



SETTING THE COURSE

***Tube Investments of India Limited
Annual Report 2015-16***

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Cautionary Statement

Certain expectations and projections regarding the future performance of the Company referenced in the Annual Report constitute 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, which could cause actual results to differ materially from those indicated by such statements.



SETTING THE COURSE

- ⊗ **Scaling up productivity across business segments**
- ⊗ **Challenging the present to improve competencies, capabilities and capacities**
- ⊗ **Expanding product range, geographical presence and newer markets**
- ⊗ **At TI, we are setting the course for a stronger future...**



The new Rajpura Bicycle manufacturing plant



Bicycles on display inside the Ciclo Café, Chennai

SETTING THE COURSE...

TURNING WHEELS OF GROWTH



Bicycles

2015-16 turned out to be a noteworthy year for the Bicycle business. Riding on market leadership and its distinctive brands, the business sold over 45 lakh bicycles—the highest in any year. Institutional volumes added significantly to the sales effort during the year with about 11.5 lakh bicycles supplied to various state governments. The business witnessed good growth for its high end offerings too. In fact, TI is the only bicycle manufacturer with four brands that reach out to all segments of customers—BSA for the comfort end of the market, Hercules for the rough and tough end of the market, Montra for the top end and Mach City, the latest offering aimed at the urban youth market.

Encouraged by the market response and true to its mission of bringing to the customer new products and designs including reputed international brands, the business introduced for the experience of discerning Indian customers the Ridley range of bicycles from Belgium.

Revitalizing the distribution channels, foraying into digital market space, looking at the export markets with renewed vigour, strengthening the existing Track & Trail bicycle store format, accessing rural markets partnering with micro-finance institutions, promoting new retail concepts like café-cum-bicycle store (Ciclo Café) were only a few of the major initiatives the business took during the year in order to move into newer markets, to enlarge the customer base and to consolidate its market leadership.

A new Centre for Design Excellence has been established at Ambattur to foster an environment for creativity, customer focus and employee engagement.

As part of its strategies for growth, the business has established a green-field bicycle manufacturing facility at Rajpura, Punjab. With locational proximity to the country's bicycle hub, Ludhiana, the new facility is all set to manufacture at its peak 2.50 lakh bicycles per month and will further augment the ability of the Bicycle business to bring in innovative new products to the customer. The facility will help the business in growing market share in the northern and eastern Indian markets.



TPI Stall at the Dusseldorf (Germany) Auto Show, 2016



A view of the Large Diameter Tube making plant at Tiruttani

SETTING THE COURSE...

EXPANDING PRODUCT OFFERING



For the Engineering business, the year 2015-16 was one of consolidation and growth. The business remained firmly on the growth track for its precision steel tube and cold rolled steel strip offerings based on automotive industry's growth taking advantage of its capabilities, regional network of plants and distribution network.

To de-risk its dependence on the automotive industry, the business is gradually enhancing its focus on developing tubular products for the non-automotive sector offered through its new large diameter tube making plant at Tiruttani near Chennai. The new plant will cater to sectors like power, infrastructure and off-highways as its end customers, to name just a few. Set up at a capital expenditure of ₹250 Cr., the plant is stabilizing fast and the business intends to ramp up volumes and improve the market share in this segment.

With unrelenting focus on consistency in quality and delivery, TI looks to address niche markets in the country and the export markets in the near future.



TIDC team receiving award for quality from a Japanese auto OEM



A view of the car door frame production line at TI Metal Forming, Nemilichery

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CAPITALISING ON CAPABILITIES



Metal Formed Products

In automotive chains, the business was able to grow its sales to Original Equipment Manufacturers (OEMs) by 7%. In the domestic market for industrial chains, the business could achieve a growth of 6% due to launch of new import substitution products and expanded dealer network to sustain its leadership. New Fine blanked component offerings by the business helped improve volume by 8%.

With continuous strengthening and leveraging of its application engineering expertise developed over the years, the business expects to make the best of the opportunities emerging in automotive chains, industrial chains and fine blanked components. To capitalize on the prospects, the business has set its focus on the manufacture of inverted tooth (silent) chains for higher capacity two wheeler engine timing applications. The business has further set its focus on catering to global customers in the areas of seat recliner, seat belt and transmission systems in the fine blanking segment.

In roll formed products, the focus is on core competencies and process engineering expertise. The business is emphasizing on efficiencies to improve profitability by participating in new business opportunities for divisional channels, value added motors casings for automotive as well as non-automotive applications, railway coach parts and also foray into farm implements to drive business growth.



A daily work management (DWM) session in progress at TIDC India as part of the OPEX programme



Managing Director interacting with an employee on his team's project under TEI (Total Employee Involvement) programme at TIDC India