



Executive Chairman's Message

Dear Shareholders,

It is indeed a pleasure to share with you the performance of your Company for FY 2021-22.

It was another significantly different year which was marked by multiple challenges. A year, which tested the resilience and ingenuity of Team TII, to navigate adverse landscapes and to forge ahead stronger - to explore new frontiers.

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

Global Economy

The year saw the emergence of a VUCA (Volatility, Uncertainty, Complexity & Ambiguity) world which threw many surprises, re-framed many paradigms. The resilient revival of the global market with the receding of the pandemic was negated by the surging second wave of the virus and its toll on economies and human lives across the world. The period of respite that followed the waning of the virus was again shattered with the emergence of the Omicron variant, though fortunately less virulent. The geopolitical tensions which exacerbated by the escalation of hostilities between Russia and Ukraine changed the global growth narrative, with supply chain disruptions halting production lines, rising raw material, commodity and fuel prices triggering inflationary pressures on stressed economies,

and tightening of financial channels creating market mayhem.

Global GDP decelerated from 6.1% in 2021 and is estimated to plateau at 3.2% in both 2022 and 2023, leading to 'stagflation', or a period of stagnation and inflation.

Indian Economy

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.

The revival of the economy in the second quarter of the year with the resumption of operations and uptick in investments and consumption saw a setback with the emergence

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of the Omicron variant, the surging fuel and commodity prices and inflationary pressures denting growth.

Reserve Bank of India has pegged India's GDP growth at 8.9% for 2021-22 while revising its earlier estimate from 7.8% to 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. The ambitious roadmap outlined in the Union Budget 2022-23 for India's economic growth entering 'Amrit Kaal' augurs well for the Auto and Auto ancillary industries and for sustained economic growth - the 'Gati Shakti' programme with large outlays in rail, road, mass transport and logistics

infrastructure, the rural development programmes to enhance farmer prosperity, productivity incentivisation programmes, and sunrise opportunities in energy transition and climate action.

At TII, each of the businesses has mapped out strategies to explore the potential of this growth opportunity.

The automotive component industry in India in FY 2021-22 according to ACMA (Automotive Component Manufacturers Association of India), witnessed robust growth, representing a 66% increase from April to September, 2021, compared to the previous year. Component sales to OEMs in the domestic market grew by 76% while the Aftermarket increased by 25%. Exports also recorded a significant increase of 76%. Auto

component exports are expected to grow at 23.9% annually to reach US\$ 80 Bn by 2026.

The resurgence in demand for vehicles was however hampered by supply constraints of semi-conductors, rising input and logistics costs and non-availability of containers. ACMA had estimated a revenue loss of ₹1,000 crore due to chip shortage by the end of the financial year 2021-22.

At TII, each of the businesses countered the challenges of the volatility in the market and spiralling raw material costs, with internal efficiencies, customer co-partnering, new product development and process optimization. As part of capability building, a new Tube Mill was commissioned at Chennai and an Assembly facility for Auto Chains at Aurangabad.

The Company also embarked on its Lean Manufacturing journey during the year.

We have over the years shared our vision of a clear growth plan for TII through the TI-1, TI-2 and TI-3 strategies. One such strategic step-out was the acquisition of CG Power and Industrial Solutions Ltd (CG Power) in fiscal 2021. After the first full year of operations under the new TII Management, CG Power has seen a complete operational and financial turnaround achieving a turnover of ₹5,159 crores with a PBT (before exceptional items) of ₹502 crores.

One of the growth engines that we identified was clean mobility and we have incorporated a wholly owned subsidiary viz., TI Clean Mobility Private Limited (TICMPL) to pursue and engage in clean mobility and in the Electric three-wheeler space.

During the year, TI Clean Mobility Private Limited (TICMPL) acquired a 70% stake in Cellestial E-Mobility Private Limited, a manufacturer of Electric Tractors, as part of the Clean Mobility alignment. This augurs well with our plans to look at growth avenues.

We have also decided to foray into newer businesses in Medical Devices and Electronics in the near future.

I strongly believe that TII as an organisation has immense possibilities for greater growth. The Company will continue to

leverage its strength and market leadership, and going forward work on collaborative ventures with its subsidiaries for greater efficiency gains.

In our journey for greater growth, our people force has been a great asset. Goal-driven teams across the Company have demonstrated great resilience and passion to take forward the blueprint of a new future.

I would like to congratulate Vellayan Subbiah as he takes on the mantle of Executive Vice Chairman of TII. I am sure his visionary leadership will take TII to the next quantum leap in growth.

Mukesh Ahuja has joined the Board as Managing Director. Over the years at TII he has managed different roles and positions, across multiple functions, including as President - Engineering business. We believe his experience will enrich the Company greatly as he transitions to his new role.

Two new members were inducted to the Board as Independent Directors during the year. Ms. Sasikala Varadachari who joined the Board in June 2021 brings with her over four decades of rich experience in banking and financial services. Mr. Tejpreet Singh Chopra who was appointed to the Board in March 2022 has multi-industry experience, steering large companies such as GE Electric and serving on the board of various companies.

Ms. Madhu Dubhashi, Director, retired in August 2021. We at the Board thank her for her valuable services and contribution as a senior member of the Board.

Mr. Mahesh Chhabria, Director of the Company, resigned during the year. The Board places on record its appreciation of the distinguished services rendered by him during his term.

I thank the Members of the Board who continue to be a source of support and encouragement to me and to the management team. I also take this opportunity to express my gratitude to all of you, our customers, stakeholders, bankers, and suppliers for your continued support. Last but not the least, I would like to express my sincere appreciation and thanks to all our shareholders for their continued support and trust reposed in us.

This is truly an exciting time to be part of TII as it takes the steps to explore new frontiers to become a globally admired Company.

Yours Sincerely,



M A M Arunachalam