



**“Tube Investments of India Limited Q4 FY 2017  
Earnings Conference Call”**

**May 17, 2017**



**MANAGEMENT: MR. L. RAMKUMAR - MANAGING DIRECTOR, TUBE INVESTMENTS OF INDIA LIMITED  
MR. K. MAHENDRA KUMAR – EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, TUBE INVESTMENTS OF INDIA LIMITED**

**MODERATOR: MR. KASHYAP PUJARA - AXIS CAPITAL LIMITED**



*Tube Investments of India Limited  
May 17, 2017*

**Moderator:** Ladies and Gentlemen, Good Day and Welcome to the Tube Investments Q4 FY 2017 Earnings Conference Call hosted by Axis Capital Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your Touchtone Telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kashyap Pujara from Axis Capital Limited. Thank you and over to you, sir!

**Kashyap Pujara:** Yes, thank you, Janis and Good Morning, everyone for standing-by. It is a great pleasure to have with us the management of Tube Investments to discuss the Q4 and FY 2017 Results. From the management side, we are represented by Mr. Ramkumar -- who is the Managing Director; and Mr. Mahendra Kumar -- the new CFO.

Without taking too much time, I handover the floor to Mr. Ramkumar. Over to you, sir!

**L. Ramkumar:** Thank you, Kashyap and Very Good Morning to all of you. Thank you all for taking time out to attend this call. I will quickly run through the key numbers of the results which we published for Q4 and the full year for the financial year 2016 - 2017.

We had Total income of Rs. 1,201crores compared to Rs. 1,154 crores of last year same quarter, a growth of 4%. For the full year, we ended up by total income of Rs. 4,487 crores against Rs. 4,248 crores last year, which is a growth of around 6%.

The PBT for the quarter stood at Rs. 65.45 crores against Rs. 56.22 crores of the same quarter the previous year. Overall in the year, we ended the PBT at Rs. 238 crores against Rs. 140 crores of last year before the exceptional item of one-time income due to sale of our stake in the Insurance company which was Rs. 784 crores last year Q4. Without considering that purely from operations I mean, investment income our profits were at Rs. 237 crores against Rs. 140 crores last year. You may notice there has been a significant jump in the PBT to sales percentage from 3.47% last year to 5.65% this year for the full year.

Now, looking at the individual segment of **b**

Bicycles did not have a very good year as we have reported earlier in Q3 as well. In Q4 also we had a drop compared to the Q4 of last year, the drop was 15%. The turnover being at Rs. 363 against Rs. 424 the same quarter last year. The major reason being we could get orders from the government, the governments of West Bengal and Andhra Pradesh but however, we could not execute them due to the time factor by which these had to be executed and the short



*Tube Investments of India Limited  
May 17, 2017*

lead time that was given by these. Otherwise the shortfall in the overall volumes would have reduced to the extent of 2.2 lakh Bicycles.

Also, we did not have a good growth in the trade segment. We have mentioned to you that during Q3 after demonetization the overall sales of Bicycles clench for the entire industry. I can say Q4, we have seen a recovery but not to the extent in the same quarter the previous year.

Engineering division continue to perform well. We had a growth of 18% over the same quarter last year in terms of turnover and in the Metal Form products we had a growth of 7% over the same period last year for the quarter.

Overall, for the year Bicycles ended at a drop of 9%. Engineering grew by 14%. Metal Form product grew by 9%. Overall for the company we had a growth of 5% in the turnover.

Looking at the profits of the individual divisions again, the most affected was Bicycles. For the quarter, we did have big drop compared to the previous year partially because of the institutional orders and partly because of the trade.

Overall for the year, we ended significantly lower in the previous year in terms of PBIT, we did Rs. 79 crores in the previous year, this year we ended up by Rs. 36 crores.

Engineering division we had a good improvement. Our full year PBIT was Rs. 146 crores against Rs. 94 crores the previous year. There has been a growth of 54% largely driven by exports.

Metal Form products again had decent growth of 7% in PBIT from Rs. 86 crores to Rs. 92 crores. Overall, see, the growth in PBIT was around 12%.

Now, coming to the individual divisions volumes which many of you may be interested, I will just give you some numbers pertaining to it. Bicycles overall, we ended up at nearly 40 lakh cycles as against 45.5 lakh cycles in the last year which is a drop of 13%. The outlook for the current year if you were to ask, we have seen a reasonably good start during Q1 not fully to the expectation but it has been steadily improving after the bottom it reached in Q3.

Normally, Q1 is a good season for us, the pick-up in order load is very good in Q1 compared to Q4 of 2016 - 2017. We are also executing the institutional orders which got postpone; we are also going to get more institutional orders. We expect the government orders during the current year could be as much as what we did last year though not all orders have come in.

As we mentioned, we have launched a number of new products during the last quarter about 75 to 76 models, we have also expanded our reach in terms of the new format of Track and Trail



*Tube Investments of India Limited  
May 17, 2017*

stores the retail. These two along with our new way of delivering as per the theory of constraints method which means we make more as per demand rather than for stock is expected to improve the delivery performance with our customers. All this put together we expect a significant improvement in the volume and performance of this division.

Coming to Engineering division:

We did have a good run in terms of our Cold Rolled Steel business we grew by 7% in volume again aided by automotive in the first-half of goods, the third quarter was a little muted. Fourth quarter was better. We see in the first quarter of this year a good momentum coming up in the Passenger Car, Commercial Vehicle, and the Two-Wheeler industry, this is going to help us in all our Engineering related products.

In the case of Tubes, in the domestic market, we had a moderate growth of 4% in volume over the previous year. However, as reported earlier, exports continue to grow and finally we ended the year with a volume growth of 85%.

We expect, with the growth we are seeing in the Automotive industry in the current year there will be a growth in the domestic market. While there are challenges of Steel prices increases under recovery thereof there has been a lot of fluctuation in Steel prices increases in the last 9 months to 12 months. Once the Steel price stabilizes, I think it will be good for everybody. But otherwise, there is always a catch-up game in terms of price reductions and price increase to be brought from the customers. But we definitely see a volume growth in the current year as it goes. In the first quarter the signs are very good both in Strips and Tubes.

As far as exports is concerned, while we did a big jump during the year 2016 - 2017, we may not have a same kind of jump, we will continue to have a 20% - 25% growth over the next two years - three years in exports based on the various programs which we have contracted.

The Large Diameter Tubing:

The new investment we have made a couple of years back, we continue to improve our volumes, capacity utilization, customer acquisition, we are over the hump as far as all the quality problems are concerned, we ended the year with a 25% growth over the previous year in terms of volume, the losses in this division have also been substantially reduced and I can say we wanted to know the capacity utilization, it is around 55% to 60%. Over the next two years, I think we will be reaching the full capacity of this business.

The Metal Forming business:

We had reasonably good growth in the Door Frame business at 6% and in the case of order Automotive Chain, it was almost flat because the Two Wheelers over the year did not grow



*Tube Investments of India Limited  
May 17, 2017*

much. But in the aftermarket, we had small growth of 9%. Our Industrial Chain had a reasonably good growth and export chains also. Overall, Industrial Chains grew by around 8%. The Fine Blanking business grew by 5%.

So, this is the situation as far as volume and outlook for the businesses are concerned.

Coming to our subsidiaries and associate companies:

Shanthi Gears continue to do well, you might have seen the results of this business. We had growth in turnover, we continue to grow in this business. We grew overall by 12% over the last year in terms of turnover. Whereas, PBT grew by 23%; PAT by 27%. The company has got a reasonably good order book. Happy to say that during the year 2016 - 2017, we crossed the order book of Rs. 200 crores and as we are talking, I think we have a fairly good value of orders to be executed for starting, when we started the year at around Rs. 112 crores. The orders have been coming in from various places.

We have also made some significant improvement in terms of our Service business. During the last year, there has been a good growth in the Service business. During 2017 - 2018 we have also expanded our facilities for service and the customer base, we have had some excellent track record of appreciation from very big customers for the work we done in terms of timely help we did to various people to see that they did not lose production.

Coming to the other two major businesses:

We are connected with in the financial services which is Cholamandalam Finance and Cholamandalam Investments. Both these companies have done exceedingly well. Cholamandalam Finance is a listed company, I am sure, you have had a chance to take a look at the numbers. Just to tell you in nutshell, they did very well on all fronts. CIFCO's disbursement went up by 13.5%, operating income by 11%; PBT by 27%; PAT by 26%. The ROTA on PAT basis went up from 2.3% to 2.6% during the year.

Whereas in the case of Chola Insurance gross return premium went up by 27%; PBT by 39%; PAT at 41% and with the PAT of around Rs. 208 crores for the year. The solvency ratio was also slightly better with 1.64 against 1.60 last year. We rank 7th amongst the private companies in terms of industry ranking.

Overall this is the situation and for those of you who may be interested in I think there are some usual questions which we answer in terms of CAPEX, I think we ended the year by a spend of Rs. 157 crores against Rs. 124 crores the previous year. We are planning for CAPEX of something like Rs. 277 crores. Largely, new plant for Tubing in Punjab and some investments for expansion of the Fine Blanking business and the few other modernization



*Tube Investments of India Limited  
May 17, 2017*

CAPEX to form part of this Rs. 277 crores. Our debt to equity ratio continues to be healthy at 0.36 in terms of total debt to equity.

And I think, we have pretty much covered the usual parameters which we look at during the investor call. If you had any questions we will be very happy to answer the same. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with the Question-and-Answer Session. We take the first question from the line of H R Gala from Panav Advisors. Please go ahead.

**H R Gala:** I think despite set back which you explained in the cycle, I think overall we have reasonably done quite well. Sir, from the overall perspective, I just wanted to know that how do you see the Automotive and industrial scenario in FY 2018?

**L. Ramkumar:** As I mentioned a little bit, I think many of you may know better because you deal with number of people. We are seeing the start of the year pretty good for the Automotive. The Industrial business for us is always in the line . We will look at the index of Industrial production or the GDP broadly it is (+1%) or (+2%) like that. So, I think the general mood is good. Automotive definitely we have seen orders on hand. We have seen surge and how we use capacity and if it continuous like this it will be a very good year for the current year.

**H R Gala:** Okay. So, overall for sir, Engineering and Metal Forming, what kind of revenue growth would you be expecting in next year?

**L. Ramkumar:** Very difficult to say, we are still in the very second month of the year, I think it should be far better than what is there last year.

**H R Gala:** Okay. It should be better than that.

**L. Ramkumar:** Yes.

**H R Gala:** Cycle as you said, that should do well with the institutional sales and all that.

**L. Ramkumar:** Yes, Cycles we had a very specific reason of demonetization which pulled it down on some natural factors in the prior to demonetization. During the season, we had some floods in West Bengal and other areas. So, I think, some of those things I am hoping definitely will not happen again. So, first the correction will take place, that itself will push up the volumes, on top of it we are planning very aggressively for retail growth and new product growth to grab share in the market. So, I think all this should work very favorably towards bringing it to a very good level of volume and profits.

**H R Gala:** Okay. And how you see export market towards Cycles?



*Tube Investments of India Limited  
May 17, 2017*

- L. Ramkumar:** See, actually last year we did well. We do very limited segment of kids Bicycle where we are very competitive. We grew by 76% in terms of volume and may be value also. So, this will continue to grow probably I think 25% - 30% each year.
- H R Gala:** Okay. Sir, from accounting perspective we see that the numbers which we had reported for FY 2016 consolidated last year and this year they are vastly different. So, I think because of the Indian Accounting Standards and Indian GAAP all these changes have taken place?
- L. Ramkumar:** Consolidated, you must take it with a pinch of salt because during the year 2015 - 2016 up to August some date Chola Finance was our subsidiary. After August some date, I do not remember the date they seized to be a subsidiary. It itself means your consolidation is on a very different note. Up to the point when it is a subsidiary we are doing line by line at the sales level. Then it stopped being a subsidiary we only take the relevant income, right? So, I would think you must look at the individual company, we have standalone TI, we have standalone Chola also, right? On top of it we only have Shanthi Gears and Cholamandalam Insurance about which I talked about. So, I will not be able to comment on this. We have done it more from a statutory requirement purposes but it is not in that sense comparable because the year had a different number.
- H R Gala:** Okay. And now in this year how has been the consolidated been done?
- L. Ramkumar:** I think this year consolidation we have done but it is not compulsory, right. we have put it on the...
- H R Gala:** Now, I think is it 100% consolidation line wise for revenue?
- L. Ramkumar:** Line wise we cannot do because Cholamandalam Finance continues to be less than 50% of our share in company.
- H R Gala:** Because that is included under the other financial services and that number for last year...
- L. Ramkumar:** Okay. I think we have to consolidate for whatever percentage we have under IndAS, if it is 40, we will take 40. Earlier only under the Indian GAAP we were not to consolidate. I am requesting my CFO to see if he can give you some answers.
- H R Gala:** Yes, sure.
- K. Mahendra Kumar:** In terms of what we consolidated you would like to know or?
- H R Gala:** Yes, what we have consolidated especially in other financial services. See, FY 2016 reports now we are reporting is Rs. 4,217 crores in revenue.



*Tube Investments of India Limited  
May 17, 2017*

- L. Ramkumar:** This is what is appearing on our website because these all new numbers which are coming, we are not able to...
- H R Gala:** Yes, exactly. They are largely different than what we had reported in the last March 2016 results, that is what I wanted to basically.
- L. Ramkumar:** I would think, if it is possible for you to send an e-mail to Mahendra. Please do that we will definitely clarify to you.
- H R Gala:** So, sir, overall you think that the prospects are quite good for the current year?
- L. Ramkumar:** Yes, we believe so.
- H R Gala:** Including for Shanthi?
- L. Ramkumar:** Yes.
- H R Gala:** Shanthi, sir has they made any progress on the defence or some other new verticals?
- L. Ramkumar:** We are executing one long lead time order in the defence area. I will not be able to say exactly what it is, we are not supposed to. But we have knocked at the doors of many of the prospective customers in the defence area. It takes time to make an entry time there and also the order lead time is long. And we are very hopeful that we are making the right progress in terms of looking at the products and getting qualified. As and when we book the orders we will be able to say so many crores we are able to book. During the year, I would think that we would make some break throughs there.
- H R Gala:** Okay. So, as on 1<sup>st</sup> April Shanthi had the opening order of Rs. 150 crores, did I hear correctly?
- L. Ramkumar:** I think Rs. 112 crores.
- Moderator:** Thank you. Next question is from the line of Ronak Shah from SJC Advisors. Please go ahead.
- Ronak Shah:** My question is on the demerger. So, if you could kind of highlight we are in the process right now and where do we expect that thing to get done. And secondly, my question is once the demerger does happen, the financial entity kind of becomes the holding company the Chola Finance and Insurance, right? So, what is the kind of two - three plan as far as that entity is concerned?
- L. Ramkumar:** I will answer the second question first. We have individual plans for Chola Insurance and Chola Finance for the next three years. We are in the process of making out a plan for the combined entity under the new dispensation I think may be in the next few months we will be



*Tube Investments of India Limited  
May 17, 2017*

able to do. We are looking at various options because the new entity which is coming up. So, far we have looked at it as Financial Services business. On top of it, if there something else we will factor in the holding company is something we are not ready to answer, we will come back to you. As far as the demerger is concerned, we have had the Extraordinary General Meeting of the shareholders. We have also filed our return with the NCLT which is on a holiday this month May. During the month of June, I think it will be taken up. I think there is going to be a kind of hearing from major creditors on no objection for this. We do not see any major issue there. Once that is over then we need to notify the Registrar of Companies. 21-day notice to the Stock Exchanges and Registrar there are sometime. So, we are saying, if everything goes well probably by July we should be in position to have this two separate companies and later on listed also.

**Ronak Shah:** Got it. And just for the Insurance business, I mean now that the Insurance business seems to be doing extremely well it is extremely profitable as well. Is there any plan to list that separately over the next one year to two years?

**L. Ramkumar:** No, as such there is first the TI will become two companies as you know Financial Services and the Manufacturing side. However, we will deal with the constituents of this later I think we will have to think after that. Right now, there is no thinking on anything beyond this as such. We need to execute and get this done.

**Ronak Shah:** Okay. And can you give us some sense for what the growth looks like in the Insurance side for FY 2018? Chola Finance we already know that you have given it a separately listed, but we do not have as much information on the Insurance business.

**L. Ramkumar:** Insurance business is expected to grow definitely in double-digits and what I understand again, this can be separately answered if any of you wrote to us. I do not have the exact numbers but I have a sense that the growth and profit will continue to grow as it has in the last few years.

**Moderator:** Thank you. Next question is from the line of Vipul Shah from Sumangal Investments. Please go ahead.

**Vipul Shah:** What is the exit market share of Chola MS General and how does it compare with the opening market share as on 1<sup>st</sup> April, 2016? I want to compare the opening and closing market share.

**L. Ramkumar:** Closing is 2.71.

**Vipul Shah:** Okay. And what should be the opening sir?

**L. Ramkumar:** I do not have the number but I think we would have marginally improved. I do not know it is a big improvement or small improvement.



*Tube Investments of India Limited  
May 17, 2017*

- Vipul Shah:** Okay. And sir, can you give the tonnage for Large Dia for the quarter and the year?
- L. Ramkumar:** Why do you want to know that, I will give you that but what exactly will you do? We did 5,000 tonnes for the quarter and 18,000 tonnes for the year.
- Moderator:** Thank you. We take the next question from the line of Kashyap Pujara. Please go ahead.
- Kashyap Pujara:** Sir, just wanted to know the combine ratio in the General Insurance.
- L. Ramkumar:** Combine ratio is 104.5, last year it was 105.1.
- Kashyap Pujara:** Okay, wonderful. So, we are improving over there. And in the Pipe segment, the Engineering segment last year we did a tonnage of 2.2 Lac tonnes. So, this year there is a growth of 9% on that?
- L. Ramkumar:** Correct.
- Kashyap Pujara:** All right. And the normalized margin in the cycle can we assume it be like 5% which historically it has been EBIT margin?
- L. Ramkumar:** Interest and Tax. I do not know how much it is, it must have gone very low now.
- Kashyap Pujara:** Yes, this year because of this one-off it is low. But historically you all have been above 5%.
- L. Ramkumar:** Yes, I think we will get there soon.
- Moderator:** Thank you. We take the next question from the line of Anish Jobalia from Jeetay Investments. Please go ahead.
- Anish Jobalia:** What I would like to know in the Metal Forming products, you are doing revenues of around Rs. 1,350 crores. So, is it possible for you to give the break-up of how it is between Automotive Chains, Industrial Chains, and Fine Blanking products?
- L. Ramkumar:** Normally, we would refrain from that. If you want to know anything specifically about these businesses we can tell you.
- Anish Jobalia:** Okay. So, probably not the numbers but especially in the Automotive Chains and the Industrial Chains, is it possible for you to speak a little bit about the competition in these particular products. And also, second thing for the Automotive Chains I mean it is generally driven by the Motorcycles it is not huge in the Scooters. Because in the current scenario the Scooters are



*Tube Investments of India Limited  
May 17, 2017*

growing much more faster than the Motorcycles. So, are you seeing any long-term threat to that particular business?

**L. Ramkumar:** See, I will answer this question. Motorcycles have got two chains – the drive chain and the timing chain which is for the starting. Now, Scooters has got one chain, they do not have a drive chain but they have the timing chain. So, that chain will continue to grow and in all our projections and plans, we continuously take into account the proportion of Scooters and Motorcycles changing. Third important thing is the aftermarket is increasing dramatically. You see today, the sales have changed in aftermarket is much more than the OEM the vehicle park. The headroom for us in the aftermarket is more, may be 50% of the business is actually done by the OEM themselves. We give them the chains, they will put their name, whatever is the name of the company. But still there are dealers where they buy directly from us or from our competition for supplying to these OEMs. So, there is room for that and that market is growing that is the growth you asked about the prospects of this business. As far as the OEM business is concerned it is very competitive and all the OEMs want more for less. They continuously put pressure on price. We have a very significant share. We will have 45% to 60% with most of the people in the OEMs and the name of the game here is delivery and new product development. So, there are some new developments which are coming in the timing chain, we are also working on that. If you are the first, then you get the first mover advantage and then you get some benefit out of that. It is like running on a treadmill without losing your balance. Industrial Chain depends on new products, new markets, import substitution plus export of our products.

**Anish Jobalia:** Okay. And sir, what would be your market share for the Industrial Chains?

**L. Ramkumar:** Very high, I think it may be upwards of 40% - 45%. There are not many players, we and another big player are there, small players may be another 10% - 15% of the market.

**Anish Jobalia:** Okay. Sir, so in the Industrial Chains is there any rising competition, I mean L. G. Balakrishnan is one company which is present in automotive chains.

**L. Ramkumar:** There is a company called Renault.

**Anish Jobalia:** Renault, right.

**L. Ramkumar:** So, they are the major competitor for us in the Industrial Chain business.

**Anish Jobalia:** In the Industrial Chains, okay. Okay. So, basically the competition in this is just based on price, right? I mean, it is not a technology intensive business, I mean, there are no real barriers to entry, right?

**L. Ramkumar:** In which business?



*Tube Investments of India Limited  
May 17, 2017*

- Anish Jobalia:** Both the Automotive and the Industrial Chains?
- L. Ramkumar:** No, there is a technology barrier. After you cross the barrier, you face the competition. So, anybody cannot start, it is a long-drawn process of approvals. But at this point of time, I think in the OEM business we have four people, they are all almost at the same level of technology that is the competition. Again, we have to reduce the cost and do all this improvement in service and quality and all that.
- Anish Jobalia:** Okay. So, overall, can we expect that both these divisions would be growing in the range of 5% to 10%. It would not grow faster than that, right?
- L. Ramkumar:** If the Automotive market grows fast, we will grow fast. There have been times we have grown at 15% - 20% per year and all.
- Anish Jobalia:** Okay. And sir, what would be the sustainable margins for this?
- L. Ramkumar:** Sustainable margins depends on the product mix in the case of Industrial Chain, if you are giving some unique products the pricing will be better. Relatively Industrial Chain could be better than Automotive Chains. I think, endeavor is to constantly improve the margin but OEMs very tough, you have got to do a lot of efficiency improvement and all that which we are doing.
- Anish Jobalia:** Okay. So, there is no structural changes in the margins profile that is happening in this particular division?
- L. Ramkumar:** What kind of change do you expect actually?
- Anish Jobalia:** No, I mean I do not know exactly like how product profiles are changing or you are coming up with new products like for example Silent Chain that I think you are talking about?
- L. Ramkumar:** Yes, so those kinds of products may have a better margin. It depends on what percentage it is of the total.
- Anish Jobalia:** Right. But the market size for that would be smaller because that is generally used in the Passenger Vehicles, right?
- L. Ramkumar:** That is not, timing chain of Passenger Vehicle, it is timing chain of the Two Wheelers, which is used in Scooters and Motorcycles like that. Still it will not be a very larger percentage in terms of value but it will have a positive impact on the margin.
- Moderator:** Thank you. We take the next question from the line of Vipul Shah from Sumangal Investments. Please go ahead.



*Tube Investments of India Limited  
May 17, 2017*

- Vipul Shah:** In Car Frame business any new development, sir?
- L. Ramkumar:** See, Car Frame business we have been getting business of the new models of Hyundai. And of course, whatever Tata Motors we also got those models, the new models, we only supply the Door Frame. Mahindra's we are doing some new. Apart from that what is called the divisional channel which is not a Door Frame but the channel which divides the window, etc., that business also we do for Maruti, Renault – Nissan, and all these people Toyota.
- Vipul Shah:** Okay. So, what type of growth we can expect in that business this year, sir?
- L. Ramkumar:** See, the business is largely Passenger Car centric that also the Passenger Cars which use the Door Frames. It should be good, I think because as such we see Passenger Car growth is good, it could be better than last year, if it goes like this.
- Moderator:** Thank you. We take the next question from the line of Kashyap Pujara. Please go ahead.
- Kashyap Pujara:** Sir, one more question is that currently we are operating at 55% utilization in the Large Dia Tub Mill, what level do we breakeven at the EBITDA or EBIT front?
- L. Ramkumar:** May be at 70% - 75%.
- Kashyap Pujara:** At 70% all right.
- Moderator:** Thank you. We take the next question from the line of Ronak Shah from SJC Advisors. Please go ahead.
- Ronak Shah:** Yes, could you talk a little bit about the margins in the Auto Chain aftermarket business compared to the OEM business? Any kind of flavor on how much better it is versus OEM?
- L. Ramkumar:** See, it is the matter of the price or dynamics and it is not something I can say, this is the number. You can generally take it as better.
- Ronak Shah:** The working capital intensity in the aftermarket business versus OEM?
- L. Ramkumar:** It should be better on aftermarket because we have very good track record of collection. Our receivables are done in 20 days - 21 days in the dealer market. The others we supply to OEM that is also spares. And compare to what we can do with OEM this can be turned around faster.
- Ronak Shah:** Okay. And what is the debtor days in the OEM?
- L. Ramkumar:** I do not know it varies between 45 days to 60 days.



*Tube Investments of India Limited  
May 17, 2017*

**Moderator:** Thank you. Well that was the last question. I now hand the floor over to Mr. Kashyap Pujara for his closing comments. Over to you, sir!

**Kashyap Pujara:** Thank you everybody for standing-by. And I would like to thank the management of Tube Investments. Thank you so much.

**L. Ramkumar:** I thank all of you.

**K. Mahendra Kumar:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, on behalf of Axis Capital Limited, that concludes this conference. Thank you for joining. You may now disconnect your lines. Thank you.