



**Tube Investments of India Limited**

(Formerly known as TI Financial Holdings Limited)

Dare House, 234, N.S.C. Bose Road, Chennai 600 001, India

Tel: 91.44.4217 7770-5 Fax: 91.44.4211 0404

Website: [www.tiindia.com](http://www.tiindia.com) CIN: L35100TN2008PTC069496

6th November, 2019

National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor  
Plot No.C/1, G Block  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai 400 051

BSE Ltd.  
1st Floor  
New Trading Ring, Rotunda Building  
P J Towers, Dalal Street  
Fort  
Mumbai 400 001

Dear Sirs,

**Sub: Institutional Investors/Analysts Meeting – ISIN INE974X01010**

Pursuant to Regulations 30(2) & 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we inform that Meeting with Institutional Investors/Analysts is scheduled on 7th November, 2019.

We send herewith the Investors presentation on H1 2019-20 financial performance of the Company prepared for use at meetings with Institutional Investors/Analysts. A copy of the same is also uploaded in the Company's website [www.tiindia.com](http://www.tiindia.com).

Please take the above information on record and acknowledge receipt.

Thanking you,

Yours faithfully,  
For TUBE INVESTMENTS OF INDIA LIMITED

  
S SURESH  
COMPANY SECRETARY

Encl:

# Tube Investments of India Limited



INDIA

Investor  
Presentation  
November 2019

Tube Investments of India Limited



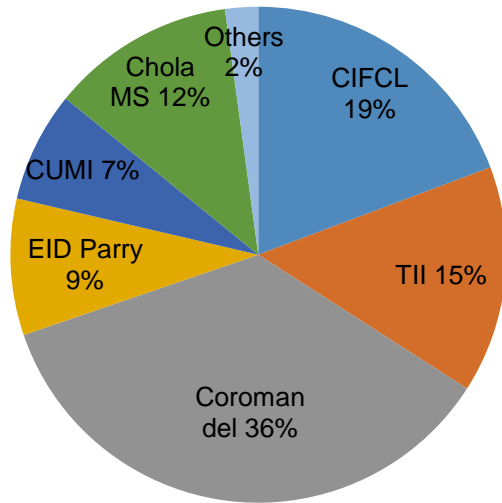
murugappa

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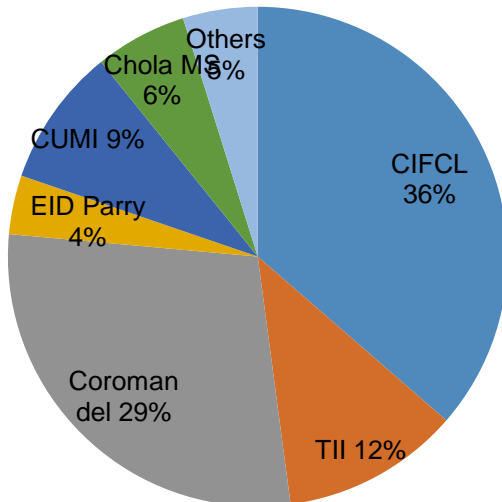
# Murugappa Group and Philosophy









Net Sales FY 2018-19



EBITDA FY 2018-19



Company Name	Market Capitalisation	Description
 <b>Chola</b> Enter a better life	INR 2,40,652 mn (USD\$ 3,405 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 loans stock broking & distribution of financial products
 <b>INDIA</b>	INR 72,135 mn (USD\$ 1021 mn)	Tube Investments of India Limited offers wide range of engineering products such as Steel Tubes, Chains, car door frames, etc. apart from Fitness equipment and Cycles
<b>CFHL</b>	INR 91,952 mn (USD\$ 1,301 mn)	Cholamandalam Financial Holdings Limited holds investments in financial services business
 <b>Coromandel</b>	INR 121,528 mn (USD\$ 1,719 mn)	Coromandel International Limited is the leading phosphatic fertilizer company in India
 <b>PARRYS</b>	INR 29,160 mn (USD\$ 413 mn)	EID Parry (India) Limited offers wide range of agro products such as sugar, microalgal health supplements and bio products
 <b>CUMI</b>	INR 56,879 mn (USD\$ 805 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
 <b>Chola MS</b> GENERAL INSURANCE	Unlisted	Cholamandalam MS General Insurance Company Limited is a JV of Murugappa Group with Mitsui Sumitomo Insurance Group of Japan

Note: Market data as on 30<sup>th</sup> Sep 2019. Source: NSE Sensex and Conversion Rate of 1USD = Rs.70.69 as on 30<sup>th</sup> Sep 2019 Source: RBI



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

**- Arthashastra**

## Manufacturing Businesses

- Engineering Segment (Tubes, Value Added Cold Rolled Strips, & Tubular Components)
- Metal Formed Products (Chains for Automobile sector & Industrial applications, Doorframes & Channels for Passenger Cars)
- Cycles and Accessories (Bicycles & Fitness Products)
- Gears and Gears Products (Investment in Shanthi Gears Limited - Industrial Gears)
- 18 Manufacturing Plants and Suppliers to all major automotive OEMs or Tier 2/3 Suppliers

### Key Financials - TII Standalone

Particulars	H1 18-19	H1 19-20
Revenue from Operations	2,721	2,365
PBIT (Before Exceptional Item)	193	235
PBT (Before Exceptional Item)	164	218
PAT	111	179

### Key Financials - TII Consolidated

Particulars	H1 18-19	H1 19-20
Revenue from Operations	2,969	2,632
PBIT (Before Exceptional Item)	219	254
PBT (Before Exceptional Item)	187	237
PAT	129	172

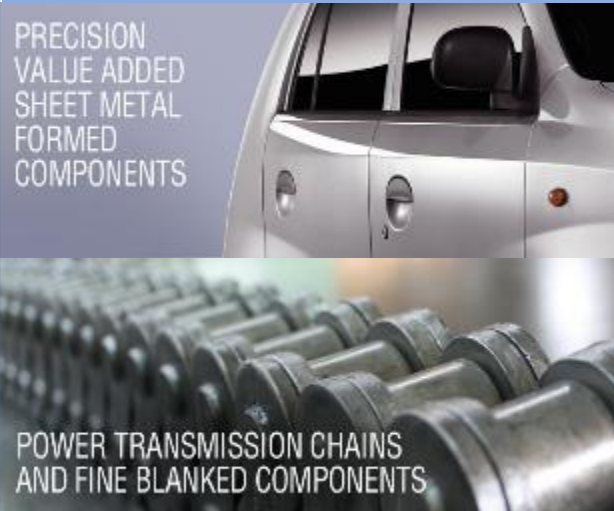
## Engineering



ERW & CDW Tubes, Large Diameter Tubes, Value Added Cold Rolled Strips and Tubular Components

Largest Supplier of Precision Steel Tubes (CDW)

## Metal Formed Products



Chains for Automobile sector and Industrial applications, Doorframes, Channels for Passenger Cars, Fine blanked components and Railway coaches

- Leader in Chains and Fine blanked components
- Preferred supplier for roll-formed door frames

## Cycles and Accessories



Bicycles, fitness products and accessories

Our Brands command a leadership position in India

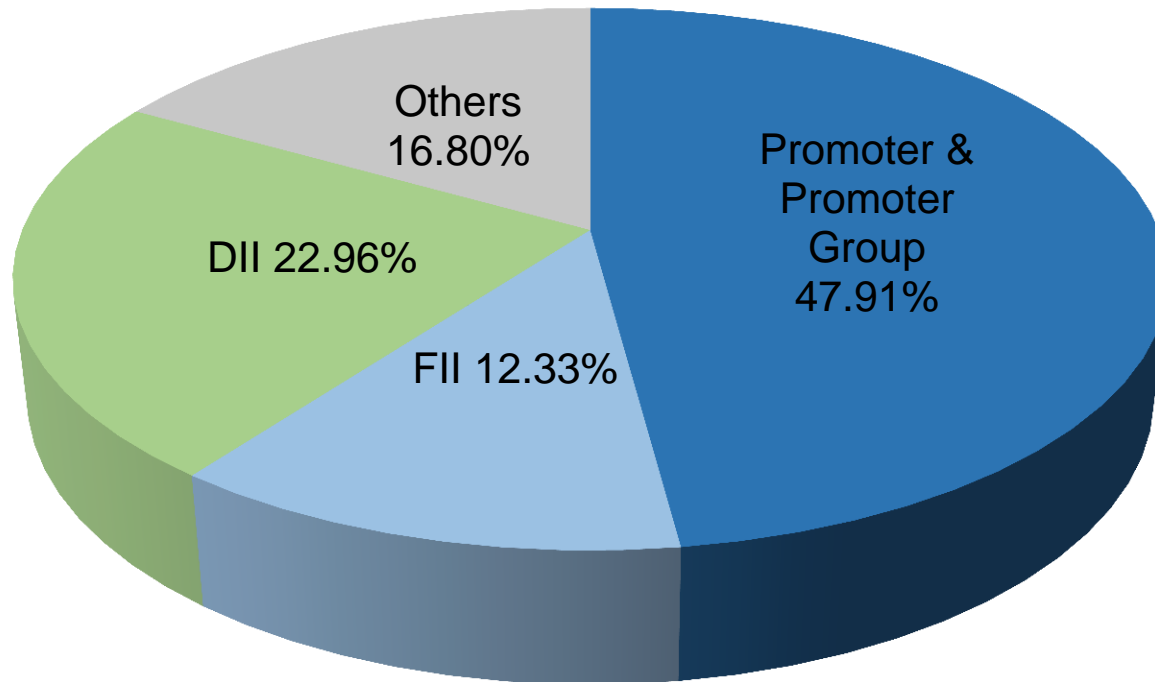
**Revenue de-grown by 13%**

**PBT before exceptional items at Rs. 218 Cr., grown by 33%. PBT margin improved to 9.7% from 6.4%**

**ROCE stands at 22% as against 19% in PY H1**

**Cumulative free cash flow of Rs. 154 Cr. being 86% of PAT**

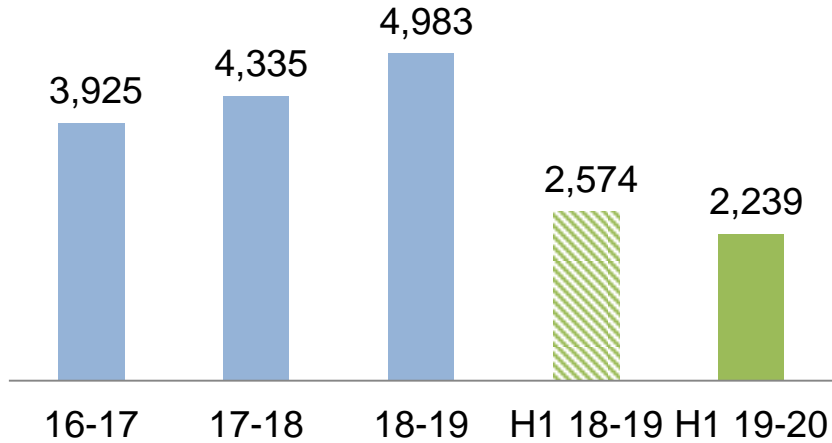
- Net debt reduction by Rs. 224 Cr., from Rs. 513 Cr. in Mar-19 to Rs. 289 Cr. in Sep-19
- Debt equity ratio improved to 0.3 from 0.4 in Mar-19.
- Debt/EBITDA improved to 0.8 in Sep-19 from 1.0 in Mar-19
- TII received consideration of Rs. 45 Cr. on tendering Shanthi Gears shares under buy-back offer
- TII made net gain of Rs. 57 Cr. on sale of treasury shares
- The Company has availed the benefit of lower tax rate @ 22%



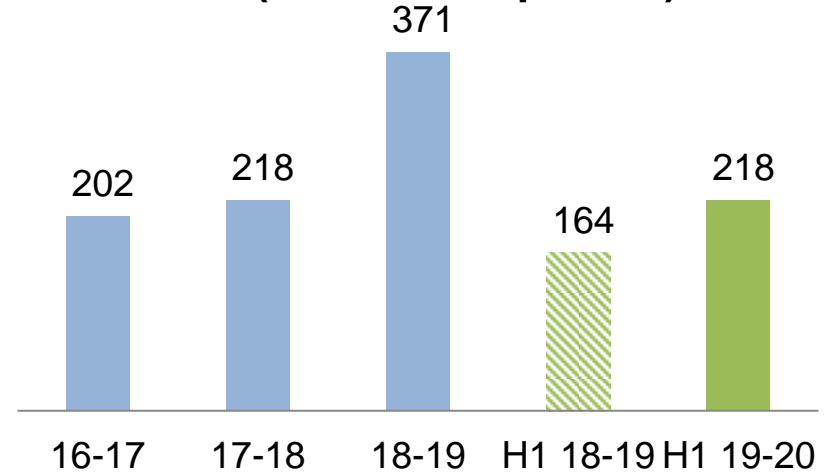


Particulars	Rs. Cr.					
	Standalone			Consolidated		
	FY 18-19	H1 18-19	H1 19-20	FY 18-19	H1 18-19	H1 19-20
<b>Net Sales</b>	<b>4,983</b>	<b>2,574</b>	<b>2,239</b>	<b>5,463</b>	<b>2,822</b>	<b>2,506</b>
<i>Growth %</i>			-13.0%			-11.2%
<b>PBT before exceptional items</b>	<b>371</b>	<b>164</b>	<b>218</b>	<b>375</b>	<b>187</b>	<b>237</b>
% to Sales	7.4%	6.4%	9.7%	6.9%	6.6%	9.4%
Exceptional Items	(9)	3	19	3	3	-
<b>PBT after exceptional items</b>	<b>362</b>	<b>167</b>	<b>237</b>	<b>378</b>	<b>190</b>	<b>237</b>
Tax	119	55	58	127	61	65
<b>PAT</b>	<b>244</b>	<b>111</b>	<b>179</b>	<b>251</b>	<b>129</b>	<b>172</b>

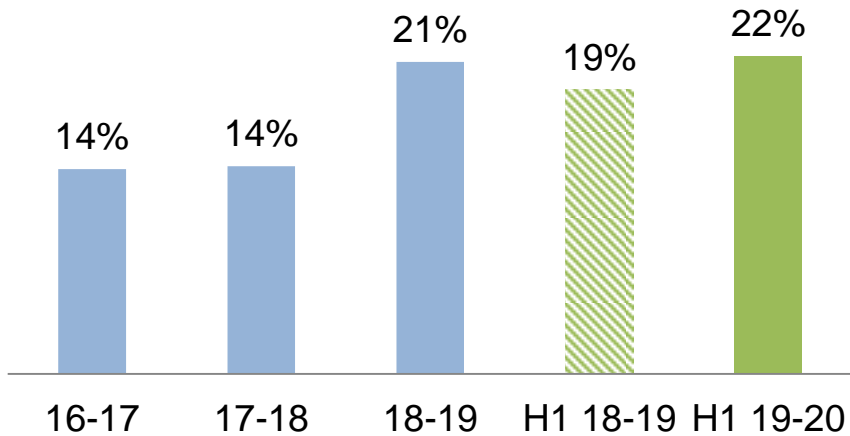
## Net Sales



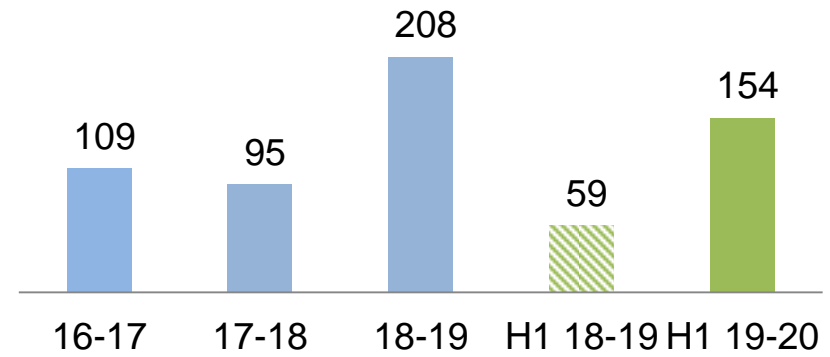
## PBT (before exceptional)



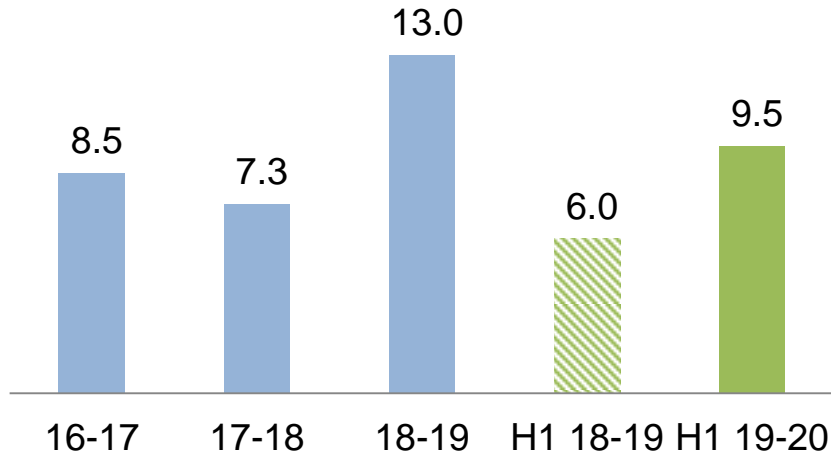
## ROCE



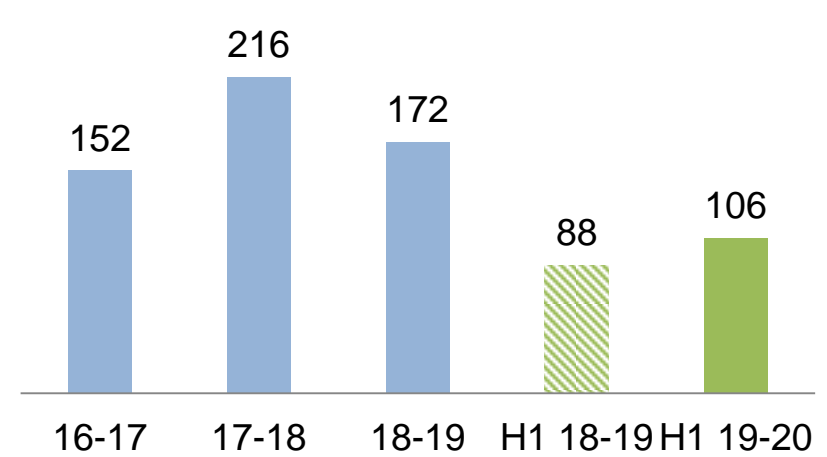
## Free Cash Flow



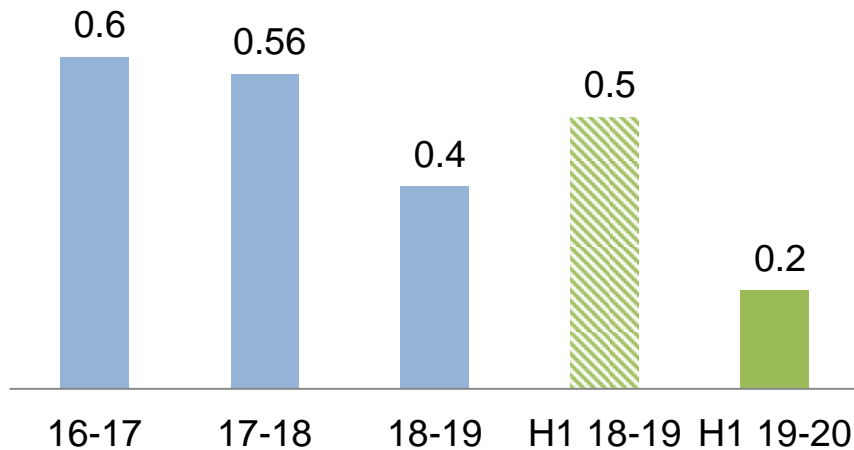
### Basic EPS (FV Re. 1) (not annualised)



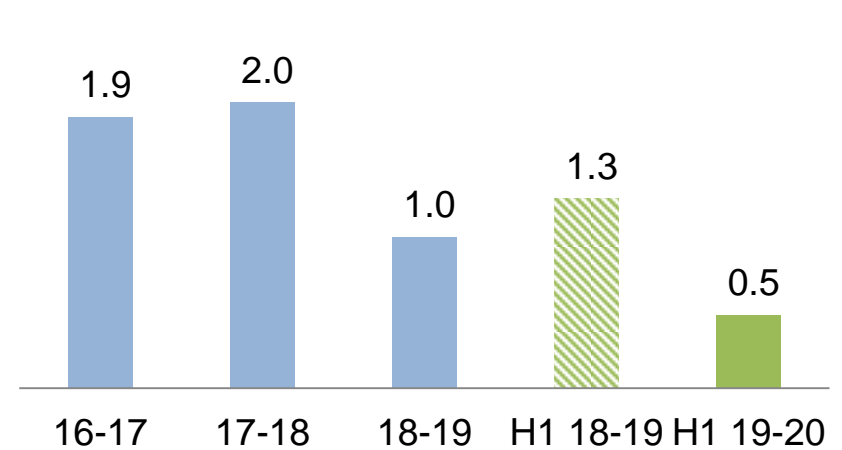
### Capex



### Net Debt Equity



### Net Debt/EBITDA





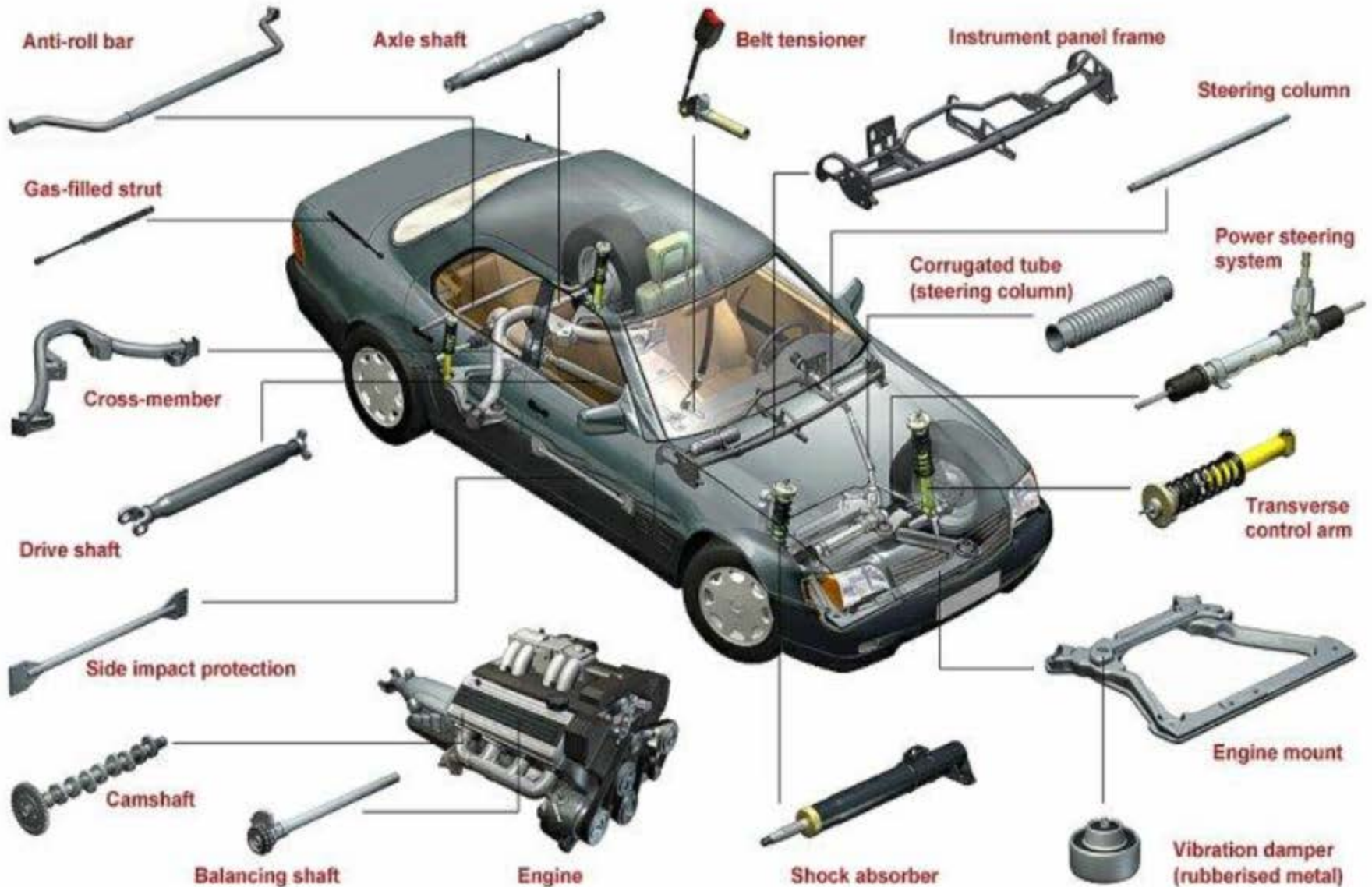


**Leader in CDW tubes in the Automotive industry**



**Two-Wheeler production in India de-grown by 13% in H1 19-20**

# Four Wheeler Application



Passenger Vehicle production in India de-grown by 16% in H1 19-20



Hydraulic Cylinder

Rollover Protection Structure (ROPS)



Rollover Protection Structure (ROPS)

King Pin

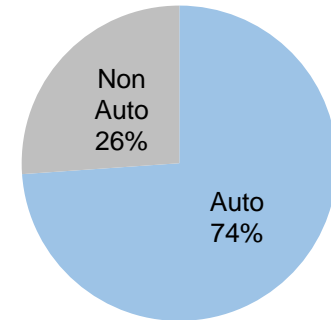
Front Axle

Hollow Drive Shaft



- 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

## Business Mix H1 19-20



## CDW Tube

- Market leader in High Quality & Safety critical CDW Tubes for 2W and 4W applications



## Multi Location

- Only manufacturer with plants at 5 different locations closer to customers



## Gearing for Non-Auto

- Large-dia plant provides tubes for hydraulic cylinders, Off-Road applications, import substitution



## CRSS

- Import substitution program is continuously on



## Exports

- Continued focus on improving exports



# Major Customers Serviced



Teams from TPI participated in the **SGA competition held by ABK AOTS** in Aug'19 and won awards for quality improvement w.r.t. **reducing surface defect rejection in tubular front forks**



Teams from TPI participated in the Zonal SMED Competition conducted by **Automotive Component Manufacturers Association of India (ACMA)** in Aug'19 and won award for **reduced changeover time in tube mills**



Teams from TPI participated in **QCFI Convention** in Sep'19 and won several awards

- Drop in Tubes and Strips volume due to slowdown of auto industry
- In spite of the drop in revenue due to difficult market conditions, profitability is maintained at the same level due to cost efficiencies and prudent revenue management
- Current focus is on operational efficiency improvement



Rs. Cr

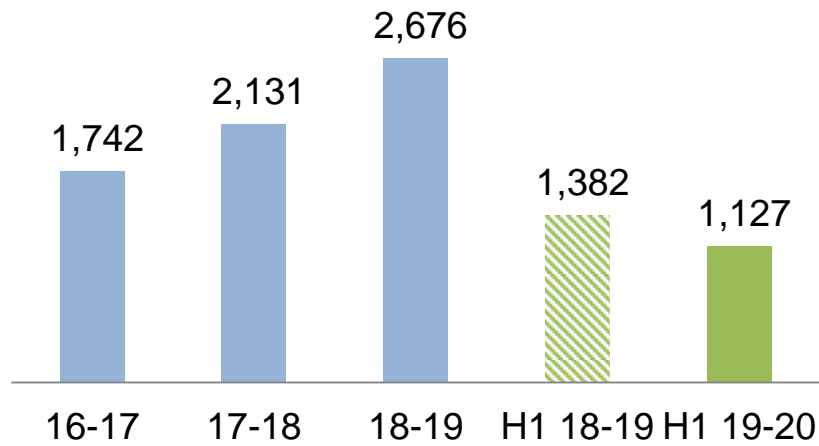
Particulars	18-19	H1 18-19	H1 19-20	Growth %
<b>Net Sales</b>	<b>2,676</b>	<b>1,382</b>	<b>1,127</b>	<b>-18.4%</b>
<b>PBIT</b>	<b>254</b>	<b>130</b>	<b>130</b>	<b>0.3%</b>
% to Net Sales	9.5%	9.4%	11.5%	

Particulars	31-03-2019	30-09-2018	30-09-2019
Net Fixed Assets	530	533	570
Net Working Capital	157	168	146
<b>Capital Employed</b>	<b>687</b>	<b>702</b>	<b>717</b>
<b>Capital Expenditure</b>	<b>84</b>	<b>44</b>	<b>63</b>

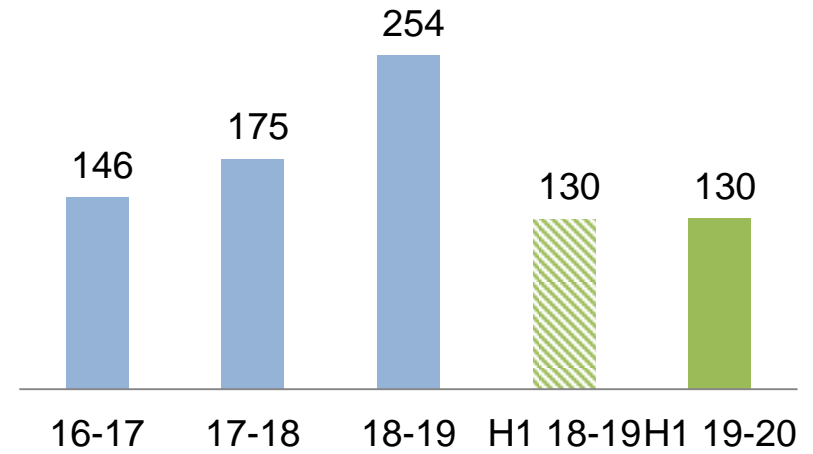
# Key Financial Trends

Rs.  
Cr.

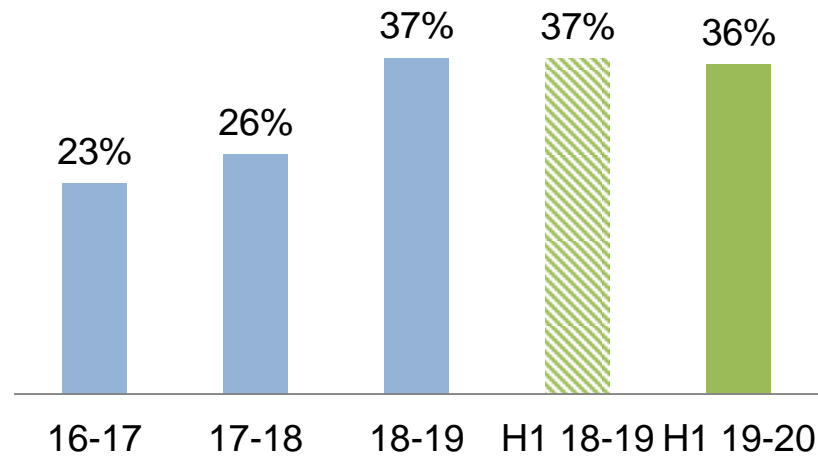
## Net Sales



## PBIT (before exceptional)



## ROCE





A close-up photograph of a silver car door, showing the side mirror, door handle, and a small orange indicator light.

PRECISION  
VALUE ADDED  
SHEET METAL  
FORMED  
COMPONENTS,  
RAILWAY COACHES

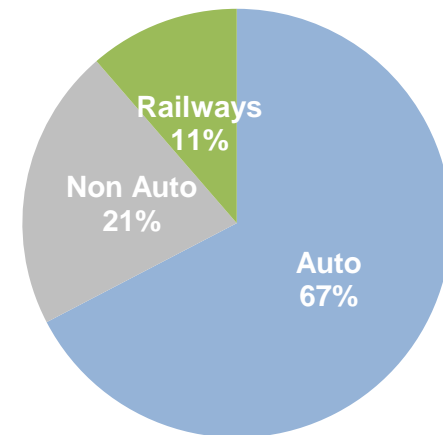
A close-up photograph of a series of metal chains, showing the links and rollers in detail.

POWER TRANSMISSION CHAINS  
AND FINE BLANKED COMPONENTS

**Precision Value added Components**

- **Metal formed products division cater to both automotive and non-automotive segments as below:**
- **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

## Business Mix



## Automotive Sector H1 19-20:

- Two-Wheeler production de-grown by 13%
  - Scooters : -16%
  - Motor Cycles : -10%
- Passenger Vehicles production also de-grown by 16%
- Commercial Vehicles production registered a de-growth of 27%



## 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



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

- Adequate Capacity
- Good push in the service
- 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

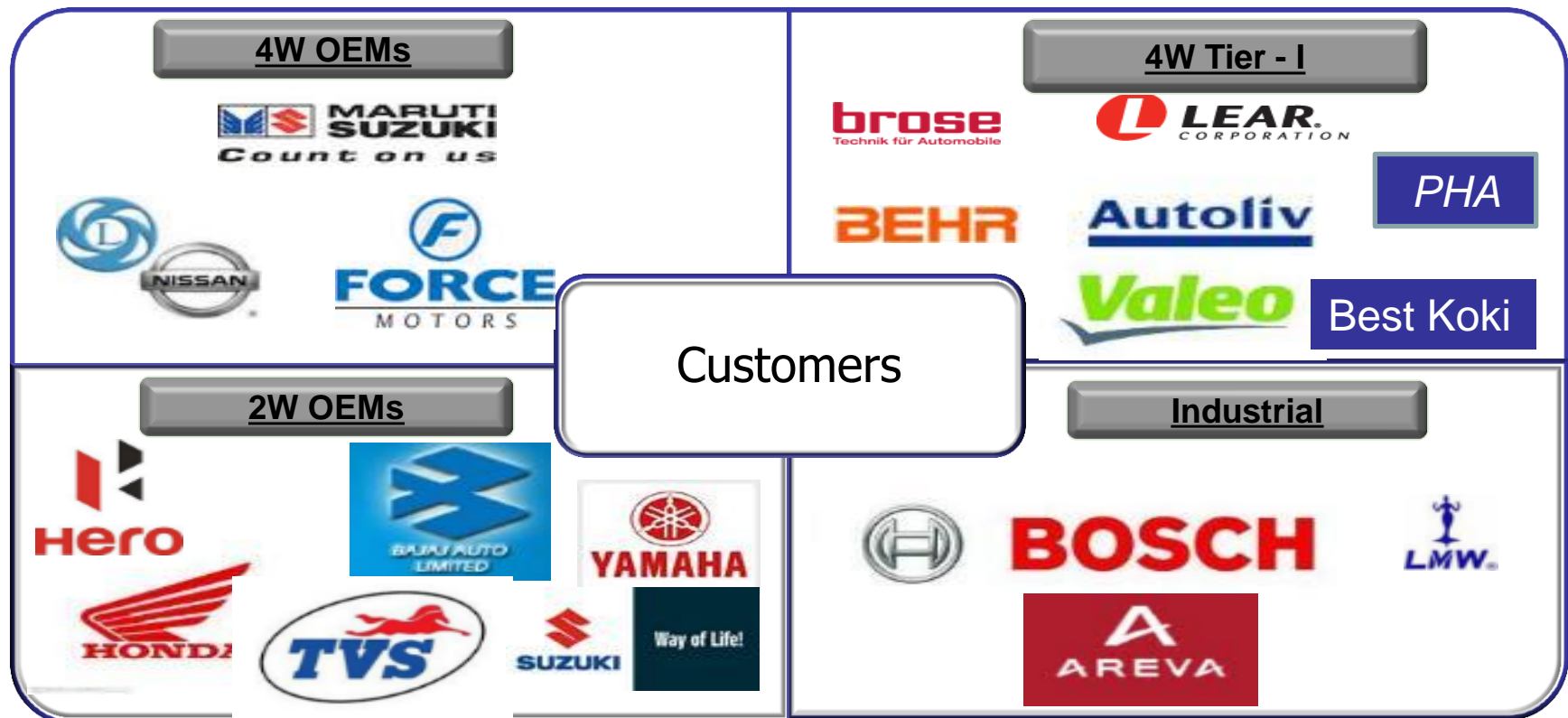


## Industry Segments

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

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

Two Wheelers - OEMs and Tier-I Companies

Indian Railways - Coach Factories



**ISUZU**



**ROYAL ENFIELD**



**ALSTOM**



## Four Wheelers



**Car Door Frames**



**Divisional Channels**



**Side Impact Beams**



**Cowl Cross Beam**

## Two Wheelers



**2W - Mudguard**

## Motor Casings



## Railways



## Industry Segments

Construction Equipment  
Manufacturers

Material Handling  
( Fork Lifts )

Agricultural Equipment  
Manufacturers

Cement and Power

Conveyer Manufacturers

Food Processing

Multi-level Car Parking

## Key Customers





Power Transmission and Conveying Chains

Agricultural Chains



Engineering Class Chains

## Segment Leader

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

## Multi Location

- Strategically located plants close to leading OEMs for JIT supplies
- Total of 11 Manufacturing Plants (5 Chain Plants and 6 Metal Forming Plants) and also warehouses to service Auto After Market and IC requirements

## Brand Equity

- Strong brand equity - “Diamond and Rombo” brands

## Quality

- PPM maintained lesser than customer target

## Technology

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

## Customers

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



**Market Connect Initiatives**

**IC Dealers' Meet – Drive 2019**



**Kisan Mela – Ludhiana**



**Industrial Summit 2019 – Haridwar**

# Metal formed – Awards and Recognition



**Team from Industrial Chains  
recognised by ABK-AOTS/ QCFI-  
CCQCC**



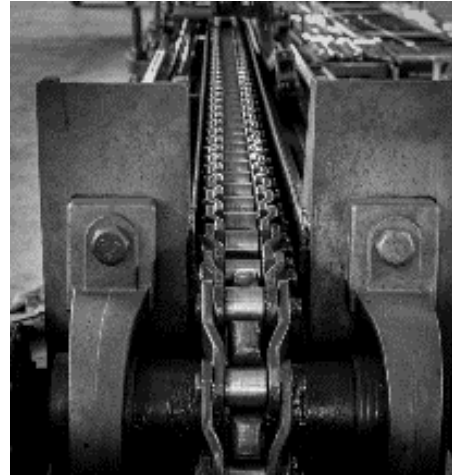


Received award from MSIL for improvement in quality performance

Award received from Alstom for new product development



- Focus on operational efficiency and quality improvements in auto chains
- Doorframe supplies to new projects commenced
- Obtained new orders for Railways
- Taken new initiatives under TQM
- Sale of Rotogro rotavators commenced by Agri division and focus on market ramp up
- Production of Silent Chains



Rs. Cr

Particulars	18-19	H1 18-19	H1 19-20	Growth %
<b>Net Sales</b>	<b>1,286</b>	<b>613</b>	<b>690</b>	<b>12.5%</b>
<b>PBIT</b>	<b>123</b>	<b>57</b>	<b>74</b>	<b>30.3%</b>
% to Net Sales	9.6%	9.3%	10.7%	

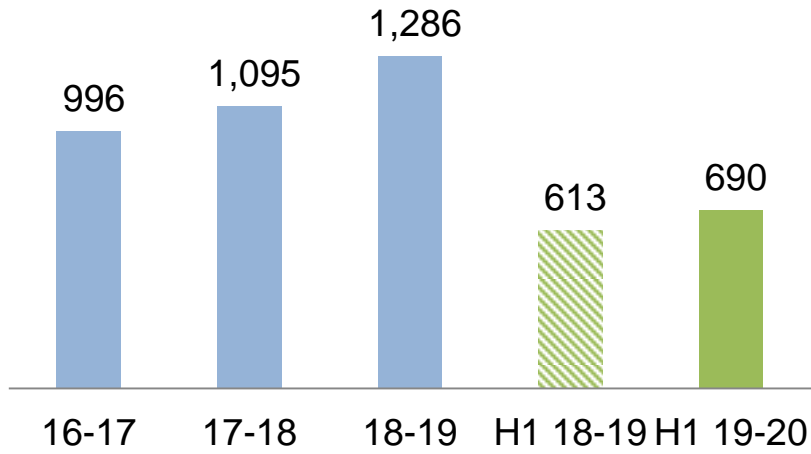
Particulars	31-03-2019	30-09-2018	30-09-2019
Net Fixed Assets	336	296	339
Net Working Capital	114	122	123
<b>Capital Employed</b>	<b>450</b>	<b>418</b>	<b>462</b>
<b>Capital Expenditure</b>	<b>78</b>	<b>37</b>	<b>31</b>

# Key Financial Trends

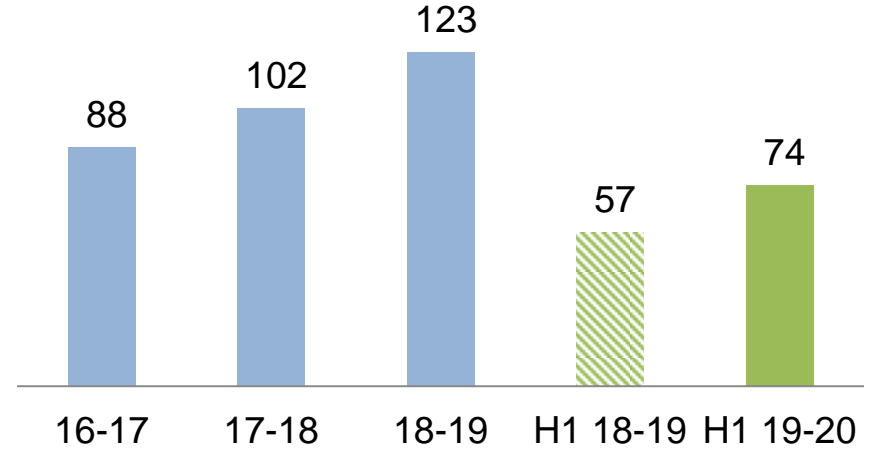


Rs. Cr.

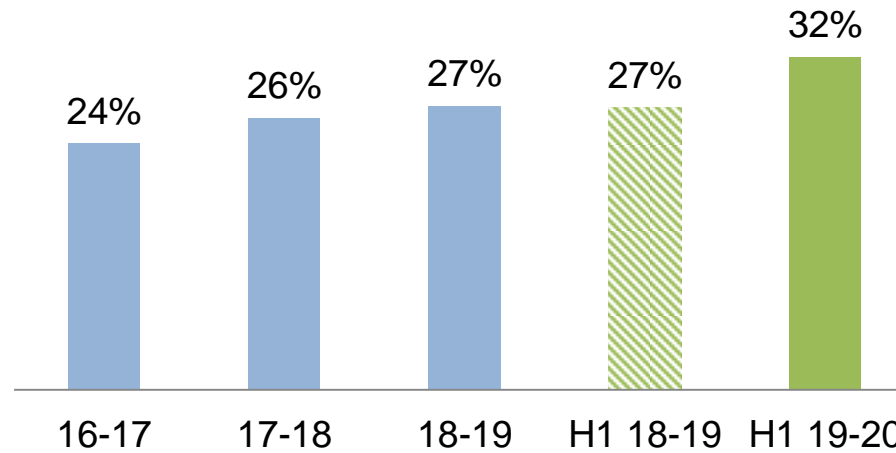
## Net sales



## PBIT (before exceptional)



## ROCE





**BSA**

**HERCULES**

LADYBIRD

**ROADEO**

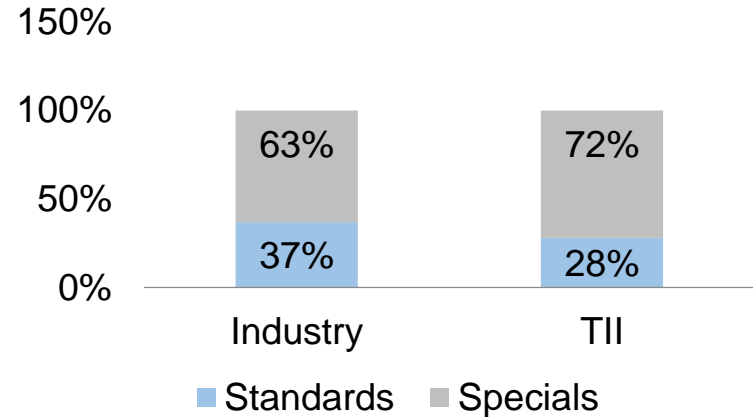
**MACH CITY**

**montra**

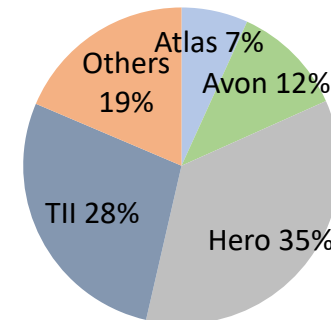
Pioneers in Promoting Cycling... not just cycles

- Overall Trade market has de-grown by 20% in H1 19-20
- Standard**
  - In trade sales, the share of standard bicycles continues to come down. In H1 19-20, volume of standard cycles dropped by 20% in the industry.
  - TI volumes dropped slower than the industry and we have registered market share gain of 2%.
- Specials**
  - The Specials market volume has also dropped by 20% in H1 19-20
  - TI volumes dropped by 18% in H1 and we have registered market share growth of 2%.

## Trade Sales



## Trade - Market Share



Based on volumes of AICMA members (Source: AICMA Data)



Cost competitiveness in Standard bicycles and entry level mass bicycles



Product differentiation, Branding and Superior Service are key to success in premium 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 positioned as high quality can charge premium



**BSA**

LADYBIRD



**HERCULES**



**ROADERO**



**montra**



**MACH CITY**

**TRACK & TRAIL**

CYCLES AND MORE





## Pioneering New Product Development

- Innovation and differentiation in segments through integrated headlights, anti – slip chain etc.
- 53 new models launched



## Promoting cycling as a lifestyle choice

- Adoption of cycling as a life-style choice
- Building a cycling community on-ground with Track & Trail stores
- Leading conversations about cycles and cycling in media



## Wide-spread network

- Network of 8500 dealers across the country
- Expansion of this network and retail format to increase the reach of our brands



## Premium Cycle Group (PCG)

- Market penetration of premium brands Roadeo and Montra in multi brand stores
- Representing International brands like Cannondale, Bianchi, Schwinn, Ridley
- Focus on product and technical training to grow secondary business of premium bicycles.



## Pioneer in Retail Formats

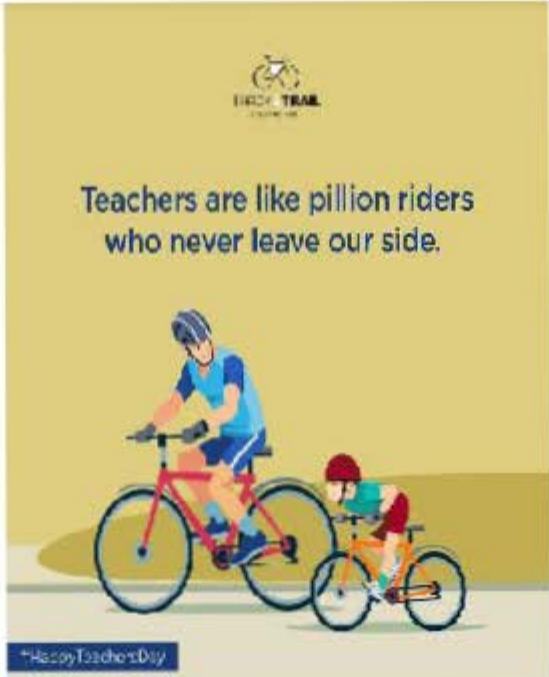
- Retail leadership through its exclusive format of Track and Trail
  - *Track & Trail Urban new stores in CY: 7*
  - *Total Track & Trail Stores as on date: 225*
- Focus for 2019-20 is on learning and development for the retail chain
- Re-introduced “Hercules BSA Zone”, a shop in shop retail concept



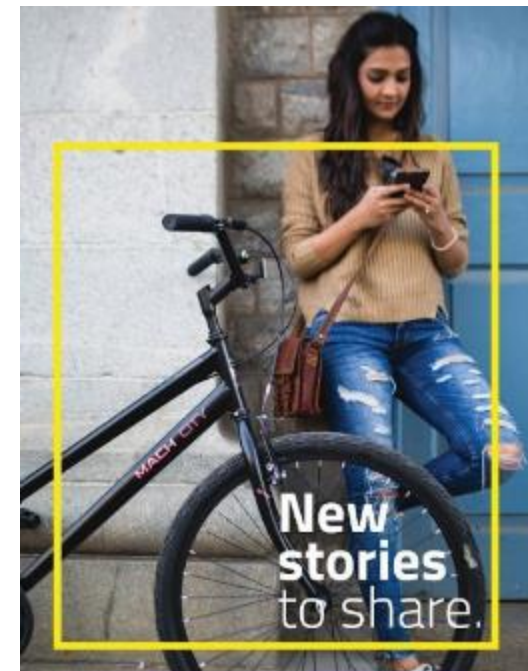


Continuously expanding Track and Trail retail experience into more towns

# Promoting Cycling



- Gained overall Market Share by 2% YTD Sep'19
- Implemented Fixed production plan (Toyota Planning System) at Ambattur plant which has helped in better throughput & effective Inventory management
- Warehouse consolidation initiative is being carried out
- Building for the future
  - Digitization Initiatives – Bizom, Tally implementation to penetrate secondary sales.
  - Implementation of WMS system



Rs. Cr

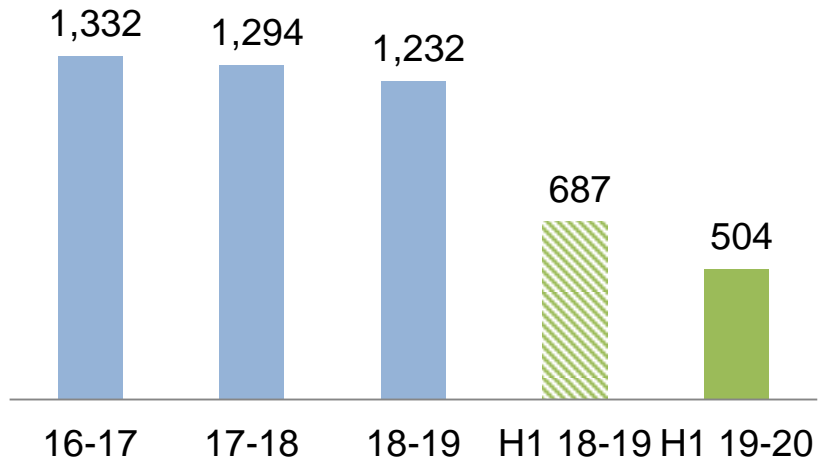
Particulars	18-19	H1 18-19	H1 19-20	Growth %
<b>Net Sales</b>	<b>1,232</b>	<b>687</b>	<b>504</b>	<b>-26.7%</b>
<b>PBIT</b>	<b>11</b>	<b>12</b>	<b>18</b>	<b>46.1%</b>
% to Net Sales	0.9%	1.8%	3.6%	

Particulars	31-03-2019	30-09-2018	30-09-2019
Net Fixed Assets	134	139	135
Net Working Capital	56	103	35
<b>Capital Employed</b>	<b>190</b>	<b>242</b>	<b>171</b>
<b>Capital Expenditure</b>	<b>6</b>	<b>4</b>	<b>1</b>

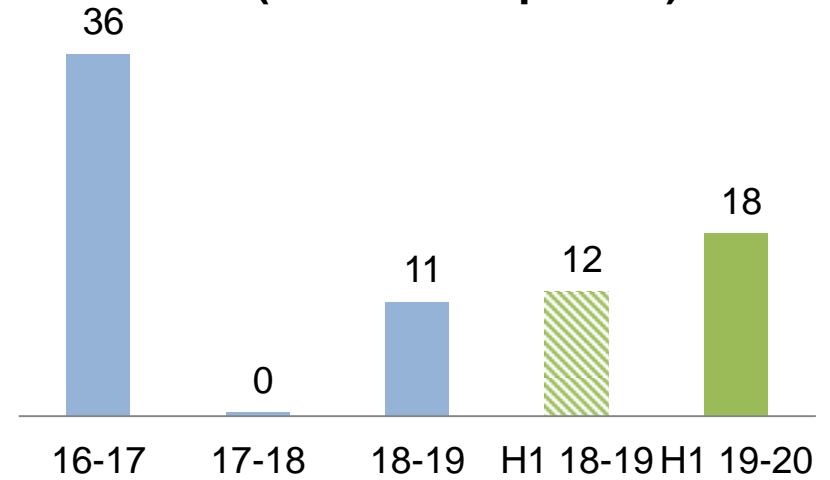
# Key Financial Trends

Rs. Cr.

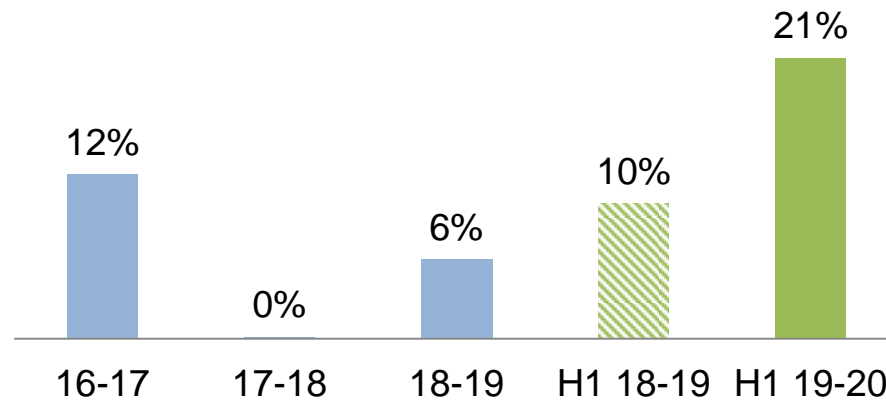
## Net sales



## PBIT (before exceptional)



## ROCE



## Shanthi Gears

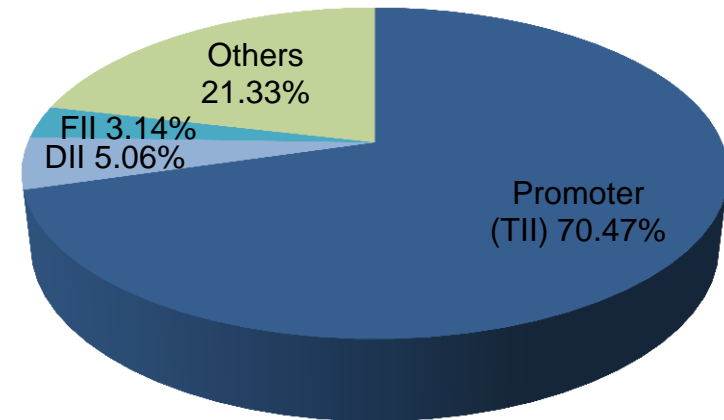


Shanthi Gears (SGL) - Strong Brand in Industrial Gears



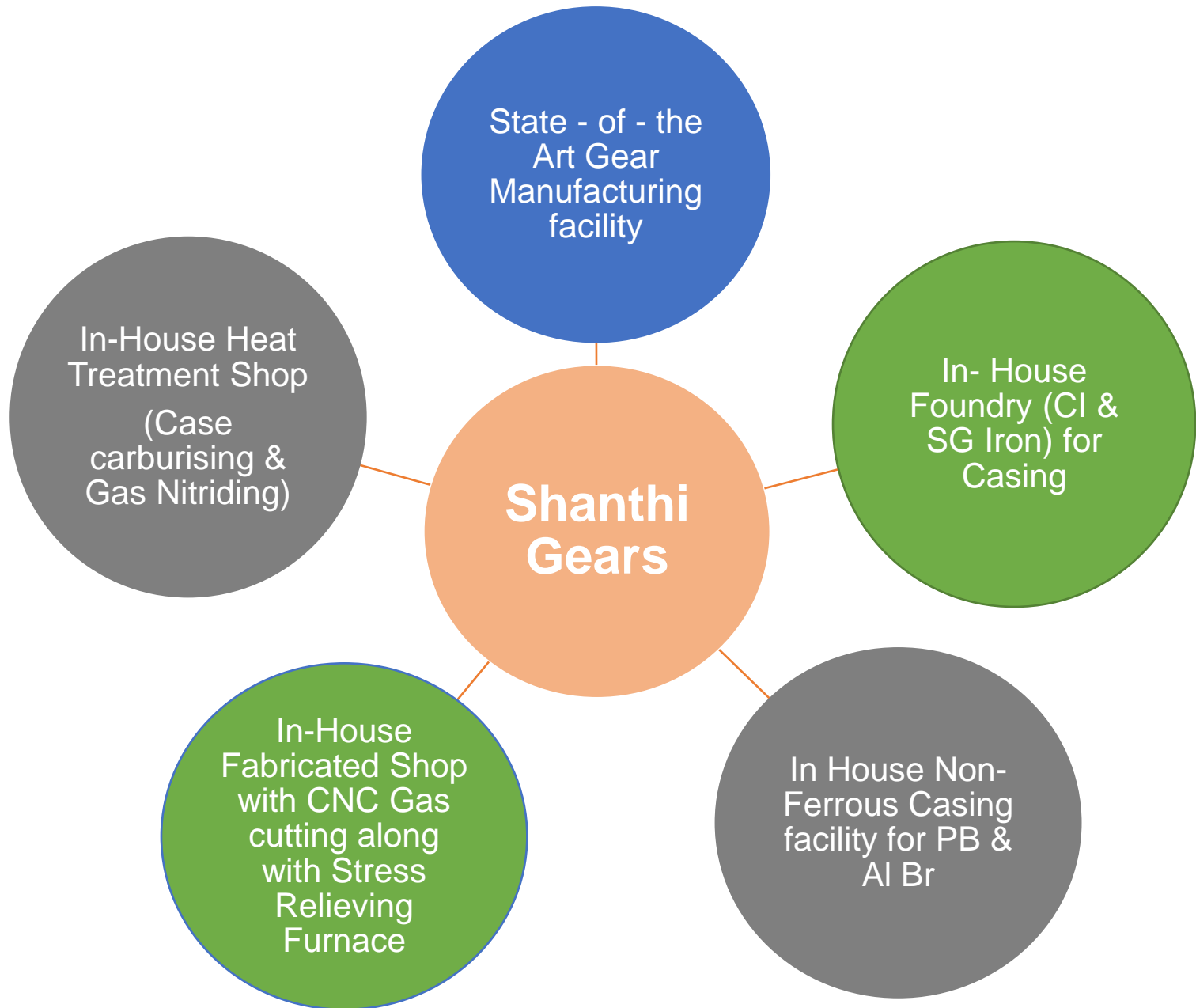
- Began operations in 1969 at Coimbatore
- Acquired by TII in 2012
- High Margin Business
- Leader in custom-made gears & loose gears
- ~70% of revenues come from customized products
- Fully integrated operations with in-house
  - R&D team
  - Design and engineering capabilities
  - Foundry, Fabrication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

**SGL Shareholding Pattern - Sep'19**



## Key Products

- **Gears and 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

# Key Customers



- Q2 Sales of Rs. 70 Cr. being 21% growth over PY; H1 Sales of Rs. 141 Cr.
- Service Business order book grown significantly compared to PY
- In roads for High Speed Gears in Turbine application
- Ramp-up in Helical segment



Rs. Cr

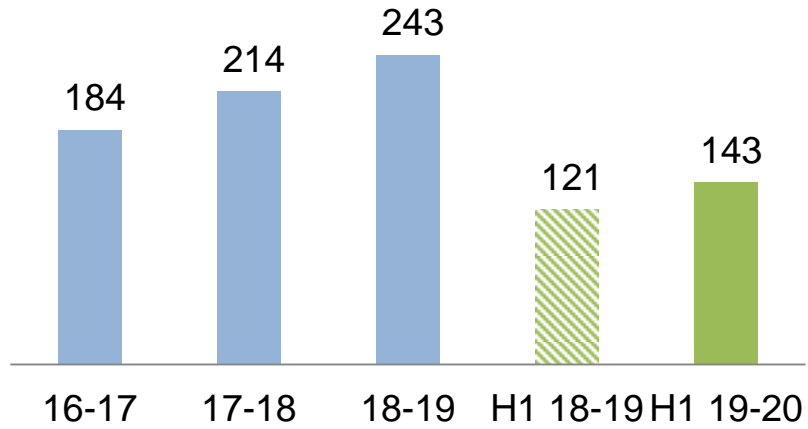
Particulars	18-19	H1 18-19	H1 19-20	Growth %
<b>Net Revenue</b>	<b>243</b>	<b>121</b>	<b>143</b>	<b>17.6%</b>
<b>PBT</b>	<b>42</b>	<b>22</b>	<b>25</b>	<b>9.1%</b>
% to Net Revenue	17.5%	18.5%	17.2%	
<b>PAT</b>	<b>33</b>	<b>18</b>	<b>18</b>	<b>1.8%</b>
% to Net Revenue	13.7%	14.4%	12.5%	

Particulars	31-03-2019	30-09-2018	30-09-2019
Net Fixed Assets	59	59	56
Net Working Capital	112	89	100
Investments	127	182	80
<b>Capital Employed</b>	<b>297</b>	<b>330</b>	<b>236</b>
<b>Capital Expenditure</b>	<b>12</b>	<b>8</b>	<b>2</b>

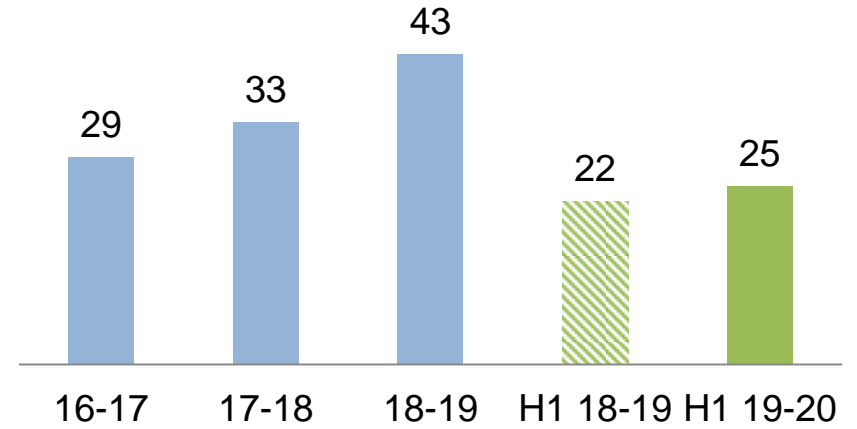
# Key Financial Trends

Rs. Cr.

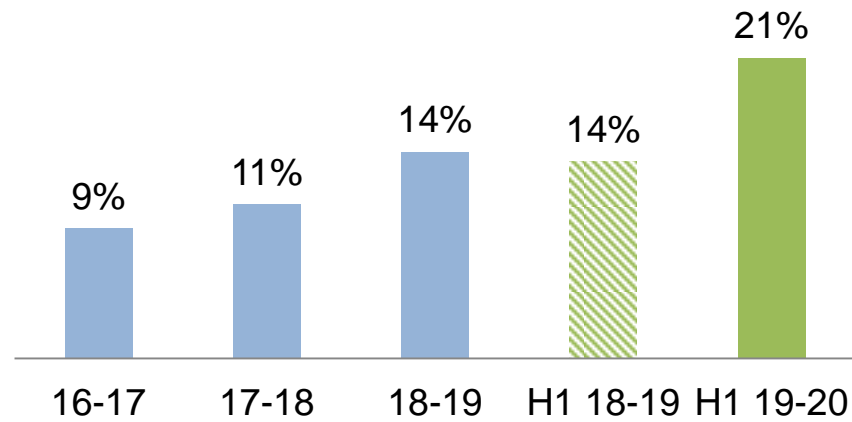
## Net Revenue



## PBT



## ROCE





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