



TUBE INVESTMENTS OF INDIA LTD STANDALONE PAT UP BY 64%

The Board of Directors of Tube Investments of India Limited (TII), formerly known as TI Financial Holdings Limited met today and approved the financial results for the Quarter ended 30th June 2019.

Highlights:

- Revenue of ₹1252 Cr. in the quarter with a drop of 8% over Q1 of last year mainly because of de-growth in Auto Industry (Production of Passenger vehicles and Two wheelers dropped by 12% and 10% respectively – Ref SIAM data)
- Highest ever PBT (before exceptional items) of ₹107 Cr, a growth of 36% over Q1 of last year. This is excluding the gain of ₹19 Cr. (shown as exceptional item) made on tendering of shares held in Shanthi Gears under the buyback scheme. PBT after exceptional item is ₹126 Cr.
- ROCE improved to 23% from 18% in Q1 of Previous year (excl. exceptional item)
- Free cash flow to PAT (before exceptional items) at 120%

Standalone Results

TII's Revenue for the quarter was lower by 8% at ₹1252 Cr. as against ₹1357 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at ₹88 Cr. as against ₹54 Cr. in the corresponding quarter of the previous year. Higher profitability and lower capital employed enabled improvement in Return on average Capital Employed (ROCE) to 23% from 18% in the corresponding quarter in the previous year. The Company generated free cash flow of ₹83 Cr. during Q1 and at 120% of PAT. During the quarter, the Company surrendered 32.39 lakh equity shares under the buyback scheme announced by SGL and registered a profit of ₹19 Cr. This was shown as exceptional item.

Review of Businesses

Engineering

The Revenue for the quarter was at ₹657 Cr. compared with ₹717 Cr. in the corresponding quarter of the previous year. Profit before interest and tax for the quarter was ₹67 Cr. as against ₹65 Cr. in the corresponding quarter of the previous year, registering a growth of 3%. The ROCE of this division continues to be at 40% similar to the corresponding quarter of previous year.

Cycles and Accessories

This division has registered revenue drop of 23% during the quarter compared with corresponding quarter in the previous year, primarily due to lower institutional volumes and de-growth in trade market. However, several cost control measures enabled us to achieve a Profit before interest and tax for the quarter of ₹12 Cr. as against ₹7 Cr. in the corresponding quarter of the previous year, registering a growth of 65%. The ROCE of this division improved to 22% as against 12% in the corresponding quarter of the previous year.

Metal Formed Products

The Revenue for the quarter was at ₹350 Cr. compared with ₹312 Cr. in the corresponding quarter of the previous year, registering a growth of 12%. Profit before interest and tax for the quarter was ₹34 Cr. as against ₹26 Cr. in the corresponding quarter of the previous year. Growth achieved in segments like railways, industrial chains and fine blanking products compensated for the impact of de-growth in auto industry in Q1. The ROCE of this division improved to 29% as against 25% in the corresponding quarter of the previous year.

Consolidated Results

TII's consolidated Revenue for the quarter was ₹1384 Cr. as against ₹1479 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at ₹79 Cr. as against ₹62 Cr. in the corresponding quarter of the previous year.

Shanthi Gears Ltd., a subsidiary company in the Gears Business, in which the Company holds 70.47% stake, registered revenue of ₹72 Cr. during the quarter as against ₹62 Cr. in the corresponding quarter of the previous year, registering a growth of 16%. Profit after tax for the quarter was at ₹9.5 Cr. as against ₹8.5 Cr. in the corresponding quarter of previous year.

About Murugappa Group

Founded in 1900, the INR 369 Billion (36,893 Crores) 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 Financial Holdings 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., 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, Bioproducts 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, 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 50,000 employees. For more details, visit www.murugappa.com.