

News Announcement

***Innoventive Industries receives Industrial Promotion Subsidy (IPS) of
Rs. 16.38 Crore***

Pune India, May 20, 2011: Innoventive Industries Ltd. (IIL), a leading manufacturer of precision components using innovative technology, that find application in diverse industrial sectors such as transportation, oil & gas, power, farm equipment and general engineering is pleased to report that it has received Industrial Promotion Subsidy (IPS) of Rs. 16.38 Crore* from the Government of Maharashtra.

The company's main facility at Pimple Jagtap in Pune had been awarded a Mega Project status by the Government of Maharashtra under Package Scheme of Incentives in 2007. This entitles the company for some monetary benefits which include IPS in the form of VAT refunds 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 is the second consecutive refund. This validates its 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 above **Mr Jitendra Palande, Group CEO, IIL** said, *"We are pleased to state that we continue to benefit from the Mega Project status awarded by the Government of Maharashtra and we have received Rs. 16.38 Crore as VAT refund (IPS) on this account. This demonstrates that our business conforms to the requisite regulatory guidelines and compliances under the Mega Project status set by the Government of Maharashtra. The refunds will continue to accrue until FY2016 for goods sold in Maharashtra until we exhaust the subsidy available to us. This benefit will add to the earnings of the company and will help IIL deliver performance in line with its financial plan."*

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 Ltd, Bajaj Auto, BHEL, 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 into the next year due to newer product introductions, fresh client additions and continual exports.

*On May 20, 2011 amount of Rs. 16,38,29,000/- has been received by the company against its claim of Rs. 19,27,43,724/- pertaining to the period April 01, 2009 to March 31, 2010. As per standard procedure, the balance amount of Rs. 2,89,14,724/- equivalent to 15% of its claim will be received after completion of business audit by VAT Department of Maharashtra Government.

About Innoventive Industries Ltd (IIL)

Innoventive Industries Limited (BSE:INNOIND, NSE:INNOIND, Reuters: INNV.BO, Bloomberg: IIL :IN) is a multi-product engineering company catering to applications in diverse sectors such as automobiles, boilers & heat exchangers, energy, oil & gas, general engineering. It specializes in processing various types of steel, faster development cycles, flexible production systems, effective supply chain management for efficient delivery and capability to make tubular transformations.

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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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