

# Tube Investments of India Ltd.

## Accumulate

Sector: Auto Ancillaries

15<sup>th</sup> May 2026

Key Changes	Target 	Rating 	Earnings 	Target	Rs. 3,131		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	<b>CMP</b>	<b>Rs. 2,802</b>
Mid Cap	TIINDIA:IN	75,399	TIINDIA	540762	12 Months	<b>Return</b>	<b>12%</b>

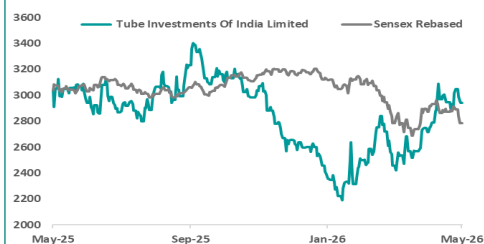
Data as of: 14-05-2026, 18:00 hrs

Company Data	
Market Cap (Rs.cr)	54,224
52 Week High - Low (Rs.)	3,419-2,165
Enterprise Value (Rs.cr)	52,289
Outstanding Shares (cr)	19.4
Free Float (%)	54.5
Dividend Yield	0.1%
6m average volume (cr)	0.0
Beta	1.0
Face value (Rs.)	1.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	44.1	44.1	44.1
FII's	26.3	25.5	21.4
MFs/Insti	16.8	17.7	21.8
Public	12.8	12.7	12.8
Total	100.0	100.0	100.0
Promoter pledge	-	-	-

Price Performance	3 Month	6 Month	1 Year
Absolute Return	20.1%	-3.1%	-3.2%
Absolute Sensex	-11.4%	-11.7%	-8.3%
Relative Return*	31.5%	8.6%	5.1%

\*over or under performance to benchmark index



Consolidated (Rs.cr)	FY26A	FY27E	FY28E
Sales	22,847	26,413	31,558
Growth (%)	15.8	15.6	19.5
EBITDA	2,258	2,747	3,503
EBITDA Margin (%)	9.9	10.4	11.1
Adj. PAT	703	1,124	1,468
Growth (%)	9.2	60.0	30.5
Adj. EPS	36.4	58.3	76.0
Growth (%)	6.3	60.0	30.4
P/E	98.8	61.8	47.4
P/B	10.6	8.6	6.9
EV/EBITDA	29.4	22.5	17.2
ROE (%)	11.6	15.3	16.1
D/E	0.1	0.1	0.1

## Engineering Business Anchors Domestic Growth...

**Tube Investments of India Ltd. (TII) is a flagship company of the Murugappa group. It is one of the leading product manufacturers for major industries such as Automotive, Railway, Construction, Mining, etc.**

- Consolidated revenue for Q4FY26 increased by 21% YoY to ₹6,215cr, driven by strong performance in the Engineering, Power Systems and EV segments.
- EBITDA increased 10% YoY to ₹251cr, while margins contracted by 63bps due to higher raw material costs and contractual pass-through typically occurring with a 1–2 quarter lag.
- Revenue for FY26 increased by 17% YoY to ₹22,847cr from ₹19,465cr in FY25, while adjusted PAT rose 9% YoY from ₹1,062cr to ₹1,157cr, led by a strong 46% YoY growth in the Power Systems segment.
- In the standalone business, Engineering segment reported revenue of ₹1,495cr, reflecting a strong 22% YoY growth, while the Mobility segment recorded revenue of ₹207cr, up 15% YoY, and the Metal Formed Products segment remained relatively subdued with revenue of ₹421cr, registering a modest 4% YoY growth in Q4FY26
- TII's listed subsidiaries delivered a mixed performance, with CG Power's revenue growing 25% YoY to ₹3,442cr driven by strong momentum in the Power Systems segment, while Shanthi Gears' revenue declined 12% YoY to ₹135cr in Q4FY26 and remains on a recovery trajectory after a few weak quarters.

## Outlook & Valuation

TII continues to prioritise expansion of its clean mobility ecosystem with incremental capex visibility, alongside steady execution in newer adjacencies such as CDMO and medical devices. While ramp-up in the railway segment remains gradual, ongoing product approvals and capacity utilisation improvements across engineering facilities are likely to aid growth over the medium term. Backed by robust cash flows, sustained cost optimisation, and calibrated investments across core and emerging platforms, TII remains well placed to deliver consistent growth across its business portfolio. **We value TII on SOTP basis, valuing the standalone business at Rs.2,452/share, 44x FY28E EPS, CG Power at Rs.493/share, Shanti Gears at Rs.67/share, and EV Mobility at Rs.126/share, cumulatively arriving at a target price of Rs.3,137 per share and maintain our Accumulate rating on the stock.**

## Quarterly Financials Consolidated.

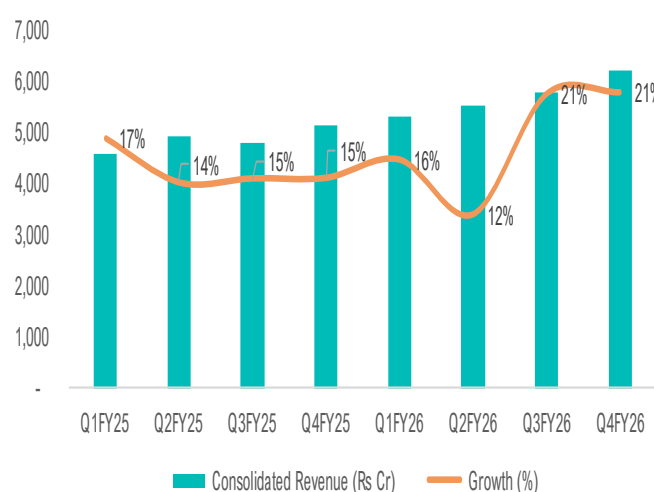
Rs.cr	Q4FY26	Q4FY25	YoY Growth (%)	Q3FY26	QoQ Growth (%)	FY26	FY25	YoY Growth (%)
Sales	6,215	5,150	20.7	5,801	7.1	22,847	19,465	17.4
EBITDA	583	473	23.1	585	-0.4	2,258	1,983	13.8
Margin (%)	9.4	9.2	18bps	10.1	-70bps	9.9	10.2	-31bps
EBIT	408	337	21.1	411	-0.9	1,593	1,487	7.1
PBT	500	334	49.9	445	12.4	1,852	1,650	12.3
Rep. PAT	234	158	47.9	279	-16.1	1,118	1,051	6.4
Adj PAT	94	55	73.0	223	-57.6	703	680	3.3
EPS (Rs)	4.9	2.8	73.0	11.5	-57.6	36.4	35.2	3.3



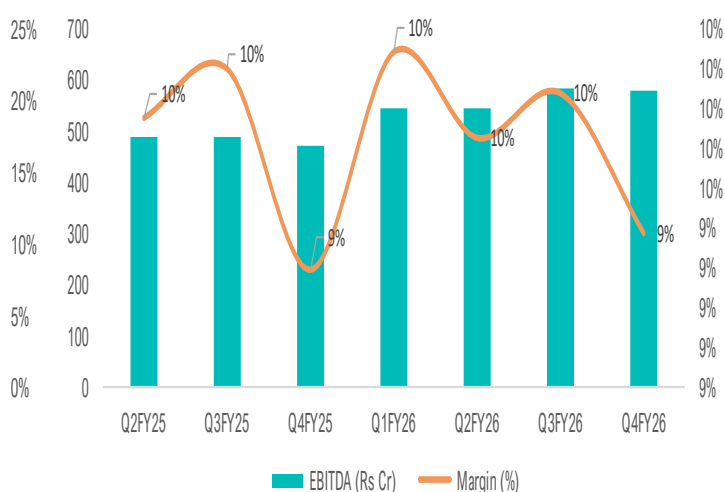
## Key Concall Highlights

- TII expects the suture business to grow by 15–20% YoY and guides for an overall 20% YoY growth in the TI Medical segment.
- Commercial production at the Naidupet facility for the CDMO business is expected to commence in Q1FY27, while commercial production for the newly acquired IV cannula business is targeted to begin in Q2FY27.
- Capex for the standalone business is projected at ₹300–350cr for FY27, with an additional ₹300cr earmarked for subsidiaries including the EV business (TICMPL) and TI Medical.
- The CRSS plant at Nashik is expected to achieve 100% utilisation by end-FY27 or mid-FY28, while the tube facility in the Western region is also projected to reach full utilisation by mid-FY28.
- A critical supply disruption at the supplier for three-wheelers, which led to a 50% reduction in Q4 production and impacted billing and retail, has been resolved through the takeover of the supplier's facility, enabling a meaningful scale-up in volumes going forward.
- The muted growth in the Metal Formed Products (MFP) segment is primarily due to profitability challenges in railway tenders and the longer gestation period required for new product development with private customers.

## Revenue



## EBITDA



## Valuation Summary (SOTP)

	Valuation	Rs cr	Holding Discount(%)	(x)	Equity Value	Per share value (Rs)
Standalone	P/E	1,081	0	44	47,575	2,452
Shanti Gears (70.47% Stake)	P/E	64	25	25	1,289	66
CG Power (58.09% Stake)	Price	849	0	0	0	493
EV Mobility business	Mcap/Sales	813	3	3	2,438	126
						3,137

## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change(%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	27,199	32,498	26,413	31,558	-3	-3
EBITDA	3,128	3,867	2,747	3,503	-12	-9
Margins (%)	11.5	11.9	10.4	11.1	-110bps	-80bps
Adj. PAT	1,337	1,674	1,124	1,468	-16	-12
EPS	69.3	86.7	58.3	76.0	-16	-12

## Consolidated Financials

### PROFIT & LOSS

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Revenue</b>	<b>17,103</b>	<b>19,727</b>	<b>22,847</b>	<b>26,413</b>	<b>31,558</b>
% change	14%	15%	16%	16%	19%
<b>EBITDA</b>	<b>1,885</b>	<b>1,808</b>	<b>2,258</b>	<b>2,747</b>	<b>3,503</b>
% change	11%	9%	10%	10%	11%
<b>Depreciation</b>	<b>465</b>	<b>492</b>	<b>664</b>	<b>748</b>	<b>869</b>
EBIT	1,420	1,316	1,594	1,999	2,634
<b>Interest</b>	<b>52</b>	<b>63</b>	<b>62</b>	<b>58</b>	<b>53</b>
Other Income	252	371	387	396	473
<b>PBT</b>	<b>2,155</b>	<b>1,612</b>	<b>1,851</b>	<b>2,342</b>	<b>3,060</b>
% change	39%	-25%	15%	27%	31%
<b>Tax</b>	<b>497</b>	<b>599</b>	<b>734</b>	<b>750</b>	<b>979</b>
Tax Rate (%)	23%	37%	32%	32%	32%
<b>Reported PAT</b>	<b>1,130</b>	<b>1,013</b>	<b>1,116</b>	<b>1,598</b>	<b>2,086</b>
Adj*	535.7	-11.1	-68.0	5.0	6.0
<b>Adj PAT</b>	<b>594</b>	<b>644</b>	<b>703</b>	<b>1,124</b>	<b>1,468</b>
% change	6%	8%	9%	60%	31%
<b>No. of shares (cr)</b>	<b>19.3</b>	<b>19.3</b>	<b>19.3</b>	<b>19.3</b>	<b>19.3</b>
Adj EPS (Rs.)	31.7	34.3	36.4	58.3	76.0
<b>% change</b>	<b>6%</b>	<b>8%</b>	<b>6%</b>	<b>60%</b>	<b>30%</b>
DPS (Rs.)	3.5	3.5	3.5	3.5	3.6
CEPS (Rs.)	54.9	58.8	70.8	96.9	121.0

\* Not Comparable

### CASH FLOW

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Net inc. + Depn.</b>	<b>1,060</b>	<b>1,136</b>	<b>1,781</b>	<b>2,346</b>	<b>2,955</b>
Non-cash adj.	398	547	4,840	1,437	1,636
Other Adjustments	-274	-463	-734	-750	-979
<b>Changes in W.C</b>	<b>-1,090</b>	<b>-413</b>	<b>-2,073</b>	<b>1,056</b>	<b>-751</b>
C.F. Operation	93	806	3,814	4,089	2,861
<b>Capital exp.</b>	<b>-1,836</b>	<b>-2,259</b>	<b>-3,111</b>	<b>142</b>	<b>-1,451</b>
Change in inv.	0	0	-37	106	0
<b>Other invest. CF</b>	<b>178</b>	<b>643</b>	<b>0</b>	<b>0</b>	<b>0</b>
C.F. – Investment	-1,658	-1,615	-3,111	142	-1,451
<b>Issue of equity</b>	<b>72</b>	<b>72</b>	<b>0</b>	<b>0</b>	<b>0</b>
Issue/repay debt	-112	-477	25	186	-43
<b>Dividends paid</b>	<b>-162</b>	<b>-162</b>	<b>-68</b>	<b>-68</b>	<b>-69</b>
Other finance. CF	132	127	0	0	0
<b>C.F. – Finance</b>	<b>-142</b>	<b>-542</b>	<b>-43</b>	<b>119</b>	<b>-111</b>
Chg. in cash	-1,707	-1,351	660	4,350	1,298
<b>Closing cash</b>	<b>-834</b>	<b>-815</b>	<b>1,317</b>	<b>5,667</b>	<b>6,965</b>

### BALANCE SHEET

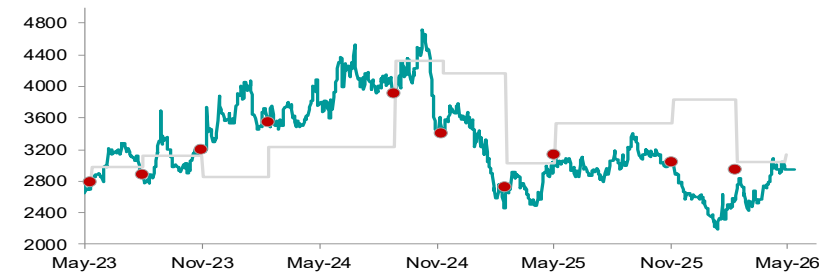
Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Cash</b>	<b>1,314</b>	<b>2,059</b>	<b>2,719</b>	<b>7,069</b>	<b>8,367</b>
Accounts Receivable	2,854	3,390	4,367	4,487	5,360
<b>Inventories</b>	<b>1,788</b>	<b>2,224</b>	<b>2,853</b>	<b>2,918</b>	<b>3,486</b>
Other Cur. Assets	681	869	2,588	1,085	1,297
<b>Investments</b>	<b>1,382</b>	<b>943</b>	<b>1,018</b>	<b>1,375</b>	<b>1,643</b>
Gross Fixed Assets	4,307	5,325	6,872	8,084	9,297
<b>Net Fixed Assets</b>	<b>2,698</b>	<b>3,223</b>	<b>4,106</b>	<b>4,571</b>	<b>4,915</b>
CWIP	381	770	806	700	700
<b>Intangible Assets</b>	<b>1,710</b>	<b>2,002</b>	<b>2,126</b>	<b>2,026</b>	<b>1,926</b>
Def. Tax (Net)	125	85	286	145	173
Other Assets	304	443	1,824	319	390
<b>Total Assets</b>	<b>13,309</b>	<b>16,080</b>	<b>22,693</b>	<b>24,695</b>	<b>28,256</b>
Current Liabilities	4,324	4,931	6,146	5,912	6,793
<b>Provisions</b>	<b>71</b>	<b>98</b>	<b>135</b>	<b>109</b>	<b>130</b>
Debt Funds	896	695	754	694	634
<b>Other Liabilities</b>	<b>1,706</b>	<b>2,425</b>	<b>6,698</b>	<b>7,491</b>	<b>8,194</b>
Equity Capital	19	19	19	19	19
<b>Reserves &amp; Surplus</b>	<b>5,086</b>	<b>5,516</b>	<b>6,545</b>	<b>8,076</b>	<b>10,093</b>
Shareholder's Fund	6,312	7,930	8,959	10,489	12,506
<b>Total Liabilities</b>	<b>13,309</b>	<b>16,080</b>	<b>22,693</b>	<b>24,695</b>	<b>28,256</b>
BVPS (Rs.)	235	248	298	377	481

### RATIOS

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	11.0	9.2	9.9	10.4	11.1
<b>EBIT margin (%)</b>	<b>8.3</b>	<b>6.7</b>	<b>7.0</b>	<b>7.6</b>	<b>8.3</b>
Net profit mgn. (%)	3.5	3.3	3.1	4.3	4.7
<b>ROE (%)</b>	<b>13.1</b>	<b>12.1</b>	<b>11.6</b>	<b>15.3</b>	<b>16.1</b>
ROCE (%)	8.1	5.6	5.7	7.7	8.5
<b>W.C &amp; Liquidity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Receivables (days)	54.5	57.8	62.0	61.2	56.9
<b>Inventory (days)</b>	<b>33.5</b>	<b>37.1</b>	<b>40.5</b>	<b>39.9</b>	<b>37.0</b>
Payables (days)	71.8	62.3	68.5	74.9	71.0
<b>Current ratio (x)</b>	<b>1.6</b>	<b>1.8</b>	<b>2.1</b>	<b>2.7</b>	<b>2.8</b>
Quick ratio (x)	0.8	1.0	1.1	1.8	1.9
<b>Turnover &amp; Leverage</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Gross asset T.O (x)	4.3	4.1	3.7	3.5	3.6
<b>Total asset T.O (x)</b>	<b>1.4</b>	<b>1.3</b>	<b>1.2</b>	<b>1.1</b>	<b>1.2</b>
Int. coverage ratio (x)	27.2	20.7	25.7	34.5	49.6
<b>Adj. debt/equity (x)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
Valuation	0.0	0.0	0.0	0.0	0.0
<b>EV/Sales (x)</b>	<b>4.0</b>	<b>3.4</b>	<b>2.9</b>	<b>2.3</b>	<b>1.9</b>
EV/EBITDA (x)	35.9	37.1	29.4	22.5	17.2
<b>P/E (x)</b>	<b>113.7</b>	<b>105.0</b>	<b>98.8</b>	<b>61.8</b>	<b>47.4</b>
P/BV (x)	13.6	12.6	10.6	8.6	6.9



## Recommendation Summary (Last 3 years)



Dates	Rating	Target
26.May.23	Hold	2,983
14.Aug.23	Hold	3,127
15.Nov.23	Sell	2,855
27.Feb.24	Reduce	3,225
11.Sep.24	Accumulate	4,321
25.Nov.24	Buy	4,169
04.Mar.25	Buy	3,032
19.May.25	Buy	3,533
19.Nov.25	Buy	3,828
26.Feb.26	Accumulate	3,037
15.May.26	Accumulate	3,137

## Investment Rating Criteria

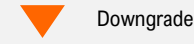
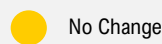
Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

### Not rated/Neutral

#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

#### Symbols definition:



To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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### GRIEVANCES

**Step 1:** The client should first contact the RA using the details on its website or following

contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam.; Phone: +91 484-2901367; Email: [compliance@geojit.com](mailto:compliance@geojit.com). For Grievances: [grievances@geojit.com](mailto:grievances@geojit.com). **Step 2:** If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at [www.scores.sebi.gov.in](http://www.scores.sebi.gov.in) **Step 3:** The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at <https://smartodr.in>

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