

Tube Investments of India Limited

Annual Report 2016-17



Contents

Who we are	12
Values and Beliefs	13
Review by Executive Chairman	14
Directors' Profile	16
Corporate Information	17
10-year financials	18
Value-added	19
Performance Trend	20
Highlights	22
Management Discussion and Analysis	24

Shareholder Information	32
Report on Corporate Governance	37
Directors' Report	44
Annexure to Directors' Report	48
Auditors' Report	50
Annexure to Auditors' Report	51
Balance Sheet	54
Profit & Loss Account	55
Schedules	56
Consolidated Accounts	75
Subsidiary Accounts	90



Cautionary Statement

Certain expectations and projections regarding future performance of the company referenced in the Annual Report are forward 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.

**"The human spirit
cannot be paralysed.
If you are breathing,
you can dream."**

- Mike Brown

through can climb

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the mind that you Mount Everest.'

MAJOR HPS AHLUWALIA CLIMBED MOUNT EVEREST IN 1965.

A few months later, he was seriously injured during the Indo-Pak war, paralysed and confined to a wheelchair.

So just when he thought that the rest of his life after Everest would be an anti-climax, life presented him with one last mountain.

This is what Major HPS Ahluwalia did after Everest: conducted extensive studies in Sikkim and Ladakh, authored 10 books on his travels, including a book for children on the grandeur of Mount Everest.

"Everest," says Major HPS Ahluwalia, "is not a mere physical mountain to climb. There is a lot to learn from it that is applicable in day-to-day life. It is only through the mind that you can climb Everest. The mind is the eternal Everest."

The TI story

IT WAS A SIMILAR SCENARIO FOR TI IN 2002-03.

FOLLOWING A RECORD BOTTOMLINE OF RS 36.27 CR IN 2001-02, IT WAS THREATENED FROM UNEXPECTED QUARTERS -

- ❑ A 60 PER CENT INCREASE IN THE PRICE OF ITS PRINCIPAL RAW MATERIAL.
- ❑ INDIA'S FIRST BAD MONSOON IN MORE THAN A DECADE. RESULT: THE DEMAND FOR CYCLES FELL BY 13.4 PER CENT IN 2002-03, THE FIRST SUCH INSTANCE IN 20 YEARS.

IN THE FACE OF THESE ODDS, TI GREW ITS PROFIT AFTER TAX BY 26.5 PER CENT IN 2002-03.



Problems into opportunities'

WHEN BHAGWAT CHANDRASHEKHAR WAS A CHILD, HE CONTRACTED POLIO. HIS ARM WITHERED - BUT NOT HIS SPIRIT.

Just when someone would have suggested that he play football because that would not require the use of his wasted arm, the young

Chandra did the opposite - he played cricket. Better still he turned himself into a "fastish" leg-spinner, one of the

most difficult skills to master.

Batsmen found him unpredictable. He would vary his pace. He would vary the extent of turn.

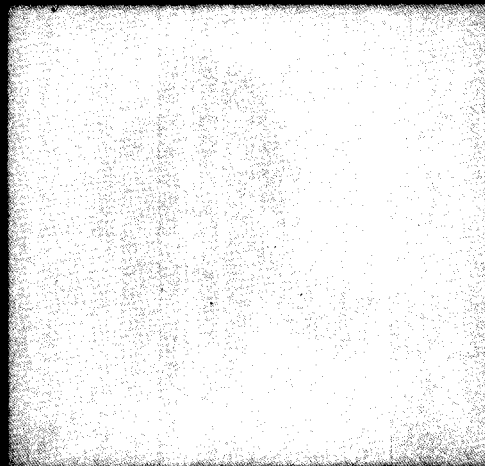
And sometimes he would vary the turn itself - from off to leg, when he decided to bowl the googly.

"I knew what I was bowling," he says. "But some batsmen could not because they could not see the ball in my polio-

affected right hand.

The man who otherwise would have lived a life of anonymity went on to take 242 wickets in his career. His six wickets for 38 runs against England in 1971 helped India win its first-ever series on English soil. It did something more: it enabled Chandra's

performance being rated by Wisden as the best by an Indian for bowling in the 20th century.



Timeline of Key Events

At the time, the adverse external environment presented the company with an opportunity to look forward with great optimism. So, the company accomplished the following:

➤ Reduced energy costs by

RS. 150 CR

➤ Reduced employee costs by RS. 40 CR

➤ Reduced consumption of stores and spares by RS. 6.25 CR

➤ Reduced average cost of borrowing by 2.9 per cent





'Breaking the psychological barrier.'

BEFORE 1954, NO MAN HAD RUN A MILE IN UNDER FOUR MINUTES.

So when Roger Bannister said he would attempt one, he needed a lot of support. Literally. Two colleagues agreed to pace him through the race.

Brasher set the pace, Bannister ran second, Chataway positioned himself third. Brasher ran the first 220 yards in a fraction over 27 seconds. They did half the mile in a minute and 58

seconds.

Now came the crucial half. Bannister's reputation was that he could sustain his pace for the last 200 yards. But into the home stretch his body pleaded with him to stop but his spirit impelled him to go on. When he finished, he collapsed into the arms of waiting spectators.

A few minutes later, the impresario announced: "The time is three..."

Bannister had run the mile in 3.59.4 minutes.

The remarkable thing is the impact that it produced. After Bannister had demolished the psychological barrier, hundreds of athletes proceeded to run the mile under four minutes over the next few decades.

It only takes one ...

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The (S)COPV

IN 2002-03, WHEN COSTS INCREASED AND MARGINS CAME UNDER PRESSURE, WE SURPRISED SHAREHOLDERS WITH THE UNEXPECTED: AN OPTION TO BUY BACK THEIR SHARES. THE BOARD DECIDED TO BUY BACK A QUARTER OF THE COMPANY'S EQUITY AT

RS. 100 A SHARE - A 40 PERCENT PREMIUM TO THE THEN EXISTING STOCK PRICE.

AS A RESULT, EVEN AS THE BSE SENSEX DECLINED BY 32.9 PERCENT, THE STOCK CONTINUED TO BE MAINTAINED AND PROTECTED AS AN INVESTMENT FOR SHAREHOLDERS.



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