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**FinOlex**  
**INDUSTRIES**

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11<sup>th</sup> August, 2016

The Manager – Listing Department National Stock Exchange of India Limited Listing Department 5, Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400051	The Manager – Listing Department BSE Limited Listing Department Registered Office: Floor 25 P.J.Towers Dalal Street Mumbai 400 001
Scrip Code: FINPIPE	Scrip Code: 500940/FINOLEXIND

Dear sirs,


Sub: Copy of Chairman's speech

We are enclosing herewith the copy of Chairman's speech delivered at the 35<sup>th</sup> Annual General Meeting held today i.e. on 11<sup>th</sup> August, 2016.

Kindly take the same on record.

Thanking you,

Yours sincerely,  
For Finolex Industries Limited

  
Umesh Gosavi  
G.M. (Legal) & Company Secretary



Encl: As above

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ISO 9001:2008 CERTIFIED  
Pipes Division, Ratanagiri

ISO 14001 CERTIFIED  
PVC, CPP & Pipes Plant,  
Ratanagiri



## Chairman's Speech

### **Good Morning Ladies and Gentlemen,**

It gives me great pleasure to welcome you all to the 35<sup>th</sup> Annual General Meeting of your Company.

The Notice convening this AGM and the Annual Report for the financial year 2015-2016 are with you. With your permission, may I take the same as read?

As you are aware my father, Mr. Pralhad P Chhabria, the founder and promoter of our group left for his heavenly abode on 5<sup>th</sup> May, 2016. The strong foundations laid by him and his highly ethical and value based approach towards business will continue to guide us on the path of progress.

India emerged as the world's fastest growing major economy in FY 2016 ahead of China, with GDP at 7.5% in FY 2015-16. After two consecutive years of drought, this year's monsoon seems normal. The 2016-17 budget witnessed a slew of measures brought in to improve agriculture and increase farmers' welfare. The Government of India has launched various programs in the agriculture sector focusing on increasing irrigation, farmer's income and production. The demand for the company's products in the Non Agri sector is expected to grow on account of various schemes for housing, smart cities and urban transportation. All these initiatives are expected to open new opportunities for your Company in the years to come.

I am happy to say that your Company's financial performance has been robust. We achieved sales of Rs.2,491.95 crores and the profit after tax has gone up to Rs. 233.60 crores from Rs.47.77 crores.

The current year is also looking very promising in terms of performance and margins.

We opened a warehouse in Cuttack, Odisha, in 2014 in order to be closer to our market. This warehouse has helped the company in cutting down transit time. It has also helped dealers to stock smaller quantities, thus saving their inventory cost. With this idea in mind, your Company has opened warehouses in Delhi and Indore.

As you are aware, GST is all set to be a reality in the near future. Apart from simplifying the tax structure, reducing compliance costs and improving efficiencies in the supply chain, GST implementation will help to improve the competitive positioning of the organized sector and hasten the shift from unorganized to organized in the PVC pipes industry.

Being India's leading PVC pipes and fittings manufacturer with a high brand recall and a strong distribution reach, your Company is well positioned to gain from various initiatives of the Government of India for development of infrastructure in irrigation and housing. We are on track in terms of

expanding our scale of operations by increasing production capacity. Your company has expanded its existing range of products during the year and launched various new pipes and fittings in different sizes.

The Directors have recommended for your approval, the payment of dividend at the rate of 100% on equity shares i.e. Rs.10/- per share which includes Rs.2.50 per share as a special dividend to pay homage to late Mr. P.P.Chhabria, for the financial year ended 31<sup>st</sup> March, 2016, on equity shares of Rs.10/- each aggregating to Rs. 124.09 crores excluding dividend distribution tax.

Your Company has been conducting CSR activities for many years in association with Mukul Madhav Foundation, our CSR Partner. We have been engaging not only with the communities living around our plants but also with the public at large, through various initiatives in health care, education, water conservation and sustainability. Your Company and Mukul Madhav Foundation have been nationally recognized and have received a number of accolades. Your Director, Mrs. Ritu P. Chhabria has actively been driving the Company's CSR initiatives. I take this opportunity to congratulate her and her team and encourage them to keep working harder and harder for the less fortunate.

Mr. Saurabh S. Dhanorkar, Managing Director is to retire on 30<sup>th</sup> November, 2016 after 33 years of dedication to the Company. I appreciate Mr. Dhanorkar's loyalty and commitment to our Company. The proposal to appoint Mr. Sanjay S. Math, as Managing Director with effect from 1<sup>st</sup> December, 2016 and my reappointment as Executive Chairman with effect from 1<sup>st</sup> December, 2016 has been recommended to the Members. I request you to approve the appointments.

I take this opportunity to thank all the shareholders, particularly those of you who have made it to this meeting.

I am grateful to the Banks, Financial Institutions, Government departments, local authorities, customers, suppliers and business associates for their continuing support.

I express my deep appreciation to my colleagues on the Board for their keen interest taken in the affairs of the Company, by their active participation and invaluable advice, and the employees and the management for their consistent hard work and valued contribution during the year.

I shall be happy to answer any questions on the Company's operations and on the contents of the Annual Report.

Thank you.

Prakash P. Chhabria  
Executive Chairman

