



TUBE INVESTMENTS OF INDIA LTD's STANDALONE Q4 PBT (AFTER EXCEPTIONAL ITEMS) AT Rs. 173 Cr

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 2022. The Board had declared an interim dividend of Rs. 2 per share in February 2022 that was paid to shareholders in March 2022. The board has now recommended a final dividend of Rs.1.50 per share for the financial year 2021-22.

Highlights:

- **Revenue** for Q4 was Rs.1,735 Cr compared with Rs.1,480 Cr for the same period in the previous year. Revenue for the year was at Rs.6,359 Cr compared with Rs.4,256 Cr for the previous year.
- **PBT (after exceptions)** was Rs.173 Cr for Q4 as against Rs.162 Cr for the same period in the previous year. PBT for the year was Rs.628 Cr compared with Rs.359 Cr for the previous year
- **ROIC** was 46.5% for the year 31st March 2022 compared with 31.5% in the previous year.
- **Free Cash Flow (FCF)** for the year was Rs.205 Cr which was 43% of PAT.

Review of Businesses

The Indian auto industry has been facing supply constraints and the total industry volumes were below 2018-19 levels.

TII's revenue for the quarter was Rs.1,735 Cr as against Rs.1,480 Cr in the corresponding quarter of the previous year. The profit after tax for the quarter was at Rs.136 Cr as against Rs.129 Cr in the corresponding quarter of the previous year.

Engineering

The revenue for the quarter was Rs.1,030 Cr compared with Rs.854 Cr in the corresponding quarter of the previous year. Profit before interest and tax for the quarter was Rs.103 Cr as against Rs.92 Cr in the corresponding quarter of the previous year, registering a growth of 12%.

The revenue for the full year was Rs.3,868 Cr compared with Rs.2,317 Cr in the previous year. Profit before interest and tax for the full year was Rs.376 Cr as against Rs.251 Cr in the previous year, registering a growth of 50%.

Metal Formed Products

The Revenue for the quarter was Rs.336 Cr compared with Rs.335 Cr in the corresponding quarter of the previous year. Profit before interest and tax for the quarter was at Rs.39 Cr as against Rs.37 Cr in the corresponding quarter of the previous year, registering a growth of 5%.

The Revenue for the full year was Rs.1,240 Cr compared with Rs.1,032 Cr in the previous year. Profit before interest and tax for the full year was Rs.136 Cr as against Rs.75 Cr in the previous year, registering a growth of 81%.

Mobility

Mobility has registered a revenue of Rs.249 Cr during the quarter compared with Rs.301 Cr in the corresponding quarter of the previous year. Profit before interest and tax for the quarter was at Rs.13 Cr, compared to Rs.17 Cr in the corresponding quarter of the previous year, registering a degrowth of 24%.

The Revenue for the full year was Rs.963 Cr compared with Rs.847 Cr in the previous year. Profit before interest and tax for the full year was Rs.55 Cr as against Rs.44 Cr in the previous year, registering a growth of 25%.

Others

The Revenue for the quarter was Rs.194 Cr compared with Rs.82 Cr in the corresponding quarter of the previous year. The revenue of this segment also includes trading revenue from the sale of TMT bars. Profit before interest and tax for the quarter was Rs.4 Cr which is the same as the previous year.

The Revenue for the full year was Rs.562 Cr compared with Rs.263 Cr in the previous year. Profit before interest and tax for the full year was Rs.36 Cr as against Rs.13 Cr in the previous year.

Key Developments:

Last year, the Company had subscribed for 17.52 Crore share warrants of CG Power and Industrial Solutions Ltd (CG Power) and paid 25% of the total warrant subscription amount. During the quarter, the Company exercised 9 Crore share warrants of CG Power out of the total warrants of 17.52 Cr, and paid Rs.57.78 Cr representing the balance 75% of consideration for the warrants exercised. The Company holds 58.05% on a fully diluted basis in CG Power. During the year, the Corporate Guarantee of Rs. 1,365 Cr issued by the Company to the lender of CG Power has been released.

During the quarter, the company has incorporated a wholly owned subsidiary viz., TI Clean Mobility Private Limited ("TICMPL") as a vehicle to pursue and engage in Clean Mobility. TICMPL acquired a 70% stake in Cellestial E-Mobility Private Limited ('Cellestial') on 4th March 2022. Cellestial is a manufacturer of electric tractors.

Subsidiary Results:

CG Power and Industrial Solutions Ltd, a subsidiary company, in which the Company holds a 58.05 % stake, registered a consolidated revenue of Rs.1,507 Cr during the quarter as against Rs. 1,118 Cr in the corresponding quarter of the previous year. Profit before tax (before exceptional items) for the quarter was Rs.139 Cr as against Rs.19 Cr in the corresponding quarter of the previous year. The consolidated revenue for the full year was Rs.5,561 Cr compared with Rs.2,964 Cr for the previous year. The consolidated profit before tax (before exceptional item) was Rs.528 Cr as against a loss of Rs.117 Cr in the previous year.

Shanthy Gears Ltd., a subsidiary company in the Gears Business, in which the Company holds a 70.47% stake, registered revenue of Rs. 104 Cr during the quarter as against Rs. 72 Cr in the corresponding quarter of the previous year. Profit before tax for the quarter was Rs. 19 Cr as against Rs.12 Cr in the corresponding quarter of previous year. The revenue for the full year was Rs.337 Cr as against Rs.216 Cr in the previous year. Profit before tax for the year was Rs. 59 Cr as against Rs.26 Cr in the previous year.

Consolidated Results

TII's consolidated revenue for the quarter was Rs. 3,415 Cr as against Rs. 2,733 Cr in the corresponding quarter of the previous year. The profit before tax (before exception) for the quarter was Rs. 295 Cr as against Rs.189 Cr in the corresponding quarter of the previous year.

TII's consolidated revenue for the year was Rs. 12,525 Cr as against Rs. 6,083 Cr in the previous year (including results of CG Power for a period of 4 months). The profit before tax (before exception) for the year was Rs. 1,135 Cr as against Rs. 406 Cr in the previous year (including results of CG Power for a period of 4 months).

Commenting on the financial results, Mr. M.A.M Arunachalam (known as Arun Murugappan), Chairman, Tube Investments of India Ltd

The results for the quarter show a steady performance by the Company even in the wake of challenges on account of supply constraints, lower domestic demand, increase in fuel and commodity price fueling inflation, part of which was also as a result of war in Ukraine. Exports have however consistently delivered good growth in Tubes and Industrial Chains business.

The Company is taking various measures to mitigate the impact of the above challenges on the business. Our new initiatives in the Clean Mobility business venture will bring diversification of the existing portfolio of our business to fuel growth.

About Murugappa Group

Founded in 1900, the INR 417 Billion (41,713 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including ten listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., CG Power and Industrial Solutions 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.

The Group holds leadership position in several product lines including Abrasives, Technical Ceramics, Electro Minerals, Auto Components & Systems, Bicycles, Fertilisers, Sugar, Tea and Spirulina (Nutraceuticals). The Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, 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 53,000 employees.

For more details, visit <https://www.murugappa.com/>

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