



TUBE INVESTMENTS OF INDIA LTD CONSOLIDATED Q1 REVENUE UP BY 15%

The Board of Directors of Tube Investments of India Limited (TII) met today and approved the financial results for the quarter ended 30th June, 2013.

Consolidated Results

The Company's consolidated Net Profit before Minority Interest for the quarter was at ₹133 Cr, a growth of 11% against the corresponding quarter of the previous year. Net profit after minority interest for the quarter was at ₹81 Cr. against ₹85 Cr. for the corresponding quarter in the previous year.

Cholamandalam Investment & Finance Company Ltd, a subsidiary company in the financial service business, registered a good growth of 29% in the disbursements for the quarter. Profit after Tax (PAT) for the quarter was at ₹92 Cr. against ₹70 Cr. for the corresponding quarter in the previous year, registering an impressive growth of 31%.

Cholamandalam General Insurance Company Ltd., a general insurance subsidiary of the Company registered a significant growth of 20% in Gross Written Premium during the quarter. Gross Written Premium for the quarter was at ₹482 Cr. as against ₹402 Cr. and the PAT for the quarter was at ₹20.9 Cr. as against ₹10.5 Cr, a growth of 99% compared with corresponding quarter in the previous year.

Shanthi Gears Ltd., a subsidiary company in the Gears Business, registered a revenue growth of 9% for the quarter compared with corresponding quarter of the previous year. The PAT for the quarter was at ₹3.4 Cr. as against ₹3.6 Cr. during corresponding quarter in the previous year.

TII's Income for the quarter was lower by 10% at ₹826 Cr. as against ₹915 Cr. for the corresponding quarter in the previous year. The profit before interest and tax for the quarter was at ₹54 Cr. as against ₹75 Cr. for the corresponding quarter in the previous year. The PAT for the quarter was ₹16 Cr. as compared to ₹38 Cr. for the corresponding period in the previous year.

Mr. L. Ramkumar, Managing Director said, "The dependence on the auto sector is high for the engineering and metal formed product segments and hence their performance was impacted due to its slowdown. Demand for bicycles was encouraging when compared to the previous quarter. The margins were under pressure across all segments due to increased input costs. We have recovered the input costs partially and focusing on efficiencies to neutralize the impact. To weather the slowdown, all the business segments are focusing on meeting the customer requirements in a timely manner and improve on the Cash to Cash cycle. Progress on the green field project to manufacture Large Diameter Welded Tubes is as per plan and is expected to commence production in Q1 of the next financial year".

Review of Businesses

Bicycles

The Bicycle division registered a drop in volumes by 7% during the quarter compared with corresponding quarter in the previous year. This segment witnessed an impressive growth of 13% in volumes over the Q4 of the previous financial year. The revenue for the quarter was ₹307 Cr. as against ₹335 Cr. for the corresponding quarter in the previous year. Profit before Interest and Tax for the quarter was ₹15 Cr. as against ₹22 Cr. for the

corresponding quarter in the previous year. The margins were under pressure due to increase in input costs absorbed partially due to competitive environment.

Engineering

The Engineering division registered a volume drop of 5% in Tubes and 2% in Cold Rolled Steel Strips during the quarter compared with corresponding quarter in the previous year. The Engineering division's revenue for the quarter was ₹369 Cr. as against ₹395 Cr. for the corresponding quarter in the previous year. Auto industry had a negative growth of 4% during the quarter as compared to the corresponding quarter of previous year. Profit before Interest and Tax for the quarter was ₹29 Cr. as against ₹32 Cr. for the corresponding quarter in the previous year.

Metal Formed Products

In this segment, the domestic volumes of the automotive Chains increased by 4% and volume to the replacement market increased by 23% over the corresponding quarter in the previous year. Fine Blanked products also grew by 11% for the quarter. The doorframe segment volumes registered a drop of 12% mainly due to negative growth in passenger cars segment. Due to delay in release of orders to the wagon builders from Railways, the products for railway segment witnessed 69% drop in volume. The revenue for the quarter was ₹184 Cr. as against ₹220 Cr. for the corresponding quarter in the previous year. Profit before Interest and Tax for the quarter was ₹14 Cr. as against ₹24 Cr. for the corresponding quarter in the previous year.

About Murugappa Group

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Renowned brands like BSA, Hercules, Ballmaster, Ajax, Parry's, Chola, Gromor 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 <http://www.murugappa.com>

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