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Tube Investments of India Limited



INDIA

**ANNUAL
REPORT
2000-2001**



MURUGAPPA
GROUP

TI CYCLES OF INDIA, NASHIK

(EXTERIOR AND INTERIOR VIEWS)



CONTENTS

CAUTIONARY STATEMENT

Certain expectations and projections regarding future performance of the Company referenced in the Annual Report are forwarding looking statements. These expectations and projections are based on currently available competitive, financial and economic data along with the Company's operating plans and are subject to certain future events and uncertainties, that could cause actual results to differ materially from those that may be indicated by such statements.

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Vision Statement

CYCLES

Instill the joy of cycling by putting a cycle in every Indian family and offering cycles of their desire and comfort. Create and influence the environment for worthwhile cycling experience.

ENGINEERING

We shall be a world class source of precision tubes & cold rolled strips ensuring stakeholder delight.

METAL FORMING

To be the most admired technology – driven metal forming based Tier – I auto component supplier in India who will be bench marked by competition for quality, cost, delivery, flexibility and innovativeness and for employee motivation, competence and commitment.



Values & Beliefs

- Adhere to ethical norms in all dealings with shareholders, employees, customers, suppliers, financial institutions and government.
- Provide value for money to customers through quality products and services.
- Treat our people with respect and concern; provide opportunities to learn, contribute and advance, recognise and reward initiative, innovativeness and creativity.
- Maintain:
 - An organisational climate conducive to trust, open communication and team spirit.
 - A style of operations befitting our size, but reflecting moderation and humility.
- Manage environment effectively for harnessing opportunities.
- Discharge responsibilities to various sections of society and preserve environment.
- Grow in an accelerated manner, consistent with values and beliefs, by continuous organisation renewal.



“The fundamental principle of economic activity is that no man you transact with will loose; then you shall not”.

- Arthasastra

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Financial Highlights

Ten years financial highlights at a glance

Rupees in Lakhs

	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01
OPERATING RESULTS										
Sales	29525	35274	41715	49668	60167	60005	60793	67735	97993	109002
Profit Before Depn., Interest & Tax	3001	3581	3791	6249	7109	6453	6021	6569	9280	10409
Profit Before Interest & Tax (PBIT)	2365	2856	3049	5266	5783	4837	4052	4346	6322	7050
Profit Before Tax (PBT)	656	666	1122	3102	3226	2411	1744	2150	4134	5091
Profit After Tax (PAT)	656	631	882	2732	2796	2145	1601	2108	3284	3616
Dividends	171	194	323	503	631	616	492	616	985	1231
Dividend Tax	-	-	-	-	-	62	49	65	108	126
Retained Profits	485	437	559	2229	2165	1467	1060	1427	2191	2259
SOURCES AND APPLICATION OF FUNDS										
SOURCES OF FUNDS										
Share Capital	710	1077	1077	1667	2462	2462	2462	2462	2462	2462
Reserves and Surplus	4682	6570	7112	24237	29406	30854	31896	31859	34033	36275
Net Worth	5392	7647	8189	25904	31868	33316	34358	34321	36495	38737
Debt	10077	12035	10832	11953	11450	15098	14509	13773	18116	17427
Funds Employed	15469	19682	19021	37857	43318	48414	48867	48094	54611	56164
APPLICATION OF FUNDS										
Gross Fixed Assets	10586	12714	13292	17351	20935	25912	31055	36830	39168	41906
Depreciation	4517	5216	5526	6465	7546	8588	10265	12406	13902	16441
Net Fixed Assets	6069	7499	7766	10886	13389	17324	20790	24423	25266	25465
Capital Work-in-progress	416	122	218	1283	5227	6034	3538	501	668	1257
Investments	315	991	2617	8385	12306	9111	8316	5268	6621	5858
Gross Current Assets	13196	16907	16644	28599	26312	27800	28383	28818	39348	39241
Current Liabilities & Provisions	4573	5873	8253	11316	13931	11855	12297	11820	17876	16567
Net Current Assets	8623	11034	8391	17283	12381	15945	16086	16998	21472	22674
Deferred Revenue Expenditure	46	36	29	21	14	-	136	903	585	909
Net Assets Employed	15469	19682	19021	37857	43318	48414	48867	48094	54611	56164
RATIOS										
Return on Capital Employed (%) #	15.29	14.51	16.03	13.91	13.35	9.99	8.29	9.04	11.58	12.55
PBIT to Sales (%)	8.01	8.10	7.31	10.60	9.61	8.06	6.66	6.42	6.45	6.47
PAT on Shareholders Funds (%) (+)	13.94	9.03	11.68	10.80	8.94	6.55	4.75	6.41	9.27	9.68
Earnings Per Equity Share (Rs.)	9.60	6.57	8.19	17.76	14.09	8.71	6.50	8.56	13.34	14.69
Dividend Per Equity Share (Rs.)	2.50	2.50	3.00	3.20	3.20	2.50	2.00	2.50	4.00	5.00
Book Value Per Equity Share (Rs.) (+)	68.87	72.78	70.16	164.44	157.63	133.05	136.80	133.64	143.83	151.69
Debt Equity Ratio (%) @ (+)	214.16	172.26	143.42	47.26	36.60	46.08	43.07	41.85	51.15	46.66
Fixed Assets Turnover (Times)	4.86	4.70	5.37	4.56	4.49	3.46	2.92	2.77	3.88	4.28

Return on Capital Employed is Profit Before Interest and Taxation divided by Capital Employed as at the end of the year.

@ Debt Equity Ratio is Total Debt as a percentage of Shareholders Funds.

(+) Ratios have been computed after adjusting for Revaluation Reserve & Deferred Revenue Expenditure.



TUBE INVESTMENTS OF INDIA LIMITED

BOARD OF DIRECTORS

M V SUBBIAH
Chairman

M A ALAGAPPAN
Executive Vice Chairman

DEEPAK M SATWALEKAR

R J M FISHER
(Alternate AMAL GANGULI)

K GANESAN
Nominee of Unit Trust of India

D JAYAVARTHANAVELU

M NARASIMHAM

RAM V TYAGARAJAN

TAPAN MITRA

V A RAGHU
Managing Director

COMPANY SECRETARY

S SURESH

REGISTERED OFFICE

'TIAM HOUSE',
72 (Old No. 28), Rajaji Salai
Chennai 600 001

FACTORIES

Cycles Division:
TI Cycles of India, Ambattur, Chennai
TI Cycles of India, Nashik
Bicycle Components Group, Ambattur, Chennai

Engineering Division:
Tube Products of India, Avadi, Chennai
Tube Products of India, Shirwal, Satara District
Tube Products of India, Mohali

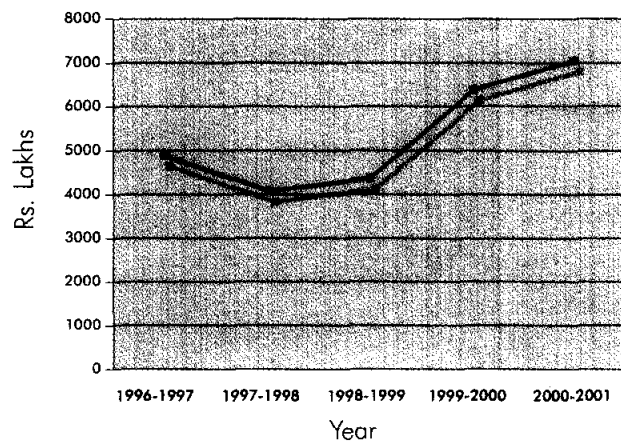
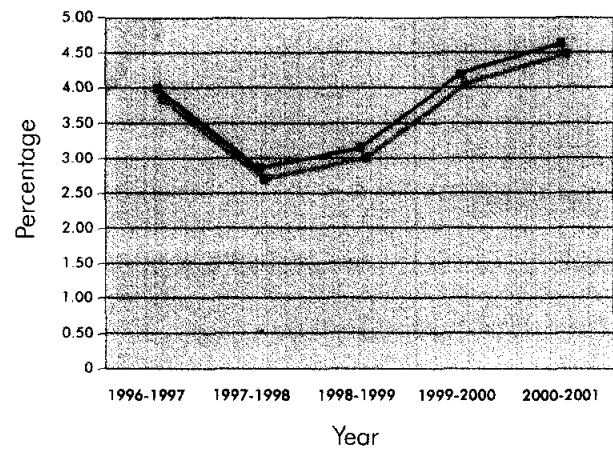
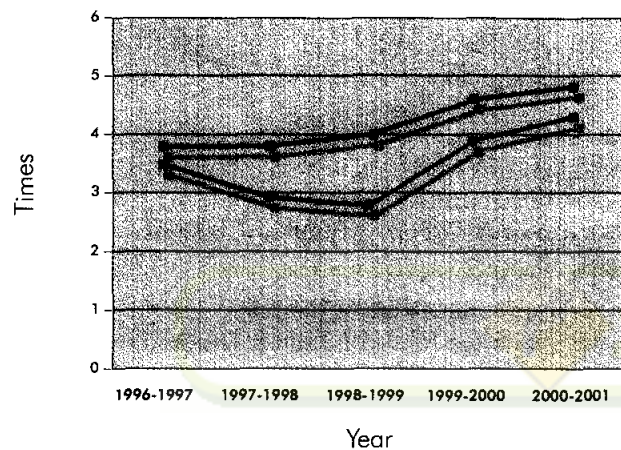
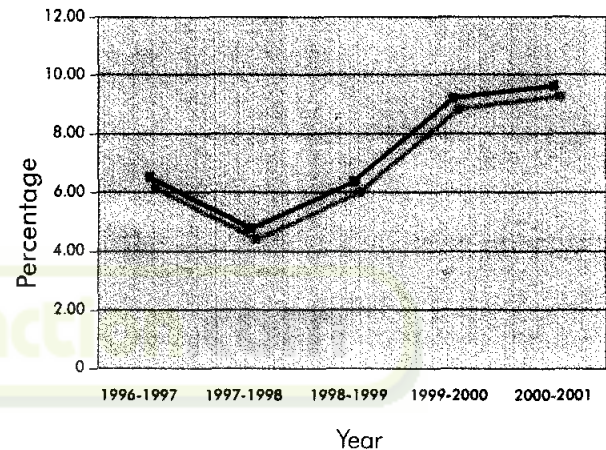
TI Metal Forming Division:
TI Metal Forming, Nemilicherry, Chennai
TI Metal Forming, Bawal

AUDITORS

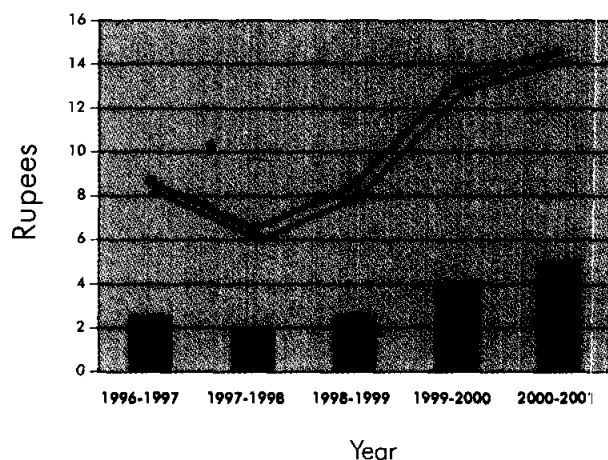
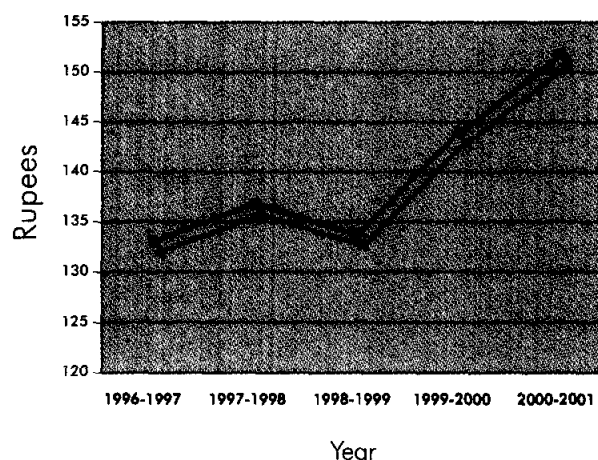
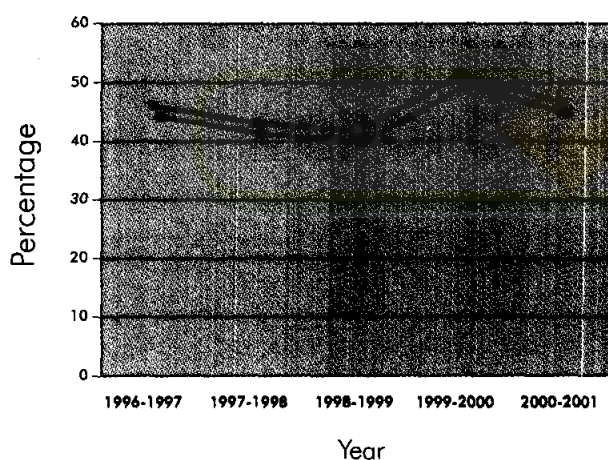
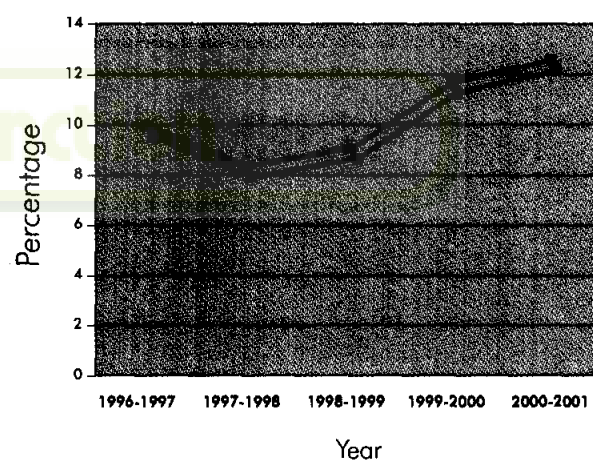
FRASER & ROSS
Chartered Accountants

BANKERS

American Express Bank Limited
Bank of America
Bank of Baroda
Standard Chartered Bank
Standard Chartered Grindlays Bank
State Bank of India
The Hongkong & Shanghai Banking Corporation Limited

**PROFIT BEFORE INTEREST & TAX****PBT / SALES****TURNOVER RATIOS (TIMES)****RETURN ON NET WORTH**

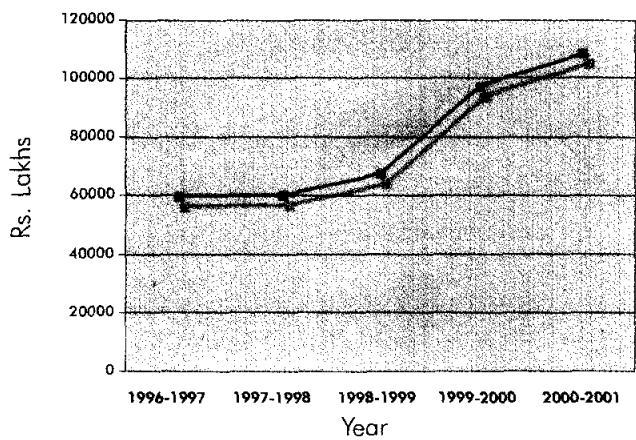
	96-97	97-98	98-99	99-00	00-01
Profit before Interest & Tax (Rs. Lakhs)	4837	4052	4346	6322	7050
PBT/Sales (%)	4.02	2.87	3.17	4.22	4.67
Net Working Capital Turnover (Times)	3.76	3.78	3.98	4.56	4.81
Fixed Assets Turnover (Times)	3.46	2.92	2.77	3.88	4.28
Return on Net Worth (%)	6.55	4.75	6.41	9.27	9.68

**EARNINGS/DIVIDEND PER SHARE****BOOK VALUE PER SHARE****DEBT EQUITY RATIO (%)****RETURN ON CAPITAL EMPLOYED**

	96-97	97-98	98-99	99-00	00-01
Earnings Per Share (Rupees)	8.71	6.50	8.56	13.34	14.69
Dividend Per Share (Rupees)	2.50	2.00	2.50	4.00	5.00
Book Value Per Share (Rupees)	133.05	136.80	133.64	143.83	151.69
Debt Equity Ratio (%)	46.08	43.07	41.85	51.15	46.66
Return on Capital Employed (%)	9.99	8.29	9.04	11.58	12.55

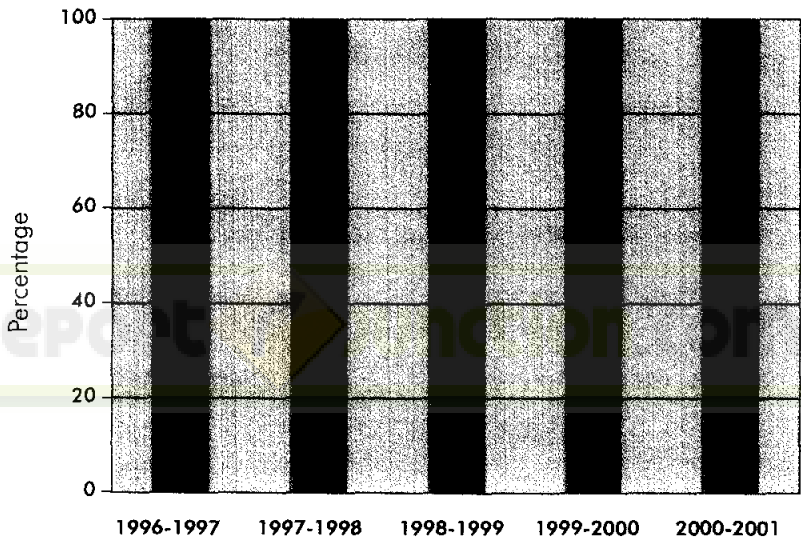


NET SALES



	Year					Rupees in Lakhs
	96-97	97-98	98-99	99-00	00-01	
Net Sales (Rs. Lakhs)	60005	60793	67735	97993	109002	

DIVISIONWISE SALES (%)



	Year										Rupees in Lakhs
	96-97	%	97-98	%	98-99	%	99-00	%	00-01	%	
Cycles/Components	29065	49	28693	47	31589	47	40876	42	45209	41	
Engineering	24146	40	26365	43	31789	47	52092	53	60029	55	
Metal Forming	6794	11	5735	10	4357	6	5025	5	3764	4	