



TUBE INVESTMENTS OF INDIA LTD STANDALONE Q4 PBT BEFORE EXCEPTIONAL ITEMS UP BY 26%

The Board of Directors of Tube Investments of India Limited (TII) met today and approved the financial results for the Quarter ended 31st March 2020. The Board had declared an interim dividend of Rs.3.50 per share in February 2020 and the same was paid to the shareholders in March 2020.

Consequent to the outbreak of the COVID-19 pandemic and the lockdown/curfew introduced by the Central and State Governments, the operations in the Company's manufacturing plants situated across various locations of the Country had to be shut down or were disrupted from 23rd March 2020 onwards and continued through the month of April 2020.

With the easing in the lockdown/curfew and the Governments permitting operations to be resumed with necessary permission from the local authorities, the Company from May 2020 onwards has resumed operations, in a partial manner.

Highlights:

- Revenue of Rs.935 Cr. in the quarter compared with Rs.1224 Cr. in Q4 of last year. Revenue for the year Rs.4276 Cr. was lower by 19% over last year, mainly due to de-growth in Auto industry.
- **PBT** (before exceptional items) of Rs.108 Cr., a **growth of 26%** over Q4 of last year. PBT (before exceptional items) of Rs.421 Cr. with a **growth of 13%** over last year.
- **ROCE** at 23% for the year ended 31st March 2020 compared with 21% in the previous year.
- Cumulative **Free cash flow** of Rs.320 Cr. for the year ended 31st March 2020, which is 97% of PAT. This has resulted in net debt reduction by Rs.342 Cr., from Rs.491 Cr. to Rs.149 Cr.

Standalone Results

TII's revenue for the quarter was at Rs.935 Cr. as against Rs.1224 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at Rs.74 Cr. as against Rs.55 Cr. in the corresponding quarter of the previous year. For the year ended 31st March 2020, higher profitability and lower capital employed enabled the sustainability of Return on Capital Employed (ROCE) to 23%. During the quarter, the Company implemented a voluntary retirement scheme at a cost of Rs.22 Cr. and the same was considered as exceptional item resulting in profit before tax (after exceptional items) of Rs.86 Cr. same as Q4 of previous year. The Company generated a cumulative free cash flow of Rs.320 Cr. for the year ended 31st March 2020.

Review of Businesses

Engineering

The Revenue for the quarter was at Rs.545 Cr. compared with Rs.659 Cr. in the corresponding quarter of the previous year. Profit before interest and tax for the quarter was Rs.75 Cr. as against Rs.65 Cr. in the corresponding quarter of the previous year, registering a growth of 16%.

The Revenue for the full year was at Rs.2258 Cr. compared with Rs.2896 Cr. in the previous year. Profit before interest and tax for the year was at Rs.264 Cr. as against Rs.254 Cr. in the previous year, registering a growth of 4%. For the year ended March 2020, ROCE of this division improved to 41% as against 37% in the previous year.

Cycles and Accessories

This division has registered revenue of Rs.129 Cr. during the quarter compared with Rs.250 Cr. in the corresponding quarter of the previous year. Profit before interest and tax for the quarter was Rs.6 Cr., compared with a loss before interest and tax of Rs.7 Cr. in the corresponding quarter of the previous year.

The Revenue for the full year was at Rs.781 Cr. compared with Rs.1238 Cr. in the previous year, mainly because of exit from institutional sales in the current year. Profit before interest and tax for the year improved to Rs.26 Cr. as against Rs.11 Cr. in the previous year. For the year ended March 2020, ROCE of this division improved to 17% compared to 6% in the previous year.

Metal Formed Products

The Revenue for the quarter was at Rs.301 Cr. compared with Rs.358 Cr. in the corresponding quarter of the previous year. Profit before interest and tax for the quarter was Rs.16 Cr. as against Rs.31 Cr. in the corresponding quarter of the previous year.

The Revenue for the full year was at Rs.1399 Cr. compared with Rs.1360 Cr. in the previous year, registering a growth of 3%. Profit before interest and tax for the year remained flat at Rs.123 Cr. For the year ended March 2020, ROCE of this division was at 26%, marginally lower than 27% in the previous year.

Consolidated Results

TII's consolidated Revenue for the quarter was Rs.1031 Cr. as against Rs.1346 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at Rs.60 Cr. as against Rs.56 Cr. in the corresponding quarter of the previous year.

TII's consolidated Revenue for the year was at Rs.4750 Cr. as against Rs.5773 Cr. in the previous year. The profit after tax for the year was at Rs.313 Cr. as against Rs.251 Cr. in the previous year.

Shanthi Gears Ltd., a subsidiary company in the Gears Business, in which the Company holds 70.47% stake, registered revenue of Rs.42 Cr. during the quarter as against Rs.60 Cr. in the corresponding quarter of the previous year. Profit after tax for the quarter was at Rs.1 Cr. as against Rs.6 Cr. in the corresponding quarter of previous year. Despite difficult external conditions, the Revenue for the full year remained flat at Rs.242 Cr, compared with the previous year. Profit before tax for the year was at Rs.33 Cr. as against Rs.42 Cr. in the previous year

About Murugappa Group

Founded in 1900, the Rs.369 Billion (Rs.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.

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