



IND AS



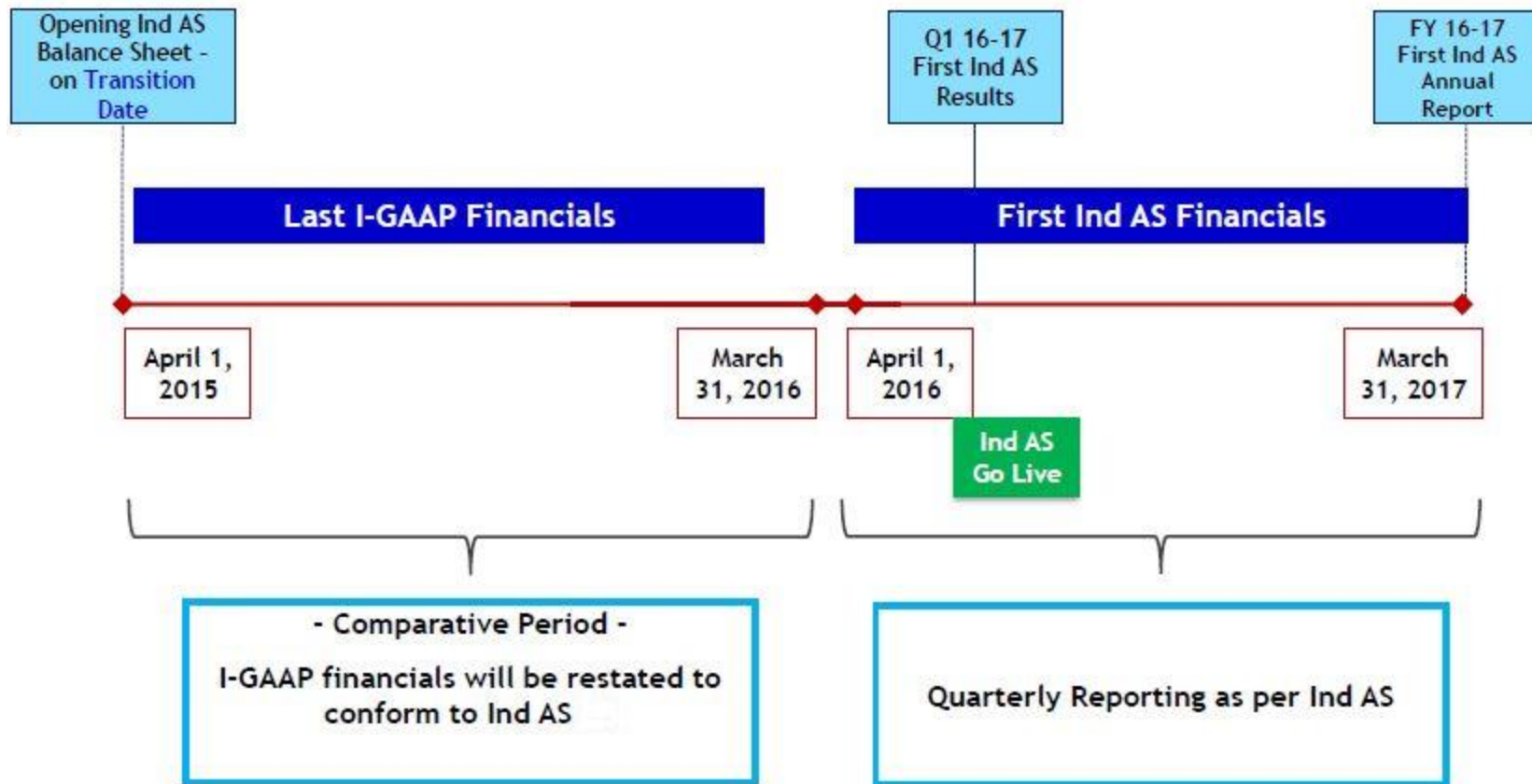
2016

**Tube Investments of India Limited**

# IND AS - APPLICABILITY

- The Institute of Chartered Accountants of India (ICAI) has issued 39 Indian Accounting Standards (IND AS) which have been notified under the Companies (Indian Accounting Standard) Rules, 2015 (“IND AS Rules”) of the Companies Act 2013
- IND AS has replaced the current Indian GAAP (IGAAP)
- TII has Networth of more than Rs. 500 Cr. as on 31<sup>st</sup> March 2014. Accordingly, IND AS is applicable to TII from 1<sup>st</sup> April, 2016 with transition date of 1<sup>st</sup> April, 2015
- Since TII is covered under the roadmap, IND AS becomes mandatory for its subsidiaries, associate and joint venture companies.
- SEBI Circular dated 5<sup>th</sup> July, 2016 requires the Company to present the Results mandatorily under IND AS for the current quarter (30<sup>th</sup> June, 2016) and corresponding quarter (30<sup>th</sup> June, 2015) and optional for preceding quarter and year end (31<sup>st</sup> March, 2016)

# IND AS – IMPLEMENTATION TIMELINE



# TRANSITIONAL CHOICE MADE UNDER IND AS 101 – FIRST TIME ADOPTION

- The Company has decided to continue with IGAAP carrying value (deemed cost) for all of its PP&E as recognized in IGAAP financial statements at the transition date.
- The Company has decided to not restate past business combinations that occurred before the date of transition to IND AS
- Investments in subsidiaries and joint ventures carried at Cost
- Fair valued only the unvested option at the transition date

# OTHER KEY IMPACT AREAS

IND AS	Name of the Standard	Category of Impact
IND AS 18	Revenue	<ul style="list-style-type: none"> <li>• Cash Discounts provided at the time of sales</li> <li>• Cash Discounts netted of against the sales</li> <li>• Excise Duty (ED) grossed up to Sales and ED is shown under expenses</li> </ul>
IND AS 109	Financial Instruments	<ul style="list-style-type: none"> <li>• The investments in non group Companies (other than investments in Subsidiaries and JV) has been fair valued.</li> <li>• Forwards covers and swap contracts are re-instated based on MTM and not on premium amortisation method</li> <li>• Loan processing fees is amortised over the period of loan</li> <li>• Debtors provisioning is made based on Expected Credit Loss Model</li> </ul>
IND AS 10	Events after the reporting period	<ul style="list-style-type: none"> <li>• Proposed dividend and dividend distribution tax is accounted for in the year of approval by shareholders</li> </ul>
IND AS 19	Employee Benefits	<ul style="list-style-type: none"> <li>• Actuarial gains and losses on defined benefit plans (Gratuity) is accounted in Other Comprehensive income</li> </ul>
IND AS 40	Investment Property	<ul style="list-style-type: none"> <li>• Property held for earning rentals or capital appreciation is shown as investment property instead of fixed assets</li> </ul>
IND AS 20	Government Grants	<ul style="list-style-type: none"> <li>• Government Grants towards investment in fixed assets is treated as deferred income and recognised in P&amp;L, based on the depreciation cost of the eligible fixed assets</li> </ul>

# QUARTERLY RESULTS – FY 2015-16

## AS PER INDIAN GAAP

₹ in Cr

Particulars	Quarter ended 30.06.2015	Quarter ended 30.09.2015	Quarter ended 31.12.2015	Quarter ended 31.03.2016	Year ended 31.03.2016
1. Income from Operations					
a) Net Sales / Income from Operations	970.72	931.35	868.35	1,019.63	3,790.05
b) Other Operating Income	37.79	35.72	33.98	43.43	150.92
<b>Total Income from Operations (Net)</b>	<b>1,008.51</b>	<b>967.07</b>	<b>902.33</b>	<b>1,063.06</b>	<b>3,940.97</b>
2. Expenses					
a) Cost of Materials Consumed	635.38	544.56	631.64	556.37	2,367.95
b) Purchase of Stock-in-Trade	30.91	7.81	20.29	20.30	79.31
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(24.96)	41.37	(110.60)	81.79	(12.40)
d) Excise duty on sale of products and scrap					
e) Employee Benefits Expense	84.13	86.72	89.41	97.65	357.91
f) Depreciation and Amortisation Expense	26.66	27.19	27.55	29.20	110.60
g) Other Expenses	196.79	196.46	191.46	213.39	798.10
<b>Total</b>	<b>948.91</b>	<b>904.11</b>	<b>849.75</b>	<b>998.70</b>	<b>3,701.47</b>
3. <b>Profit from Operations and before Other Income, Finance Costs and Exceptional Items (1 - 2)</b>	<b>59.60</b>	<b>62.96</b>	<b>52.58</b>	<b>64.36</b>	<b>239.50</b>
4. Other Income	2.01	8.97	0.36	23.07	34.41
5. <b>Profit Before Finance Costs and Exceptional Items (3 + 4)</b>	<b>61.61</b>	<b>71.93</b>	<b>52.94</b>	<b>87.43</b>	<b>273.91</b>
6. Finance Costs	34.43	34.90	33.50	32.28	135.11
7. <b>Profit After Finance Costs but before Exceptional Items (5 - 6)</b>	<b>27.18</b>	<b>37.03</b>	<b>19.44</b>	<b>55.15</b>	<b>138.80</b>
8. Exceptional Items			1.25	783.73	784.98
9. <b>Profit Before Tax (7 + 8)</b>	<b>27.18</b>	<b>37.03</b>	<b>20.69</b>	<b>838.88</b>	<b>923.78</b>
10. Tax Expense (including Deferred Tax)	9.26	12.07	4.80	167.76	193.89
11. <b>Net Profit (9 - 10)</b>	<b>17.92</b>	<b>24.96</b>	<b>15.89</b>	<b>671.12</b>	<b>729.89</b>

# QUARTERLY RESULTS – FY 2015-16

## AS PER IND AS

₹ in Cr

Particulars	Quarter ended 30.06.2015	Quarter ended 30.09.2015	Quarter ended 31.12.2015	Quarter ended 31.03.2016	Year ended 31.03.2016
1. Income from Operations					
a) Net Sales / Income from Operations	1,031.84	996.08	930.59	1,082.87	4,041.38
b) Other Operating Income	44.63	41.57	38.25	46.83	171.28
<b>Total Income from Operations (Net)</b>	<b>1,076.47</b>	<b>1,037.65</b>	<b>968.84</b>	<b>1,129.70</b>	<b>4,212.66</b>
2. Expenses					
a) Cost of Materials Consumed	635.38	544.56	631.64	556.37	2,367.95
b) Purchase of Stock-in-Trade	30.91	7.81	20.29	20.30	79.31
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(24.96)	41.37	(110.60)	81.79	(12.40)
d) Excise duty on sale of products and scrap	72.48	74.97	69.87	70.56	287.88
e) Employee Benefits Expense	83.62	86.22	88.89	97.13	355.86
f) Depreciation and Amortisation Expense	26.66	27.19	27.55	29.20	110.60
g) Other Expenses	192.74	191.85	188.40	209.25	782.24
<b>Total</b>	<b>1,016.83</b>	<b>973.97</b>	<b>916.04</b>	<b>1,064.60</b>	<b>3,971.44</b>
3. <b>Profit from Operations and before Other Income, Finance Costs and Exceptional Items (1 - 2)</b>	<b>59.64</b>	<b>63.68</b>	<b>52.80</b>	<b>65.10</b>	<b>241.22</b>
4. Other Income	2.03	8.99	0.38	23.08	34.48
5. <b>Profit Before Finance Costs and Exceptional Items (3 + 4)</b>	<b>61.67</b>	<b>72.67</b>	<b>53.18</b>	<b>88.18</b>	<b>275.70</b>
6. Finance Costs	34.63	35.52	33.23	31.96	135.34
7. <b>Profit After Finance Costs but before Exceptional Items (5 - 6)</b>	<b>27.04</b>	<b>37.15</b>	<b>19.95</b>	<b>56.22</b>	<b>140.36</b>
8. Exceptional Items	0.00	0.00	1.25	783.73	784.98
9. <b>Profit Before Tax (7 + 8)</b>	<b>27.04</b>	<b>37.15</b>	<b>21.20</b>	<b>839.95</b>	<b>925.34</b>
10. Tax Expense (including Deferred Tax)	9.03	11.93	4.79	167.95	193.70
11. <b>Net Profit (9 - 10)</b>	<b>18.01</b>	<b>25.22</b>	<b>16.41</b>	<b>672.00</b>	<b>731.64</b>

# PROFIT RECONCILIATION – FY 2015-16

₹ in Cr

Particulars	Q1	Q2	Q3	Q4	FY
Net Profit under IGAAP	17.92	24.96	15.89	671.12	729.89
Effect of Actuarial Loss on Employee defined benefit funds recognised in OCI	0.53	0.52	0.53	0.52	2.10
Effect of fair valuation of Financial Instruments	(0.36)	(0.60)	(0.07)	0.49	(0.54)
Effect of fair valuation of Share Based Payments	(0.02)	(0.02)	(0.01)	-	(0.05)
Others	(0.29)	0.22	0.06	0.06	0.05
Deferred tax	0.23	0.14	0.01	(0.19)	0.19
Net Profit under IND AS	18.01	25.22	16.41	672.00	731.64
Other Comprehensive Income (OCI) – Net of Tax	0.42	(1.19)	0.03	(0.91)	(1.65)
Total Comprehensive Income	18.43	24.03	16.44	671.09	729.99



# DISCLAIMER

- ◉ The objective of this communication is to provide broad information on the impact of transition to IND AS on the Company's financials. The information presented in this communication includes un-audited draft of IND AS restated financial statements based on our current best estimates or interpretation and may be affected by business or other changes or by changes to IND AS or the interpretation thereof published / notified hereafter.
- ◉ Some of the statements in this communication may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied
- ◉ Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, regulations, import duties, litigation and labour relations.

THANK YOU