the growth and development of its employees, which will ensure the continued success of this company. Taking in view the current business scenario and need for cash to be deployed in the business in the near future, the Board and management shall be cautious with respect to the use of funds.

On behalf of the Board of Directors, I express my sincere gratitude to the Central and State Governments, financial institutions, public and private sector banks, Government agencies and Non-government institutions for reposing their faith in the management.

I am also thankful to our valued stakeholders, namely vendors, customers, strategic alliance partners and business associates for supporting our vision and business strategies.

I also acknowledge the vital role played by our valued employees in our corporate evolution.

Finally, I am grateful to our community of shareholders for their confidence and continued support in the management team which has helped in steering the Company through challenging times.

Yours sincerely,

Chandu Chavan
Chairman & Managing Director