



TUBE INVESTMENTS OF INDIA LTD STANDALONE PAT UP BY 54%

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 2018.

Highlights:

- Highest ever revenue of ₹1362 Cr. in a quarter with a 20% growth over Q1 of last year (net of excise duty)
- Highest ever PBT (before exceptional items) of ₹82 Cr, a significant growth of 57% over Q1 of last year
- ROCE improved to 19%
- Free cash flow to PAT of 149%

Standalone Results

TII's Revenue for the quarter was higher by 20% at ₹1362 Cr. as against ₹1134 Cr. (net of excise duty) in the corresponding quarter of the previous year. The profit after tax for the quarter was at ₹54 Cr. as against ₹35 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 19% from 14% in the corresponding quarter in the previous year. The Company generated free cash flow of ₹81 Cr. during Q1, helped by better net working capital and higher profits.

Review of Businesses

Engineering

During the quarter, growth in domestic business enabled the Engineering division to register a volume growth of 26% and 19% in tubes and strips respectively, compared with corresponding quarter in the previous year. The Large Diameter Tube plant recorded a volume growth of 62% and continues to improve its profitability. The Revenue for the quarter was at ₹721 Cr. compared with ₹509 Cr. (net of excise duty) in the corresponding quarter of the previous year, registering a growth of 42%. Profit before interest and tax for the quarter was ₹65 Cr. as against ₹37 Cr. in the corresponding quarter of the previous year. The ROCE of this division improved to 40% as against 24% in the corresponding quarter of the previous year.

Cycles and Accessories

The market condition of the Bicycles segment continues to be difficult. The trade volume of this division remained flat during the quarter compared with the corresponding quarter of the previous year. This division has registered revenue drop of 8% during the quarter compared with corresponding quarter in the previous year. Profit before interest and tax for the quarter was ₹7 Cr. as against ₹14 Cr. in the corresponding quarter of the previous year.

Metal Formed Products

In this segment, the doorframes segment volume grew by 15% during the quarter compared with the corresponding quarter last year. The sale of Chains and Kits recorded a volume growth of 16% and 36% respectively over the corresponding quarter last year, aided by growth in auto industry. The Revenue for the quarter was at ₹313 Cr. compared with ₹260 Cr. (net of excise duty) in the corresponding quarter of the previous year, registering a growth of 21%. Profit before interest and tax for the quarter was ₹26 Cr. as against ₹19 Cr. in the corresponding quarter of the previous year. The ROCE of this division improved to 25% as against 21% in the corresponding quarter of the previous year.

Consolidated Results

TII's consolidated Revenue for the quarter was higher by 20% at ₹1483 Cr. as against ₹1237 Cr. (net of excise duty) in the corresponding quarter of the previous year. The profit after tax for the quarter was at ₹62 Cr. as against ₹38 Cr. in the corresponding quarter of the previous year.

Shanthi Gears Ltd., a subsidiary company in the Gears Business, in which the Company holds 70.12% stake, registered a revenue of ₹62 Cr. during the quarter as against ₹51 Cr. (net of excise duty) in the corresponding quarter of the previous year, registering a growth of 21%. Profit after tax for the quarter was at ₹8.5 Cr. as against ₹5.1 Cr. in the corresponding quarter of previous year.

About Murugappa Group

Founded in 1900, the ₹329 Billion (32,893 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 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., TI Financial Holdings 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, 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 35,000 employees. For more details, visit www.murugappa.com.