



TUBE INVESTMENTS OF INDIA LTD STANDALONE OPERATING PROFIT BEFORE TAX UP BY 69%

The Board of Directors of Tube Investments of India Limited (TII) met today and approved the financial results for the quarter and year ended 31st March, 2017.

Standalone Results

For the year 2016-17, TII's Revenue was higher by 5% at ₹4416 Cr. as against ₹4212 Cr. in the previous year. The profit before tax and exceptional items for the year was at ₹238 Cr. as against ₹140 Cr. in the previous year, registering a growth of 69%.

TII's Revenue for the quarter was higher by 3% at ₹1168 Cr. as against ₹1130 Cr. in the corresponding quarter of the previous year. The profit before tax and exceptional items for the quarter was at ₹65 Cr. as against ₹56 Cr. in the corresponding quarter of the previous year, registering a growth of 16%.

Mr. L. Ramkumar, Managing Director said, "During the year, Auto Industry registered a growth of 9% in passenger vehicles and 6% in two wheeler segment. While Cycles Division was hit in Revenue and Profits due to demonetization, the other segments showed good revenue and profit growth. The exports grew by 56% over the previous year. The profit before tax and exceptional items for the year was at ₹238 Cr. as against ₹140 Cr. in the previous year, registering a growth of 69%."

Review of Businesses

Cycles and Accessories

This division has registered a revenue drop of 9% during the year due to drop in Institution sales. Trade sales were affected due to Demonetisation. Profit before interest and tax for the year was ₹36 Cr. as against ₹79 Cr. in the previous year.

This division has registered a revenue drop of 14% during the quarter due to lower Institution sales. Profit before interest and tax for the quarter was ₹6 Cr. as against ₹20 Cr. in the corresponding quarter of the previous year.

Engineering

In the Engineering division, Sales volume grew by 10% in Tubes and 7% in Cold Rolled Steel Strips during the year compared with the previous year. This division has registered revenue growth of 14% during the year and Profit before interest and tax for the year was ₹146 Cr. as against ₹94 Cr. in the previous year, a growth of 55%.

This division has registered revenue growth of 18% during the quarter, aided by 63% volume growth in exports. Profit before interest and tax for the quarter was ₹25 Cr. as against ₹28 Cr. in the corresponding quarter of the previous year.

Metal Formed Products

In this segment, the doorframes segment volume grew by 6% compared with previous year. The sale of Industrial Chains and Fine Blanked Components recorded a volume growth of 9% and 5% respectively over the previous year. Sale of Automotive chains to OEMs was slightly lower than the previous year. This division has registered revenue growth of 9% during the year and Profit before interest and tax for the year was ₹92 Cr. as against ₹86 Cr. in the previous year, a growth of 7%.

This division has registered revenue growth of 7% during the quarter compared with corresponding quarter in the previous year. Profit before interest and tax for the quarter was ₹24 Cr. as against ₹25 Cr. in the corresponding quarter of the previous year.

Consolidated Results

For the year 2016-17, TII has achieved consolidated Profit after tax of ₹1,175 Cr. as against ₹789 Cr. in the Previous Year, registering a growth of 49%.

Cholamandalam Investment & Finance Company Ltd, a financial services subsidiary, in which the Company holds 46.22% stake, disbursed ₹18,591 Cr. during the year compared to ₹16,380 Cr. in the previous year, a growth of 13%. Consolidated Profit after tax for the year was at ₹798 Cr. as against ₹743 Cr. in the previous year, registering a growth of 7%.

Cholamandalam MS General Insurance Company Ltd., a subsidiary in general insurance business, in which the Company holds 60% stake, registered a Gross Written Premium (GWP) of ₹3,143 Cr. during the year as against ₹2,466 Cr. in the previous year, a growth of 27%. Profit after tax for the year was at ₹208 Cr. as against ₹148 Cr. in the previous year, registering a growth of 40%.

Shanthi Gears Ltd., a subsidiary company in the Gears Business, in which Company holds 70.12% stake, registered a revenue growth of 12% for the year compared with the previous year. The revenue for the year was ₹204 Cr. as against ₹182 Cr. in the previous year. Profit after tax for the year was at ₹23 Cr. as against ₹18 Cr. in the previous year, registering a growth of 27%.

Update on Proposed Scheme of Arrangement

Pursuant to the directions of the National Company Law Tribunal, Division Bench, Chennai (NCLT), by its Order dated 10th March, 2017, a meeting of the Equity Shareholders of the Company was convened on 24th April, 2017 for approving the Scheme of Arrangement under which the Manufacturing Business Undertaking of the Company would be segregated with effect from the appointed date of April 1, 2016 on a going concern basis, and transferred to T1 Financial Holdings Limited (“Resulting Company”), subject to necessary approvals. At the said meeting and through the electronic voting which preceded the said meeting, the Equity Shareholders have voted overwhelmingly in favour of the Scheme of Arrangement. Consequent to obtaining of the Shareholders’ approval, the Company has filed necessary Petition on 28th April, 2017 seeking the NCLT’s sanction of the Scheme. The said Petition is expected to be heard by the NCLT Division Bench in due course.

The financial results have been prepared and published without giving effect to the Scheme, as the same has not come into effect, in order to comply with the requirement under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Upon the Scheme coming into effect, the Company will prepare the financial statements of the financial services business for the year ended 31st March 2017 and the Resulting Company will prepare the financials statements of the manufacturing business undertaking for the year ended 31st March 2017.

About Murugappa Group

Founded in 1900, the INR 295 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Parry Sugar industries Ltd, Shanthi Gears Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Ladybird, Mach City, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 32,000 employees. For more details, visit www.murugappa.com