



TUBE INVESTMENTS OF INDIA LTD CONSOLIDATED NET PROFIT FOR FY 2015-16 UP BY 145%

The Board of Directors of Tube Investments of India Limited (TII) met today and approved the financial results for the quarter and the year ended 31st March, 2016. The Board has recommended a special dividend of ₹3.50 per share for the year ended 31st March 2016, considering the profit on sale of 14% stake in Cholamandalam MS General Insurance Company Limited. The Board had declared an interim dividend of ₹1.50 per share which was paid to the shareholders in February 2016.

During the quarter and year ended 31st March 2016, the Company sold 4,18,32,798 equity shares of face value ₹10/- each representing 14% shareholding in M/s Cholamandalam MS General Insurance Company (MSGICL) to its joint venture partner, M/s Mitsui Sumitomo Insurance Company Limited, Japan (MS) for a consideration of ₹883 Cr.

- a. The excess of the sale consideration over the average carrying amount of the Company's investment in MSGICL aggregating ₹821 Cr. is recognised as a gain in the standalone financial statements.
- b. The excess of the sale consideration over the proportionate reduction in the Company's share of net assets and goodwill in MSGICL aggregating ₹762 Cr. is recognised as a gain in the consolidated financial statements.

These are shown as "Profit on sale of Non-Current Investment" under Exceptional items for the quarter and year ended 31st March, 2016.

Consolidated Results

For the year 2015-16, after considering the stake sale in MSGICL, TII has achieved consolidated Net Profit before minority interest and share of profit from associate of ₹1007 Cr. Net Profit after minority interest and share of profit from associate for the year 2015-16 was at ₹1039 Cr. against ₹424 Cr. for the previous year, a growth of 145% against the previous year.

During the quarter ended 31st March 2016, after considering the stake sale in MSGICL, TII consolidated Net Profit before Minority Interest and share of profit from associate of ₹652 Cr., Net profit after minority interest and share of profit from associate for the quarter ended 31st March 2016 was at ₹726 Cr. against ₹148 Cr., for the corresponding quarter in the previous year, registering a growth of 392%.

Cholamandalam Investment and Finance Company Ltd, an associate company in the financial service business, registered an impressive growth of 21% and 13% in Revenue for the quarter and the year respectively. Consolidated Profit after Tax (PAT) for the year was at ₹575 Cr. against ₹444 Cr. in the previous year, registering an impressive growth of 29%. Consolidated Profit after Tax (PAT) for the quarter was at ₹194 Cr. against ₹137 Cr. for the corresponding quarter in the previous year, registering an impressive growth of 42%.

Cholamandalam MS General Insurance Company Ltd., a general insurance subsidiary of the Company registered an impressive growth of 30% in Gross Written Premium during the year. Gross Written Premium for the year was at ₹2466 Cr. as against ₹1896 Cr. and the Profit after Tax (PAT) for the year was at ₹148 Cr. as against ₹137 Cr. in the previous year. Gross Written Premium for the quarter was at ₹760 Cr. as against ₹514 Cr. and the PAT for the quarter was at ₹56 Cr. as against ₹30 Cr. for the corresponding quarter in the previous year.

Shanthy Gears Ltd., a subsidiary company in the Gears Business, registered a revenue growth of 6.2% and 6.3% for the quarter and the year respectively. Profit after Tax (PAT) for the year was at ₹18.2 Cr. as against ₹9.3 Cr in the previous year. Profit after Tax (PAT) for the quarter was at ₹5.3 Cr. as against ₹1.4 Cr. compared for the corresponding quarter in the previous year.

Standalone Results

TII's revenue was ₹3941 Cr. as against ₹3828 Cr. in the previous year, a growth of 3%. The profit before interest, exceptional items and tax for the year was ₹274 Cr. as against ₹259 Cr. in the previous year. The Profit Before Tax (PBT) before exceptional items was ₹139 Cr. as against ₹121 Cr. in the previous year, a growth of 15%. After considering the stake sale in CMSGICL, the Company's PAT for the year was ₹730 Cr. as compared to ₹121 Cr. in the previous year

TII's Revenue for the quarter was higher by 18% at ₹1063 Cr. as against ₹903 Cr. for the corresponding quarter in the previous year. The profit before interest, exceptional items and tax for the quarter was higher by 8% at ₹87 Cr. as against ₹81 Cr. for the corresponding quarter in the previous year. The PBT before exceptional items was ₹55 Cr. as against ₹47 Cr. for the corresponding quarter in the previous year, a growth of 16%. After considering the stake sale in CMSGICL, the Company's PAT for the quarter was at ₹671 Cr. as compared to ₹77 Cr. for the corresponding quarter in the previous year.

On account of various market factors, changes in future project potential and expected usage, the Company has, in the current year, recognized an impairment loss of ₹37 Cr. in Engineering and Metal Formed Product Segment based on recoverable amounts determined by considering estimated net selling price for various asset classes.

Mr. L. Ramkumar, Managing Director said, "During the year, Auto Industry registered a modest growth of 6% growth in passenger vehicles and 2% in two wheeler segment. In spite of the lower industry growth and competitive environment, Company has maintained its leadership position and recorded PBT before Exceptional Items of ₹139 Cr. as against ₹121 Cr. in the previous year, a growth of 15%. Operational Excellence program has yielded good results by way of improving the cost competitiveness of the company. Cycles and Accessories segment saw a good year of performance with the help of higher institutional orders from various state governments".

Review of Businesses

Bicycles

The Bicycle division registered a growth of 14% in volumes during the year compared with the previous year. The revenue for the year was higher by 13% at ₹1485 Cr. as against ₹1314 Cr. in the previous year. This was driven by higher volume of institutional sales. Profit before Interest and Tax for the year was ₹79 Cr. as against ₹58 Cr. in the previous year, a growth of 37%. The revenue for the quarter was ₹423 Cr. as against ₹292 Cr. for the corresponding quarter in the previous year. Profit before Interest and Tax for the quarter was ₹20 Cr. as against ₹13 Cr. for the corresponding quarter in the previous year.

Engineering

In the Engineering division, volumes remained flat in Tubes and there was a negative growth of 7% in Cold Rolled Steel Strips during the year compared with the previous year due to market conditions. The revenue for the year was lower by 6% at ₹1629 Cr. as against ₹1725 Cr. in the previous year. Profit before Interest and Tax for the year was ₹95 Cr., as against ₹103 Cr. in the previous year. The drop in profits was due to additional costs associated with the new large diameter tubing facility, the revenue from which is expected to pick up in 2016-17. The revenue for the quarter was ₹421 Cr. as against ₹404 Cr., for the corresponding quarter in the previous year. Profit before Interest and Tax for the quarter was ₹27 Cr., as against ₹24 for the corresponding quarter in the previous year.

Metal Formed Products

In this segment, the sale of automotive Chains to OEMs recorded a volume growth of 7% over the previous year. The sale of Industrial Chains and Fine Blanked Components recorded a volume growth of 6% and 8% respectively over the previous year. The doorframe segment volume was lower by 5% compared with the previous year due to decline in the sale of select models of major car manufactures. The revenue for the year was higher by 3% at ₹954 Cr. as against ₹929 Cr. in the previous year. Profit before Interest and Tax for

the year was ₹86 Cr. as against ₹81 Cr. in the previous year, a growth of 6%. The revenue for the quarter was ₹250 Cr. as against ₹240 Cr. for the corresponding quarter in the previous year. Profit before Interest and Tax for the quarter was ₹25 Cr. as against ₹26 Cr. for the corresponding quarter in the previous year.

About Murugappa Group

Founded in 1900, the INR 269 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including ten 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., Sabero Organics 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, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies like Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), Yanmar & Co. and 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, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The organization fosters an environment of professionalism and has a workforce of over 32,000 employees. For more details, visit www.murugappa.com

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