



Performance Update

Q3 & 9MFY12

Our Manufacturing Facilities



Safe Harbour Statement

Some of the statements in this presentation that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Further, this presentation may make references to reports and publications available in the public domain. Innoventive Industries Ltd. makes no representation as to their accuracy or that the company subscribes to those views / findings.

BSE:INNOIND, NSE:INNOIND, Reuters: INNV.BO, Bloomberg: IIL :IN

➤ **Innoventive Industries Ltd : A solid operating platform**

- Snapshot
- Competitive Edge
- Demonstrated Track Record
- Our Strategy
- Key Growth Drivers
- Diverse Product Profile
- Product Application & Advantage
- Customer Portfolio

➤ **Financial Performance : Sustained growth**

- Financial Highlights 9MFY2012 (Standalone and Consolidated)
- 9MFY2012 Performance
- Financial Highlights Q3FY2012 (Standalone)
- Q3FY2012 Performance
- Analysis

Innoventive Industries Ltd : A solid operating platform

Well diversified engineering business model:

Large product range, multiple sectors, across domestic & global markets, several customers

Uniquely Positioned Operations

Multi-Product Company

Precision Steel Tubes

Membrane Panel Strips

Auto Components

Oil Well Drilling Couplings

Cold Rolled Coils

Other Steel Products

Catering To Diverse Sectors

Transportation

General Engineering

Boilers & Heat Exchangers

Energy

Oil & Gas

Farm Equipment

Global Footprint

Direct Marketing Efforts

Developed Markets in 10 Countries

Over 475 domestic & export customers

Supplies CEW tubes to above 100 customers

Robust R&D

Innovative Processes

Patent Application crossed Public Domain

Developing Value-Added Products

Strong Mgmt & Operations Team

Technocrat Promoters

Professional Management Team

Over 1200 Employees

➤ **Process Competence - 'Pilgering' process for CEW/DOM tubes from ERW tubes**

- Major reduction in cost of energy, labour and materials when compared to traditional draw bench process
- Delivers products of a higher quality due to better surface finish, accuracy and higher tensile strength
- Retains in-house design and manufacture of tools & dies required for this process, thereby enhancing its advantage
- Patent has passed Public Domain for this novel technology

Value Enhancement

- Can deliver products of comparable quality at significantly lower cost
- Competence and expertise in metallurgy allows IIL to redesign conventional processes to deliver sustainable improvements

Adaptability

- Ability to deliver products according to client requirement & specifications
- Executes orders for niche, high value added products with diverse applications and different engineering requirement

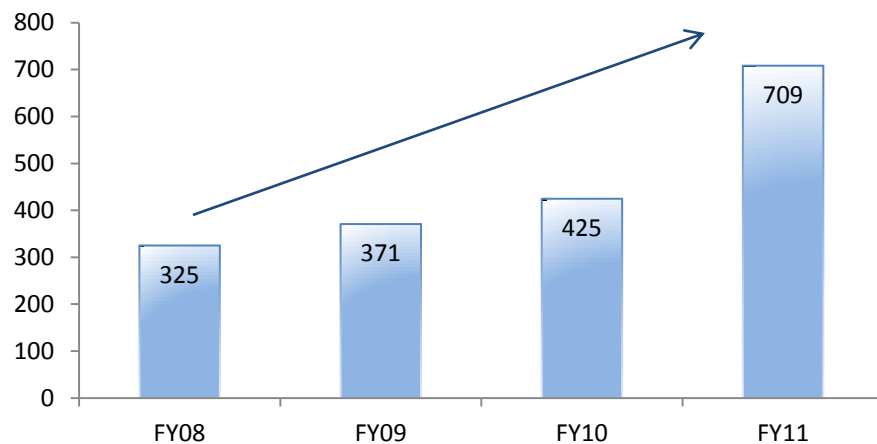
Process Competence

- Membrane panel strips, that are conventionally manufactured from steel bars are manufactured through a unique process which enables IIL to manufacture these strips directly from HR coils
- Resulting in improved quality and import substitution at a significantly lower cost catering to demand from the power sector

Demonstrated Track Record...

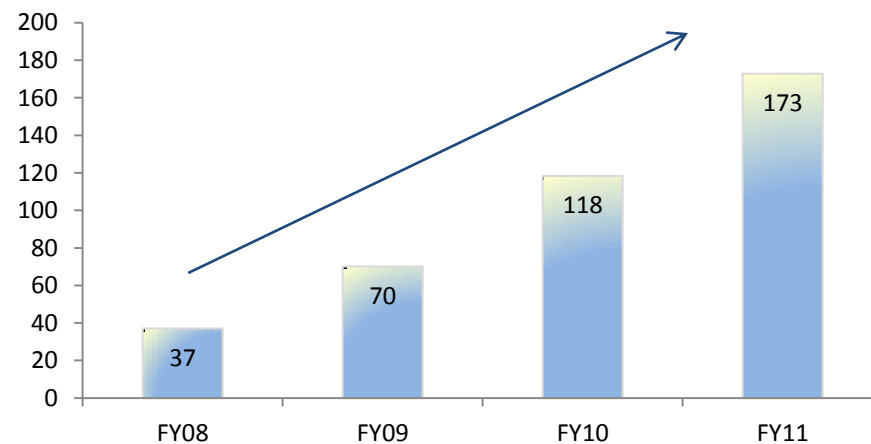
CAGR : 30%

Revenue in ₹ crore



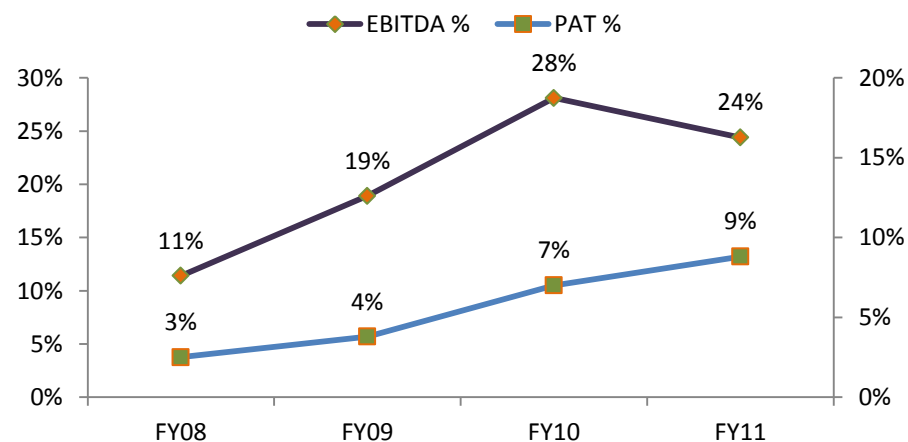
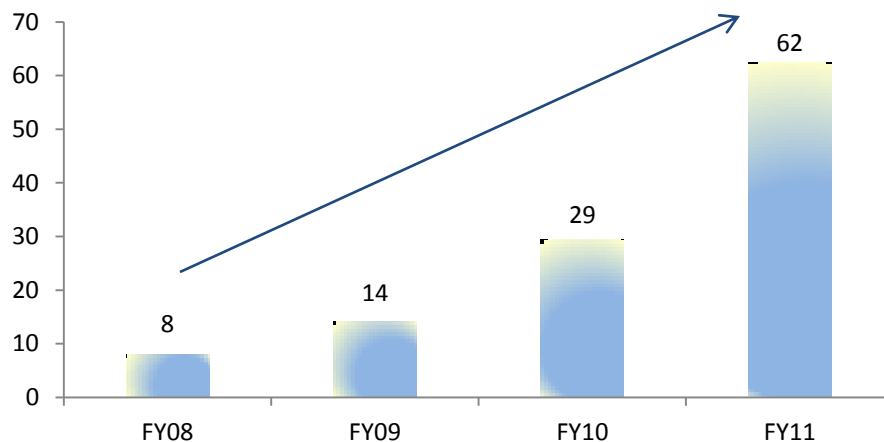
CAGR : 67%

EBITDA in ₹ crore



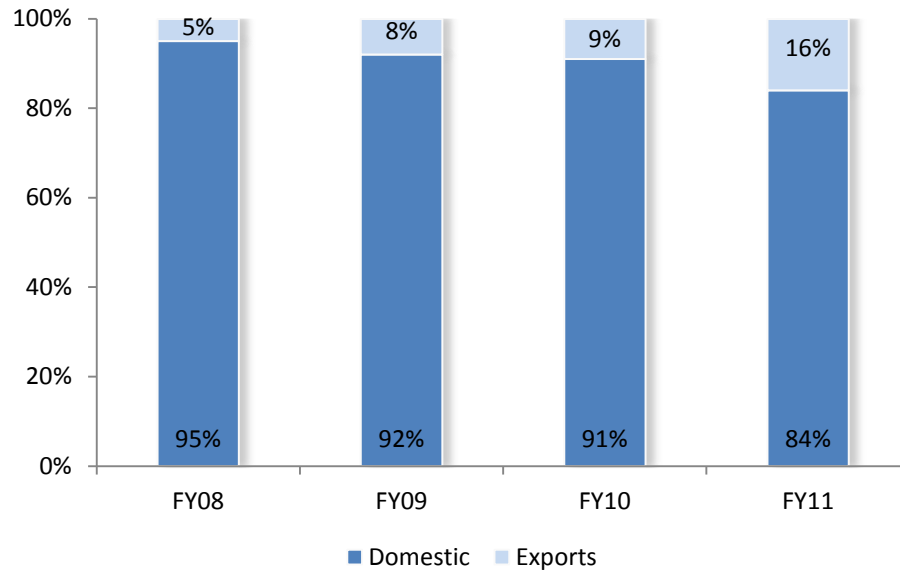
CAGR : 98%

PAT in ₹ crore



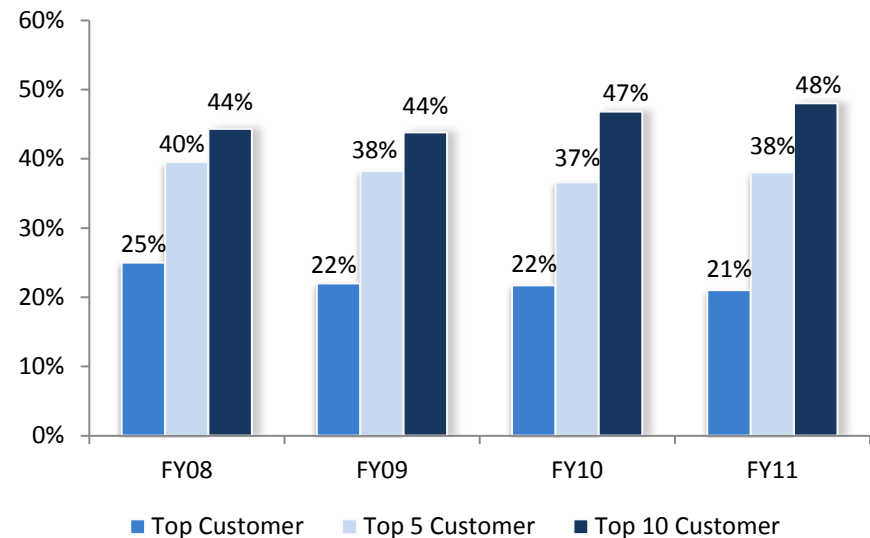
All figures are on a consolidated basis

Demonstrated Track Record



- Increasing share of exports
- Expanding reach to more markets – now exporting to US, UK, Germany, etc
- Have grown in volumes and enhanced product range in overseas markets
- Growth also driven by increased share of high value products in revenue mix

- Reduced concentration of top 5 customers despite sharp increase in volumes
- Focused on increasing revenue per customer by
 - Growing volume of existing products
 - Introducing new products to existing customers
- Growth also driven by expansion in overall customer base



Our Strategy

Enhance Product Mix

- Focus on value added products to retain competitive edge
- Increase proportion of high margin products in revenue mix

Improve Marketing & Distribution

- Enhancement of global reach - have appointed 13 agencies in Europe
- Acquiring front end marketing companies - will lead to improved realisations

R&D

- Focusing on innovation to develop new products and processes
- Engaging with customers for product development at R&D stage

Diversification

- Revenue share to be better distributed between divisions to avoid dependence on any single industry / segment
- Increase share of exports and establish global customer base in multiple countries and currencies

Partnerships

- Considering JV's with manufacturers who offer synergies to IIL to achieve high value addition
- Ability to offer knowledge of local markets and distribution network to JV partners - gain access to new technologies and widen product portfolio

Key Growth Drivers

Capacity expansion

- Increasing capacity from ~ 28,000MT to ~76,000MT in the coming years in CEW / DOM tubes and Allied Products
- Poised to cater to the growing demand for its products

Expanding customer accounts

- Preferred vendor with established clients and present across their product range - to realise greater volumes as they grow
- Several emerging accounts are past the initial approval phase - ramp up in volumes is imminent

Growth in end user industries

- The domestic engineering and automotive industries are growing at a healthy pace
- Demand from the global oil & gas industry is increasing with drilling reaching newer depths
- Demand from other industries for cost effective solutions is ever increasing

Relationships

- Strong relations with existing customers - increasing acceptance for its newer products
- Effective market penetration due to strong associations with customers
- Established long term relations with suppliers

Fiscal incentives

- Pimple-Jagtap facility eligible for IPS claims in form of VAT refunds due to 'Mega Project Status'
- Qualifies for IPS equivalent to 75% of investment in fixed assets

Diverse Product Profile



DOM/CEW, ERW Tubes & Products

- Drawn Over Mandrel(DOM)tubes manufactured by our innovative process
- Cold Drawn Electric Welded (CEW) precision steel tubes made out of own ERW tubes
- Machined tubular components



Auto Components

- Machined components
- Press fabricated parts
- Welded components and assemblies



Power Equipment Components

- Narrow-width Membrane Strips
- Energy Tubes



Oil Country Tubular Goods (OCTG)

- Ready-to-assemble machined parts like machined tubings, couplings, casing couplings, pup joints and cross overs etc.
- Open die and Close die forgings



Others

- Cold Rolled steel sheets
- Laminates and Stampings

Product Application & Advantage

➤ DOM/CEW Tubes

- **Application** – Extensive usage in several fields like automobile industry, shock absorbers, fuel line, brake line, steering columns, tie rods propeller shafts and bobbin tubes- textile industries
- **III's advantage** – Manufactured by a unique pilgering process which is being patented globally with unmatched quality and competitive pricing against peers in both domestic and export markets

➤ Auto Components

- **Application** – Application in piston rod, push rod, hose fittings and transmission components, machined rear axle spindle, compressor parts, fuel injection, etc
- **III's advantage** – Ability to design products as per client specification and supply consistent quality products on time

➤ Power Equipment Components

- **Application** – Membrane panel strips and energy tubes find application in boilers and heat exchangers
- **III's advantage** – Only manufacturer of membrane strips in the country with unmatched quality and pricing

➤ Oil Country and Tubular Goods(OCTG)

- **Application** – Products find application in the high opportunity oil & gas sector
- **III's advantage** – Superior quality products that meet internationally prescribed quality tests combined with competitive pricing

Some of Our Key Clients

ALSTOM



GABRIEL



JOHN DEERE



Mahindra



THERMAX

Sustainable solutions
Energy & Environment

APOLLO ★ TUBULARS
Apollo Tubos | U. S. Steel



LINDSAY
INTERNATIONAL

talbro's

TENNECO



Financial Performance : Sustained Growth

Commenting on the Company's performance for 9MFY12, Mr. Chandu Chavan, Chairman, Innoventive Industries Ltd., said:

"We are pleased to report a strong performance in 9MFY 12 with an 18% growth in revenues and 19% rise in PAT and consolidated revenues and PAT growth of 22% and 23%. Despite pressure on raw material costs we continue to maintain a robust EBITDA margin of over 25%.

We are also delighted to announce the acquisition of the business of Salem Steel North America, LLC. This acquisition is in line with our expansion strategy to augment our position in developed markets. It will help us to strengthen our relationships with our end-customers as well as expand our customer base.

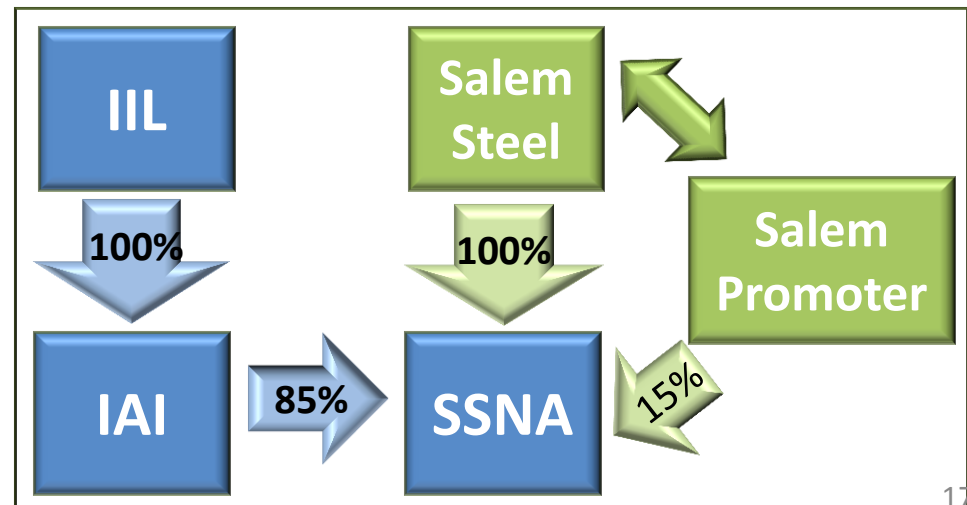
This acquisition will be earnings accretive and will also help us to further improve our margins in the developed markets. The current revenue and profitability along with the potential for growth also make it a very attractive proposition on a commercial basis. We are confident that this acquisition will contribute to growth and that we will be able to realise significant value for all our stakeholders.

While the business environment remains uncertain, we have strategically diversified our operations across products, markets and customer industries and are well positioned to deliver sustained growth in varied market conditions."

Acquisition of business of Salem Steel, USA

- As part of its growth strategy, Innoventive Industries acquired a 85% stake in the business of US based Salem Steel North America, LLC (“Salem Steel”) for USD 4.675 million
- To facilitate this acquisition
 - IIL incorporated a 100% subsidiary in the United States - ‘Innoventive Americas, Inc.’ (“IAI”) which in turn set up a subsidiary Salem Steel NA, LLC (“SSNA”). SSNA shall be known as the transferee company
 - IIL shall own 85% of SSNA and the balance 15% stake will be held by one of the founder promoters of Salem Steel which is the transferor company
 - The transferor company has transferred all of its assets and liabilities on an ‘as is’ basis to the transferee company as of Dec 31, 2011
- The tentative financials posted by Salem Steel in CY11

Particulars	CY2011 - USD million
Sales	22.0
Gross Profit	4.4
Net Profit	2.0



Enhancing Synergies

- ✓ **Forward Integration – closer to end customers**
 - Salem Steel has been a customer of IIL since 2009
 - IIL supplies products to Salem Steel which distributes CEW and seamless tubes in US markets
 - This acquisition enables IIL to forward integrate and strengthen relationships with end customers

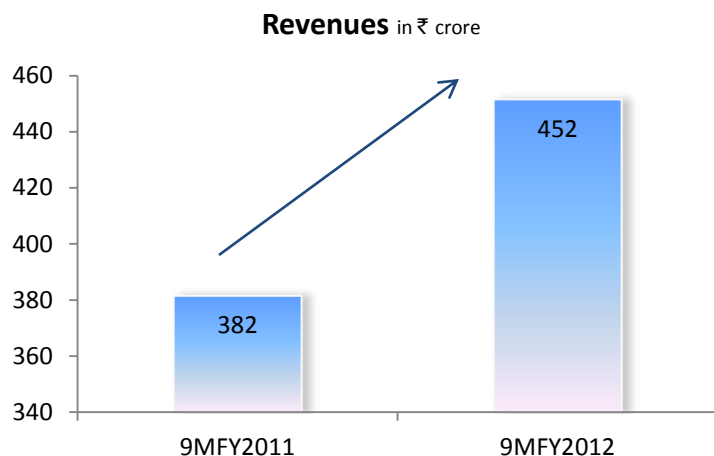
- ✓ **Improved presence in developed markets**
 - Better touch point to end customers – can pursue increased wallet share
 - Better positioned to service customers – potential to cross sell other products in portfolio

- ✓ **Improved margins on product**
 - IIL will now realise manufacturer margins as well as distributor margin on products
 - SSNA to also realise distributor margins on products in distribution portfolio of Salem Steel

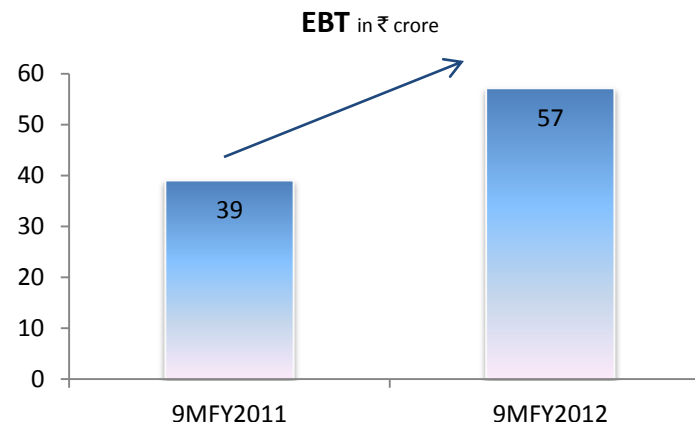
- ✓ **Attractive financial payback**
 - Salem Steel is currently profitable at gross and net levels
 - Based on current financials the payback period is approximately two years

Financial Highlights – 9MFY2012(Standalone)

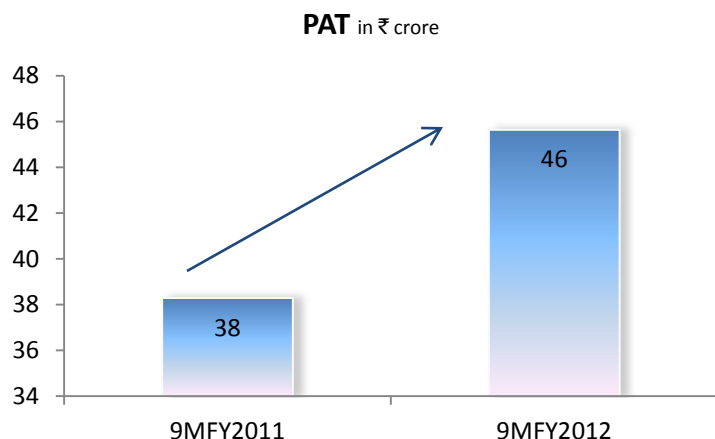
Growth: 18%



Growth: 46%



Growth: 19%

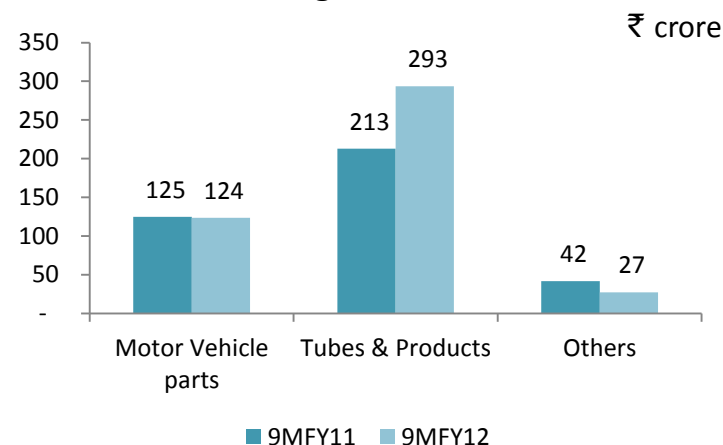


- Net Sales increased primarily due to growth in export sales and increasing demand for CEW tubes
- A healthy topline growth coupled with reduction in interest cost has led to an increase in PAT
- EBITDA margins stood at 25%
- Last year PAT includes reversal of excess tax provision of earlier period
- EPS for 9MFY12 stood at ₹ 7.97 vs ₹ 10.39 in 9MFY11 (EPS for the given period is not comparable due to issue of shares in IPO and Pre IPO Placement)
- Performance of Q4FY12 is expected to be better than Q4FY11 on account of
 - Better off take from overseas markets for CEW tubes
 - Membrane panel strips is witnessing greater acceptance in the domestic market

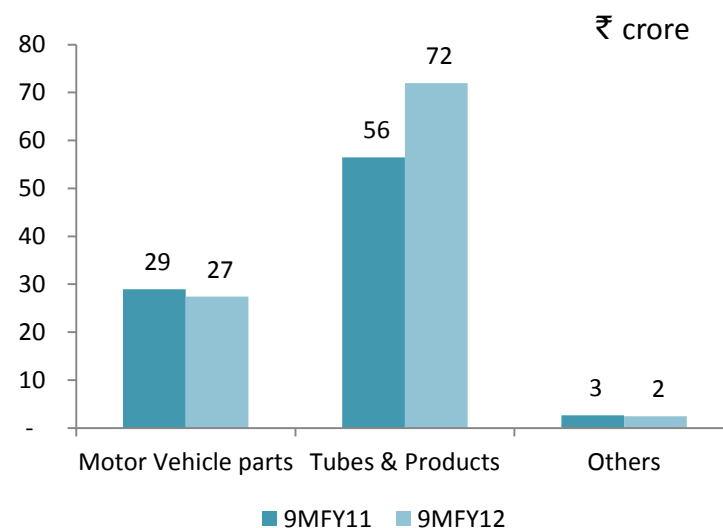
Financial Table – 9MFY2012 (Standalone)

Nine months ended 31st December 2011	9MFY2012		9MFY2011		YOY growth
	₹ crore	% of Turnover	₹ crore	% of Turnover	%
Net Sales	444.20		379.34		17%
Other Income	7.36	2%	2.16	1%	241%
Total Income	451.56		381.50		18%
Material Consumption	275.66	61%	221.64	58%	24%
Employee Cost	14.25	3%	13.74	4%	4%
Other Expenditure	46.55	10%	46.88	12%	-1%
EBITDA	115.10	25%	99.25	26%	16%
Depreciation	15.62	3%	13.06	3%	20%
EBIT	99.49	22%	86.19	23%	15%
Interest	42.35	9%	47.16	12%	-10%
EBT	57.14	13%	39.03	10%	46%
Prior Period Items	-		-		
Tax	11.50		0.74		
PAT	45.63	10%	*38.29	10%	19%
EPS**	7.97		10.39		

9MFY2012 – Segmental Revenue



9MFY2012 – Segmental EBIT

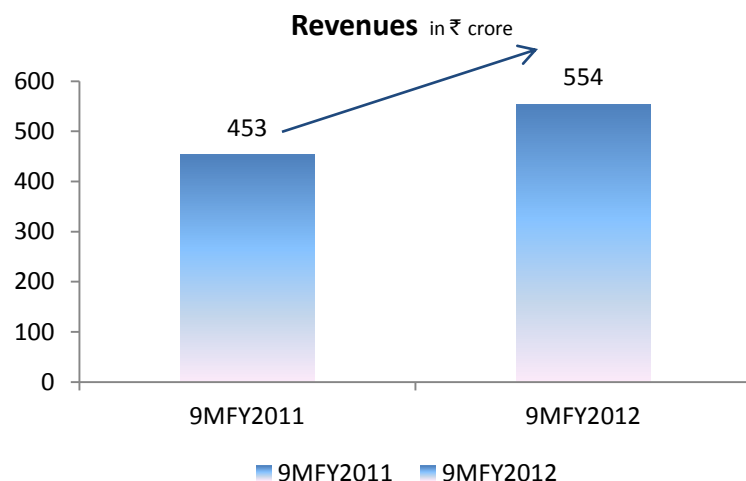


*Includes reversal of excess tax provision of ₹ 6.443 crore of earlier period.

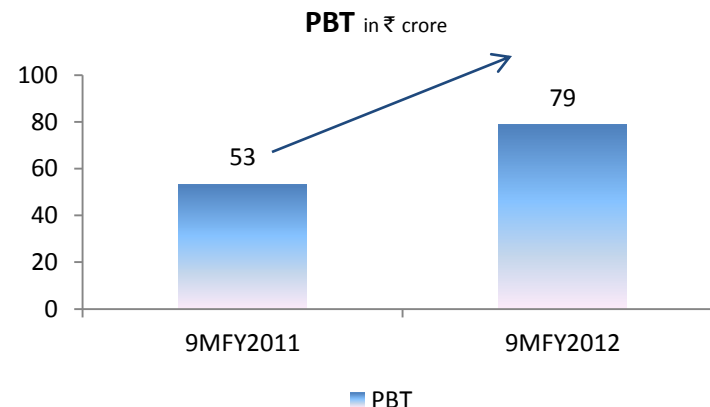
** Basic/Diluted(not annualised). EPS for the given period is not comparable due to issue of shares in IPO and Pre IPO Placement.

Financial Highlights –9MFY2012(Consolidated)

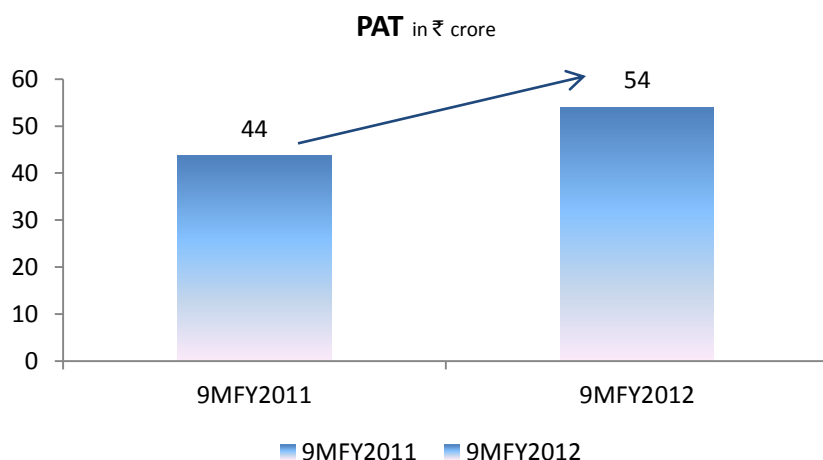
Growth: 22%



Growth: 48%



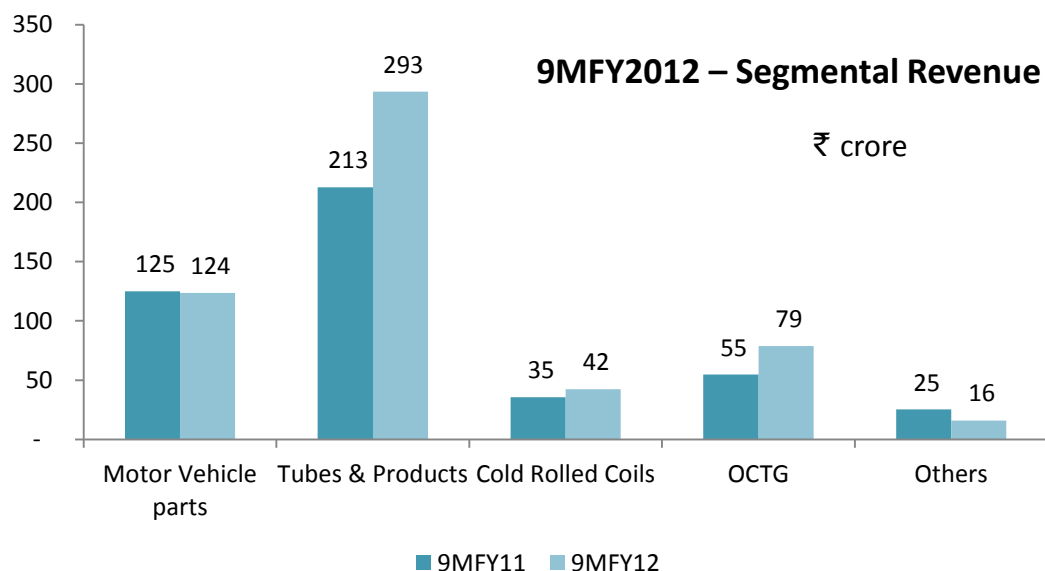
Growth: 23%



- Net Sales increased primarily due to growth in export sales and increasing demand for CEW tubes, OTCG and Cold Rolled Coils, both in domestic and overseas market
- Topline growth has led to an increase in PAT
- Last year PAT includes reversal of excess tax provision of earlier period
- Performance of Q4FY12 is expected to be better than Q4FY11 on account of
 - Better off take from overseas markets for CEW tubes and OCTG products
 - Membrane panel strips is witnessing greater acceptance in the domestic market

Financial Table – 9MFY2012 (Consolidated)

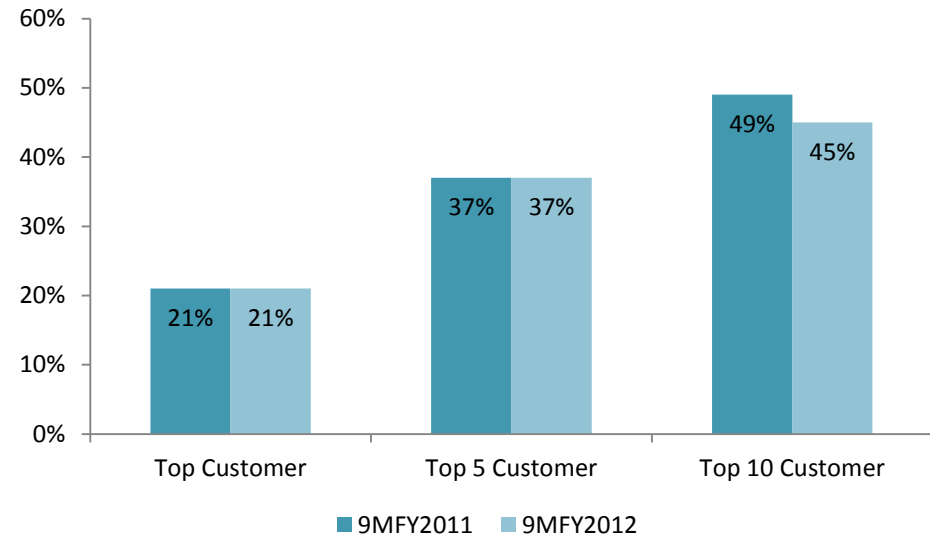
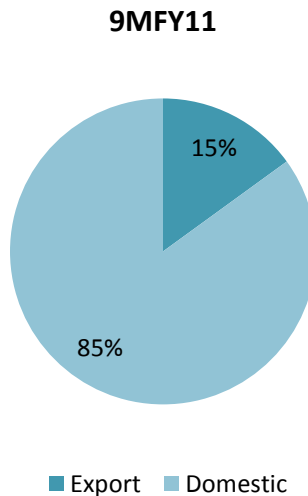
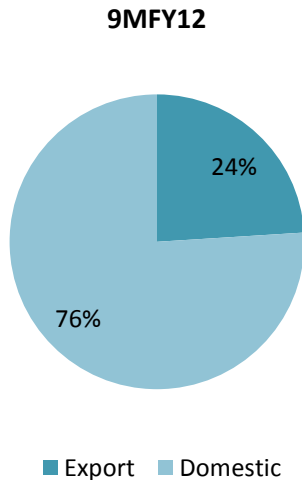
Nine months ended 31st December 2011	9MFY12	9MFY11	YOY growth
	₹ crore	₹ crore	%
Total Revenue	554.1	453.2	22.3%
Profit before Tax	78.8	53.2	48.1%
Profit after Tax and Minority Interest	54.0	*43.7	23.4%
EPS**	9.42	11.86	



*Including reversal of excess tax provision of ₹ 6.443 crore of earlier period.

** Basic/Diluted(not annualised). EPS for the given period is not comparable due to issue of shares in IPO and Pre IPO Placement.

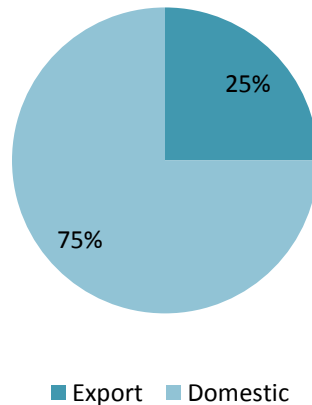
Revenue Mix – 9MFY2012 (Consolidated)



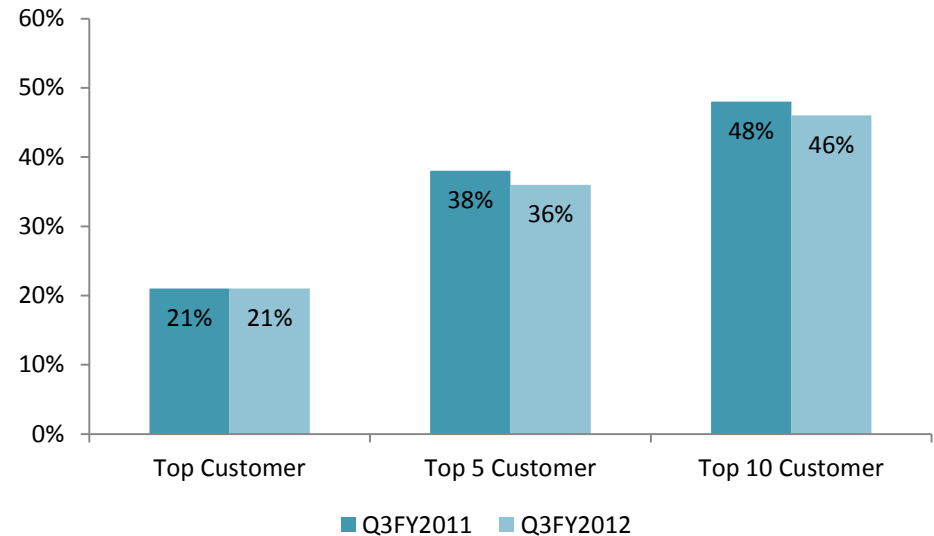
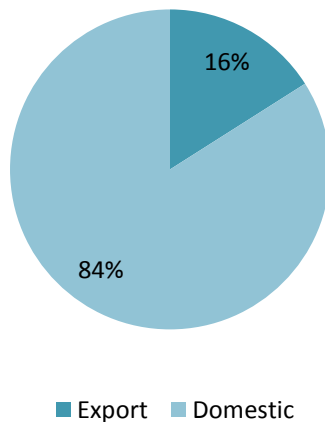
- Exports has witnessed a significant increase to the overall revenues
- Increasing number of products being supplied to countries like US, UK, Germany etc
- Expanding client base and value added products has led to a rise in revenues
- Introduction of newer products in the last couple of years has led to growth in revenues in both domestic and overseas business

Revenue Mix – Q3FY2012 (Consolidated)

Q3FY12



Q3FY11

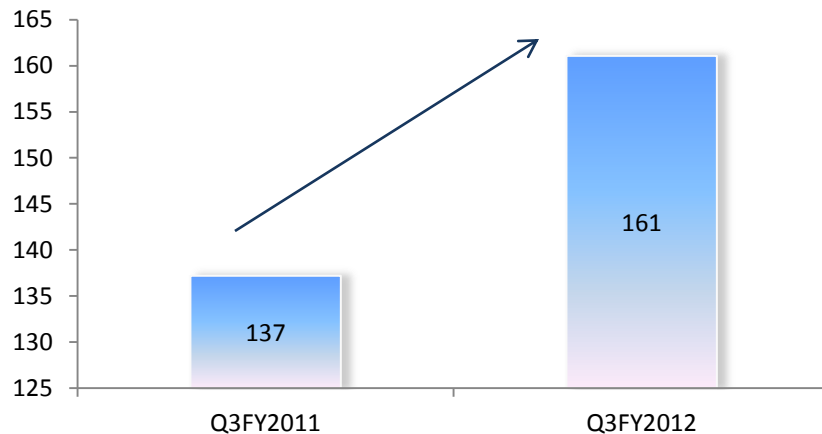


- Demand from export markets has seen a good response during the quarter
- Newer products have been exported in the quarter
- Revenues increasing on back of a growing client base

Financial Highlights – Q3FY2012 (Standalone)

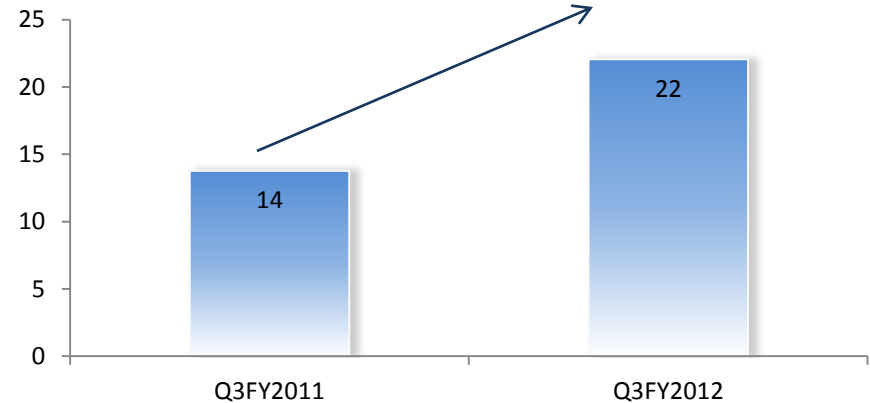
Growth: 17%

Revenues in ₹ crore



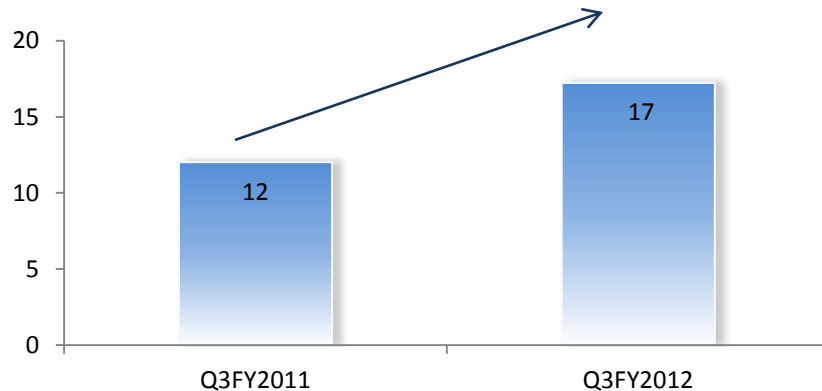
Growth: 60%

EBT in ₹ crore



Growth: 43%

PAT in ₹ crore



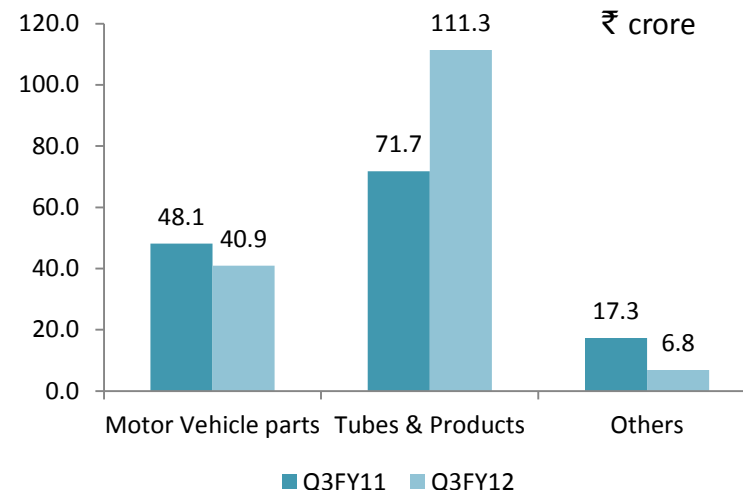
- Net Sales increased primarily due to growth in export sales and increasing demand from domestic engineering and automotive industries
- Margins stood at 26%
- EPS for Q3FY12 stood at ₹ 3.01 vs ₹ 3.26 in Q3Y11
- EPS for the quarter ended December 31, 2011 is not comparable due to issue of shares in IPO and Pre IPO Placement

Financial Table – Q3FY2012 (Standalone)

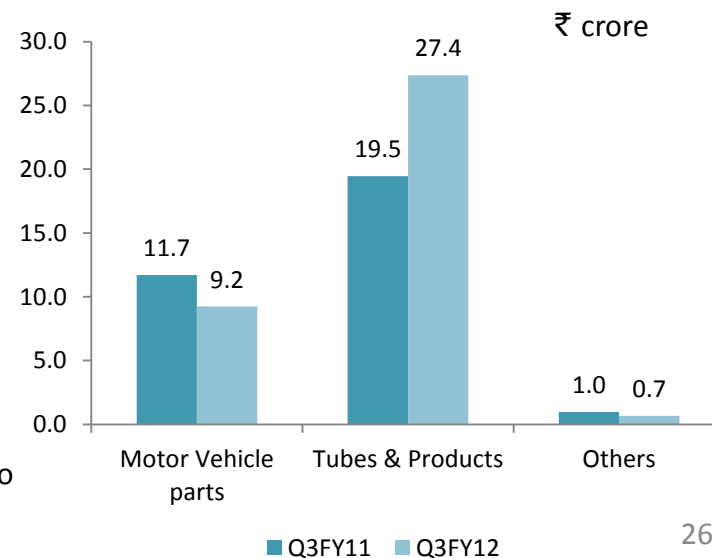
Quarter ended 31st December 2011	Q3FY12		Q3FY11		YOY growth
	₹ crore	% of Turnover	₹ crore	% of Turnover	%
Net Sales	159.07		137.16		16%
Other Income	2.00	1%	0.04	0%	4522%
Total Income	161.07		137.20		17%
Material Consumption	97.77	61%	81.96	60%	19%
Employee Cost	5.39	3%	4.64	3%	16%
Other Expenditure	15.64	10%	14.68	11%	7%
EBITDA	42.27	26%	35.93	26%	18%
Depreciation	5.46	3%	4.51	3%	21%
EBIT	36.81	23%	31.42	23%	17%
Interest	14.74	9%	17.65	13%	-16%
EBT	22.06	14%	13.77	10%	60%
Prior Period Items	-		-		
Tax	4.84	3%	1.75	1%	176%
PAT	17.22	11%	12.02	9%	43%
EPS**	3.01		3.26		

** Basic/Diluted(not annualised). EPS for the given period is not comparable due to issue of shares in IPO and Pre IPO Placement.

Q3FY2012 – Segmental Revenue



Q3FY2012 – Segmental EBIT



Balance Sheet Perspective – As on 31st Dec 2011

Book Value Per Share (₹)	71
Net Worth (₹ Crore)	425
Debt (₹ Crore)	300
Cash & Cash Equivalents (₹ Crore)	*10

*Excluding unutilised IPO funds

All numbers are on a standalone basis

➤ **Tubes & Products (T&P)**

- Demand for our CEW/DOM tubes over seamless tubes is increasing due to better strength and durability of our products
- Existing products are finding newer applications which has led to the overall growth in this segment

➤ **Oil Country Tubular Goods (OCTG)**

- Increasing demand and vendor certifications has helped the company post robust results in this segment
- OCTG products of IIL are finding greater acceptance by global oil well drilling companies

➤ **Cold Rolled coils (CR) and Others**

- Membrane panel strips and super critical panel strips which are import substitutes are finding increasing usage in the domestic industry from companies like BHEL, Alstom, etc
- IIL matches the quality of global manufacturers in this product

➤ **Motor Vehicle Parts (MVP)**

- Maintained reasonable sales level, based on the 2 wheeler majors performance
- Some new components witnessed a rise in demand

IIL anticipates sustained growth due to:

- *Greater acceptance of CEW / DOM tubes over conventional seamless & non-ferrous tubes – increase in demand for IIL's CEW / DOM tubes which have a proven track record*
- *Increased penetration in export markets as business environment places greater pressure on customers to shift to cost competitive suppliers*
- *Increasing demand for hydrocarbons coupled with more global certifications has resulted in growth for OCTG products*
- *Traction in demand for membrane panel strips - an import substitute product has led to capacity expansion in the sector*
- *Supply contract with global customers already in place*

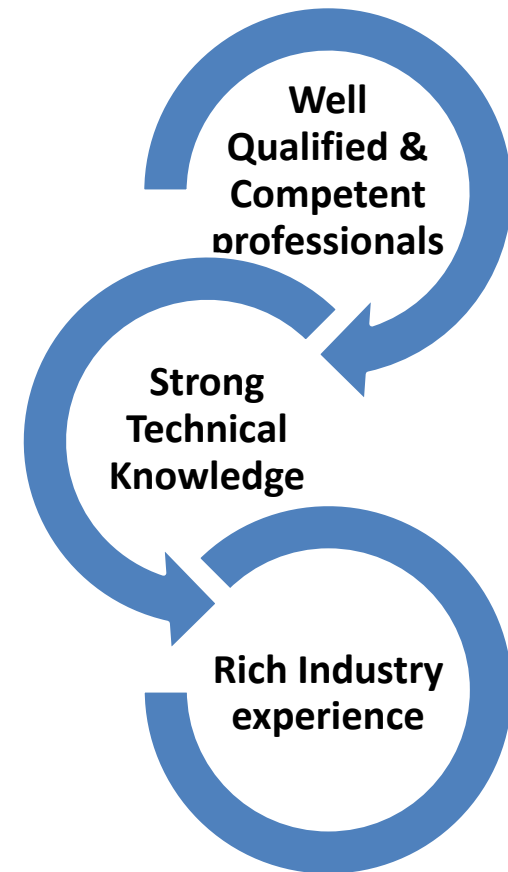
Key Management Personnel...

Mr. Jitendra Palande – Group CEO

- Overseeing all operations of the company, Business Strategy & Development, Finance and Strategic Acquisitions
- Industry experience with Hognas India, Mahindra & Mahindra, Bharat Forge, Cognizant and Tech Mahindra
- Sloan Fellow from London Business School, B.E. Mechanical, CFA and Cost Accountant

Mr. Parag Mulye – CEO Overseas Business Group

- Forms part of Promoter Group
- Plays vital role in overseas business
- Presently, Director of IAI and VP, board member of SSNA
- Diverse experience across commercial and marketing activities
- Diploma in Mechanical Engineering



Key Management Personnel...

Mr. Devdatta Ratnakar – CEO Tube Division

- Leadership experience over 24 years across organisation functions
- Presently Director & President of IAI and board member of SSNA
- Worked with Lenox and STI Sanoh
- Post graduate in Management from IIM-I and B.E Mechanical

Mr. Sanjay Bhade – COO Tube Division

- Forms part of promoter group
- Manages operation of the tube division
- Board member of SSNA
- Worked with Bajaj Auto and Jindal Seamless
- Diploma in Mechanical Engineering

Mr. Shivaji Katke – Business Head, Energy & Planning

- Forms part of promoter group
- Looks after various commercial activities
- Diverse experience in marketing, commercial activities and overseas operations
- B.E Mechanical

Mr. Avinash Adige – CEO Auto Division

- Responsible for operations of Auto Division
- Worked with Bajaj Auto
- Expert in business sourcing activities
- Post graduate in Management from IMDR and Diploma in Electrical Engineering

Mr. Kishore Deshpande – GM Finance

- Works as a Finance Controller
- Over 25 years experience in banking industry
- Worked with Bank of Maharashtra
- B.Com and L.L.B

Board of Directors

Mr. Chandu Chavan - Chairman

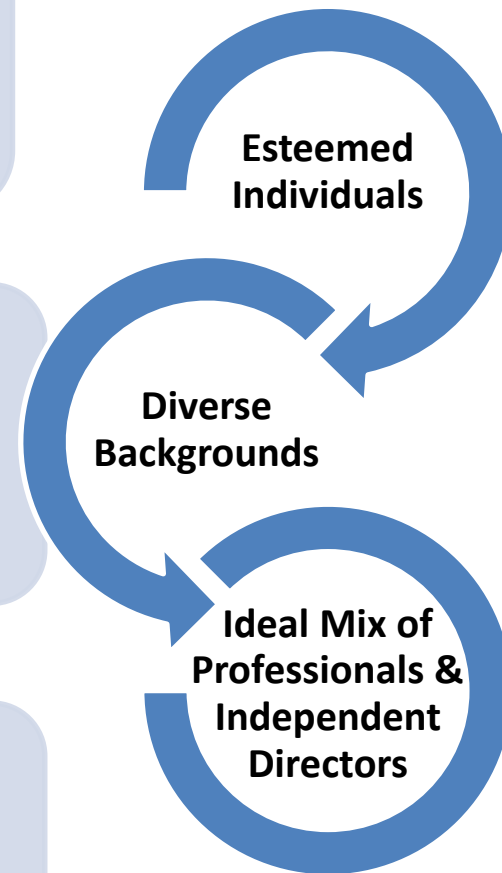
- First generation entrepreneur
- Acquired IIL in 2002, Promoter - Director
- Driving force behind growth and strategy of Innoventive Group
- Presently Chairman of Deccan Chamber of Commerce Industries and Agriculture Pune(DCCIA)
- Diploma in Mechanical Engineering

Mr. Ravindra Katre – Managing Director

- Promoter - Director of the company
- Oversees the raw material purchases, operations for sheet, tubes division and Saicon Steels
- Director of IAI
- Post graduate in Management and Diploma in Mechanical Engineering

Mr. Sanjay Waghulade – Whole Time Director

- Promoter - Director of the company
- Oversees production, tooling and project set up
- Worked with Bajaj Auto, Kalyani Seamless and Saw Pipes in various roles
- B.E. from University of Karnataka



Board of Directors

Mr. William Sean Sovak – Nominee Director(Kavos Capital Ltd)

- Rich experience across manufacturing, distribution, retail, healthcare, etc
- Worked with W.P.Carey & Co in various investment related roles, including their entry in India
- Graduated in Finance from University of Pennsylvania's Wharton School

Mr. Rahul Raisurana – Nominee Director (Standard Chartered PE)

- Managing Director of Standard Chartered PE
- Founded and leads its Mid Market focused private equity business in India
- Presently, Director of PI Industries, Man Infra, etc
- International experience over 20 years in private equity, risk management, corporate and investment banking
- Masters in International management and business administration from USA

Mr. Sanjay Asher – Independent Director

- Partner of M/s Crawford Bayley & Co., a law firm
- Member of the committee in respect of Indo-US Financial Institutions Reforms and Expansion Projects - Capital Markets for the purpose of development of securities law bar and the securities law course in India
- Presently, Director of Ashok Leyland, Bajaj Allianz, Finolex Cables, etc
- Leading authority in legal and tax related matters and been a Fellow member of the Institute of Chartered accountants of India

Board of Directors

Mr. Ramprasad Joshi – Independent Director

- Former lecturer/faculty at VJTI, Mumbai and PICT, Pune
- Served as Project Engineer at IIT Mumbai in Aerospace Department and Software & Hardware engineer at Venus Engineers
- B.E (Shivaji University) & M.E. (VJTI)
- Pursuing Ph.D in Computer Science from BITS Pilani,

Mr. Pradeep Tupe – Independent Director

- Sales and marketing experience at KSB Pumps, Kirloskar Brothers, Rathi Industrial Equipment Co., Atlas Steel Tubes, Gujarat Steel Tubes etc
- Co-ordinator of MIT Group of Institutions, Hon. Secretary at All India Management Association
- Diploma in Mechanical Engineering

Mr. Yashpaul Gupta – Independent Director

- Former General Manager of Union Bank of India
- Over 28 years experience in banking industry
- Presently, Chairman of Audit Committee
- Bachelors from BITS Pilani and PGDM from IIM Ahmedabad

Dr. Rajendra Jagdale – Independent Director

- Vast experience in field of urban e-transformation, IT open source, IP Management and Technology Transfer and business incubation
- Recipient of highest civilian award “Knight of the Order of Academic Palms” by Govt. of France
- Director General & CEO of Science and Technology Park - Pune
- Masters in Botany and Ph.D. in Forest Ecology

Thank You