



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

- | | |
|-----------------------------|----------------------------|
| - Mr. M A M Arunachalam | .. Executive Chairman |
| - Mr. Vellayan Subbiah | .. Executive Vice Chairman |
| - Mr. Mukesh Ahuja | .. Managing Director |
| - Mr. Sanjay Johri | .. Independent Director |
| - Mr. Anand Kumar | .. Independent Director |
| - Ms. Sasikala Varadachari | .. Independent Director |
| - Mr. Tejpreet Singh Chopra | .. Independent Director |
| - Mr. K R Srinivasan | .. Whole-time Director |
| - Mr. K Mahendra Kumar | .. Chief Financial Officer |
| - Mr. S Suresh | .. Company Secretary |
| - Shareholders | |

Mr. M A M Arunachalam, Executive Chairman: Good afternoon.

It's my pleasure to welcome the Shareholders to the 14th Annual General Meeting of Tube Investments of India Limited. Trust you and your families are safe.

The Ministry of Corporate Affairs and SEBI have permitted holding of shareholder meetings through video conferencing in 2022. Accordingly, this Annual General Meeting 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, soft copies of the Annual Report for 2021-22 and Notice of the 14th Annual General Meeting were sent by e-mail to the Shareholders who have registered their e-mail ids. Soft copies of the Notice and the Annual Report 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 already 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 being held electronically.

Based on the attendance registered, I wish to inform you that the requisite quorum of members for the 14th Annual General Meeting is present and I call the meeting to order.

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

- **Mr. Vellayan Subbiah, Executive Vice Chairman**
- **Mr. Anand Kumar, Independent Director.** He is also the Chairman of the Nomination & Remuneration Committee and also a Member of the Audit Committee.
- **Ms. Sasikala Varadachari, Independent Director.** She is the Chairperson of the Corporate Social Responsibility and Stakeholder Relationship Committees of TI.
- **Mr. Mukesh Ahuja, Managing Director;**
- **Mr. K R Srinivasan, President & Whole-time Director;**

And behind me

- **Mr. S Suresh, Company Secretary;**
- **Mr. K Mahendra Kumar, Chief Financial Officer.**

The other Directors attending this meeting from their respective locations, through video conferencing are:

- **Mr. Sanjay Johri.** He is the Chairman of the Audit and Risk Management Committees and also a Member of the Nomination & Remuneration Committee.
- **Mr. Tejpreet Singh Chopra.** He joined the Board in March 2022 and comes with a rich experience in global management, finance across geographies. He is a Member of the Audit, Nomination & Remuneration and Corporate Social Responsibility Committees of TI.

We also have **Mr. Aravind Krishnan**, Partner of M/s. S R Batliboi & Associates, Chartered Accountants, our Statutory Auditors attending this meeting through video conferencing.

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

The procedure for conduct of meetings and voting in terms of the Companies Act, 2013 and the SEBI Listing Regulations has been detailed in the Notice and the shareholders may be familiar with the same.

I wish to inform you that the Company has complied with the necessary procedure in serving Notice of the 14th 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 the shareholders through the National Securities Depository Limited, from 29th July to 1st August 2022. The cut-off date for determining the Members eligible to vote was 27th July 2022.

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

Mr. R Sridharan, who has been appointed by the Board as Scrutinizer for conducting the electronic voting process, is present at this Meeting through video conferencing.

The Annual Report and the Notice convening the 14th Annual General Meeting have already been sent through electronic means. With your permission, I take the Notice as read.

The Auditors' Reports on the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2022 do 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 are not required to be read.

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

I will now briefly share my thoughts on the state of the economy and performance of TI during the year 2021-22.

This year was filled with volatility, uncertainty & complexity, which threw many surprises and challenged many paradigms. The resilient revival of the global market with the receding of the pandemic was negated by the second wave of the virus, which had its toll on economies and human lives across the world.

The geopolitical tensions caused by the escalation of hostilities between Russia and Ukraine changed the global growth narrative, with supply chain disruptions halting production lines, rising raw material cost, commodity and fuel prices triggering inflationary pressures on stressed economies, and tightening of financial channels creating market mayhem.

The Indian Economy was also adversely impacted with a slowdown in investments and industrial growth, muted customer demand and rural offtake, low traction in contact-sensitive services and closure of small businesses leading to loss of livelihoods.

In the year 2021-22, India's GDP grew at 8.7%. Reserve Bank of India has estimated a growth of 7.2% for 2022-23.

On the positive front, key economic indicators reflect the revival and resilience of the Indian economy showing a rebound on the back of supportive Government policies.

For TI also, it was another significantly different year which was marked by multiple challenges.

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 2021-22.

On a standalone basis, TI registered a Turnover of Rupees Five Thousand Nine Eighty Seven Crores (Rs. 5987 Crs.) in 2021-22, registering a growth of 49% over the previous year. TI ended the year with a Profit after Tax of Rupees Four Hundred Seventy-Five Crores (Rs. 475 Crs.) as against Rupees Two Hundred Seventy-Three Crores (Rs. 273 Crs.) in the 2020-21.

The Engineering segment registered a revenue of Rupees Three Thousand Eight Hundred Sixty Eight Crores (Rs. 3868 Crs.) as compared to Rupees Two Thousand Three Hundred Seventeen Crores (Rs. 2317 Crs.) during the previous year, translating to a growth of 67%. The Operating Profit before Interest and Tax grew by Fifty percent (50%) to Rupees Three Hundred Seventy Six Crores (Rs. 376 Crs.) as compared to Rupees Two Hundred Fifty One Crores (Rs. 251 Crs.) during 2020-21.

The Engineering segment was able to grow its volumes leveraging the growth of passenger vehicles and commercial vehicles. The business also focused and realized the increased opportunities in the export market. The business continued to drive efficiency improvement and prudent spending on capital expenditure on critical growth projects.

For the Mobility business, Revenue for 2021-22 was at Rupees Nine Hundred Sixty Three Crores (Rs. 963 Crs.) as against Rupees Eight Hundred Forty Seven Crores (Rs. 847 Crs.) in the previous year. PBIT grew twenty five percent (25%) in 2021-22, from Rupees Forty four Crores (Rs. 44 Crs.) in 2020-21 to Rupees Fifty Five Crores (Rs. 55 Crs.).

The overall trade of bicycle industry grew by 13% over the previous year. TI Cycles registered an overall market share gain of 1.8% during 2021-22. The thrust on Specials segment was driven through new product launches and enhanced digital marketing.

The Metal Formed Products business registered a Revenue of Rupees One Thousand Two Hundred Forty Crores (Rs. 1240 Crs.) in 2021-22 as against Rupees One Thousand Thirty Two Crores (Rs. 1032 Crs.) in the previous year. PBIT was at Rupees One Hundred Thirty-Six Crores (Rs. 136 Crs.) in 2021-22 as against Rupees Seventy Five Crores (Rs. 75 Crs.) in the previous year.

The business continued to focus in the aftermarket segment benefiting from the two-wheeler population growth. This segment provides opportunities for growth notwithstanding good competition and the business expects to deepen its market coverage by launching new products.

The other focus was on generating more business from the auto OEMs, leveraging the Tier-1 position with specific emphasis on safety critical and new products.

We have over the years shared our vision of a clear growth plan for TI. One such strategic step-out was the acquisition of CG Power and Industrial Solutions Ltd in financial year 20-21. After the first full year of operations under the new management, CG Power has seen a complete operational and financial turnaround achieving a turnover of Rs. 5,159 Crs. with a PBT (before exceptional items) of Rs. 502 Crs.

During 2021-22, TI ventured into Electric Mobility Business by incorporating a wholly-owned subsidiary, TI Clean Mobility Private Limited. TI Clean Mobility will be launching electric three wheelers in 2022. It also acquired Cellerstial E-Mobility Private Limited, a start-up company, developing electric tractors, which will be launched in the next 6-8 months. This was a major leap by the Company to diversify and broaden its product portfolio. It will accelerate the Company's forward bound growth strategies with an eye on the future.

As we go along this year, TI already has plans to expand inorganically through two acquisitions in electric vehicle business and electronics business. The Company has also decided to foray into medical products business.

The year was marked by the Company building a portfolio of differentiated, import-substitute products, deepening on its customer engagement, expanding its market presence across new geographies, strengthening its manufacturing capabilities and recording a creditable performance.

Each business of TI is fully committed to counter the challenges of the market volatility and spiralling raw material costs with focus on internal efficiencies, co-partnering with customers and vendors, identifying new business opportunities and process optimization. TI has embarked on its Lean Manufacturing journey and is pursuing the same with complete fervor to achieve greater results in continuously growing businesses. TI is unceasingly identifying many new growth engines and will continue its journey to explore new frontiers in this year as well.

Before I conclude, I wish to commend the efforts of the Management team and the staff at TI, and Mr. Vellayan Subbiah, the Executive Vice Chairman, whose visionary leadership will take this Company to the next step in the growth process.

I also congratulate Mr. Mukesh Ahuja on being appointed as the Managing Director of TI and believe his experience will enrich the Company as he transitions to his new role. .

I also thank all our Directors for their continued support and wise counsel. Also, I thank the stake holders of TI like the customers, vendors, business partners, financial institutions, banks and employees who continue to lend unstinted support to keep the businesses running.

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.

I now request Mr. Vellayan Subbiah to present the performance highlights for 2021-22 and on the first quarter results for the current financial year.

Mr. Vellayan Subbiah, Executive Vice Chairman: Thank you, Good Afternoon everybody.

We will give you a quick overview of our results and then we will go through individual businesses. Overall as we know, the Revenue growth has been fairly significant to the Company. PBT stood at 628 Crs. which is an increase to 10.5% of Revenue from 9.5%. The Return on Invested Capital was at 46.5% as against 31.5% in the previous year and the Company generated slightly lower Free Cash Flow last year. The Free Cash Flow to PAT was at 43% and that was basically because Covid significantly impacted our net working capital. We ended the year with a net debt of 65 Crs. The debt to equity ratio is very comfortable for us. The debt position will continue to improve as we speak. When we get to overall numbers, standalone numbers for the year, Revenue was at 5987 Crs. and consolidated that includes CG stood at 12,060 Crs. So, the two Companies are roughly the same size in terms of revenue. EBITDA for the year was 711 Crs. and the PBT before exceptional items was at 628 Crs. On a Consolidated basis, the PBT after exceptional items was at 1152 Crs. These are the four metrics that we basically track for the company and as you can see that the strong growth of all sets of numbers, especially the Return on Invested Capital that has gone up significantly. We had a miss in terms of free cash flow and like we said that was because of the inventory levels and we do believe that will correct that this year. We've already got a free cash flow, a strong free cash

flow in the first quarter. The earnings per share went upto 24.64, again a significant jump on that metric and like we said we were very comfortable with debt levels across the business. Our standalone businesses are basically the Engineering business which includes predominantly tubes, the mobility business which is the bicycle business; Metal formed products which goes across from doorframes to railway components to auto chains and then industrial chains.

In terms of subsidiaries, CG Power is the largest, which has both Power in industrial systems and then, we have Shanthy Gears and the most recent is TI Clean Mobility, which would be focusing on the electric mobility space.

In the Engineering business we had our highest ever export volumes of 43,200 Tons and our Large Diameter business recorded ever higher sales of Rs.590 Crs. as against Rs. 267 Crs. in the previous year. We have added a new world class adverse diameter thickness, Tube Mill plant in Chennai and that will help us on our export businesses well and we will expand our capacity both in the South and in Rajpura. Here, the business sales was 3600 Crs. with PBIT of 376 Crs. and the ROCE of 59%. So, Capital Employed in business was about 700 Crs.

The Mobility business into bicycling and here with gain market share in quarter 4 we are at 27% market share. We had a slight de-growth in the business compared to FY 21 and our Electric Bicycle segment has just launched. So we hope that will lend growth in this year as well. Here the Net Sales was at 959 Crs. and our PBIT was 55 Crs. and ROCE at 73%.

Metal Formed Products - The profitability grew 83% over the previous year. We've done well in terms of Hyundai Quality Audit. We won a 4 STAR rating there and have got awarded by both Toyota and TVS as well. So, here we continue to have a very good market share in the products that we are focused on and these are some of the awards that we won last year. The revenue was at 1158 Crs., PBIT at 136 and ROCE of 46% for the businesses. The capital employed in this business is 290 Crs.

Shanthy Gears, which is our subsidiary has net sales of 337 Crs. with a PBIT of 59 Crs. and ROCE at 27.6%. Capital employed here is 258 Crs.

CG Power, we had full year reporting with that last year. The last years' results was 5,561 Crs. with the PBT(before exceptional) of 528 Crs. and so that's kind of a quick summary for last year. And on a Standalone basis basically was 5,159 Crs. with a PBT of 502 Crs.

TI Clean Mobility has just started its operation by setting up its first 3wheeler factory at Ambattur and we will launch under the brand of Montra Electric and that product will go to market in October, November, December, this year. We've acquired majority stakes in both Celestial E-Mobility for electric tractors and IPLTech for electric trucks.

So, Q1 FY 22-23 performance also, I will cover. The standalone Revenues were at 1,838 Crs. which is a growth of 56% over the previous year. Because we had Covid in the 1st Quarter the previous year. But overall it's been a stellar performance. and PBT to Sales of 180 Crs. versus 130 Crs. and on a Consolidated basis, we were at 3,655 Crs. with a PBT to sales of 332 Crs.

So, handing back to you, Arun. Thank You, that was a quick summary of results.

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

We have in all 7 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 for 2021-22 already with you. Please restrict your speech to a maximum of 3 minutes.

After all the questions are tabulated, I will answer the same or have them 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: Thank You so much sir, Thank You. Please note that the following are the speakers who have registered as speakers. All of them have been sent attendee links to join the AGM and only they would be allowed to speak. No one else should be allowed to enter for the purpose of speaking even if he/she tries to come through with a valid attendee link. Now, going ahead with the list of speakers who have registered. We have, Mr. Mukesh Ajmera, Mr. Rahul Paliwal, Mr. Ravi Kumar Naredi and Mrs. Valli Arunachalam.

The moderator who would be me, I will go ahead with the first speaker. We have Mr. Mukesh Ajmera.

Mr. Mukesh, we have you unmuted and can you go ahead with the question please.

Mr. Mukesh Ajmera (Shareholder): Am I Audible?

Mr. M A M Arunachalam, Executive Chairman: Yeah.

Mr. Mukesh Ajmera (Shareholder): Okay. Good afternoon, everybody.

Nice to see you all, once again, annually. Some of you may not want to hear me nor do I want to talk. But then, our share transmission issue have been converted into perpetuity for us, which is dead for you but alive for us perhaps, until our death. I request you to please listen to me all fully because this is the only opportunity of interaction with the top management of the Company

Mr. Mukesh Ajmera (Shareholder): Yes!

Mr. M A M Arunachalam, Executive Chairman: Please go ahead, Mukesh

Mr. Mukesh Ajmera (Shareholder): Yes, I am there.

Mr. M A M Arunachalam, Executive Chairman: Yeah go ahead, go ahead.

Mr. Mukesh Ajmera (Shareholder): Okay. A brief chronology. My beloved mother left 21 years ago. Our family is known to Murugappa Group since the Company's inception in late 1950s. We were their premiered business dealers and associates for 40+ years and leave alone the fact that I know Murugu for 51 years as a classmate. Your Company's vision says creating stakeholder delight but for us despite being lifetime investors it has been a stakeholder nightmare. Twelve years ago, we were told that get this document and we will do the transmission for sure. Because they are bound by SEBI. After giving that in February'17 personally to Murugu and the entire secretarial team who were present there for a year nothing was done. Instead, through president Ramkumar, after 1 more year a new demand came, that you produce this and we will do the transmission. After producing that a year later, more or less plus or minus whatever it is one more demand came. So, by then we realized that our trust on you was being betrayed and we were taken for a ride. Before shares were split with CFHL, there was a golden opportunity to enable transmission as we had submitted all the documents relevant to you, wanted by you and demanded by you and it was as per SEBI's requirements. We are not magicians to keep producing new documents with changing norms. All of us are senior citizens and super senior citizens. You never followed the circulars of SEBI of 2016 and 2019. The onus of which was on us to show to you that one of the five things SEBI requires, we have given you more than that. As much as a will of a person is valid forever after the death of the person all the documents that we have already submitted are also valid perpetually.

And, we've offered much more than that. I have interacted with and have been interacting with many large group Chairman, Managing Directors and have also talked with their Secretarial Departments and showed all this document that I have submitted to you people many years ago. Not a single person has said that what we have submitted is not enough and with what we have submitted transmission cannot be done. And what I don't understand is, what are you afraid of? What is it that scares you? Other legal heirs who can only claim the shares have given their No Objections long ago. And they've not even asked you about this shares or transmission for 21 years since my mother passed away. So, do you think that only after you do the transmission to me for which I had already complied fully they will be asking you and even if they do you have a legal Brahmastra, in the Indemnity bond which has been given to you. You want and demand all the documents but don't want to trust anything. Why?

The Indian Succession Act 1925, which is a 100 years old Act in its original avatar had vested interest of the Britishers. It is also discriminatory against Hindus, Jains, Sikhs and Buddhists, more so in the 3 cities of Madras, Bombay and Calcutta the old presidencies before independence. If at all large group like yours who have outreach in all corridors of the Government up to the Prime Minister must enable changes in 75th year of independence. No wonder that is the reason why more than 2 lakh crores of Indian Public money is lying in the Government coffers as people like us cannot cope up and comply with redundant, ridiculous and impossible to comply with rules and regulations though we have already done as much and as best as we can. You must be the change initiator. Our Prime Minister has already abolished three thousand plus such acts or cults in laws. And more still are needed. We don't have the wherewithal and fight with the systems nor legally with you, which should not be necessary for any shareholder at all. It is the clarion call to not only the present top management of TI and Murugappa Group but also to the eldest in the family like Mr. Subbiah and other members of the family or in the Company and the group were directly and indirectly involved in the affairs of the group. In enabling this fully compliant family known to you and the transmission that has been stalled for no reasons, whatsoever. If we have no value in conducting our affairs with consideration what good is our belief in GOD in human values, going to various temples, doing poojas in homes and offices. Only, we human beings have been endowed with the six sense of reasoning by God, out of 84 lakh species on earth and many a times you don't use it. We end up even abusing it. If all those who matter in the Company can come up with a determination to resolve this mundane issue with a good heart and mind. It is not rocket science. There are no problems in life especially the man-made ones that cannot be resolved, including this one. Only proactive and purposely positive resolve can resolve our issue. I urge and request once again for the umpteenth time to all those who matter in the Company and the Group to enable this transmission and please relieve us of this continuing turmoil for unknown number. of years. Nothing in my life has affected me so much as this issue has been. It is after all shares that belong to us. The Company is not paying even one rupee from its pocket. Lakhs of rupees worth of dividends have already gone to IEPF. What is the company accomplishing? And we are known to you. Even for unknown shareholders this kind of small facilitation is to be done. Out of whatever consideration if CS/ESG or whatever you call it. Then why not for somebody who has complied this fully with already someone who has been promised about after compliance we will do this. It has not yet been done. And more than anything else we are not going to be able to produce anything new that already has been given.

Moderator: Mr. Mukesh, I am extremely sorry to interrupt. But we have the next speaker waiting for the question. Could you please.

Mr. Mukesh Ajmera (Shareholder): Okay, Alright. I think, I'll have to wind up.

Moderator: Yes Sir.

Mr. Mukesh Ajmera (Shareholder): Thank you very much for listening to me and I hope, you know positive thoughts, vibes and good feelings prevail upon all those who have been listening to this and convert that into a positive action. Nobody, else is going to lose anything except us. And it is not going to impede the Company or affect the Company also in any which way. Thank you very much. Wish you all the best.

Mr. M A M Arunachalam, Executive Chairman: Thank You

Moderator: Thank you so much Mukeshji, for the question. All the questions will be answered all together. So, going ahead with the next speaker shareholder we have, Mr. Rahul Paliwal. Mr. Rahul, you have been unmuted and also you can turn on the video if you like. We can have the question. We are ready.

Mr. Rahul Paliwal (Shareholder): Hope, I am audible?

Mr. M A M Arunachalam, Executive Chairman: Yeah, Yeah, go ahead.

Mr. Rahul Paliwal (Shareholder): Okay. So, I have 4 questions. Hope someone will take note of and answer them. So, my 1st question goes through your thought process on getting into e-truck segment, Sir. Considering the electric technology is still into a nascent stage and considering the fact that we need a higher torq and overall industry exploring other options considering heavy trucking and you know truck demand

into hydrogen, hybrid or green fuel space like ethanol, why we have chosen to get into e-truck? That's the question number one. It's more on technology adoption side and feasibility from the physics perspective.

Question no 2 is on CG Power. Sir, that's a great turnaround Sir. Congratulations to the team. So, what is the thought process acquiring a capital goods company? And do you see that India is going to have a demand like 2000 to 2010 period in capital goods. So, do you see, do you foresee that kind of run for the CG Power?

My third question is on your medical equipment vertical. Can you elaborate on like is it going to be own manufacturing? Or you will be outsourcing? Is it going to be like branding by us? We are going to retailing or lease it out. Is it going to be high end medical equipment for B2B hospital space or it will be like B2C space where, you know someone like Nureca or Doctor Trust like those kind of brands are doing. And getting into medical equipment, is it limited only to hardware? Or we have plan to get into healthcare analytics space or software space also where we will be helping, you know, patient for their critical needs using that software analytics.

And my fourth and final question is on any other inorganic vertical you are exploring like green chemical may be carbon trading or other clear space which are the lead of the hours. These are the 4 questions I will get answers. Once again, congratulations for great set of number and performance.

Mr. M A M Arunachalam, Executive Chairman: Thank You.

Moderator: Thank you so much Mr. Rahul for keeping the questions very short and precise. Thank you so much. And going ahead with the next speaker shareholder, we have Mr. Ravi Kumar Naredi. I would also request Mr. Ravi please turn on the video.

Mr. Ravi Kumar Naredi (Shareholder): Hello. Am I audible, Sir?

Mr. M A M Arunachalam, Executive Chairman: Yeah, yeah. Please go ahead.

Mr. Ravi Kumar Naredi (Shareholder): Good afternoon, Chairman Sir and all of the Board members, employee of the company and fellow shareholders. Sir, I have three questions. First question: How much of topline and bottom line come from the launch of the electric 3wheeler and tractor this year and how it will help to improve in Tube Investment of India Limited? And second question, what is the capex plan in FY 2023 and last question, Company will enter the medical device and electronics business in the future then it will be organic expansion or inorganic expansion? And what will be the capex on these? and also when will you start these business? Thank you so much Sir.

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

Moderator: Thank you so much Mr. Ravi. Now, going ahead with the last and final speaker shareholder as registered. we have, Mrs. Valli Arunachalam. M'am. we would request you to please turn on the video and we are very much ready for your question. Mrs. Valli Arunachalam?

Mrs. Valli Arunachalam(Shareholder): Yes

Moderator: Yes, Ma'm you have been unmuted. We can hear you.

Mrs. Valli Arunachalam(Shareholder): Okay. Members of the board, my name is Dr. Valli Arunachalam. I am a promoter, shareholder representing my individual shareholding as well as the shareholding of the M V Murugappan HUF in my capacity as it's Kartha. My first question is a multipart question about TI diversification strategy. In February 2021, TI announced that it is adopting a three-pronged strategy to insulate itself from the cyclical nature of the auto sector. In that Hindu article the MD said-, "We want to reduce our dependence on auto because being an auto component supplier we feel there are two challenges to it. One, it is very capital intensive and two it is very cyclical and cyclicity does not create an ability to generate consistent and constant cash flows" -. Yet four of the five businesses seeded in the TI 2 strategy are dependent on the auto sector, truck body building, optic lens for automotive industry, electric 3 wheelers, electric tractors.

- a) Do you think, you are increasing your exposure to auto segment and contradicting the core strategy?
- b) If not, can you explain why not? Why you are not contradicting the core strategy?
- c) Given the TMT bars, truck body building and optic lens announcements were made four years ago. What is the current sales traction in each? How much capital has been allocated and what ROCE are you expecting over the next five years in each business? This sector-wise breakdown is not provided in the Annual Report, but it is important for the shareholder to have visibility into how the Company's strategy is playing out?
- d) E-tractor demand will be from rural India. However, charging infrastructure development, 24/7 electricity availability, etc will take another 5 to 10 years. As rural India is not even in focus till phase 2 of Crisil report. What was your rationale for selecting e-tractors? How do you plan to address the risks associated with the lag, slash potential delays in charging infrastructure development, electricity availability and higher electricity cost for charging?
- e) You are acquiring a controlling interest of 69.95% in Celestial E-Mobility Private Limited for 161 Crs. valuing it at 230 Crs. What is the sales traction of this company over the last 3 years? Were they profitable in financial year 2022? You are a core Engineering Company and not a VC Company placing bets on 30 plus start-ups. As a shareholder, I am deeply concerned that you are making such risky investments at very high valuations. You are investing a 161 Crs. at a valuation of 230 Crs. If you had to build this prototype in-house could you not do it at a much lower investment? Did you not consider acquiring a lower stake initially? 15 to 30% perhaps, instead of 70%?
- f) Some of the more recent diversification announcements such as medical devices and electronic products & components have very low synergies, very different market environments, customer segments and competitors. Most of the sectors are highly consolidated and TI does not have a competitive advantage. TI's free cash flow generated is limited to average Rs. 200 to Rs. 300 Crs. over the last 4 years. Building a global business in these new sectors would require a much higher capex. I am concerned that TI is spreading itself thin and making many bets outside its core competency areas. What was the rationale behind diversifying into areas outside your core competency? What are the key focus areas and how do you plan to manage risk?

My second question is about lack of female leaders in the organization. As a female promoter shareholder, with the Doctor of Engineering degree and several decades of leadership experience in world renowned engineering companies I am very concerned about the dearth of female leadership at TI. Business diversification is front and centre in TI's plan. However, does TI have any specific plans to diversify its workforce? TI has one Board Member on its Board of directors. So, it has checked the box to compliance with the SEBI mandate. Looking beyond tokenism only 2.7% of your workforce is women and there are no women in the leadership team. Why is that?

Has the company... May be I should put it in parts.

- a) Why is that?
- b) Has the company taken any concrete steps to address this? For example, has the company taken specific actions to place women in key decision making roles and provide them with the necessary training and mentorship?
- c) What specific actions if any, have the management taken to create an environment in the company to make women win and truly be part of the gender equality narrative?
- d) Household names in India like TATA, Philips and Pepsico had gender sensitivity training programmes at all levels of the organization. Does TI have such training programmes? If yes, what is the frequency of such programmes? For how many years have you had them? And at what levels of the organization? If not, do you have plans to implement such programmes and by when? Is any member of the Board of Directors tasked with the measurable goal to increase the percentage of women at all levels of the company especially, in the leadership ranks.

Lastly, I have a comment on free cash flow. In the 2021 AGM, I pointed out the TI's payable days were touching 6 months on Standalone and 8 months on Consolidated and that it was significantly higher than your closest competitive which was less than 2 months. I expressed my concerns that TI was losing competitive advantage in the long run by stressing their vendors to increase free cash flow. The management's response at that time to the increase in cash flow was that it was attributable to increase in

steel prices. I must admit, I was rather puzzled by that answer. Anyway, this year I noted that the cash flow dropped down to more normal levels and that the payable days also dropped down to significantly, a 50% reduction year over year. I am happy to note this and I would like to think that my query had an impact on this. From a long term business perspective, I want to highlight that it is important to treat vendors fairly as they too form the backbone of the business. Overall, it is a win-win for all. The vendors, the business and the shareholders. Thank You.

Mr. M A M Arunachalam, Executive Chairman: Thank You.

Moderator: Thank you so much. Sir, all the questions from all the speaker shareholders have been taken. And over to the Board Members again.

Mr. M A M Arunachalam, Executive Chairman: Okay, so to answer your questions I'll start with Mukesh. So, Mukesh we had this conversation many times. And, so basically the Company can effect the transmission of shares only upon submission of necessary documents to support the claim. This matter had been referred to SEBI and the Company has provided necessary clarifications to SEBI in this regard. SEBI had concurred with the Company's view on the legal requirement.

In May 2022, SEBI simplified the procedure and standardised the formats for transmission of securities. This has been communicated to you through our e-mail dated 31st May 2022.

Since you have requested for transmission of shares in your name, with the exclusion of other legal heirs, you are required to submit documentary evidence as required under law to support your claim. In your case, if your claim is based on a Will executed in Chennai, the Will has to be probated as mandated under law.

If your claim is based on the legal heirship certificate, you are required to submit "No-objection Certificate" from all the other legal heirs in a format and manner required under law.

Upon your submission of necessary documents for transmission, we will verify and effect the transmission. We request you to submit necessary documents and co-operate with the Company to complete this process at the earliest.

Thank You very much.

So the question on Capex, we would be spending between 250Cr. to 300 Crs. the next financial year. The question on the e-truck segment, the auto industry is in the process of game changing disruption. The electric vehicles are becoming viable and competitive with cost efficient technology is high dependence on crude imports, environmental demands and government initiatives. The support of policies of the government for the EV segment such as battery swapping policy, FAME-II PLI schemes will enable faster adoption and opens up many new opportunities. The Company started to focus on electric vehicles in productive segment including E-3 wheelers, E-Heavy Commercial vehicles and E-tractors.

So, Mrs. Valli Arunachalam's questions I'll just answer the medical... why we are getting into the medical business and then hand over to Vellayan to answer the remaining part of it.

The size of med-tech market in India is at about USD 8-9 billion and is expected to grow at 9% compounded annually, backed by Government initiatives and increasing healthcare awareness. This sector is also highly import-dependent with nearly 60 - 65% of the total demand being met by imports.

The Company sees good business growth and revenue potential for the future in venturing into this space.

In medical space, the Company is looking at opportunities to acquire existing profitable companies in the field of medical devices and consumables to make a quick entry into this business.

The Company intends to carry on this medical business either on its own or through a subsidiary to focus on medical related business.

The Capital structure and financing would be finalised at the time of actual foray.

The Shareholders may note that the balance sheet of the Company is very healthy, with very low levels of net debt. This gives us options to leverage.

With regard to CG and about new business I'll hand it over to Vellayan to answer these questions.

Mr. Vellayan Subbiah, Executive Vice Chairman: Thanks Arun.

So, first, to Mr. Rahul Paliwal's questions I think e-trucks your question was, are they feasible from a physics perspective?

So, the Company that we've taken a majority stake in IPLT actually already has a homologated 55 Ton truck and they have about 20 of them retrofitted model actually running. So they have addressed the key issues. Not for the general application that you would think of Mr. Paliwal which have been basically running long distances which is obviously kind of a large category of applications on e-truck fleets. But, in India you have over 100 thousand trucks that basically run point to point routes that are 100- 200 kms. in range. Huge users of those are Steel and Cement Companies for example, that basically run their trucks, sometimes even within a plant but in lot of cases within a fairly short range of the actual factory itself. Can be from a steel factory to a port, can be to bring the raw materials,- the lime stone into cement plants and these trucks basically run point to point. So, what the product that we are talking about in the heavy side which is basically 55 tons GVW product. It has about 36 Ton pay load, can basically run these point pairs fairly effectively and is already running these point pairs fairly effectively. So, we think that this an adequate market to start in that itself. It does so with a transmission it does have a multi speed gearbox and so its automatic and using both the transmission and differential we are able to deliver the level of torque required with the wheels . Has better characteristic performance then most of the 55 tons IC trucks seen over there. So, we do believe that this product is feasible, viable and will be very effective in the market. So, that is the first product will be out with and we will work to homologate another 3 to 4 products in the medium and heavy segment over the next 18 months.

Second was on CG Power why a capital goods company? Definitely, we see a lot of opportunities in capital good companies specially with the infrastructure now kind of you know public infrastructure spending and private infrastructure spending going up significantly. Demands for all segments of CG Power's business has reckoned high and you probably seen performance characteristics coming out to CG as well. And from that perspective CG has started generating its own free cash. So, I'll come back to that number when we address Ms. Valli Arunachalam's questions as well.

So, as far as the third question you had medical consumables and equipments. So, basically we will be focusing on the B2B and there is no intent to get to B2C at this stage. We see that is a huge opportunity just like Arun just mentioned there is huge potential market and not just in Indian domestic market but adding on export markets as well. And the fourth was were there any other segments we are looking at over time. There are a couple of other segments but we will discuss them with you when we have a specific opportunity identified in each other's segment.

I think most of Mr. Ravi Kumar Naredi's questions are already answered. So, I will then come to your question on medical devices and electronics as how will we be getting into them? That will be predominantly inorganic. So, the intent is not to start organically but to use acquisitions as a mechanism getting into those areas.

Ms. Valli Arunachalam's questions, I will get to them. So, the first question was about the February 2021 quote about auto component supplier and diversifying away from auto components supplier and M'am to your question, the point that I think is important to note is that we talked about the capital intensity and being an auto components supplier. Auto OEMs are significantly less capital intensive and we've specifically said as you read out in that article that we do not want to be an auto component supplier anymore. And the entire strategy when we talk about auto I mean, especially when you talk about electric tractors, electric trucks or electric three-wheelers in none of those are we an auto components supplier. We will purchase most of its components and assemble. And our role will be more of an OEM in design and taking these products to market.

The second question you had was, on e-tractor and the rationale for it. So the points that first of you talked about is lack of charging infrastructure in rural. Basically we are obviously cognizant of that. We are spending significant amount of time in the field and understanding the product. Almost all because they

run electrical pump sets, almost all users have access to electricity today. Obviously, you can't run. So all you've got offer by chargers basically work of regular 15Amp power points. So doesn't require the kind of charging that you might be thinking of like, we are like a Tesla for example, requires modification to what you have in your house. That's not the case with the charging system we are looking at here. So, the charging system and the charging infrastructures are basically designed around what's available in the villages today. Just to give you the sense on the Maths, you know the Economics and the rational therefore these tractors are fairly promising while they run in a field, you know 40 hrs per tractor consumed as much of 5L of diesel an hour. And so the expenses, associated that is fairly significant. You compare that with a price of power and the differential is definitely much more in favour of electric tractors from that perspective.

Your question was on how much sales traction Celestial has got? And I think as you are aware, Celestial is a start-up. And so in-effect what you are doing is valuing the start-ups for the potential technology they have and the opportunity in go to market that they have. If we did build a prototype in-house, there are two challenges with that. One is, we will lose significant time in speed to market and it would take us close to 3 years to come out with a product like that and unless you have a bit of a first mover advantage in this game I think it is tough to basically play in some of these segments. So both our trucks and with the tractors we believe that the first mover advantage is extremely important.

Your question on why we didn't take a lower stake initially? Because we do believe that having controlling stakes is what is required to give us the flexibility to play effectively in the space. Otherwise you know, it becomes more difficult to set clear Company directions and take things forward.

To your question on whether... So basically you asked about the medical, electronics businesses as well. Basically, if you begin to look at it Now, you know this is actually the time where India over the next decade, I think is gonna have just really an unbridle kind of opportunity to grow. And in all the discussions we have, had you know its time, it's right time now to plant the seeds for the kind of growth that is required in the future. To your point on free cash flow and capital efficiency it is something that is I think front and central to everything we do at TI. You know, the reason why I said its important that CG has also become cash flow positive is some of that cash flow will then come back to TI in the way of dividends. And what you have to kind of look at is now for example, you talked about a 4-year average free cash flow. I don't think that is probably the right way to look at it. Because you know, we've increased our free cash flow generation and we've increased our profitability every year for the last five years. And that's what is more important because actually what we pretend to do is generate inherent free cash flow engine from TI 1 that then gives us the ability to make these calculative bets. We don't intend ever to put kind of the Company's Balance sheet at significant risk. We've always stated the maximum leverage we will take is upto 2 years free cash flow and we continued to hold to that norm. So, how we design around capital efficiency and how we design around this expansion is always been central to our thinking. You know, besides of Chola we don't have significant leverage in any of our businesses. And Chola inherently is a leverage driven business. And so we see that as a basically the central theme around which we kind of continue to drive our expansion. Like we've said as a companies grow we will kind of a go upto 2 years free cash flow in debt to drive that growth, so we see that we are still comfortable because we are still pretty much net debt free as we talk today.

And, finally your point on female leadership, I am glad to kind of actually inform you that the Head of our electronics business, Ashita Gupta has joined us. Obviously she is kind of now a female leader in our senior management team. And it is something that we do take very seriously and continue to take very seriously. In the manufacturing business just because the nature of most of our businesses tend to be more in factories, and in industrial environment tend to be more intensive, It is a tougher side of business to attract more female leadership to. But like I did mention we have made a start with Ashita and we think that is just the first and we hope that there will be more of that news to share with you as we go forward.

So, I think, with that we have addressed all of your questions and I handed back to you Arun. Thank You.

Mr. M A M Arunachalam, Executive Chairman: Yeah, I think we are done. We have answered most of the questions that ends the question-answer-session. If you have not voted as yet, please vote. The e-voting will end 15 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 Annual General Meeting.

With this, the official business of the 14th 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 as closed.

Thank You.

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