



## TUBE INVESTMENTS OF INDIA LTD STANDALONE Q2 PAT UP BY 25%

**Chennai, 2<sup>nd</sup> November 2018:** 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 30<sup>th</sup> September 2018.

### Highlights:

The Company has started focusing on 4 key priorities of revenue growth, profitability, ROCE and Free Cash Flow (FCF). TII delivered strong performance on all these 4 priorities during Q2 :

- Highest ever revenue of Rs. 1370 Cr. in a quarter with a **17% growth** over Q2 of last year. Highest ever revenue of Rs. 2731 Cr. in a half-year with **18% growth** over H1 of last year.
- Highest ever **PBT** of Rs. 85 Cr., a **growth of 28%** over Q2 of last year. Highest ever PBT (before exceptional items) of Rs. 164 Cr. in a half-year with a **growth of 38%** over H1 of last year
- **ROCE** improved to 20% in H1
- Cumulative **Free cash flow** to PAT of 54% in H1

### Standalone Results

TII's Revenue for the quarter was higher by 17% at Rs. 1370 Cr. as against Rs. 1175 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at Rs. 57 Cr. as against Rs. 46 Cr. in the corresponding quarter of the previous year. For H1, higher profitability and lower capital employed enabled improvement in Return on Capital Employed (ROCE) to 20% from 14% in the corresponding period in the previous year. The Company generated a cumulative free cash flow of Rs. 60 Cr. in H1, helped by better net working capital and higher profits.

### Review of Businesses

#### Engineering

During the quarter, growth in domestic and export business enabled the Engineering division to register a volume growth of 18% in tubes, compared with corresponding quarter in the previous year. The Large Diameter Tube plant recorded a volume growth of 41% and continues to improve its profitability. The Revenue for the quarter was at Rs. 776 Cr. compared with Rs. 570 Cr. in the corresponding quarter of the previous year, registering a growth of 36%. Profit before interest and tax for the quarter was Rs. 65 Cr. as against Rs. 45 Cr. in the corresponding quarter of the previous year, registering a growth of 45%. For H1, ROCE of this division improved to 37% as against 25% in the corresponding period of the previous year.



## **Cycles and Accessories**

The market condition of the Bicycles segment continues to be challenging. The trade volume of this division dropped by 4% during the quarter compared with the corresponding quarter of the previous year. This division has registered revenue drop of 13% during the quarter compared with corresponding quarter in the previous year, mainly because of deferral of institution sales to H2. Profit before interest and tax for the quarter was Rs. 5 Cr. as against Rs. 9 Cr. in the corresponding quarter of the previous year.

## **Metal Formed Products**

In this segment, the doorframes segment volume grew by 14% during the quarter compared with the corresponding quarter last year. The sale of Chains and Kits recorded a volume growth of 13% and 16% respectively over the corresponding quarter last year, aided by growth in auto industry. The Revenue for the quarter was at Rs. 338 Cr. compared with Rs. 287 Cr. in the corresponding quarter of the previous year, registering a growth of 17%. Profit before interest and tax for the quarter was Rs. 31 Cr. as against Rs. 26 Cr. in the corresponding quarter of the previous year, registering a growth of 21%. For H1, ROCE of this division improved to 27% as against 23% in the corresponding period of the previous year.

## **Consolidated Results**

TII's consolidated Revenue for the quarter was higher by 17% at Rs. 1495 Cr. as against Rs. 1284 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at Rs. 67 Cr. as against Rs. 44 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 revenue of Rs. 59 Cr. during the quarter as against Rs. 54 Cr. in the corresponding quarter of the previous year, registering a growth of 9%. Profit after tax for the quarter was at Rs. 9 Cr. as against Rs. 7 Cr. in the corresponding quarter of previous year.



## About Murugappa Group

Founded in 1900, the INR 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](http://www.murugappa.com).

For further information, please contact

Sandhya Subramanian  
Murugappa Group  
+91 9500072458  
[sandhyas@corp.murugappa.com](mailto:sandhyas@corp.murugappa.com)

Vinod Kumar  
Ogilvy PR Worldwide  
+91-9840126179  
[Vinod.kumar@ogilvy.com](mailto:Vinod.kumar@ogilvy.com)