

## News Announcement

# ***Innoventive Industries Limited receives sanction for Industrial Promotion Subsidy claim of Rs. 25.46 Crore***

**Pune India, September 22, 2011:** Innoventive Industries Limited (IIL) a Multi-product Engineering Company which manufactures precision steel tubes, membrane panel strips, auto components, oil well drilling couplings, pup joints and other steel products catering to applications in diverse sectors such as transportation, oil & gas, boilers, heat exchangers, energy, farm equipment & general engineering is pleased to report that it has received a sanction for Industrial Promotion Subsidy claim of Rs. 25.46 Crore from the Government of Maharashtra (“GoM”), Directorate of Industries vide its letter dated 20<sup>th</sup> September, 2011 subject to terms & conditions mentioned therein.

The Company’s main facility at Pimple Jagtap in Pune had been awarded ‘Mega Project’ status by the GoM under the Package Scheme of Incentives in 2007. This entitles the Company for some monetary benefits which include; Industrial Promotion Subsidy (IPS) in the form of VAT refund equivalent to 75% of the eligible investment made in the plant with effect from March 28, 2007 subject to certain terms & conditions. With its Mega Project status the Company is eligible for IPS until FY 2016. Upon eligibility, the Company started getting IPS primarily by way of VAT refunds from the year 2010 and this sanction represents the third consecutive refund. This validates the Company’s strong compliance with the terms and conditions to be fulfilled in order to be eligible for such benefits. The Government of Maharashtra had recently issued circulars dated 10th and 17th March 2011 which further clarified and laid out guidelines for eligibility of refunds under the scheme. IIL remains eligible for these benefits even under the revised circular.

Commenting on the IPS claim **Mr. Chandu Chavan, Chairman, Innoventive Industries Limited** said, *“It gives us great pleasure to state that we continue to benefit from the Mega Project status awarded by the Government of Maharashtra and we have received a sanction letter for Industrial Promotion Subsidy claim of Rs. 25.46 Crore based on the claim for the period between April 2010 – March 2011. This demonstrates that our business is in-line with the requisite regulatory guidelines and compliance under the Mega Project status set by the Government of Maharashtra.*

*We are confident of our performance in this fiscal given our wide product portfolio, expanding customer base and geographic presence, scalability of newer segments and impending introduction of new products. We are also undertaking capacity expansion at our facilities which will provide greater economies of scale. The incentive sanction received by IIL from the Government of Maharashtra further enhances the value proposition for the Company.”*

IIL has made significant investments in building state-of-the-art manufacturing facilities and developing its in-house R&D to improve the Company's processes and product innovations. Its marquee client base like Alstom Projects India Ltd., Bajaj Auto, BHEL, John Deere India, Salem Steel North America LLC and Thermax are a testimony to its superior and consistent quality of products. The Company's growth for the year remains robust and the Company expects this trend to continue well in the rest of this year due to newer product introductions, fresh client additions and increased export volumes.

### **About Innoventive Industries Ltd (IIL)**

Innoventive Industries Limited (BSE:INNOIND, NSE:INNOIND, Reuters: INNV.BO, Bloomberg: IIL :IN) is a Multi-product Engineering Company which manufactures precision steel tubes, membrane panel strips, auto components, oil well drilling couplings, pup joints and other steel products catering to applications in diverse sectors such as transportation, oil & gas, boilers, heat exchangers, energy, farm equipment & general engineering.

It specializes in processing various types of steel, has a capability to make tubular transformations, enjoys flexible production systems and is able to undertake faster development cycles and effective supply chain management for efficient delivery. IIL has a well developed in-house R&D setup which has led to innovation in the manufacturing process leading to significant savings in resources and heightened competitiveness. The Company has applied patent for the novel cold pilgering process and is in the phase of filing additional patents for some of its other innovative processes.

IIL has six manufacturing facilities spread across Pune and Silvassa. Its manufacturing facility at Pimple Jagtap was granted the 'Mega Project' status by the Govt. of Maharashtra under the 'Package Scheme of Incentives 2007' which entitles the Company to relief from certain duties and benefit of Industrial Promotion Subsidy. IIL markets its products in the domestic as well as export markets and its customer list includes some of the leading names in their industries.

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## **Disclaimer**

*Some of the statements in this document 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 products, the highly-competitive market for the types of products that we offer, market conditions that could cause our customers to reduce their spending for our products, 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 document 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.*

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