



TUBE INVESTMENTS OF INDIA LIMITED

(CIN: L35100TN2008PLC069496)

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TRANSCRIPT OF THE PROCEEDINGS OF THE 13th ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FRIDAY, 13th AUGUST 2021 FROM 3.30 PM TO 5.03 PM IST THROUGH VIDEO CONFERENCING

Participants

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|--|----------------------------|
| - Mr. M A M Arunachalam | .. Chairman |
| - Mr. Vellayan Subbiah | .. Managing Director |
| - Mr. Sanjay Johri | .. Independent Director |
| - Ms. Madhu Dubhashi | .. Independent Director |
| - Mr. Mahesh Chhabria | .. Independent Director |
| - Mr. Anand Kumar | .. Independent Director |
| - Ms. Sasikala Varadachari | .. Independent Director |
| - Mr. K R Srinivasan | .. Whole-time Director |
| - Mr. K Mahendra Kumar | .. Chief Financial Officer |
| - Mr. S Suresh | .. Company Secretary |
| - SBU Heads, Sr. Management & Shareholders | |

Mr. M A M Arunachalam, Chairman:

Good afternoon.

It's my pleasure to welcome the Shareholders to the 13th Annual General Meeting of Tube Investments of India Limited. Trust you and your families are safe.

Due to the continuing COVID-19 pandemic situation, holding of shareholder meetings through video conferencing is permitted by the Government and SEBI. This AGM of Shareholders of TI is therefore being held through video conferencing.

In view of the relaxation granted by the Government and SEBI from sending physical copies to shareholders, a soft copy of the Annual Report for 2020-21 and Notice of the 13th Annual General Meeting was sent by e-mail to Shareholders with registered e-mail ids. Soft copies were also made available on websites of the Company, NSDL and the Stock Exchanges.

For your guidance in participating in the Meeting, I wish to inform you that:

- the speed and smooth working of your audio and video during the Meeting depends on your internet connectivity.
- all shareholders will be on mute. Speaker link has been sent by email to those who have already registered to speak today. Once your name is called, you will be unmuted to speak.
- only shareholders who have registered to speak will be allowed to speak. No one else can speak on behalf of a registered speaker shareholder.
- proxies are not allowed to attend as this meeting is held electronically.

Based on the attendance registered, I wish to inform you that the requisite quorum of members for the 13th annual general meeting is present and I call the meeting to order. 80 members are present.

First off, I would like to introduce to you the Members of the Board and the Key Managerial Personnel of the Company.

Present here, to my right, Mr. Vellayan Subbiah, the Managing Director & further to the right Mr. K Mahendra Kumar, Chief Financial Officer. To my left, Mr. S Suresh, Company Secretary. The other Directors present with us from their respective locations, through video conferencing are:

- **Mr. Sanjay Johri** - He is Chairman of the Nomination & Remuneration Committee and also a Member of the other key Board Committees of TI including the Audit Committee and Stakeholders Relationship Committee.
- **Mrs. Madhu Dubhashi** - She is the Chairperson of the CSR Committee and also Member of TI's Audit and, the Nomination & Remuneration Committees. Mrs. Dubhashi has completed her second term as Independent Director and will be retiring at the conclusion of today's Meeting. She has been an Independent Director since 2015.

On behalf of my colleagues on the Board and also personally, I thank her for her active involvement and contribution to the Board deliberations and to the Committees in which she held positions in various capacities. We wish her the very best in all her endeavors. Thank you.

- **Mr. Mahesh Chhabria** - He is the Chairman of the Audit Committee and also the Risk Management Committee. Mr. Mahesh Chhabria has over three decades of rich experience in the financial services industry and has undertaken several leadership roles across private equity and investment banking firms. He is presently the Managing Director of Kirloskar Industries.
- **Mr. Anand Kumar** - He joined the Board in March. Mr. Anand Kumar comes with a rich experience of over three decades in the fields of mergers & acquisition, equity markets and leveraged finance.
- **Ms. Sasikala Varadachari** - She has over four decades of rich experience in the fields of banking and capital markets. She has had a long association with the State Bank of India. She joined the Board recently in June.
- **Mr. K R Srinivasan** - President and Whole-time Director. He heads our Metal Formed Products Division. He joined the Board in November last year.

I take this opportunity to make a special mention of the contribution of my predecessor Mr. M M Murugappan, who after two decades, stepped down as Chairman of TI in November. Mr. Murugappan's contribution during his long years of association with TI is utmost remarkable and most invaluable. We at the Board, whole-heartedly appreciate and thank Mr. Murugappan for his vision, guidance and support to the growth of TI. We wish him all the very best.

We are further thankful for the distinguished services rendered by Mr. Ramesh Menon who resigned from the Board during the year to focus on his other interests.

I would like to introduce the various business heads who are also attending this AGM through video conferencing from the respective locations:

- **Mr. K K Paul** - He heads the Bicycles Division of TI.
- **Mr. Mukesh Ahuja** - He heads the Engineering Division.
- **Mr. Krishna Srinivas** - The head of Corporate Technology Centre.
- **Mr. Selvakumar** - The head of TI's Human Resources.
- **Mr. A Muthukumar** - He handles TI's Strategic Sourcing.

And lastly, **Mr. Aravind Krishnan**, Partner of M/s. S R Batliboi & Associates, Chartered Accountants, our Statutory Auditors.

I wish to inform you that the documents and various registers required under law are available for inspection by the members electronically during this meeting.

Shareholders will be familiar with the procedure for conduct of meetings and voting thereafter in terms of the Companies Act, 2013 and SEBI Listing Regulations.

I wish to inform you that the Company has complied with the necessary procedure in serving Notice of the 13th Annual General Meeting and other matters in accordance with prevailing law. To facilitate voting on all the Resolutions before the Meeting, remote electronic voting facility was provided to all shareholders through the National Securities Depository Limited, between 9th and 12th of August with the voting eligibility cut-off date being 6th August.

For those of you, who have not voted under the remote electronic voting, you may make use of the electronic voting facility available at this Meeting.

The Scrutinizer appointed by the Board for conducting the electronic voting process, **Mr. R Sridharan** is present at the Meeting through video conferencing.

The Annual Report and the Notice convening the 13th Annual General Meeting have already been dispatched through electronic means. With your permission, I take this as read.

The Auditors' Report on the Audited Standalone Financial Statements of the Company for the year ended 31st March 2021 does not have any qualifications or observations or comments on financial transactions or matters having any adverse effect on the functioning of the Company. Hence, the same is not required to be read.

The Auditors' Report on the Audited Consolidated Financial Statements of the Company for the year ended 31st March 2021 contains a qualified opinion. For details, you may please refer to their Report in page 182 of the Annual Report. Though, in the Management's view, the matters qualified therein have no adverse effect on the functioning of the Company. It is considered appropriate to draw the attention of Shareholders to it.

The opinion by the Statutory Auditors, briefly, relates to:

- the reopening of books of accounts and recasting of financial statements of CG Power and Industrial Solutions Limited;
- the ongoing investigation by the Serious Fraud Investigation Office of the affairs of CG Power and certain of its subsidiaries; and
- the resulting non-compliance of laws and regulations by CG Power.

Their opinion further relates to:

- the inclusion of certain subsidiaries of CG Power which have been consolidated by CG Power based on information prepared by the management and, not been subjected to audit or review.

As required under law, necessary explanation on the opinion is provided in pages 46 and 47 under the Board's Report, forming part of the Annual Report, to which I draw your attention.

As explained therein, the opinion of the Auditors relates to matters arising prior to the acquisition of CG Power by TI and that post-acquisition, CG Power is actively engaged in resolving these issues referred and is providing all necessary cooperation to the government agency which is engaged in the investigation. With regard to the opinion on consolidation of financial statements of certain subsidiaries of CG Power, these could not be audited due to their loss of control, bankruptcy and loss of operations. Post-acquisition, CG Power is actively working towards completing the pending proceedings in respect of such subsidiaries.

CG Power was a financially stressed asset acquired by TI under a process of resolution, initiated pursuant to RBI's Prudential Framework for Resolution of Stressed Assets. These are legacy issues of CG Power which TI has inherited. These are being earnestly addressed for early resolution post our acquisition and we assure you that no efforts will be left spared in this regard.

I hope I have your permission to take as read, the qualified opinion of the Auditors on the Audited Consolidated Financial Statements, as well as the explanation thereon in the Board's Report.

The Report of the Secretarial Auditor does not have any qualifications or observations or remarks.

Now, I will briefly share my thoughts on the performance of TI during the year 2020-21.

The global economic growth weakened significantly in 2020-21. The COVID-19 pandemic rapidly grew to be a globally shared phenomenon. The Novel Coronavirus shrunk the world economic growth to a negative 3.4% with a recovery to 4.2% predicted for the current year. This may also look difficult, as the pandemic may be far from over with new variants and a surge in large developing countries raising serious concern on a speedy global economic recovery.

For the Indian economy, in a year of negative GDP growth, its ability to stage a recovery and show positive growth in coming years, depends on how soon it is able to overcome the impact of the pandemic. As per RBI guidelines, India's GDP is projected to grow at 9.5% in 2022. Various policy initiatives taken by the Government along with the increase in government spending and production-linked incentive schemes, hopefully, will attract private investments and provide the much-needed boost to the Indian economy.

For the benefit of those who have not gone through the Annual Report in detail, I wish to provide a snapshot of how TI fared in 2020-21.

On a standalone basis, TI registered a Turnover of Rs.4026 Cr. in 2020-21, which is slightly lower than the Rs.4053 Cr. achieved in the previous year. This marginal drop was due to the pandemic forced lock-down, which affected operations. This did not deter the Company as it used the opportunity presented to focus inwards to effect further improvements in reducing fixed costs, raising efficiency in management of working capital and deploying capital expenditure prudently on key growth projects. TI ended the year with a Profit after Tax of Rs.273 Cr. as against Rs.331 Cr. in the previous year.

The Engineering business registered a Revenue of Rs.2317 Cr. in 2020-21 compared to Rs.2258 Cr. in the previous year. Profit before Interest and Tax (PBIT) was at Rs.251 Cr as against Rs.264 Cr. in the previous year. Return on Capital Employed (ROCE) grew to 43% from 40% in the previous year. Enhancing its share in the domestic market and spreading its reach further across global markets were the strategies pursued by the Engineering business in a difficult year. The business focused on building capabilities with value led innovation and newer offerings for emerging technologies. Capability for manufacturing high quality, precision hydraulic cylinder tubes for European markets was established at Tiruttani, Tamilnadu, during the year.

For the Bicycles business, the Revenue for 2020-21 was at Rs.847 Cr. as against Rs.781 Cr. in the previous year. Profit before Interest and Tax (PBIT) grew 70% in the year 2020-21, from Rs.26 Cr. to Rs.44 Cr. during the year. ROCE grew from 15% in previous year to 62% during the year, driven by maximized operational efficiency, lean working capital, focused cost management and efficient logistics chain. The Bicycles business witnessed increased buyer interest for its Specialty range as sales increased by about 165% in 2020-21. Scaling up its presence on the virtual platform, tapping the overseas potential and providing eco-friendly mobility solutions starting with three-wheeler electric vehicles are on top of the agenda for the Bicycles business in the coming year.

The Metal Formed Products business registered a Revenue of Rs.1274 Cr. in 2020-21 as against Rs.1399 Cr. in the previous year. Despite its primary dependence on the Indian Auto sector, which had a terrible year in 2020-21 witnessing a negative growth across segments, the resilience of the Metal Formed Products business was quite evident in its performance during the year. PBIT was at Rs.87 Cr. in 2020-21 as against Rs.123 Cr. in previous year. The Business established a greenfield facility for optic lens at Sri City, Andhra Pradesh and expanded its facilities for manufacturing railway parts and sub-assemblies at Kakkalur, during the year.

TI acquired CG Power and Industrial Solutions, a leading player in Motors, Transformers, Switch Gears and Railway parts in India, with a strong global presence. This was a major step taken during the year in size, scale, and scope for TI, accelerating the Company's forward bound growth strategies with an eye on the future.

As we look back at 2020-21, it was a very challenging year. We at TI navigated through a turbulent market and the pandemic induced disruption. We serviced our customers despite multiple challenges, pledged our support to our channel partners and vendors. We ensured that our employees and their families were safe and healthy. We served neighbouring communities through various initiatives. We provided food and succour to the needy, arranged vaccination camps and quarantine centres, lent our support to the Central and State Governments by contributing to Relief Funds. We extended support to hospitals and voluntary organizations engaged in frontline work. TI was one of the few companies during the early phase of the

outbreak last year to cover all its employees including contractual and temporary employees under a special COVID Insurance Scheme to meet medical exigencies on account of COVID. We set up a quarantine centre within our premises to treat asymptomatic employees and their family members who were affected by COVID. This isolation facility with around 66 beds provided round-the-clock medical support, with the help of a doctor and paramedical staff. During 2020-21, about 107 patients were treated in this facility. I wholeheartedly thank the Human Resources function of the Company for its meticulous, and outstanding efforts in organizing and coordinating timely support. Our thanks also go to the employees of TI who lent unstinted support to keep the businesses running.

2020-21 was a memorable and, a milestone year for TI, in that, in its long-felt quest for inorganic growth and, de-risking of dependence on the Automotive sector, TI found in CG Power, an ideal acquisition of tremendous potential and good value.

TI is fully committed to its vision of optimizing, enhancing and fully harnessing its potential through restructuring of its manufacturing footprint, creating new capacities, expanding existing capacities, focus on identifying new business opportunities, foray into convenient adjacencies and invest in newer future technologies to add to the revenue streams. There may be challenges along the way but TI will continue to pursue its strategic direction and goals, continuously aiming for greater levels of achievement and set its sight on further growing its businesses in the years to come.

Before I conclude, I wish to commend the efforts of the management team and the staff at TI under the able and strong leadership of the Managing Director Mr. Vellayan Subbiah. It is our collective hope, it is my hope, that Mr. Vellayan and his dedicated team will keep TI going forward on the growth path. I also thank all our Directors for their continued support and wise counsel and to all Shareholders of TI, on behalf of the Board, I express our sincere thanks and appreciation for the support and confidence reposed in the Company and its management.

Now, I request the Managing Director, Mr. Vellayan Subbiah, to present the performance highlights for the year 2020-21 and on the first quarter results for the current financial year.

Thank You!

Mr. Vellayan Subbiah, Managing Director: Thank you, Arun.

We will just go through the results for the year and for the 1st quarter. We will give you a quick corporate overview. TI has three standalone businesses. First is our Engineering business, then Cycles & Accessories business and the Metal Formed Products business.

The Engineering business is predominantly in the manufacture of tubes which range from ERW, CDW to large diameter tubes and the strips business. Will just give you quick highlights of overall business.

The revenue for the year was lower by half a percent and the PBT before exceptional items at Rs.381 Cr. The ROIC was at 31% versus 29% in the previous year and we had a Free Cash Flow of Rs.533 Cr. which resulted in a net surplus of Rs.10 Cr. as against the net debt of Rs.149 Cr. in the previous year. As a result, our debt to equity ratio was down to fairly negligible level and we hit a double digit PBT margin of 10.4%. We also had a one-time exceptional expense of Rs.22 Cr. on VRS and like I said earlier, the Free Cash Flow improved fairly strongly in the year.

In terms of key numbers, we just went through, EBITDA was at Rs.503 Cr. on a standalone basis and Rs.635 Cr. on consolidated basis. Consolidation has four months of CG Power in it and then the rest are other subsidiaries. PBT after exceptional items stood at Rs.359 Cr. at a standalone level and at consolidation level it was at Rs.412 Cr. Our intent is to continue to improve the PBT to Sales ratio, which we ended the year at 10.4% at an operational level, if you leave the exceptional items out. The four metrics that we track are net sales growth and, obviously we didn't have net sales growth last year due to the Covid pandemic. Our PBT, again we got hit by the first quarter and lockdowns that came with it. ROIC has continued to remain strong as has our free cash flow. EPS was at Rs.14 a share. Capex was fairly muted at Rs.129 Cr. again because of the cautious outlook that we had for the overall business. The Debt/EBITDA stood at about 0.6.

In terms of individual businesses, the Engineering business is the leader in CDW tubes for the Auto industry and they received the Innovative Supplier Award from Schaeffler for how we used our CDW tubes for the Engine Bearing Cage Applications. Gabriel gave us the Best Supplier Quality Award and in terms of business highlights, we got approval from Rotaform for a Steering Shaft Application. Chou Spring approved us for Stabilizer Bars and our exports capability for the distributor market has been developed from the Avadi plant which adds to our potential export production capability beyond the IBP plant. For this business, the net Sales was Rs.2166 Cr. and a PBIT of Rs.251 Cr. Net PBIT to Sales was at 12%. The overall capex for the business for the year was at Rs.70 Cr. The overall ROCE for the business stood at 43.1%.

Second is our Mobility business. As you probably know, we are one of the leading players in India in this business. We have a whole range of bicycles across both age groups and performance levels. We've renewed our focus on Track and Trail as a retail experience and we sell our bicycle products as extremely aesthetic and kind of nice retail experience to go to. In terms of the business, in Q4, TICI's business grew by 113%. Spares and Accessories grew at 46% for the year and our e-commerce business grew at 20,000 cycles in Q4. We are looking to get additional volumes in the North and East and have consistently maintained month-on-month production and hitting a revenue volume of more than 2 lakh cycles per month.

In terms of market share, we are No.2 and it is our genuine aspiration to catch up with them in fairly quick time. 73% of what we sell are Specials. The finances for this business: Rs.842 Cr. in Revenue with a PBIT of Rs.44 Cr. This has been a very strong turnaround by Mr. K K Paul and his team and the business has done well. The capital employed for the business due to a negative networking capital shrunk very significantly. ROCE for this business as a result is 62%.

The Metal Formed business again has done well last year. They reduced the break-even across all of their businesses. They opened a representative office in Korea to become more global with both the product sets we have and what we can sell into. We sold 64 lakh automotive chain aftermarket kits which is a growth of 14%. We have also started working a lot on capability building especially in the area of tooling and made some good progress there. The numbers for this business: Revenue shrank by 10% to Rs.1202 Cr. in sales, PBIT of Rs.87 Cr. and Capex of Rs.46 Cr. for the year. ROCE of the business was at 22.3%.

To just get into the subsidiary, with Shanthi Gears, the numbers for the year: Rs.216 Cr in Sales, Profit after Tax of Rs.20 Cr. and Capital employed of Rs.235 Cr. ROCE for the business stood at 11%.

CG Power & Industrial, like we said, was a business that we acquired and we consolidated it for the last 4 months in the year. The Q4 actuals was Rs.1118 Cr. in sales and a PBT before exceptional items of Rs.19 Cr. and after exceptional items, it ends up in negative Rs.265 Cr. In terms of performance for the last quarter, the Q1 i.e. this year, sales for the quarter was at Rs.1179 Cr. resulted in a PBT before exceptional items of Rs.130 Cr. and it has been a fairly good performance at a standalone level. At a consolidated level, Rs.2343 Cr. in Sales and a PBT before exceptional of Rs.185 Cr.

So, I'll stop with that. Thank you. Thank you so much and turn it back to you Arun.

Mr. M A M Arunachalam, Chairman : Thank you, Vellayan.

We have 12 Resolutions before this Annual General Meeting. The details are given in the Notice.

Shareholders who have registered as Speakers may please wait for their turn to speak. The names of the Speakers will be announced by the Moderator and they will be unmuted one by one, so that they can speak.

Please do not repeat the questions already asked. Please confine your speech to matters relating to the Annual Report of 2020-21 already with you. Please restrict your speech to a maximum of 3 minutes.

After all the questions have been tabulated, I will answer the same or have these answered by my colleagues here to the extent it is not prejudicial to the interests of the Company.

I now request the Moderator to please facilitate the shareholders who have registered to speak at this Meeting, by calling them one by one.

Moderator: Very good afternoon to one and all. We have, Ms. Celestine Elizabeth Mascarenhas as the 1st speaker. Madam, please unmute your audio and video and speak.

Ms. Celestine (Shareholder): Hello, can you hear me, Sir?

Mr. M A M Arunachalam, Chairman : Yes, yes Ma'am. We can hear you. Please go ahead.

Ms. Celestine (Shareholder): Very good. Very good. Thank you, Sir.

Respected Chairman, M A M Arunachalam, MD Vellayan Subbiah, other Hon'ble Directors, my fellow shareholders who are attending this visual meeting, My name is Mrs. C E Mascarenhas. I am attending from Mumbai. First of all, I thank the Company Secretary Mr. S Suresh for sending me this e-Annual Report and also registering my speaker request and giving me this platform to speak, NSDL. I would've preferred a physical Annual Report since I'm 70+ my eyes start watering but even then I did read it. Because, I'm so much interested in this Company though it is not Bombay based but even then I like, I hope one day you all will come to Bombay, at least for the CG Power meeting. I would like to see and meet you people because I am very happy, I cannot imagine the way you all are performing and a big conglomerate. So, anyway about the Annual Report, it is full of information and self-explanatory adhering to all the norms of corporate governance. Thanks for the presentation which you gave just now. That was also very wonderful. It gave me a lot of insights and my questions are nearly answered by this presentation. Thank you, Sir very much.

Now, working is good, market capitalization wonderful. Good outlook. So I congratulate for all the works also and recognition received in spite of the pandemic lockdowns etc. Also, I appreciate the CSR work done to the society in the hard days of this pandemic. Now, my Company is the flagship company of the renowned Murugappa Group, India's leading business conglomerate has 30 businesses with 10 listed companies on NSE & BSE, all doing very well, who has always had the interest of the small investor. Sir, Tube investments, I'm really indebted to you all because you are the one who saved my investment in CG Power. If you had not come and invested and also seen other investment because the CG Power according to me, and I've been a shareholder for many, many years, I don't know how this went so bad because of the debt and funding problem, which at the right time you took and saved from IBC and saving from IBC means the small shareholder is saved, otherwise with the IBC, means the verdict would have come, I would have become like the DFHL, I had investment there. Lakshmi Vilas or Essar steel, the party who acquired from IBC didn't care for the small investor at all and even though those companies will go on, but it is a punishment to the small investors. Only the banks were taken care and they are, actually the bankers should be more careful while lending. I don't know what is wrong with the small shareholders. We don't get good interest also, Sir and these, we look out for equity and dividends and all and, all the companies they always give good dividend and good market cap. We've got one more avenue in market cap, we can double there. That also has taken from us. Like a company, second in line after HDFC in the housing sector, at least for one month I could not get sleep only because, I could not just imagine this company had such a big fraud and same thing with CG. CG Power has a very good production like products and all, like transformers, LT motors, railway signaling, switch gears and I don't know whether you are in chips. Here, I would request you to go for the manufacturing of the semi-conductors. Sir, this company has that capability Sir. Because, I've gone to their plants also. I was very much monitoring this company but what went wrong, because sometimes we get nightmares Sir. I think you should support for doing semi-conductors because this semi-conductor shortage is not in India but all over the world. Even so many motor companies are crying. Today that Bajaj was also, I got so much exports but I am not having semi-conductors. So I am just suggesting, this is a small humble lady's request to you if you could go for the semi-conductors because that employees and all they have the skill set. So, please if you just, it would be better I do not want to say more because I have a faith on your working. Because the auditors are supposed to monitor your working, not me and with all the eye sight problem, reading online. So I will not ask you any accounting questions as I have faith in the Murugappa Group and one act of CG Power has spoken very much in favour of you than for Piramals or for Arcelor Mittal or for DBS. You have really set a big benchmark. With this, I thank you very much. I support all the resolutions. I don't want to make it long. Thanks once again & I would like to see you in CG Power meeting. I don't know as & when this lockdown will open, if it is open and it comes physical I will definitely meet you with my gratitude to you. With this, I thank you very much once again & wish you all the best and good health specially to you and all the Murugappa Group, good health to them. Stay safe Sir, Thank you, Sir.

Mr. M A M Arunachalam, Chairman: Thank you Ma'am. Thank you.

Moderator: Thank you, Madam. The next speaker is Mr. Mukesh Ajmera. Sir, kindly unmute your audio and video and speak. Please be brief with your observation.

Ms. Mukesh Ajmera (Shareholder): Am I audible?

Mr. M A M Arunachalam, Chairman: Yes, yes Sir. Go ahead Mr. Ajmera.

Mr. Mukesh Ajmera(Shareholder): Welcoming the new chairman Mr. Arunachalam and MD Vellayan Subbiah, Board of Directors, old friend Suresh and his secretarial team. Ellorukkum vanakkam. Let us all pray for millions of departed souls in India, and globally in most unprecedented pandemic in human history affecting only human beings out of the eighty-four lakh life species on earth. A result of human imbalance and only human beings have been imparted with sixth sense of reasoning and logic to use in all aspects of life. Let us use it here for an unresolved non-transmission issue for ten years after I lost my beloved mother, twenty plus years ago and we all have aged that much with about eight to nine Chairmen of the companies who have come and gone. Do human relationships matter in running a company and group of your size and stature? We are a family known to your family for sixty plus years. TI's founder - Shri Murugappa Chettiar and my father had a lot of mutual admiration and a special bond for several years. Also, I and Murugu have been classmates fifty years ago. Yet a non-transmission issue is lingering for ten long years pending permanently, which could make a classic business school case as well. Who should my mother's shares go to? As per her own wish and Will, it was to be transmitted to me. And other legal heirs who are my siblings, has already given their no objections & we have also complied to much more than SEBI norms. My brother flew down to Chennai for a day, especially for TI. We met Murugu, Suresh and others in February 2017, four and a half years now, and at that time they promised that the transmission would be done. After submitting all the requisite documents as per TI's demand then, it was still not done. Why?

Then Chairman Mr. Vellayan asked me to meet Mr. Ramkumar, who was the President, who asked me to submit my mother's Will and he promised if it is done, it would be transmitted. Second time around that promise was not honoured by TI. Why? All correspondence is available. If both of you can please connect with me personally later on. Demand for a probate is absolutely unfair, unreasonable and unrequired. Invariably probate is needed only if there is a dispute amongst the beneficiaries and there is none here. All have given their no objections and getting a probate is not at all possible for the age and stage of life we all are in. And, all my siblings are much elder to me. Have all the high value transmissions in India been done in seventy-five years since independence only through probate? Dividends for several years going to IEPF have deprived us of lakhs, though they are claimable and claimed by me as the claimant. I've gone through a lot of ordeal physically, mentally and emotionally for a decade with over a dozen trips to Chennai carrying all the original and precious documents to my chest which has been shuttling between Bangalore & Chennai, two or three times without Company's advance communication to me, which I have told them to do before sending anything. Ethics for any company involves and includes, respecting & resolving all issues of all stakeholders especially customers, employees, suppliers and investors. I term these as the middle line for any organization especially as large as yours due to whom only the top and bottom lines exist. Now, there is a double trouble for us with two companies to deal with - TI and CFHL. The companies are not giving a single share from their own pockets. It is only going from a mother to a son legitimately as per statutory norms. What is the indemnity bond given and taken for? Does it have any meaning and purpose? It more than protects and safe guards you, the companies. You want it, but you don't want to trust it. You want all other documents but not trust any of them. Why? What should have taken a maximum of ten days to ten weeks has not been done even after ten years. Just one minute please. None of us are immortal and anybody can die any time. Because of these kind of issues, you must all be aware that about one lakh crores of unclaimed public money is lying in Government coffers. Most of it is due to redundant and ridiculous rules, regulation and laws, many of which are being changed also. One of them is the Indian Succession Act of 1925. It is going to be a century in another four years for that Act which is being blindly followed and sometimes also being abused. And SEBI has simplified and tried to facilitate hassle-free transmission. The onus was on me to even show this notification to TI which says either succession certificate or Will or letter of administration or a probate is to be accepted by companies and RTAs. Companies and RTAs are supposed to be mere facilitators and not impediments. Shouldn't large groups like yours bother to ensure that wealth of life-time investors go to their family members and they go out of their way to enable it. There are many companies, all of you are aware, like yours, who truly do so in letter and spirit. We pray and go to temples not to make somebody a victim unfairly and unreasonably, knowingly or unknowingly. Then, how

can you do so to someone who is known to you and all your family members for a life time as your dealers who supported you in early years and retained your shares for decades. Human mind is capable of so much, both positively and negatively as experienced. Where the world has gone today? Both ways-negatively and positively. This is no rocket science like last month's space flights by Richard Branson and Jeff Bezos. This is only a mundane do-able thing. But out of the box thinking and genuine willingness to resolve this is a pre-requisite. Nobody except me in 8 ½ billion global population is going to claim these shares which belong to my family. They belong to my mother, not even my family members or would they have been waiting for twenty years, to claim them only after the transmission is done by TI to me. I would like all of you to please reflect on it. Murugappa Group as in its motto says quite a few things, some of them are applicable here as well. It is like a big ship. All corporates are big ships, giant tankers and many of us including investors like me and all other stake holders are like sailors in the ship. And if we get dropped in the ocean, is it not the responsibility of the ship to get us back instead of telling, you swim along and climb the ship if you want to. That is what is happening to us please. I urge you both Mr. Chairman and Mr. Managing Director.

Moderator: Sorry to interrupt you, Sir. We request you to be brief with your observation.

Mr. Mukesh Ajmera (Shareholder): I urge to both Chairman and MD to connect with me personally and discover ways to ensure that, what belongs to us comes to us and not go unclaimed as they say in Tamil, anadhai. Wishing everyone in TI lots of good health and happiness. Thank you very much. Nandri, vanakkam.

Chairman: Thank you. Thank you Sir.

Moderator: Thank you Sir. The next speaker we have Mrs. Valli Arunachalam as a speaker. Madam please unmute your audio and video and speak. We request you to be brief with your observation.

Mrs. Valli Arunachalam(Shareholder): Can you hear me?

Mr.M A M Arunachalam(Chairman): Yeah, yeah very well. Please go ahead.

Mrs. Valli Arunachalam(Shareholder): Mr. Chairman, Members of the Board - Thank you for the opportunity to speak at the AGM. My name is Valli Arunachalam and I am Karta of....

Mr.M A M Arunachalam(Chairman): You are breaking little bit. Can you just...

Mrs. Valli Arunachalam(Shareholder): My name is Valli Arunachalam and I am the Karta of M V Murugappan HUF. Is that clear?

Mr.M A M Arunachalam(Chairman): Yes, clear. Yes.

Mrs. Valli Arunachalam(Shareholder): Okay. Yeah. Please let me know if the audio breaks off. My first question: The Company prides itself in strong corporate governance and business ethics. However, you've been opportunistic to show improved Free Cash Flow at the cost of vendors. This neither reflects strong corporate governance, business ethics or, compassionate leadership. You seem to be driven by just one stake holder -- the shareholders. This is especially important during Covid when smaller businesses have been disproportionately impacted such as your vendors. For TI standalone, the year over year Free Cash Flow as a percentage of PAT doubled and during the same period, the trade payable also doubled from three months to six months. For TI consolidated, the year over year trade payable tripled and the payable days increased by 2.5 times to eight months in FY 21. Compared this to your competitor Hero Cycles where the payable days for FY 21 is fifty-five days. This is a huge gap. My question is,

- a) Given that your payable days are touching six months on standalone, eight months on consolidated and significantly higher than your closest competitor, which is less than two months, are you not concerned about losing competitive advantage in the long run by stressing your vendors to increase Free Cash Flow?
- b) Do you think this approach is sustainable?

c) How do you planned to maintain trade payable and free cash flow as a percentage of PAT ratio over the next two to three years?

Question 2. In your traditional business, Engineering and Metal Formed Products, you are either stagnant or declining on both segment revenue and operating profit parameters over the last three to four years. Your declared visions talk about building a globally admired Indian Engineering Company. The results show that you are unable to grow the core traditional business and this is contradictory to your global vision.

- a) Why is the Engineering segment revenue and EBIT stagnant over the last three to four years?
- b) What are your top three plans to increase EBIT of the Engineering and Metal segments?
- c) What was the percent concentration in auto for both in FY 21?
- d) Do you plan to diversify from auto, within both segments? If yes, into what new areas?

Last Question. Your vision is to build a globally admired Indian Engineering Company. Currently, you seem to be over-diversifying and as a result, you have a portfolio of too many small businesses within TII. Most of these businesses have absolutely no synergies with each other which makes it very complex to drive any sustainable value creation.

- a) Why are you over diversifying instead of focusing on select business verticals and scaling them globally?
- b) Each business requires attention and focus to scale up. Do you have a cohesive growth strategy to handle such a large array of businesses with weak synergies. If yes, please enlighten us, the shareholders, on your strategy.
- c) Do you think you will be able to allocate adequate management bandwidth and capital to each business with so many unrelated businesses in the portfolio?
- d) What are the two to three year revenue goals and capex allocation for each business vertical under TII2 and TII3?
- e) You plan to invest Rs.25 crores in start-up companies in emerging technology space. This amounts to further complexity as you are already going into lots of new businesses. How do you plan to allocate and monetize this capital?

Thank you.

Mr.M A M Arunachalam(Chairman): Thank you.

Moderator: Thank you Madam. The next speaker is Mr. Ravi Kumar Naredi. Sir, kindly unmute your audio and video and speak. We request you to be brief with your observation.

Mr. Ravi Kumar Naredi(Shareholder): Respected Chairman, MD, Hon'ble Board of Directors, employees and fellow shareholders. If you give reply shareholder to shareholder, it will be very good then you summarize all questions at the last. All questions mix up with others and we do not get our questions replied. This is my request to you, Sir.

In your umbrella, you have so many companies. Can you discuss different, different companies' growth plan for current year and next year? We are seeing Company top line is stagnant since last 4 years. So will you comment on that and ensure shareholders about growth plan of top line also? Thanking you very much to listen to me Sir.

Moderator: Thank you Sir. The next speaker is Mr. J Abhishek. Sir, kindly unmute your audio and video and speak. We request you to be brief with your observation.

Mr. J Abhishek(Shareholder): Sir, Can you hear me? Am I audible Sir?

Mr.M A M Arunachalam(Chairman): Yeah, yeah go ahead, Abhishek.

Mr. J Abhishek(Shareholder): My name is Abhishek, shareholder of the Company. My DP Id IN301637 and client id 41359155.

First of all, I congratulate the management on the eve of 13th Annual General Body meeting. Trust all is well with your families in this challenging situation. Our Company deserves much more respect than the current market cap after completing more than decade of successful operations, profitability, dividend history and becoming one of the strongest brand in our respective segments. Sir, we would like to know how our business has been impacted these past two years of the Covid-19 pandemic and any employees you have sacked, higher salary cut in percentage, if any, Sir. The coronavirus and the subsequent lockdowns have left virtually no industry untouched after the Covid. So any cost cutting initiative done by the management, Sir. Whether any salary cut have been taken by the Management during the pandemic time and sustainability of the profit will be challenging in this coming quarters and Sir, what is the policy related to dividend in our Company. Most of the senior citizens are only dependent on that Sir. Request the management to kindly arrange for concall, quarterly presentation and meeting with global investors on a regular basis and Sir, what are the steps being taken by the management to reduce the legal expenses, audit and professional charges, other expenses etc.. Sir, myself and my team are running a legal firm in the name and style of Seven Wells Associates in Chennai. So I would request your good selves to kindly enroll our firm in the empanelment of the Company and we will be glad to extend our services Sir. In fact, I made a request last year also Sir, but I can't find any of your legal team getting in touch with me Sir. So, I request your good self to kindly put up request before the legal team, so that they can get in touch with me and I can share the credentials with them. Kindly look into it and also try to give us an opportunity and appointment to meet you Sir. Myself and Padmanabhan will come and meet you and greet you Sir, as soon as the pandemic ends and you feel safe. Nothing much to ask Sir. I wish the Company and the Board of Directors, great success and prosperity in the coming future. Thank you for this opportunity. Thank you very much.

Mr.M A M Arunachalam(Chairman): Thank you.

Moderator: Thank you Sir. Chairman Sir, there are no more speakers. Thank you Sir.

Mr.M A M Arunachalam(Chairman): Thank you.

So, now to answer your questions. Mrs. Mascarenhas, thank you very much for your kind wishes and comments. Actually, very encouraging for us and as far as physical copy of the Report, I'll try and take it up with my Company Secretary. And, on your suggestion on the semi-conductors we will discuss it internally. Thank you very much.

Mr. Ajmera, your question on transmission of shares from your mother to you. You raised this issue about pending transmission of shares of your late mother in your favour. The documents submitted by you for effecting the transmission are inadequate. The Company has made several requests in writing on the documents required to be submitted by you to enable it to complete the transmission. You made a complaint to SEBI in this regard and the Company has responded with its position on the documents required to be submitted. SEBI has concurred with the Company's view on the legal requirement. The Company once again requests you to please submit those documents required to be submitted under law to enable us to complete this transmission. We kindly request you to cooperate in this regard. Thank you very much.

Mr. Abhishek, to reply to your questions, the impact of Covid and related query, we have already seen in 20-21 was a very challenging year. We had to face the full brunt of the Covid-19 pandemic something which we have never experienced before. The auto sector which wasn't in a great shape even as the year began further crumbled, due to disruption because of the lockdown. It was only TI's resilience to cope with adverse situations that helped us manage through this crisis. Our businesses took the opportunity to build on new capabilities, to enlarge the customer base with innovative products and value engineering measures. The Company pledged its support to the channel partners and vendors who are partners in our progress to jointly negotiate through the dark business environment. I need to state here that in all this we had the unstinted support of our employees who really stood by us during this difficult time.

Your question on salary cut to employees, there was a reduction in the salaries of employees including the senior management in the initial period of the lockdown. With subsequent improvement in the economy after lifting of restrictions, major amount of it was paid back to them during the course of the year. We are happy to say that there was no imposed separation of employees due to the Covid-19 pandemic.

Your question on sustainability, cost initiatives, steps to improve operational performance: I am glad to inform that despite two waves of the Covid-19 pandemic, the demand for the Company's products remains robust. To be on a conservative note, we feel, going forward, sustainability of growth very much hinges on continuous revival of the economy and steady pick-up in economic activity. On the Company's side, we always strive to achieve greater level of internal efficiencies in operation, enlarging our client base through new product offerings, consistently.

Whether we have concalls, quarterly presentations, investor meets -- Yes, we do. The Company regularly holds quarterly earnings call after the results are published. We meet the investor community and address their queries on the performance and the prospects. The investors get to interact with the Managing Director, CFO and the Heads of Businesses and hear from them on the industry and Company specific details during these calls.

On Dividend Distribution Policy, the Company has a Dividend Distribution Policy. In declaring dividend, the said Policy is very much taken into account. In terms of the Policy, after consideration of the internal and external parameters as specified in the Policy, the Company always endeavours to maintain a total dividend pay-out ratio of about 25% of the annual standalone PAT.

Lastly, Mrs. Valli Arunachalam's questions. I'll just answer one part of it and I'll hand it over to Mr. Vellayan to answer the more specific ones. Your question on 25 Cr. in unrelated start-ups. TI is looking at various new business opportunities for growth. This is vital for maintaining the Company's revenue and profitability trajectory by developing a new growth opportunity, lines of business and revenue streams. In this connection, we are looking at various start-ups who are active, innovative and out of the box research in areas of technology of interest to the Company with the potential to deliver cost effective and cleaner technology solutions and which can be assimilated and integrated as part of the existing or as new lines of business of the Company. We feel it is imperative that TII should participate in emerging technology fronts to proceed firmly to the growth path and improve profitability.

So, Mr. Ravi, the growth plans are different for each of the businesses.

So over to Mr. Vellayan.

Mr. Vellayan Subbiah, Managing Director: Thank you Mr. Arunachalam.

In response to the two sets of questions, one from Mrs. Valli Arunachalam and then Mr. Ravi Kumar Naredi. So, Mrs. Valli Arunachalam - the first question was on the Free Cash Flow, and the point being made by her was improved Free Cash Flow has come at the cost of vendors. So, it's useful Ma'am to kind of get a better assessment of the facts. Nearly Rs.200 Cr. of the increase in payables is actually due to increase in steel prices that happened between the end of 2020 and 2021. The second element for that is at the end of the 2020 we went into lockdown and therefore we didn't have that much operations in the last fifteen days which caused lower volumes compared to the volumes that we were looking at in the end Q4 in FY21. So, that is the reason for that and, I think it's useful to know some of the data prior to the question.

The second point in terms of flat lining on... so first off, on the same point, you were comparing us to our closest competitor Hero cycles. Ma'am, Hero Cycles is only in the cycle segment. Later on you talked about the Engineering and Metal Formed segments neither of which compete with Hero Cycles. So actually Hero Cycles is not a like-to-like comparison because our predominant business is actually in Engineering and Metal Formed and our Cycles business is less than 25% of our overall revenues.

The points on Metal Formed and Engineering, you have said that revenue and PBT are flat lined over a three to four year period. So, in terms of the history, the Company has significantly improved the performance over the time period from 18-19. In the 17-18 year, we had a PBT to Sales of 4.7%. The same number is currently at 11.2% and that improvement has been significantly driven by both the Engineering and the MFPD businesses. Obviously, if you are comparing kind of Covid years to pre-Covid years, Covid years have had two non-operating months with significant losses. So, doesn't actually make sense to compare them to years prior to Covid. So, very few companies grown significantly without two months of operations in a year, right? And actually it was more than two months because the lockdown would pretty much meant loss of three to four months in operations. So that was the response to your second point.

The third point, you mentioned that the shareholders needed enlightenment in terms of over diversification versus focusing on select verticals. There have always been three core verticals. Most of the shareholders are fairly well informed on this because you can read our investor call transcripts that are published on our website and apparently somebody has gone through them because you did allude to TI2 and TI3. That actually does answer the question -- which is our stated strategy - as has been stated now, for over the past two and a half years in terms of an approach, where we focus on TI1 on the core businesses, TI2 is a VC approach to new businesses with smaller bets and TI3 is more like an operational PE approach. This approach has been well articulated to investors. It has been discussed at length and has been supported, not just internally by our Board but also by the shareholders and the investor community. So, it is fairly prudent and pragmatic approach. You had asked about diversification away from the Auto sector -- this is the strategy to diversify away from the Auto sector. And I do believe that addresses. So it's actually strange because I think those two questions contradict. But in any case, this is our stated approach and I do believe that it has been well discussed and supported by both shareholders and by our Board. So, I think that addresses all of your questions.

In terms of Mr. Ravi Kumar Naredi, he had asked about our top line being stagnant. Sir, the key issue in 19-20 was the whole auto sector had a slowdown and 2021 and 2022 are years that have gotten hit. So, after 19-20, after the slowdown in the auto sector, 20-21 gotten hit by the Covid pandemic and so we have seen hits in that front. At least 2021 FY that finished did have a significant impact from them. As you can see from our quarterly results, this quarter was not as bad as the first quarter last year. And we do hope that if the demand side does hold up, we will deliver a stronger performance this year. A lot of initiatives we have taken are towards the top line growth. But obviously, besides large scale acquisitions, organic growth does take longer. We do believe it is a right way to go in an environment like this in some situation and will continue that approach. So, with that I think I have addressed all the questions from Mrs. Valli Arunachalam and Mr. Ravi Kumar Naredi.

Back to you Chairman Sir.

Mr. M A M Arunachalam, Chairman: So, that ends the question-and-answer session. If you have not voted as yet, please vote. The e-voting will end fifteen minutes from the end of this meeting.

The Scrutinizer will take up counting of the votes and provide the consolidated Scrutinizer's Report on the voting. Details of the voting results along with the Scrutinizer's Report will be placed on the Company's website, www.tiindia.com and on the website of NSDL, on receipt of the consolidated Report of the Scrutinizer.

The voting results will also be communicated to the Stock Exchanges, within two working days of the conclusion of the AGM.

With this, the official business of the 13th Annual General Meeting is concluded. Thank you very much for your interest in the Company and for participating in the Meeting today.

I declare this meeting closed.

Thank you.

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