



## **TUBE INVESTMENTS OF INDIA LTD STANDALONE PBT UP BY 31%**

The Board of Directors of Tube Investments of India Limited (TII) met today and approved the financial results for the Quarter ended 30<sup>th</sup> September 2019.

### **Highlights:**

- Revenue of Rs.1113 Cr. in the quarter with a drop of 18% over Q2 of last year mainly because of de-growth in Auto Industry
- PBT of Rs.111 Cr, a growth of 31% over Q2 of last year.
- ROCE improved to 22% from 19% in H1 of Previous year (excl. exceptional item)
- Cumulative Free cash flow at Rs.154 Cr., and at 86% to PAT
- The Company has opted for lower tax rate of 22% and the resultant benefit is being recognised over 3 Quarters

### **Standalone Results**

TII's Revenue for the quarter was lower by 18% at Rs.1113 Cr. as against Rs.1364 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at Rs.90 Cr. as against Rs.57 Cr. in the corresponding quarter of the previous year. Return on average Capital Employed (ROCE) at 22% from 19% in the corresponding H1 of the previous year. The Company generated cumulative free cash flow of Rs.154 Cr. and at 86% of PAT.

### **Review of Businesses**

#### **Engineering**

The Revenue for the quarter was at Rs.554 Cr. compared with Rs.772 Cr. in the corresponding quarter of the previous year. Profit before interest and tax for the quarter was Rs.63 Cr. as against Rs.65 Cr. in the corresponding quarter of the previous year. For H1, ROCE of this division is at 36%, marginally lower than 37% in the corresponding period of previous year.

#### **Cycles and Accessories**

This division has registered revenue drop of 31% during the quarter compared with corresponding quarter in the previous year, primarily due to de-growth in trade market and exit from institution business. Profit before interest and tax for the quarter was Rs.6 Cr. as against Rs.5 Cr. in the corresponding quarter of the previous year. For H1, ROCE of this division improved to 21% as against 10% in the corresponding period of the previous year.

## **Metal Formed Products**

The Revenue for the quarter was at Rs.379 Cr. compared with Rs.336 Cr. in the corresponding quarter of the previous year, registering a growth of 13%. Profit before interest and tax for the quarter was Rs.40 Cr. as against Rs.31 Cr. in the corresponding quarter of the previous year. Growth achieved in segments like railways, industrial chains and fine blanking products compensated partially for the impact of de-growth in auto industry in Q2. For H1, ROCE of this division improved to 32% as against 27% in the corresponding period of the previous year.

## **Consolidated Results**

TII's consolidated Revenue for the quarter was Rs.1247 Cr. as against Rs.1490 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at Rs.93 Cr. as against Rs.67Cr. 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 Rs.71 Cr. during the quarter as against Rs.59 Cr. in the corresponding quarter of the previous year, registering a growth of 19%. Profit before tax for the quarter was at Rs.12 Cr. as against Rs.11 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](http://www.murugappa.com).