INDIA

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TUBE INVESTMENTS OF INDIA LTD STANDALONE PBT AT Rs.95 Cr.

The Board of Directors of Tube Investments of India Limited (TII) met today and approved the financial results for the Quarter ended 31st December 2019.

Highlights:

- Revenue of Rs.976 Cr. in the quarter with a drop of 27% over Q3 of last year mainly because of de-growth in Auto Industry.
- PBT (before exceptional item) of Rs.95 Cr, as against Rs.93 Cr in Q3 of last year (excluding the special dividend of Rs. 29 Cr received from Shanti Gears Limited in Q3).
- For the period ended 31st December 2019, ROCE improved to 21% from 20% in the corresponding period Previous year (excl. exceptional item)
- Cumulative Free cash flow at Rs.341 Cr., and at 133% 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 27% at Rs.976 Cr. as against Rs.1341 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at Rs.78 Cr. as against Rs.77 Cr. in the corresponding quarter of the previous year. Return on Capital Employed (ROCE) for the period ended 31st December 2019 is at 21% as against 20% in the corresponding period of the previous year. The Company generated cumulative free cash flow of Rs.341 Cr. and at 133% of PAT.

Review of Businesses

Engineering

The Revenue for the quarter was at Rs.502 Cr. compared with Rs.747 Cr. in the corresponding quarter of the previous year. Profit before interest and tax for the quarter was Rs.60 Cr. as against Rs.59 Cr. in the corresponding quarter of the previous year. For the period ended 31st December 2019, ROCE of this division is at 41%, as against 36% in the corresponding period of previous year.

Cycles and Accessories

The Revenue for the quarter was at Rs.146 Cr. compared with Rs.298 Cr. in the corresponding quarter of the previous year, due to de-growth in trade market and exit from institution business. Profit before interest and tax for the quarter was Rs.1 Cr. as against Rs.6 Cr. in the corresponding quarter of the previous year. For the period ended 31st December 2019, ROCE of this division improved to 17% as against 8% in the corresponding period of the previous year.

Metal Formed Products

The Revenue for the quarter was at Rs.370 Cr. compared with Rs.353 Cr. in the corresponding quarter of the previous year, registering a growth of 5%. Profit before interest and tax for the quarter was Rs.33 Cr. as against Rs.35 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 Q3. For the period ended 31st December 2019, ROCE of this division improved to 31% as against 28% in the corresponding period of the previous year.

Consolidated Results

TII's consolidated Revenue for the quarter was Rs.1087 Cr. as against Rs.1458 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at Rs.82 Cr. as against Rs.65 Cr. in the corresponding quarter of the previous year.

Shanthi Gears Ltd., a subsidiary company in the Gears Business, in which the Company holds 70.47% stake, registered revenue of Rs.58 Cr. during the quarter as against Rs.62 Cr. in the corresponding quarter of the previous year. Profit before tax for the quarter was at Rs.8 Cr. as against Rs.12 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.