



# Investor Presentation

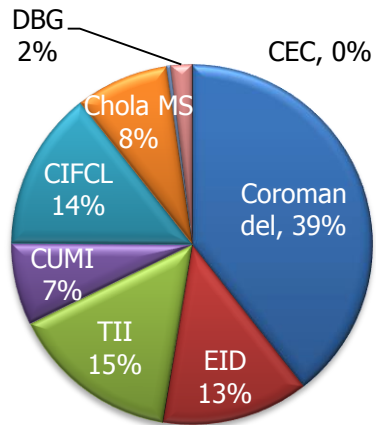
December 2016







Stock Codes: **BSE:** 504973 **NSE:** TUBEINVEST **Bloomberg:** TI IN / TI IB **Reuters:** TUBE.NS / TUBE.BO  
**CIN:** L35921TN1949PLC002905

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# Murugappa Group and Philosophy

## Gross Sales Share



Company Name	Market Capitalisation	Description
 <b>Chola</b> Enter a better life	₹ 183,640 Mn. (USD 2,757 mn)	Cholamandalam Investment and Finance Company Limited is a Non Banking Finance Company and one of the leading financial provider for vehicle finance, business finance, home equity loans, stock broking & distribution of financial products
	₹ 110,210 Mn. (USD 1,654 mn)	Tube Investments of India Limited offers wide range of engineering products such as Steel Tubes, Chains, Car door frames, Fitness equipment and Cycles
	₹ 69,690 Mn. (USD 1,046 mn)	Coromandel International Limited is the second largest phosphatic fertilizer company in India
	₹ 43,110 Mn. (USD 647 mn)	EID Parry (India) Limited, one of the largest player in the market, offering wide range of agro products such as sugar, microalgal health supplements and bio products
	₹ 51,010 Mn. (USD 766 mn)	Carborandum Universal Limited is a pioneer in coated and bonded abrasives, super refractories, electro mineral and industrial ceramics. The Company currently has presence in Australia, South Africa, Russia, Canada and Middle East
	Unlisted	Cholamandalam MS General Insurance Company Limited is a JV of Murugappa Group with Mitsui Sumitomo Insurance Group of Japan, (5th largest insurance group across the globe)

Note: Market data as on 30<sup>th</sup> September 2016. Source: BSE Sensex and Conversion Rate of 1USD = Rs.66.62 as on 30<sup>th</sup> September 2016 Source: RBI

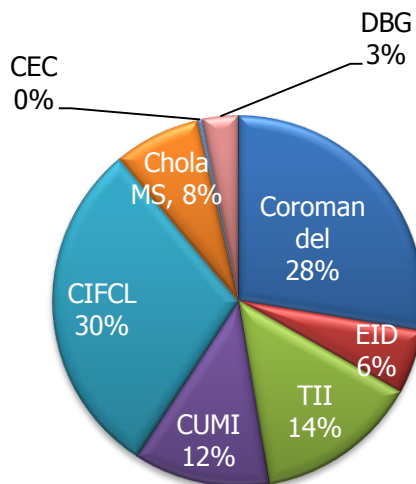


*The fundamental principle of economic activity is that no man you transact with will lose; then you shall not.*

**- Arthashastra**

FY 2015-16

## EBITDA Share



FY 2015-16

1949

- TI Cycles setup with BSA and Hercules Brands



1955

- Entered Precision tubes with incorporation of Tube Products of India



1960

- Entered Chains business with incorporation of **TI Diamond Chains Limited**



1965

- TI Metal Forming setup



1978

- Promoted **Cholamandalam Investment and Finance Company Ltd**



1985

- Indigenously manufactured 100 CC bike chain



2001

- Promoted **Cholamandalam MS General Insurance** along with JV Partner **Mitsui Sumitomo Insurance**, Japan



2010

- Acquired **SEDIS, France**



2012

- Acquired **Shanthi Gears Ltd**, a listed Company



2014

- Entered into Large Dia Tube manufacturing
- Promoted **TI Tsubamex Pvt Ltd** along with JV Partner **Tsubamex Company**, Japan



2016

- TI sold 14% stake in Cholamandalam MS General Insurance Company to JV Partner, Mitsui Sumitomo Insurance
- Board approves Demerger proposal to segregate manufacturing and financial service businesses



figures in ₹ Mn.

Company	Nature of Business	% Shareholding	FY 2015-16	
			Total income	PAT
Cholamandalam MS General Insurance Company Limited (CMSGICL)	General Insurance Business	60%	20,172	1,480
Financiere C10 SAS (FC 10)	Manufacturing of Chains	100%	2,342	2
Cholamandalam Investment and Finance Company Limited (CIFCL)	Financial Services	46.2%	42,138	5,747
Shanthi Gears Limited (SGL)	Manufacturing of Gears	70.1%	1,819	175
Cholamandalam MS Risk Services Limited (CMSRSL)	Risk services	49.5%	313	20
TI Tsubamex Private Limited (TTPL)	Design and Manufacturing of Dies	75%	2	(34)
TI Financial Holdings Limited (TIFHL)	-	100%	-	-

## Manufacturing Businesses

- Engineering Segment (Tubes, Value Added Cold Rolled Steel Strips & Tubular Components)
- Cycles and Accessories (Bicycles & Fitness Products)
- Metal Formed Products (Chains for Automobile sector & Industrial applications, Doorframe & Channels for Passenger Cars)
- Gears and Gear Products (Investment in Shanthi Gears Limited – Industrial Gears)
- Others (Investment in TI Tsubamex Private Limited – Designing & Manufacturing of Dies)
- 25 Manufacturing Locations and Suppliers to all major automotive OEM's or Tier 2/3 Suppliers

## Investments in Financial Services

- Cholamandalam Finance (46.2%)
- Cholamandalam MS Insurance (60%)
- Cholamandalam MS Risk Services (49.5%)

Key Financials (TII Consolidated) – I GAAP		
₹ Mn.	2015-16*	2014-15
Revenue	79,912	97,221
EBITDA	9,276	12,589
PBIT	7,854	11,117
PBT (Before Exceptional Items)	6,476	9,692
Exceptional Items	7,266	340
PBT (After Exceptional Items)	13,742	10,033
Net Profit	10,389	4,244

\*Revenue, EBITDA and PBIT of FY 2015-16 includes CIFCL financials upto Aug '15 only as CIFCL ceased to be a subsidiary w.e.f. 2<sup>nd</sup> September, 2015. However, Net Profit includes full year proportionate Net Profit of CIFCL.

TII Standalone – As per IND AS			
₹ Mn.	H1 2016-17	H1 2015-16	Growth
Revenue	22,078	21,141	4%
EBITDA	2,044	1,772	15%
PBIT	1,758	1,343	31%
Net Profit	962	432	123%



Largest Supplier of Precision Steel Tubes (CDW)



Second largest bicycle producer in India



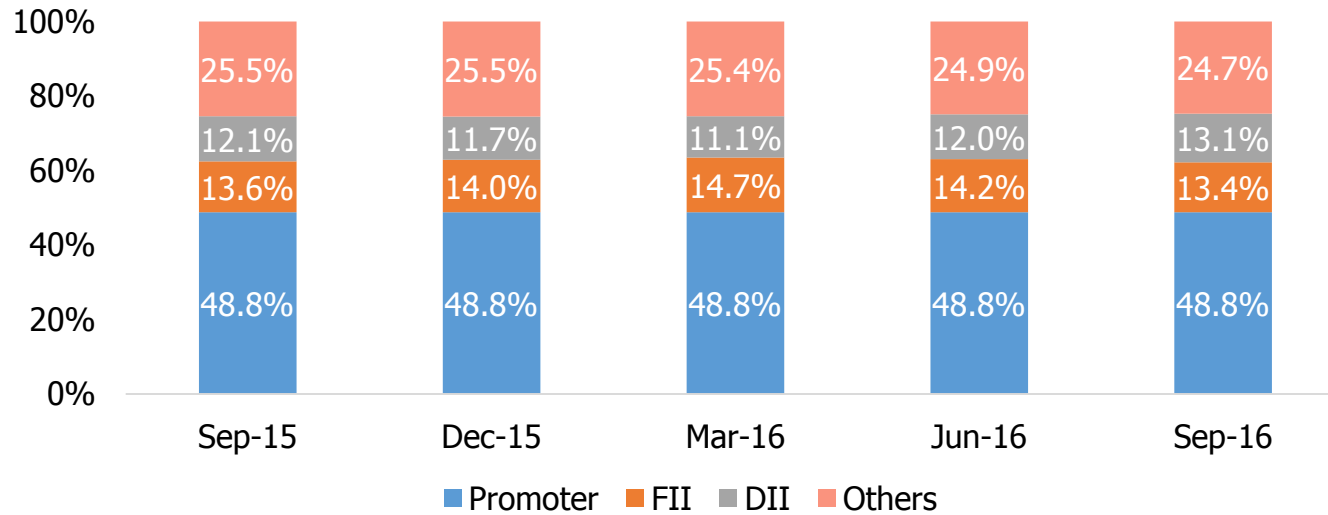
Leader in Chains and Fine blanked components



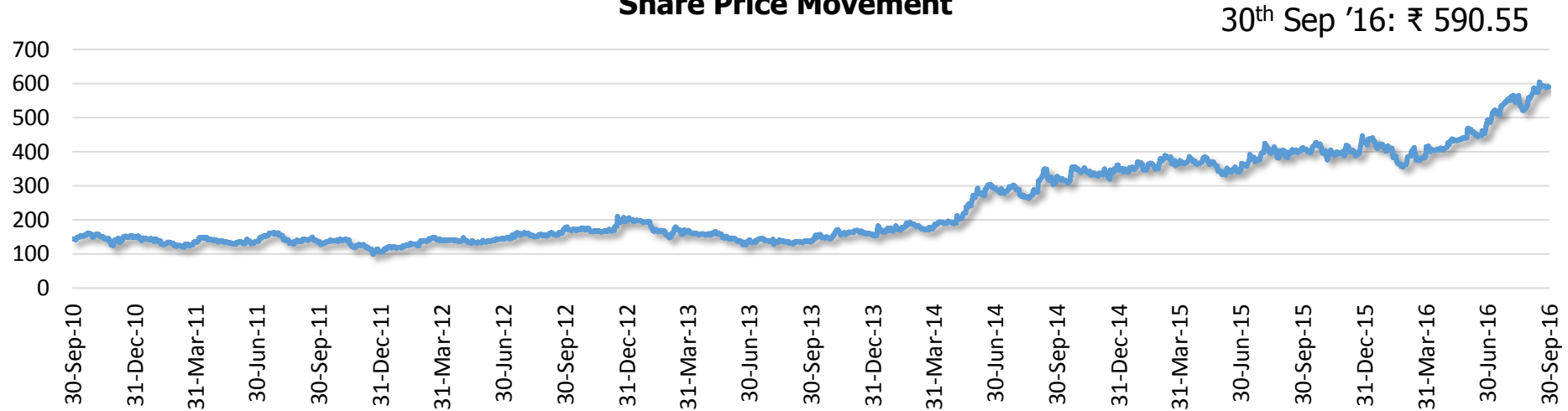
Preferred supplier for roll-formed door frames



## Shareholding Pattern



## Share Price Movement



**Uninterrupted dividend history since 1954**  
**Dividend payout policy ~25-30% of profits**

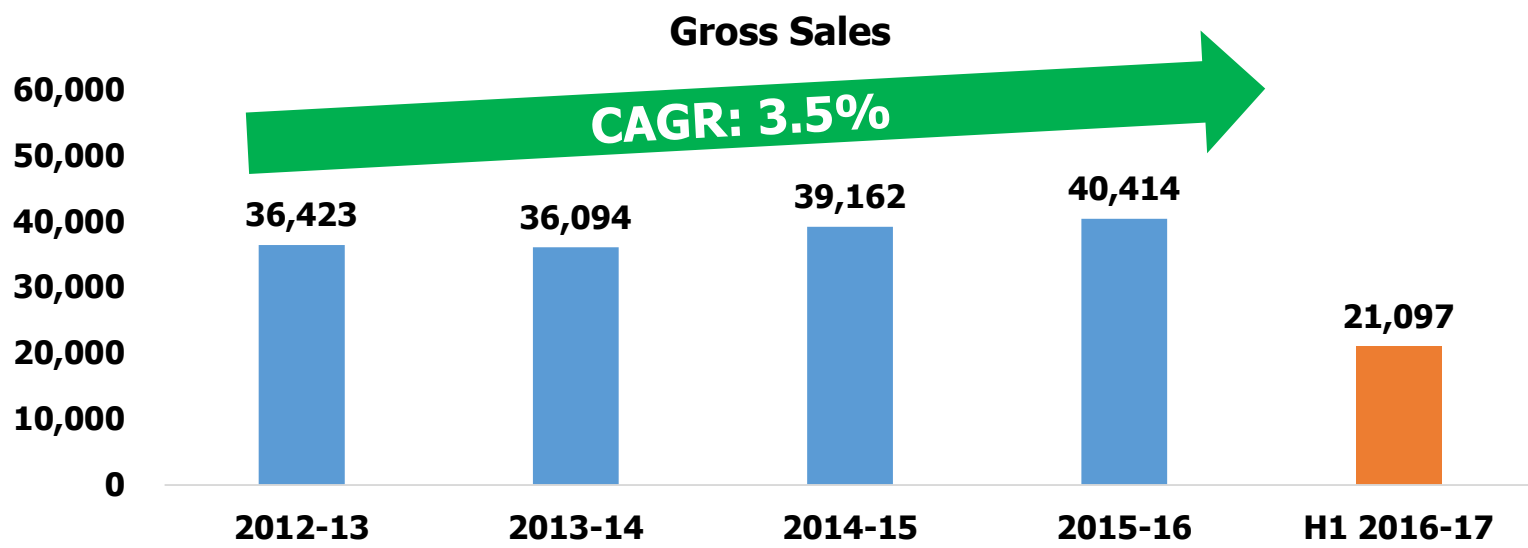
# Key Standalone Financials H1 2016-17



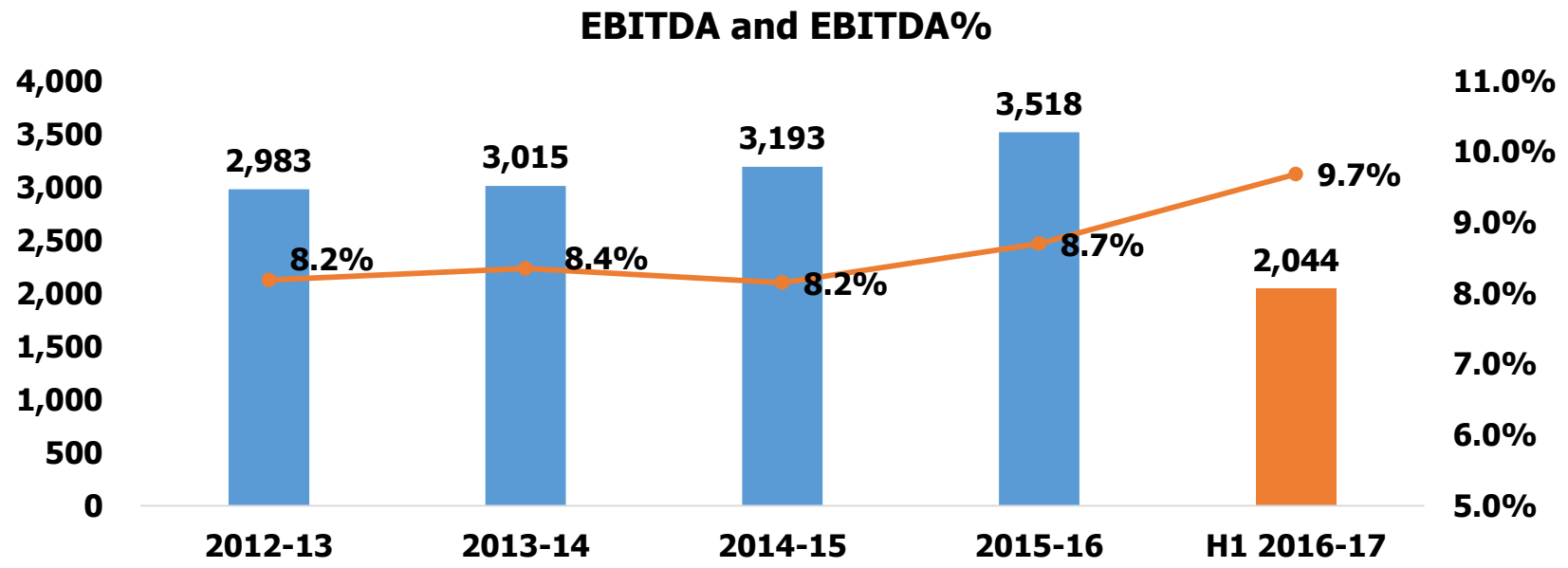
figures in ₹ Mn.

Particulars	FY		H1	
	2015-16	2014-15	2016-17	2015-16
<b>Gross Sales / Income from Operations</b>	<b>40,414</b>	<b>39,162</b>	<b>21,097</b>	<b>20,279</b>
<i>Growth %</i>	3%	8%	4%	
<b>Total Income from Operations</b>	<b>42,127</b>	<b>40,982</b>	<b>22,078</b>	<b>21,141</b>
<i>Growth %</i>	3%	8%	4%	
<b>EBITDA</b>	<b>3,518</b>	<b>3,193</b>	<b>2,044</b>	<b>1,772</b>
<i>% to Gross Sales</i>	8%	9%	10%	9%
<b>PBIT (before exceptional items)</b>	<b>2,757</b>	<b>2,595</b>	<b>1,758</b>	<b>1,343</b>
<i>% to Gross Sales</i>	7%	7%	8%	7%
<b>Exceptional Items</b>	<b>7,850</b>	<b>340</b>	-	-
<b>PBIT (after exceptional items)</b>	<b>10,607</b>	<b>2,935</b>	<b>1,758</b>	<b>1,343</b>
<i>% to Gross Sales</i>	27%	8%	8%	7%
<b>Profit Before Tax</b>	<b>9,253</b>	<b>1,552</b>	<b>1,345</b>	<b>642</b>
<i>% to Gross Sales</i>	23%	4%	6%	3%
<b>Profit After Tax</b>	<b>7,316</b>	<b>1,209</b>	<b>962</b>	<b>432</b>
<i>% to Gross Sales</i>	18%	3%	5%	2%

figures in ₹ Mn.

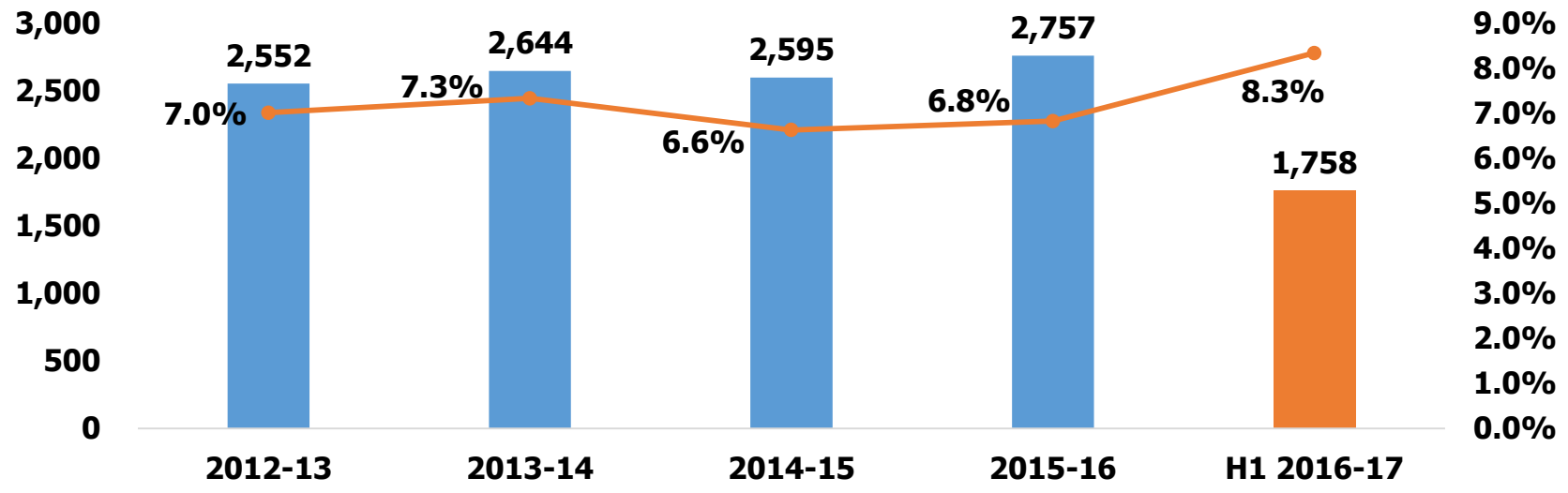


Note: Gross Sales include Excise Duty to comply with IND AS and figures has been suitably adjusted

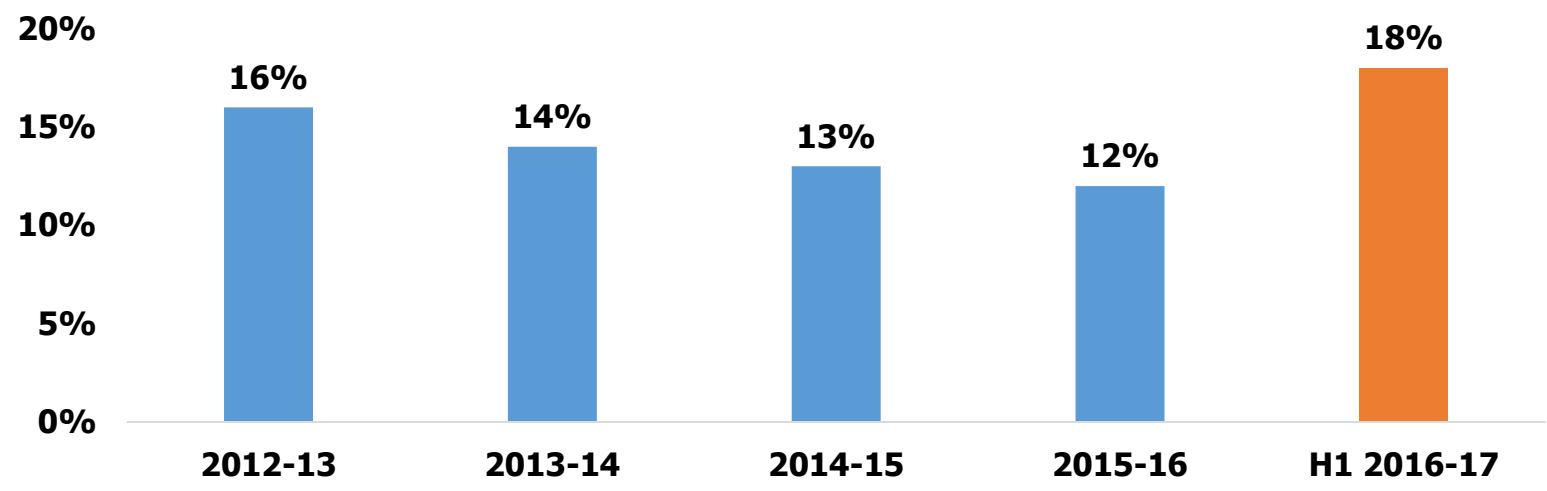


## PBIT and PBIT% (Before Exceptional Items)

figures in ₹ Mn.

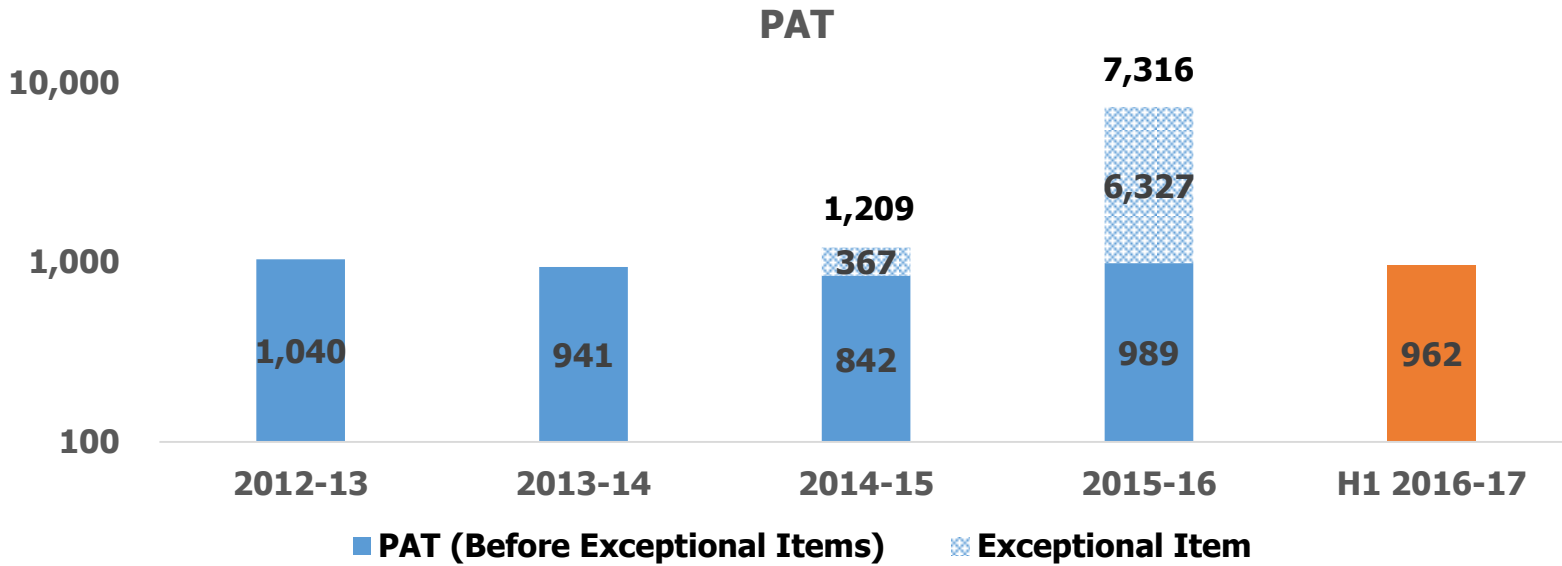


## ROCE%



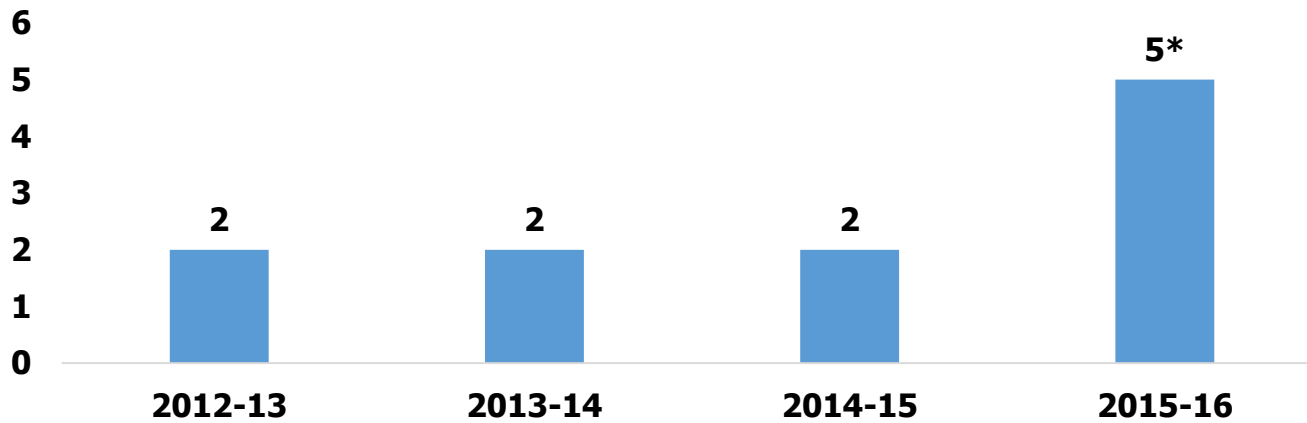
Based on Average Capital Employed excluding investments in Financial Service Businesses

figures in ₹ Mn.



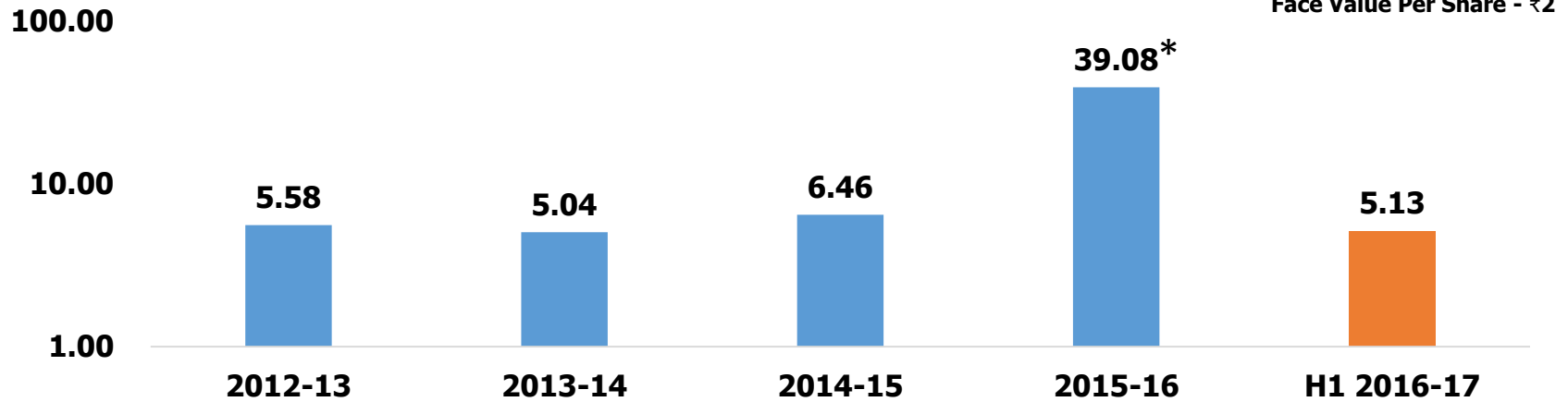
### Dividend Per Share - in ₹

Face Value Per Share - ₹2



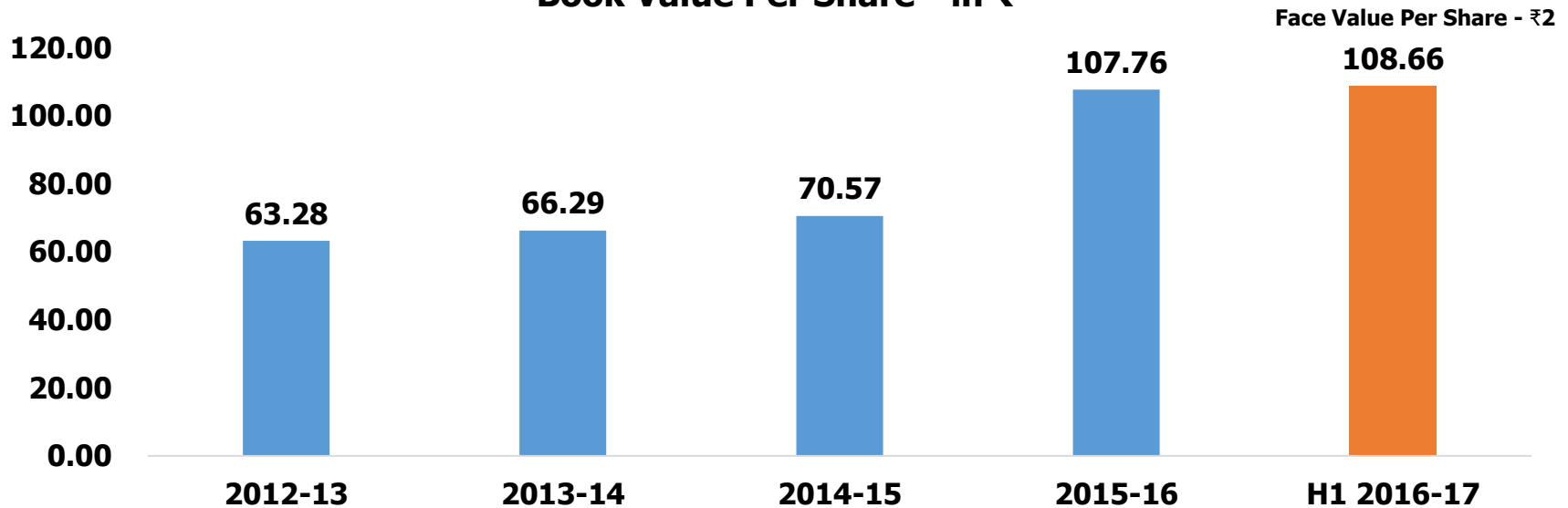
\*Includes Special Dividend of ₹3.50 per Share

## Earnings Per Share (Basic) - in ₹

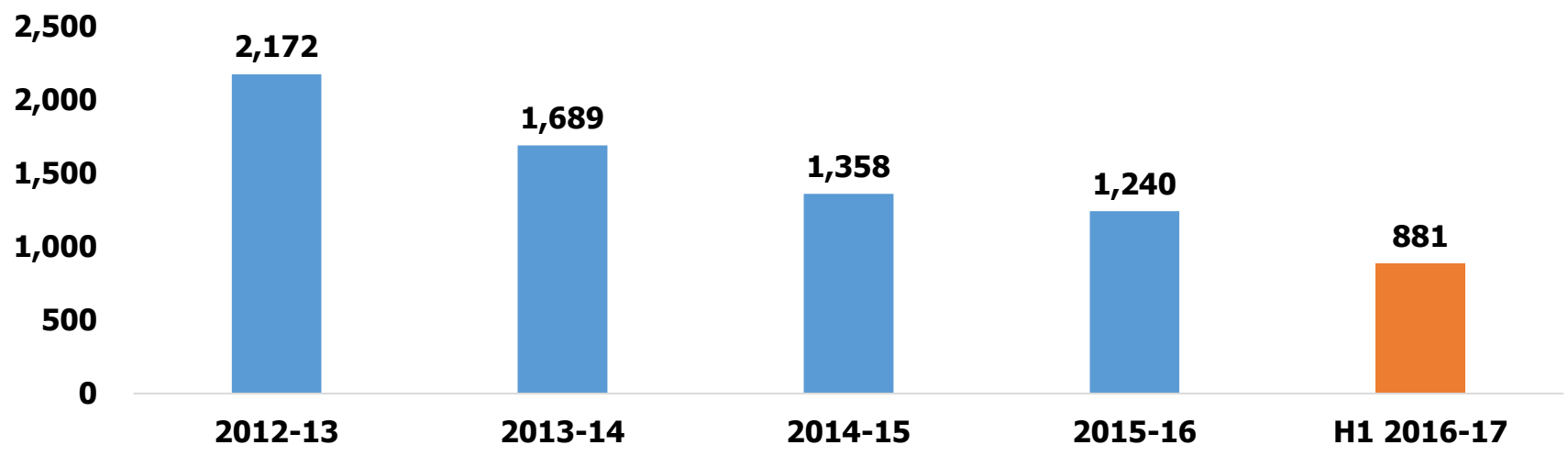


\*Higher due to exceptional income (Net). Earnings per Share on Normal profits would be ₹5.28

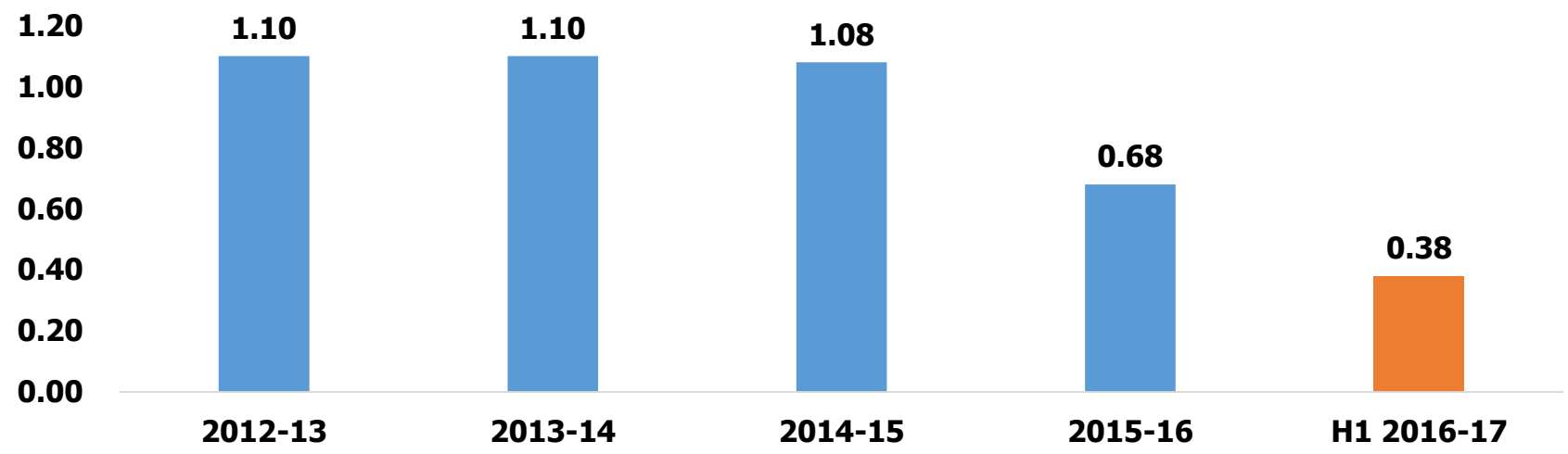
## Book Value Per Share - in ₹



### Capex in ₹ Mn.



### Total Debt/Equity



**Strong Credit Rating**  
CRISIL **AA** for long term and CRISIL **A1+** for short term

## Scheme of Arrangement

- Segregating the Manufacturing Businesses under the Scheme of Demerger to a separate Company
- Board Approved the Scheme on 3rd November 2016
- Appointed date is 1st April 2016
- The Scheme is subject to necessary regulatory approvals

## Manufacturing Businesses

- Comprises of manufacturing of tubes, strips, tubular components, bicycles and fitness products, chains, roll-formed sections, other metal formed products and Investments in Shanthi Gears Limited (Industrial gears), TI Tsubamex Private Limited (designing and manufacturing of dies) and Sedis (Industrial Chains)

## Financial Service Businesses (As Investments)

- Cholamandalam Investment and Finance Company Limited (46.2%)
- Cholamandalam MS General Insurance Company Limited (60%)
- Cholamandalam MS Risk Services Limited (49.5%)

## Post Demerger

- Two Companies – Manufacturing Company and Financial Services Company
- Both Companies will have mirror image shareholding
- Resulting Company issues 1 fully paid up Equity Share of ₹1 each for every 1 fully paid up equity share of ₹2 each held in the Demerged Company
- Reduction of face value of Demerged Company from ₹2 each fully paid to ₹1 each fully paid



Both manufacturing and financial services can focus in their line of businesses

Operational rationalisation, organisation efficiency and optimum utilisation of various resources

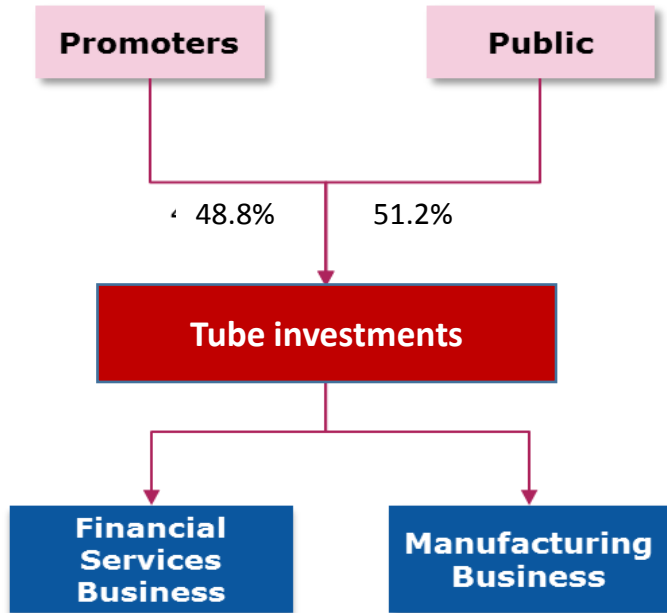
Ability to leverage financial and operational resources of each business

Each business would be able to address pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders

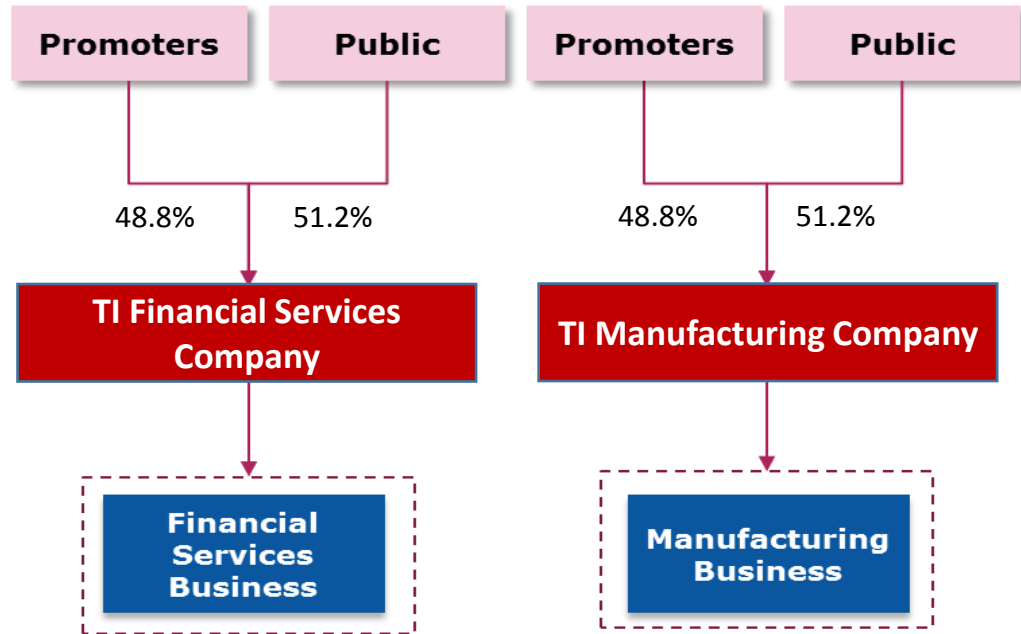
Likely to be value accretive for the shareholders – would enable them to select investments best suited to their investment strategies

Possible lower holding company discounts

## Existing Structure



## Resultant Structure



### Financial Services Business

- Cholamandalam MS General Insurance Company Limited
- Cholamandalam MS Risk Services Limited
- Cholamandalam Investment and Finance Company Limited

### Manufacturing Business

- Engineering (Tubes and Strips)
- Cycles and Accessories
- Metal Formed Products
- Investments in
  - Shanthi Gears Limited
  - TI Tsubamex Private Limited
  - Sedis

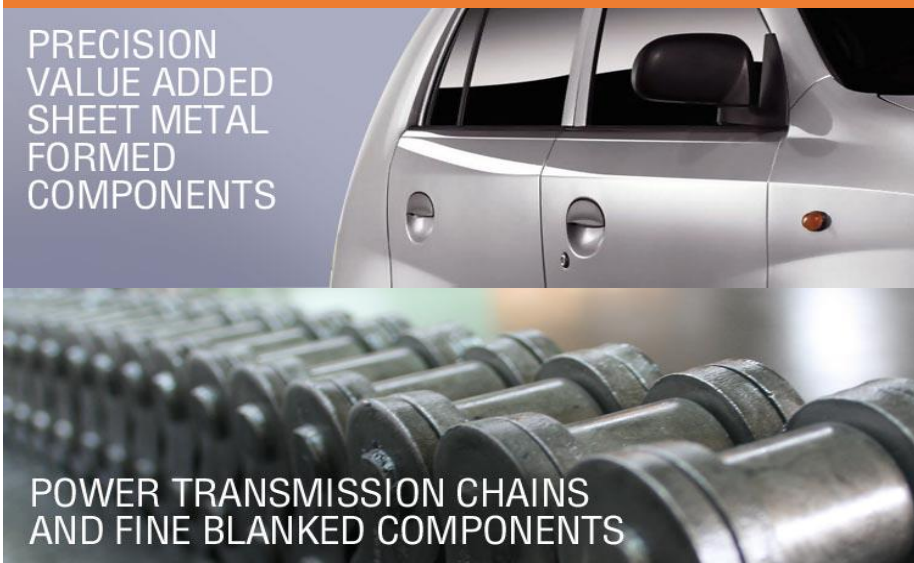
## Cycles and Accessories



## Engineering



## Metal Formed Products



## Gears and Gear Products





**TESTED, TRUSTED & RESPECTED**

**montra**

**BSA** **HERCULES**

**SELECTED Superbrand Consumer Value**

*BSA & Hercules bicycles are proud to be your chosen Superbrands.*

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[www.facebook.com/bsahercules](http://www.facebook.com/bsahercules)

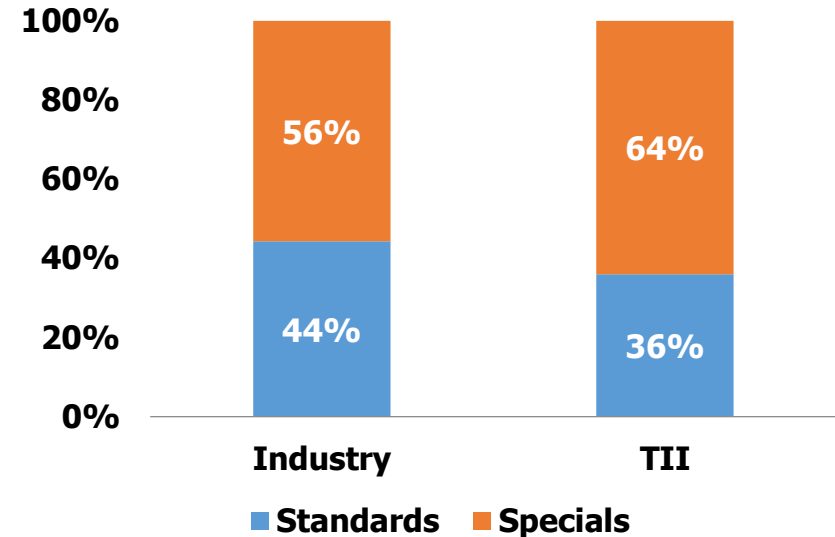
[www.bsahercules.com](http://www.bsahercules.com)

**BSA** **HERCULES**  
BSA **EDDIE** BSA **CHINO** BSA **LADYBIRD** BSA **MACH** BSA **ROADSTERS** BSA **Jr.ROADSTERS** HERCULES **TRIKER** HERCULES **ROADSTERS** HERCULES **Jr.ROADSTERS** HERCULES **RYDERS** HERCULES **ROADERS**

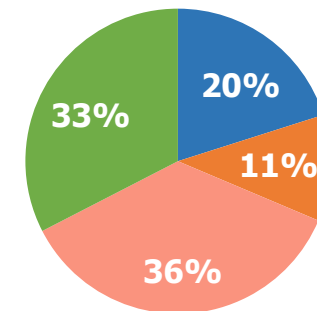
**Pioneers in Promoting Cycling... not just cycles**

- **Standard Bicycles**
  - In trade sales, the share of standard bicycles is coming down over the years
  - Government orders for standard cycles has increased with more and more rural welfare schemes
- **Speciality Bicycles**
  - In the speciality market, growth is seen in kids, premium and performance cycle segments
- Overall Indian market has seen a growth of 10% in FY 2015-16 over FY 2014-15

### Trade Sales H1 2016-17



### Market Share H1 2016-17



■ **ATLAS** ■ **AVON** ■ **HERO** ■ **TICI**

Based on volumes of 4 Major players (Source: AICMA Data)



**Cost competitiveness in Standard bicycles and mass specialty bicycles**



**Product differentiation, Branding and Service are key to success in premium end of bicycles**



**Rapid increase in internet penetration throwing up new channels and opportunities**



**Rising aspiration towards cycling in Urban India**



**Retail presence enhances customer connect and market share**



**Brand positioning key for pricing**



**montra**



**MACH CITY**



**cannondale**

**Bianchi**



**SCHWINN**



**mongoose**

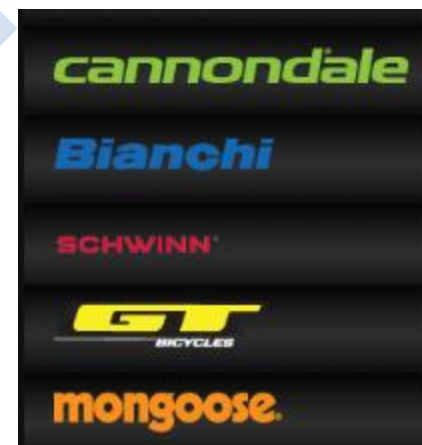
## Brand equity

- BSA Hercules brands command a premium and is known for good finish and features



## Premium Cycle Group (PCG)

- Roadeo and Montra are premium brands well received
- Representing International brands like Cannondale, Bianchi, Ridley
- PCG registered a growth of 26% vis-à-vis first half last year



## Pioneer in Retail Formats

- Large dealer network across India with 10,000 touch points
- TI Cycles hold retail leadership through its exclusive formats of -
  - ❖ BSA Hercules Rural Exclusive: 455, Track & Trail Urban: 170, Track & Trail Sport: 20
  - ❖ Omni-channel presence through Track & Trail online portal and in-store





## Promoting Cycling not Just Cycles

- Organised close to 2000 events all over the country participation of more than 10 Lakhs individuals in FY 15-16
- Some well known events are Gran Fondo, Cyclothon etc



## Multi Location Servicing

- Only manufacturer with 4 Plants and 5 Warehouses spread across the Country
- New Rajpura Plant with Capacity of 3 Mn. Cycles p.a. at a Capital Expenditure of ₹ 1050 Mn.
- This puts us in a better position to serve the markets



## Pioneer in New Product Development

- 60 new Products were developed during Financial Year 15-16.
- 31 models launched in H1 16-17
- City Bike launched as a new segment for Urban mobility





# India's first Cycling Theme Café - Ciclo Café





**BSA Lady Bird wins the Brand Revitalization Award from CMO Asia**



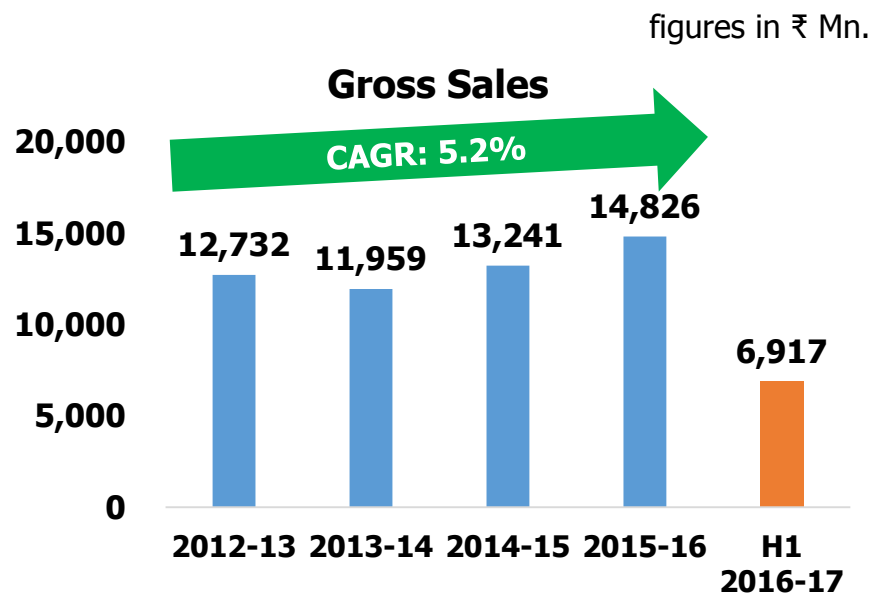
**BSA Lady Bird Vogue won the CII Design Excellence Award**

**Hercules Trooper won the India Design Mark awarded by the India Design Council**

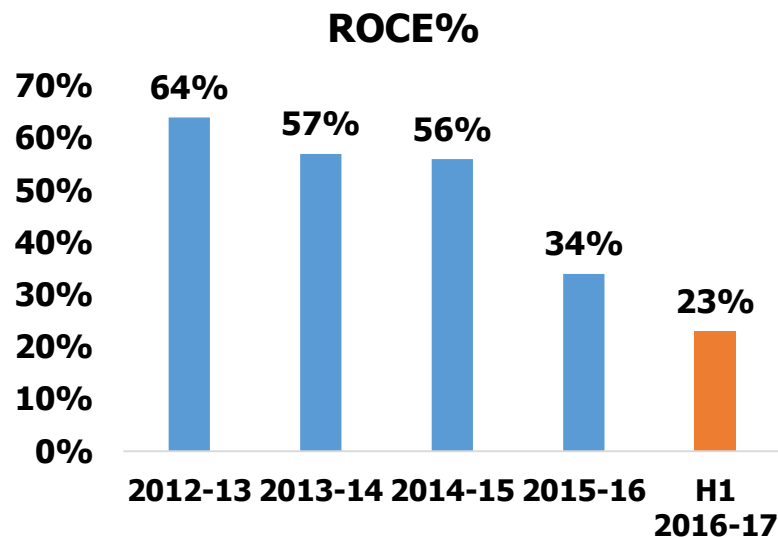


- 26% growth in Premium Cycles Group (Premium Geared, Super Premium and International brands)
- 69% Growth in City Bikes segment
- Robust Growth in Exports with healthy order book
- Institution orders received from Governments of MP, West Bengal and Tamil Nadu
- 31 models launched
- E-Commerce site [www.trackandtrail.in](http://www.trackandtrail.in) went live in Sep'16 and had good reception from visitors
- Marketing Events
  - Organized Sales Melas, Service Camps, Mechanic trainings, College Sales & displays all over India





Note: Gross Sales include Excise Duty to comply with IND AS and figures have been suitably adjusted



Based on Average Capital Employed

## Capital Employed in ₹ Mn.

Particulars	2012-13	2013-14	2014-15	2015-16	H1 2016-17
NFA	470	461	587	1,099	1,503
NWC	382	158	1113	1547	1319
<b>Total</b>	<b>852</b>	<b>619</b>	<b>1,700</b>	<b>2,646</b>	<b>2,822</b>
Capital Expenditure	105	75	204	511	416

# Cycles - Key Financials H1 2016-17

figures in ₹ Mn.

Particulars	2015-16	2014-15	% Growth	H1 2016-17	H1 2015-16	% Growth
<b>Volumes</b>						
<b>Cycles (Million nos)</b>	<b>4.6</b>	<b>4.0</b>	<b>15%</b>	<b>2.0</b>	<b>2.3</b>	<b>-13%</b>
<b>Gross Sales (incl. Inter Unit)</b>	<b>14,826</b>	<b>13,241</b>	<b>12%</b>	<b>6,917</b>	<b>7,752</b>	<b>-11%</b>
<b>EBITDA</b>	<b>867</b>	<b>648</b>	<b>34%</b>	<b>348</b>	<b>534</b>	<b>-35%</b>
	6%	5%		5%	7%	
<b>PBIT (Before Exceptional Item)</b>	<b>788</b>	<b>578</b>	<b>36%</b>	<b>286</b>	<b>496</b>	<b>-43%</b>
	5%	4%		4%	6%	
<b>APPLICATION OF FUNDS</b>						
<b>Net Fixed Assets (Incl. CWIP)</b>	<b>1,099</b>	<b>587</b>		<b>1,503</b>	<b>855</b>	
<b>Net Working Capital</b>	<b>1,547</b>	<b>1,113</b>		<b>1,319</b>	<b>1,627</b>	
<b>Total Capital Employed</b>	<b>2,646</b>	<b>1,700</b>		<b>2,822</b>	<b>2,482</b>	
<b>Sales/NWC</b>	<b>9.6</b>	<b>11.9</b>		<b>10.5</b>	<b>9.5</b>	
<b>ROCE% - Based on Avg Capital Employed</b>	<b>34%</b>	<b>56%</b>		<b>23%</b>	<b>48%</b>	

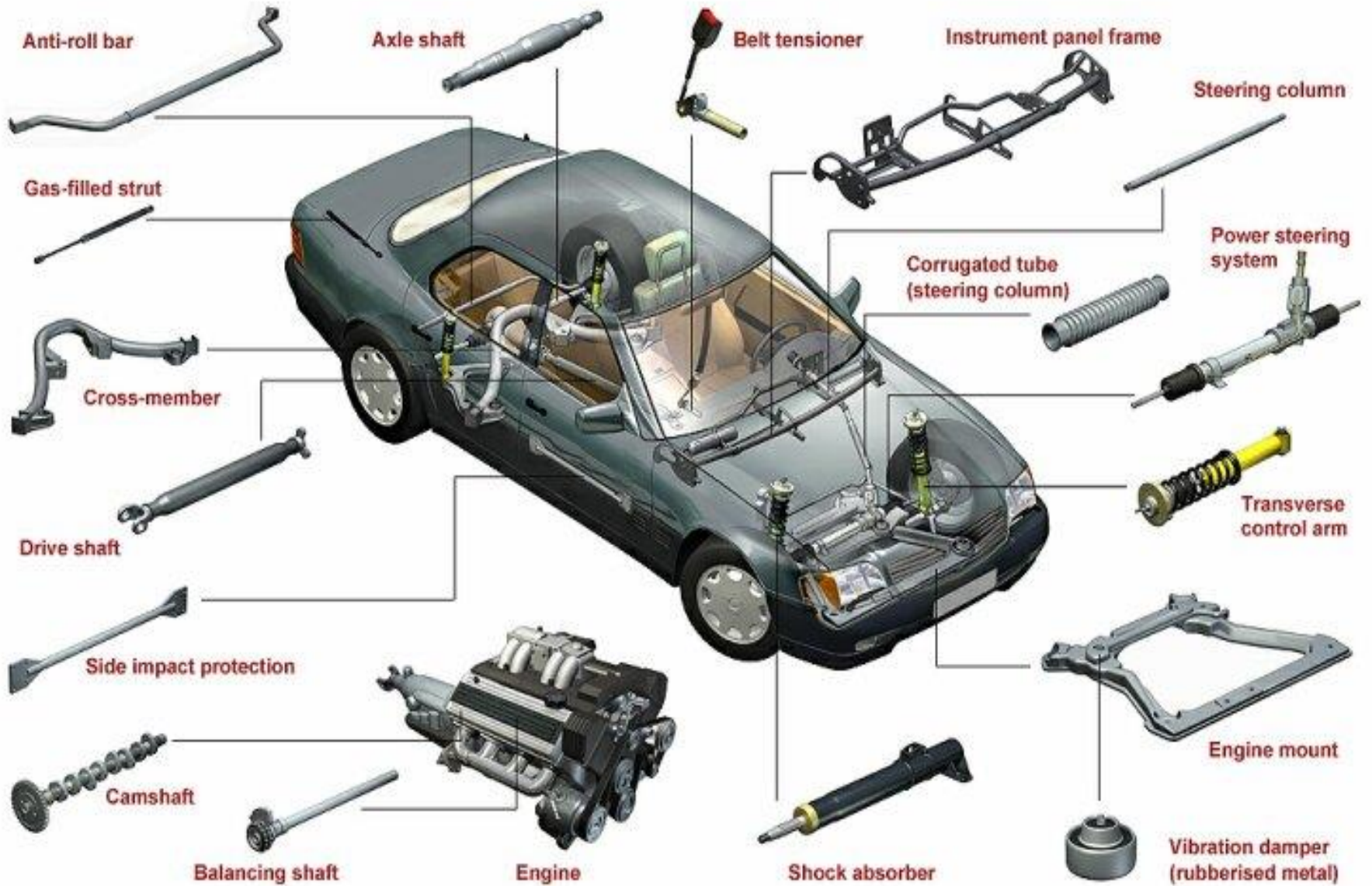


**Leader in CDW tubes for the Automotive industry**





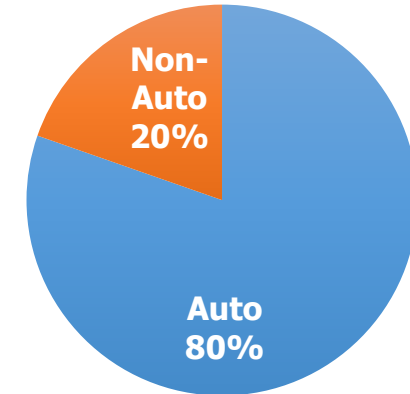
**Two-Wheeler sales in India has grown at 14% in H1 16-17  
(3 year CAGR of 6%)**



**Passenger Car Sales in India has grown at 8% in H1 16-17  
(3 year CAGR of 2%)**

- Precision Steel Tubes (CDW) largely used in Automobile applications of Two Wheelers/ Passenger Cars and Commercial Vehicles for applications like Front Forks, Side impact beams, steering columns etc
- CDW tubes also used in Hydraulic Cylinders and Off-Road Vehicles
- Range and adherence to tolerance are the key factors
- Variety of products due to new models introduced by all auto makers
- Customer preference to Value added products
- Cost competitiveness through internal efficiencies

## Engineering Business Mix H1 2016-17



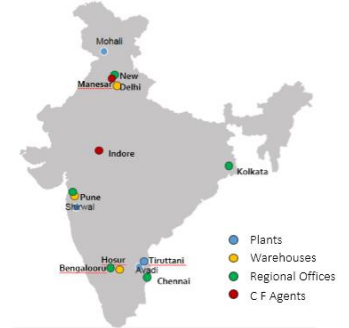
## CDW Tube

- Market leader in High Quality & Safety critical CDW Tubes for 2W and 4W applications
- Leadership position with 56% market share



## Multi Location

- Only manufacturer with plants at 4 different locations closer to customers



## Gearing for Non-Auto

- Large-dia plant setup in October 2014 providing tubes for hydraulic cylinders, Off-Road applications, import substitution



## CRSS

- Special grades contribute to 71 % of total sales of the CRSS division
- Import substitution program is continuously on

## Value Added Products

- Tubular components including Steering column, side impact beam etc
- Value added products form 12% of tube sales



# Engineering - Major OEM's Serviced





**Award from WIPRO for consistent improvement in Quality**



**"Global Strategic Co-operation Award" from Showa Corporation**



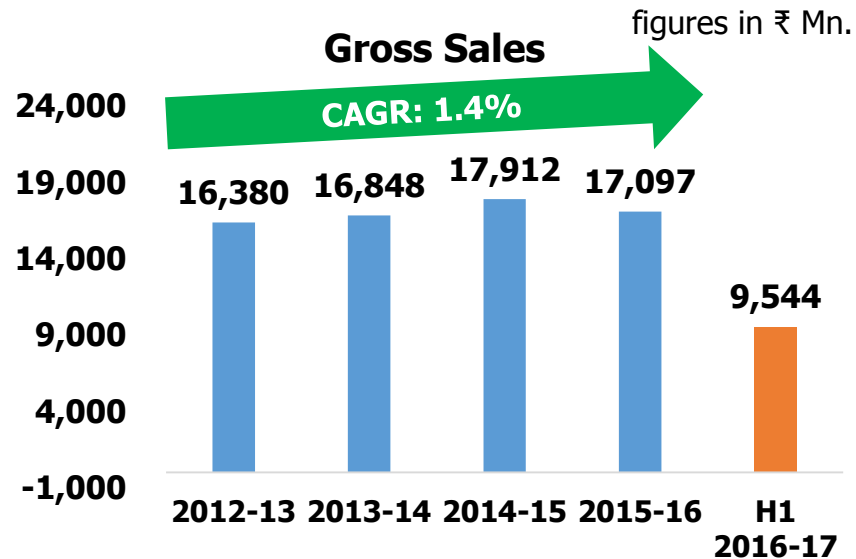
**Best supplier Award for Make in India (Localization) from M/s Spicer for Tiruttani Tubes Plant**

- **OSHSAS 18001 Certification for TPI Mohali**
- **IMS: EMS + OHSAS certification received from M/s BVC for Avadi Complex**

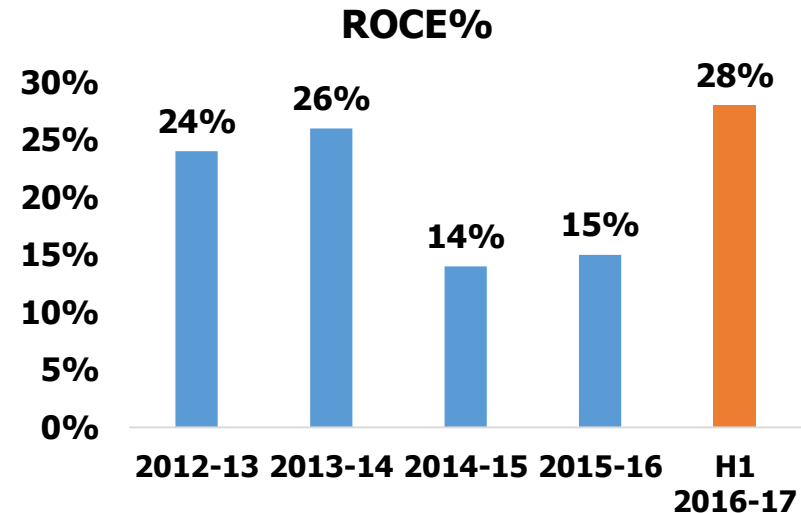


- Volume Growth across the segments
  - Steel Strips grew by 10%
  - Tubes Domestic grew by 7%
  - Tubes Exports grew by 100%
- Growth in PBIT by 91%
- Large Diameter plant stabilized
- Operational Efficiency:
  - Throughput in H1 increased by 14% in tubes and 17% in Strips
- Significant improvement in Quality Parameters:
  - In-house rejections and Customer rejections dropped by 12%





Note: Gross Sales include Excise Duty to comply with IND AS and figures have been suitably adjusted



Based on Average Capital Employed

## Capital Employed in ₹ Mn.

Particulars	2012-13	2013-14	2014-15	2015-16	H1 2016-17
NFA	3,331	4,161	4,654	4,383	4,269
NWC	1,670	1,931	1,541	1,522	1,929
<b>Total</b>	<b>5,001</b>	<b>6,092</b>	<b>6,195</b>	<b>5,905</b>	<b>6,198</b>
Capital Expenditure	822	1,246	870	440	208



figures in ₹ Mn.

Particulars	2015-16	2014-15	% Growth	H1 2016-17	H1 2015-16	% Growth
<b>Strips: (Volumes Tonnes) (Incl. Group)</b>	<b>77535</b>	<b>80269</b>	<b>-3%</b>	<b>28741</b>	<b>26198</b>	<b>10%</b>
<b>Tubes: (Volumes Tonnes)</b>	<b>154208</b>	<b>154029</b>	<b>0%</b>	<b>87030</b>	<b>77262</b>	<b>13%</b>
Domestic	143605	142967	0%	77202	72372	7%
Exports	10603	11062	-4%	9828	4890	101%
<b>Large Dia Tubes: (Volumes Tonnes)</b>	<b>14059</b>	<b>1086</b>		<b>7899</b>	<b>5903</b>	<b>34%</b>
<b>Gross Sales (incl. Inter Unit)</b>	<b>17,097</b>	<b>17,912</b>	<b>-4%</b>	<b>9,544</b>	<b>8,549</b>	<b>12%</b>
<b>EBITDA</b>	<b>1,550</b>	<b>1,500</b>	<b>3%</b>	<b>1,130</b>	<b>717</b>	<b>57%</b>
	9%	8%		12%	8%	
<b>PBIT (Before Exceptional Item)</b>	<b>945</b>	<b>1,029</b>	<b>-9%</b>	<b>835</b>	<b>431</b>	<b>93%</b>
	5%	6%		9%	5%	
<b>APPLICATION OF FUNDS</b>						
<b>Net Fixed Assets (Incl. CWIP)</b>	<b>4,383</b>	<b>4,656</b>		<b>4,270</b>	<b>4,534</b>	
<b>Net Working Capital</b>	<b>1,522</b>	<b>1,541</b>		<b>1,929</b>	<b>1,843</b>	
<b>Total Capital Employed</b>	<b>5,905</b>	<b>6,195</b>		<b>6,199</b>	<b>6,377</b>	
<b>Sales/NWC</b>	<b>11.2</b>	<b>11.6</b>		<b>9.9</b>	<b>9.3</b>	
<b>ROCE% - Based on Avg Capital Employed</b>	<b>15%</b>	<b>14%</b>		<b>28%</b>	<b>14%</b>	



PRECISION  
VALUE ADDED  
SHEET METAL  
FORMED  
COMPONENTS



POWER TRANSMISSION CHAINS  
AND FINE BLANKED COMPONENTS

**Precision Value added Components**

## Metal formed products division cater to both automotive and non-automotive segments

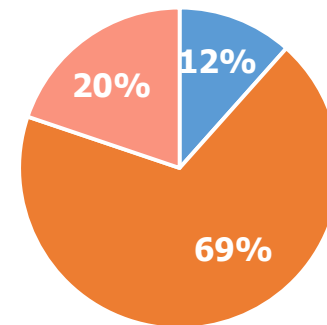
### ■ Automotive:

- Two Wheeler drive chains, timing chains and Sprockets for Auto-OEMs and After Market
- Fine Blanked parts and door frames for Passenger cars

### ■ Non-Automotive:

- Industrial Chains for the domestic market and exports
- Railway sections for Passenger Coaches and Goods Carry Wagons

## Metal formed Products Business Mix H1 2016-17



■ Railways ■ Auto ■ Non-Auto

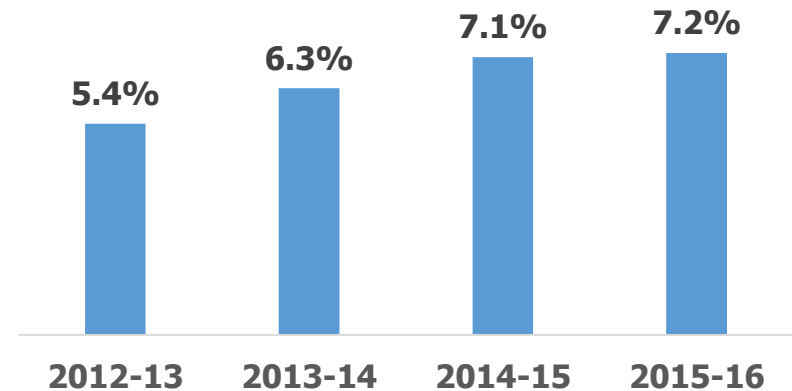
## Automotive Sector:

- Two-Wheeler sales has seen a 3 Year CAGR of 6%
  - Scooters 3 Yr CAGR: 20%
  - Motor Cycles 3 Yr CAGR: 2%
- Passenger Vehicles has seen a 3 Year CAGR of 2% while Commercial Vehicles has seen a decline of 2%

## Non-Automotive Sector:

- Non-Automotive segment is driven by GDP growth and Industrial Production trend
- New Product development, Application Engineering and Import Substitution drive growth

## India GDP Growth Rate



## Auto OEM, Fine Blanked Products , Industrial Chains and Roll Formed Products

- Adequate Capacity
- Customer Service through value add and JIT supplies
- Quality, Consistency and Reliability
- Cost Competitiveness
- Factories located closer to customer locations
- New Product Development and Application Engineering and Import Substitution Capability

## Auto Aftermarket

- Leveraging brand presence
- Reach and Availability

## Exports

- Distributors for Standard Roller Chains
- Price Competitiveness
- Business Development with OEMs for specific programs
- Growth is flat due to global recession

Industry  
Segments

Two Wheeler Manufacturers (OEMs)

Spare Parts Market – Auto Chains and Sprockets for  
Motor Cycles

Key Customers:



Drive Chain



KIT



CAM Chain



After market brand

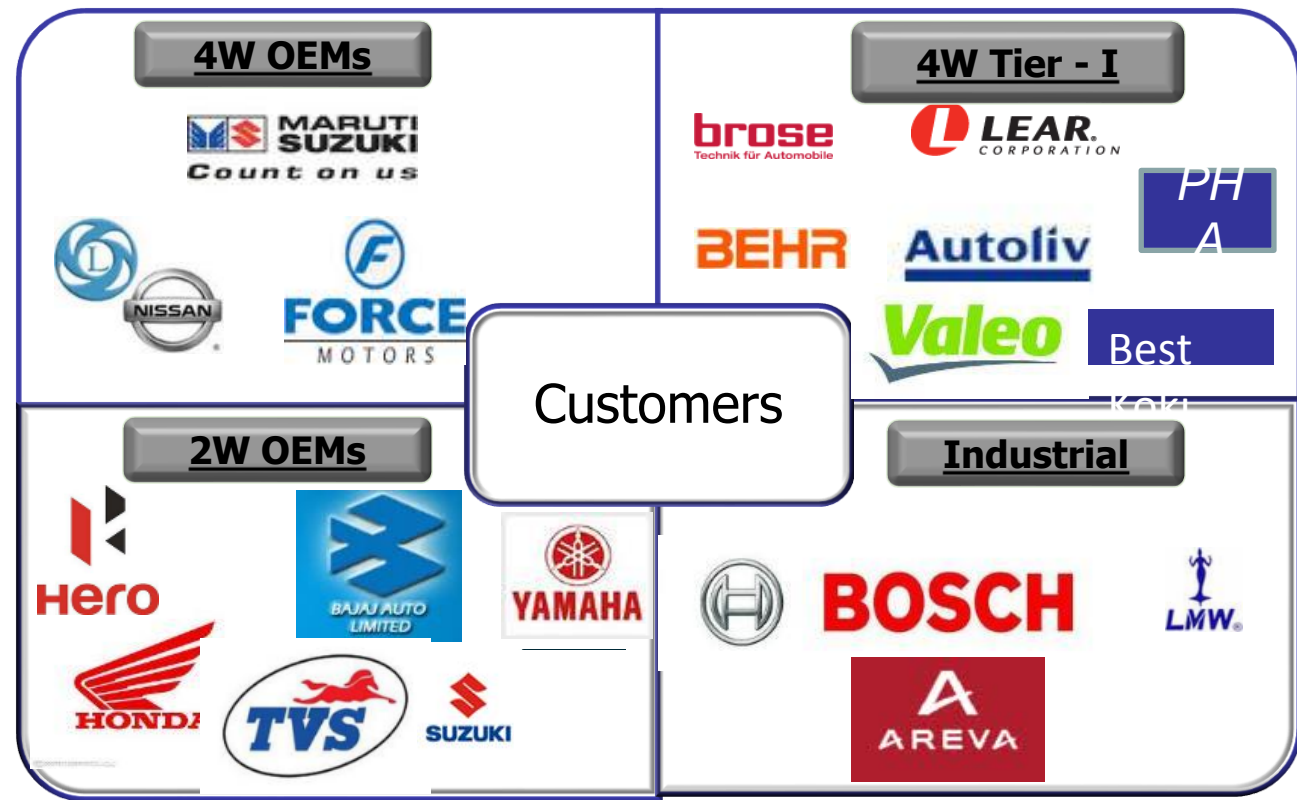


## Industry Segments

Two Wheeler – Motor Cycles and Scooters OEMs

Four Wheeler – Passenger and Commercial Vehicle OEMs and Tier-I Companies

Industrial Applications







Motor Cycle

Engine Parts

Transmission Parts



Scooter

Engine and  
Transmission Parts

Seat Parts

Braking System Parts

Seat Belt and Door Parts

Steering Parts

Transmission Parts

Engine Parts

Hood Parts

## Industry Segments

- Construction Equipment Manufacturers
- Material Handling (Fork Lifts)
- Agricultural Equipment Manufacturers
- Cement and Power
- Conveyer Manufacturers
- Textile and Packing
- Primary Metals (Steel)

## Key Customers



Mitsubish- Caterpillar





Power Transmission and Conveying Chains

Agricultural Chains



Engineering Class Chains

Industry Segments

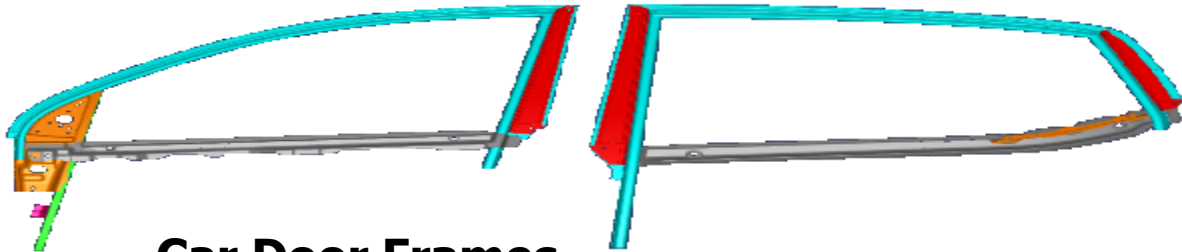
Four Wheelers- Passenger Car and Commercial Vehicle OEMs and Tier-I Companies

Two Wheelers- OEMs and Tier-I Companies

Indian Railways – Coach and Wagon Factories



## Four Wheelers



**Car Door Frames**



**Divisional Channels**



**Side Impact Beams**



**Cowl Cross Beam**

## Two Wheelers



**2W - Mudguard**

## Motor Casings



## Railways



## Segment Leader

- Market leader in Drive and Cam chains in Auto OEM segment
- Leadership position in Domestic Industrial Chains
- Preferred supplier for Roll formed Door Frames
- Significant player in Fine Blanked Components

## Multi Location

- Strategically located plants close by to leading OEMs for JIT supplies
- Total of 10 Manufacturing Plants (3 Chain Plants + 7 Metal Forming Plants) and 14 Warehouses to service Auto After Market and Industrial Chain requirements

## Brand Equity

- Strong brand equity - "Diamond and Rombo" brands in domestic market
- Leveraging "Sedis" brand in European market

## Quality

- Customer Rejection PPM maintained lesser than target
  - Auto Chains – 9 PPM
  - Fine Blanking – 10 PPM
  - Industrial Chains – 46 PPM
  - Door Frames – 430 PPM

## Customers

- Catering to major 2W OEMs and Tier 1 Auto customers
- Industrial Chain OEMs in Domestic & Exports
- Large dealership network in Auto and Industrial Chains in domestic market

## Technology

- World Class High Speed Presses and Tools for Fine blanking, Chains and Motor casings



**Awards received from Bajaj Auto Ltd for Fine Blanking Quality and TPM Excellence**



**Quality Award from Maruti Suzuki India Ltd for Fine Blanking**

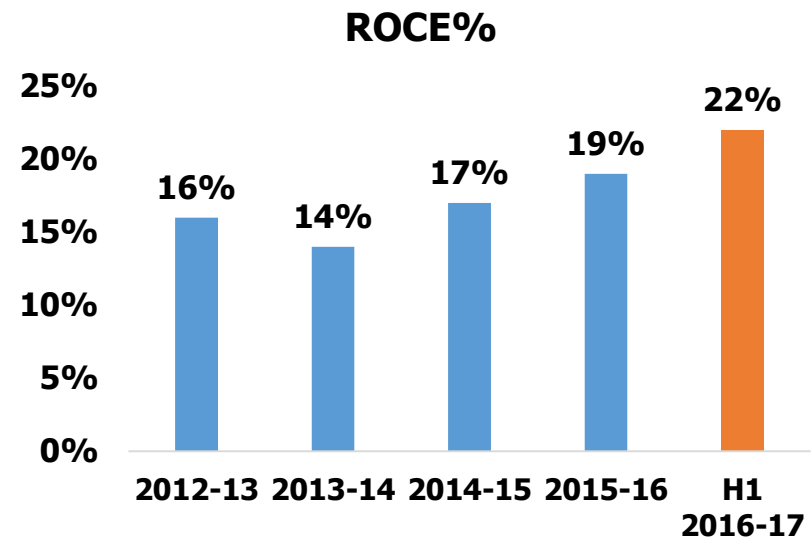
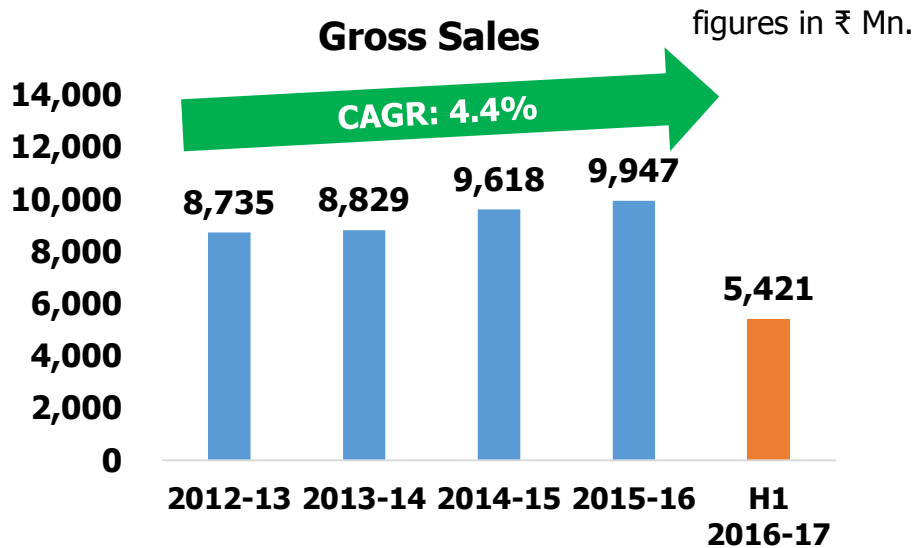


**" Excellence in Part Development" award from Lear Corporation for seat recliner localization development**



- Market Leadership in Chains and Doorframes
- Revenue Growth across Segments
  - Auto Chains grew by 8%
  - Domestic Industrial Chains grew by 12%
  - Fine Blanking grew by 13%
  - Doorframes grew by 4%
  - Significant Growth in Motor casings and Railway Business
- Ramp up in Royal Enfield Mudguard supplies
- PBIT up by 23%





Note: Gross Sales include Excise Duty to comply with IND AS and figures have been suitably adjusted

Based on Average Capital Employed

## Capital Employed in ₹ Mn.

Particulars	2012-13	2013-14	2014-15	2015-16	H1 2016-17
NFA	3,338	3,252	3,154	2,575	2,685
Investments	601	612	612	612	612
NWC	940	916	1,005	944	1,094
<b>Total</b>	<b>4,879</b>	<b>4,780</b>	<b>4,771</b>	<b>4,131</b>	<b>4,391</b>
Capital Expenditure	488	326	263	256	244

# Metal formed - Key Financials H1 2016-17



figures in ₹ Mn.

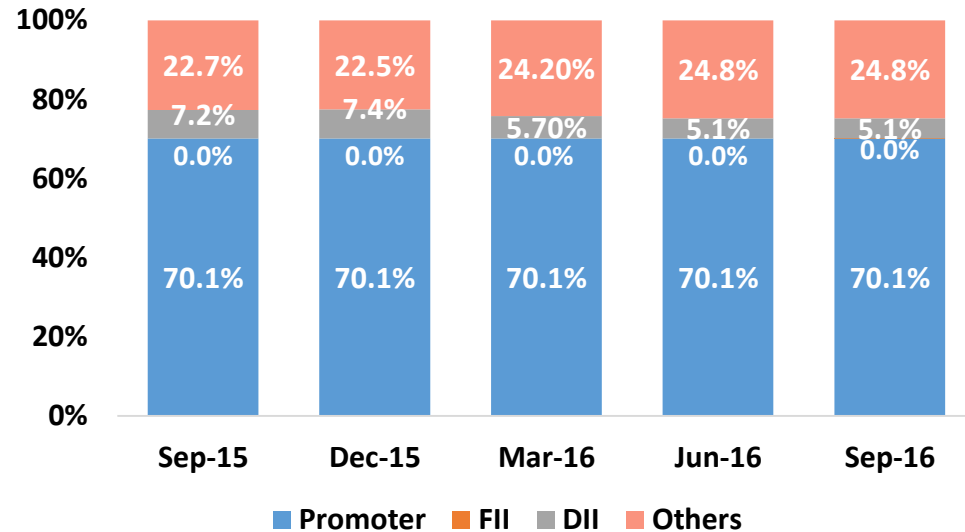
Particulars	2015-16	2014-15	% Growth	H1 2016-17	H1 2015-16	% Growth
Doorframes (Million Sets)	0.6	0.7	-5%	0.3	0.3	4%
Sections for railway wagons (Sets)	1156	1542	-25%	788	282	179%
Coach-side/End wall (Sets)	112	43	161%	77	46	67%
Chains:						
Domestic (Million ESS feet)	84.3	79.1	7%	42.6	39.3	9%
Exports (Million ESS feet)	7.2	7.2	-1%	3.9	3.5	10%
<b>Gross Sales (incl. Inter Unit)</b>	<b>9,947</b>	<b>9,618</b>	<b>3%</b>	<b>5,421</b>	<b>4,701</b>	<b>15%</b>
<b>EBITDA</b>	<b>1,236</b>	<b>1,161</b>	<b>7%</b>	<b>657</b>	<b>577</b>	<b>14%</b>
	12%	12%		12%	12%	
<b>PBIT (Before Exceptional Item)</b>	<b>863</b>	<b>813</b>	<b>6%</b>	<b>470</b>	<b>384</b>	<b>23%</b>
	9%	8%		9%	8%	
<b>APPLICATION OF FUNDS</b>						
<b>Net Fixed Assets (Incl. CWIP)</b>	<b>2,575</b>	<b>3,154</b>		<b>2,685</b>	<b>3,037</b>	
<b>Investments</b>	<b>612</b>	<b>612</b>		<b>612</b>	<b>612</b>	
<b>Net Working Capital</b>	<b>944</b>	<b>1,005</b>		<b>1,094</b>	<b>1,017</b>	
<b>Total Capital Employed</b>	<b>4,131</b>	<b>4,771</b>		<b>4,391</b>	<b>4,666</b>	
<b>Sales/NWC</b>	<b>10.6</b>	<b>9.6</b>		<b>9.9</b>	<b>9.3</b>	
<b>ROCE% - Based on Avg Capital Employed</b>	<b>19%</b>	<b>17%</b>		<b>22%</b>	<b>16%</b>	



**Shanthi Gears (SGL) - Strong Brand in Industrial Gears**

- Began operations in 1969 at Coimbatore
- Acquired by TII in 2012
- Leader in custom-made gears & loose gears
- ~70% of revenues come from customized products
- Fully integrated operations with in-house
  - R&D team
  - Design and engineering capabilities
  - Foundry, Fabrication and forging unit
  - Comprehensive Heat treatment facilities
  - Tool room for manufacturing hobs, cutters

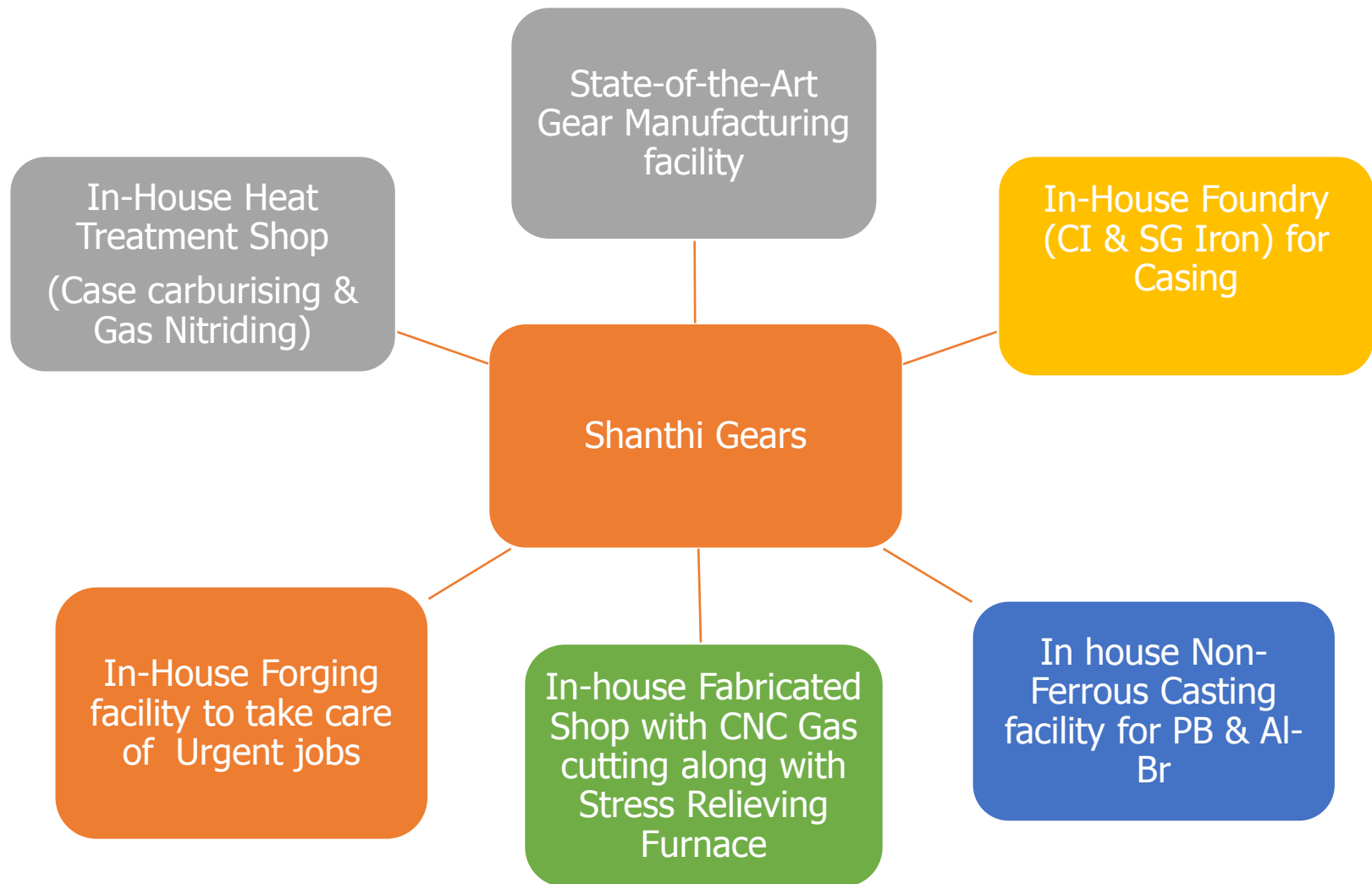
## Shareholding Pattern



**TII holds 70.12% stake in the company**

## Key Products

- Gears & Pinions
- Gear assemblies
- Gear boxes
- Worm Spares
- Geared motors
- Service & Repair





Spur/ Helical Gear



Pinion Shaft



Internal Gear



Worm and Wheel



Straight Bevel



Spiral Bevel



Worm Gearboxes-Adaptable



Worm Gearboxes-Standard



Worm Gearboxes-Special



Helical Gearboxes



Bevel Helical Gearboxes

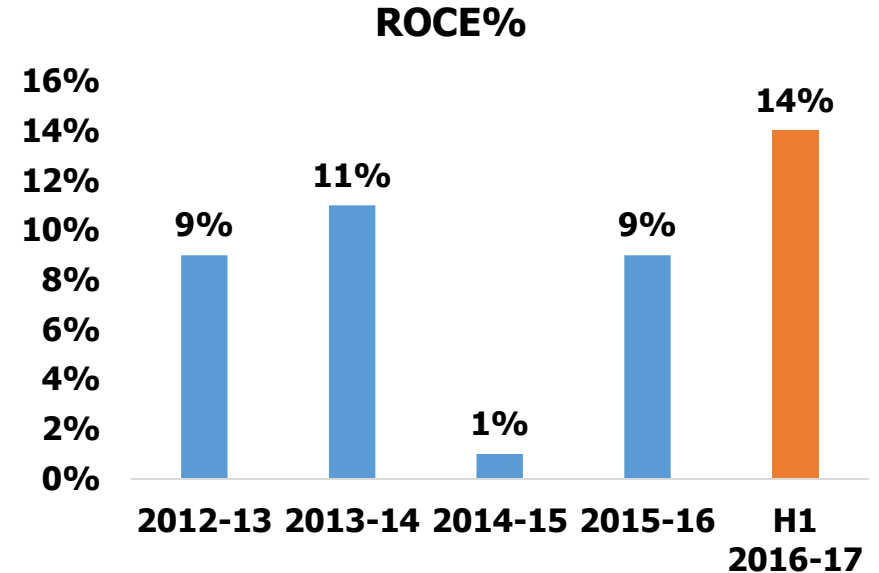
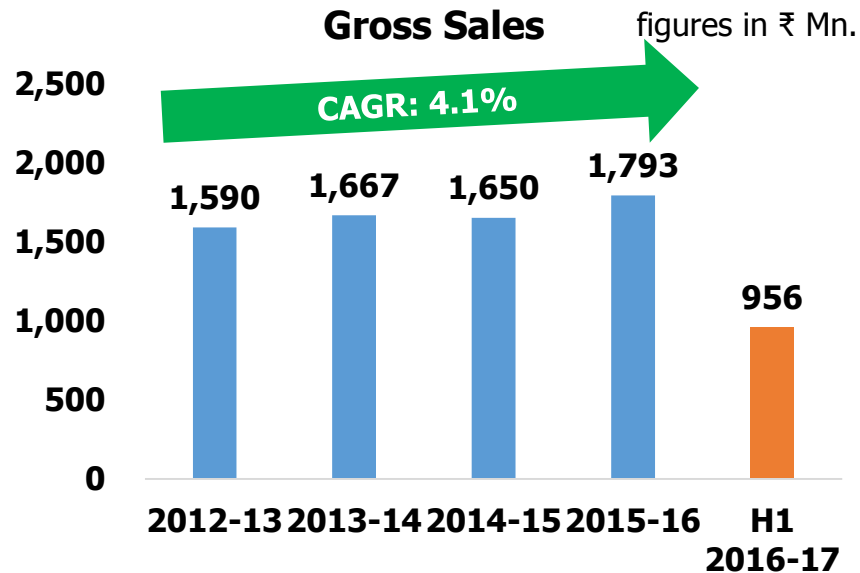
# Shanthi Gears - Key Customers





- Achieved highest order booking and production
- Total Revenue at ₹973 Mn., growth of 10%
- Foundry achieved its highest sales in last 9 quarters during Q2
- Significant growth registered in Service Business with new leads
- Commissioned Hofler profile grinding machine.
- Shanthi Gears e-Store launched
- Continuous drive on cost efficiency





Note: Gross Sales include Excise Duty to comply with IND AS and figures have been suitably adjusted

Based on Average Capital Employed

## Capital Employed in ₹ Mn.

Particulars	2012-13	2013-14	2014-15	2015-16	H1 2016-17
NFA	1,194	986	853	736	727
Investments	876	1,047	1,011	1,113	1,224
NWC	575	656	853	973	984
<b>Total</b>	<b>2,645</b>	<b>2,689</b>	<b>2,717</b>	<b>2,822</b>	<b>2,935</b>
Capital Expenditure	64	50	36	107	79

# Shanthi Gears - Key Financials H1 2016-17



figures in ₹ Mn.

Particulars	2015-16	2014-15	% Growth	H1 2016-17	H1 2015-16	% Growth
<b>Gross Sales</b>	<b>1,793</b>	<b>1,650</b>	<b>8%</b>	<b>956</b>	<b>877</b>	<b>9%</b>
<b>EBITDA</b>	<b>302</b>	<b>182</b>	<b>73%</b>	<b>190</b>	<b>139</b>	<b>37%</b>
	18%	11%		20%	16%	
<b>PBIT</b>	<b>228</b>	<b>131</b>	<b>79%</b>	<b>158</b>	<b>108</b>	<b>46%</b>
	13%	8%		17%	12%	
<b>PBT</b>	<b>228</b>	<b>131</b>	<b>79%</b>	<b>158</b>	<b>108</b>	<b>46%</b>
	13%	8%		17%	12%	
<b>PAT</b>	<b>175</b>	<b>93</b>	<b>96%</b>	<b>116</b>	<b>75</b>	<b>54%</b>
	10%	5%		12%	9%	
<b>APPLICATION OF FUNDS</b>						
<b>Net Fixed Assets (Incl. CWIP)</b>	<b>736</b>	<b>853</b>		<b>727</b>	<b>788</b>	
<b>Investments</b>	<b>1,113</b>	<b>1,011</b>		<b>1,224</b>	<b>1,156</b>	
<b>Net Working Capital</b>	<b>973</b>	<b>853</b>		<b>984</b>	<b>839</b>	
<b>Total Capital Employed</b>	<b>2,822</b>	<b>2,717</b>		<b>2,935</b>	<b>2,784</b>	
<b>Sales/NWC</b>	<b>1.8</b>	<b>1.9</b>		<b>1.9</b>	<b>2.1</b>	
<b>ROCE% - Based on Average Capital Employed</b>	<b>9%</b>	<b>1%</b>		<b>14%</b>	<b>7%</b>	

## Cholamandalam Investment and Finance Company Ltd. (CIFCL)

34 years of Existence

Enter a  
better life



VEHICLE FINANCE



HOME EQUITY LOANS



CORPORATE FINANCE



DISTRIBUTION &  
ADVISORY SERVICES



SECURITIES

## Cholamandalam MS General Insurance Company Ltd., (CMSGICL)



figures in ₹ Mn.

- Established in 1978, one of India's leading NBFC's, focused in the rural and semi-urban sector with a market capitalization of ₹ 184 bn^
- Presence across vehicle finance, business finance, home equity loans, stock broking and distribution of financial products
- Operates from 637 branches across 25 states and 90% presence across Tier II, Tier III and IV towns
- One of the leading NBFCs in rural / semi urban areas

Particulars	2015-16	2014-15	%Growth	H1 2016-17	H1 2015-16	%Growth
Disbursements	163,803	128,076	28%	90,049	71,793	25%
Total Income from Operations	42,138	37,148	13%	22,870	20,132	14%
<i>% of Disbursements</i>	26%	29%		25%	28%	
PBT	8,795	6,662	32%	5,163	3,567	45%
<i>% of Total Income</i>	21%	18%		23%	18%	
PAT	5,747	4,441	29%	3,349	2,328	44%
<i>% of Total Income</i>	14%	12%		15%	12%	
ROTA% (PBT)	3.6%	3.0%		3.80%	3.00%	
Capital Adequacy Ratio (%)	19.68%	21.24%		18.69%	20.93%	

figures in ₹ Mn.

- Among the fastest growing general insurance companies in India
- 105 branches and over 9000 agents across the country
- 7th largest private general insurance company in India
- Product basket comprises accident, engineering, health, liability, marine, motor, property, travel and rural insurance for individuals, SMEs and corporates
- Leading insurer for Japanese / Korean business interests in India
- Solvency Ratio on 30<sup>th</sup> September 2016 – 1.64

Particulars	2015-16	2014-15	%Growth	H1 2016-17	H1 2015-16	%Growth
Gross Written Premium (Incl. RI Accept)	24,658	18,964	30%	14,757	10,924	35%
Net Written Premium	20,575	15,709	31%	11,794	8,875	33%
PBT	2,131	2,007	6%	1,482	840	76%
PAT	1,479	1,372	8%	1,009	579	74%
Total Investment	38,607	31,646	22%	42,748	34,871	23%
Combined Ratio (CoR%) - Excl IMTPIP	105%	104%		104%	107%	
Investment Yield %	9.6%	10.1%		9.3%	9.4%	
Return on Equity	17.3%	19.1%		20.6%	15.1%	



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