



TUBE INVESTMENTS OF INDIA LTD CONSOLIDATED Q4 NET PROFIT UP BY 113%

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, 2015. The Board has recommended a final dividend of ₹0.50 per share (25% of the face value of ₹2 per share). The Board had declared an interim dividend of ₹1.50 per share (75% of the face value of ₹2 per share) which was paid to the shareholders in February 2015.

Consolidated Results

For the year 2014-15, TII has achieved consolidated revenue of ₹9698 Cr., a growth of 10% against the previous year and consolidated Net Profit before Minority Interest was at ₹684 Cr., a growth of 32% against the previous year. Net profit after minority interest for the year 2014-15 was at ₹424 Cr. against ₹311 Cr. for the previous year.

During the quarter ended 31st March 2015, TII has achieved consolidated revenue of ₹2367 Cr., a growth of 4% against the corresponding quarter in the previous year and consolidated Net Profit before Minority Interest of ₹224 Cr., a growth of 85% against the corresponding quarter in the previous year. Net profit after minority interest for the quarter ended 31st March 2015 was at ₹148 Cr. against ₹69 Cr. for the corresponding quarter in the previous year.

Cholamandalam Investment & Finance Company Ltd, a subsidiary company in the financial service business, registered an impressive growth of 11% and 13% in Revenue for the quarter and the year respectively. Profit after Tax (PAT) for the year was at ₹435 Cr. against ₹364 Cr. in the previous year, registering an impressive growth of 20%. Profit after Tax (PAT) for the quarter was at ₹136 Cr. against ₹91 Cr. for the corresponding quarter in the previous year, registering an impressive growth of 49%.

Cholamandalam General Insurance Company Ltd., a general insurance subsidiary of the Company registered a growth of 1% in Gross Written Premium during the year. Gross Written Premium for the year was at ₹1896 Cr. as against ₹1872 Cr. and the Profit after Tax (PAT) for the year was at ₹137 Cr. as against ₹70 Cr. in the previous year. Gross Written Premium for the quarter was at ₹514 Cr. as against ₹540 Cr. and the PAT for the quarter was at ₹30 Cr. as against ₹19 Cr. compared with corresponding quarter in the previous year.

Shanthy Gears Ltd., a subsidiary company in the Gears Business, registered a revenue growth of 3% for the quarter and flat for the year. Profit after Tax (PAT) for the year was lower at ₹9 Cr. as against ₹18 Cr in the previous year. Profit after Tax (PAT) for the quarter was at ₹1.4 Cr. as against ₹3.7 Cr. compared with corresponding quarter in the previous year.

During the quarter, the Company subscribed to 1,75,00,000 Equity Shares of ₹10 each of TI Tsubamex Private Limited (TTPL), a Joint Venture Company at ₹10 per share amounting to ₹17.50 Cr. and the Company's shareholding in TTPL has increased from 50% to 75%. As a result, TTPL has become a subsidiary of the Company.

Standalone Results

TII's revenue was ₹3828 Cr. as against ₹3526 Cr. in the previous year, a growth of 9%. The profit before interest, exceptional items and tax for the year was ₹259 Cr. as against ₹264 Cr. in the previous year. The PAT for the year was ₹121 Cr. as compared to ₹94 Cr. in the previous year, a growth of 28%.

TII's Revenue for the quarter was higher by 1% at ₹903 Cr. as against ₹890 Cr. for the corresponding quarter in the previous year. The profit before interest, exceptional items and tax for the quarter was higher by 2% at ₹81 Cr. as against ₹80 Cr. for the corresponding quarter in the previous year. The PAT for the quarter was higher by 153% at ₹77 Cr. as compared to ₹30 Cr. for the corresponding period in the previous year.

During the year, the Company sold non-operating assets which generated a profit of ₹61 Cr. Further, the Company implemented Voluntary Retirement Schemes in certain locations at a cost of ₹27 Cr. to improve the productivity and competitiveness of its businesses.

Mr. L. Ramkumar, Managing Director said, "Passenger vehicles registered growth while volumes in two wheelers were relatively flat compared to the same quarter of the previous year. The Metal Forming business was awarded new programs with major OEMs. The Large Diameter Tube Plant is in the process of stabilizing production and we expect volumes to increase in the coming quarters. "

Review of Businesses

Bicycles

The Bicycle division registered a growth of 6% in volumes during the year compared with the previous year. The revenue for the year was higher by 11% at ₹1314 Cr. as against ₹1185 Cr. in the previous year. This was driven by higher volume of specials and institutional sales. Profit before Interest and Tax for the year was ₹58 Cr. as against ₹38 Cr. in the previous year, a growth of 50%. The revenue for the quarter was ₹292 Cr. as against ₹274 Cr. for the corresponding quarter in the previous year. Profit before Interest and Tax for the quarter was ₹13 Cr. as against ₹1 Cr. for the corresponding quarter in the previous year.

Engineering

The Engineering division registered a volume growth of 6% in Tubes and 2% in Cold Rolled Steel Strips during the year compared with the previous year. The revenue for the year was higher by 6% at ₹1725 Cr. as against ₹1622 Cr. in the previous year. Profit before Interest and Tax for the year was ₹103 Cr., as against ₹136 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 flow in 2015-16. The revenue for the quarter was ₹404 Cr. as against ₹424 Cr., for the corresponding quarter in the previous year. Profit before Interest and Tax for the quarter was ₹24 Cr., as against ₹42 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 11% over the previous year. The sale of Industrial Chains and Fine Blanked Components recorded a volume growth of 3% and 17% respectively over the previous year. The doorframe segment volume was lower by 15% 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 9% at ₹929 Cr. as against ₹851 Cr. in the previous year. Profit before Interest and Tax for the year was ₹81 Cr. as against ₹67 Cr. in the previous year, a growth of 21%. The revenue for the quarter was ₹240 Cr. as against ₹223 Cr. for the corresponding quarter in the previous year. Profit before Interest and Tax for the quarter was ₹26 Cr. as against ₹14 Cr. for the corresponding quarter in the previous year.

About Murugappa Group

Founded in 1900, the INR 243 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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