



Tube Investments of India Limited forays into Contract Development and Manufacturing Organization (CDMO)

Tube Investments of India Limited ('the Company') has been focussing to diversify its business by identifying new growth opportunities and has recently entered into clean mobility, electronics and alternate fuels. In line with our strategy, the Company has identified contract development and manufacturing organization (CDMO) and active pharmaceutical ingredients (API) as its new line of businesses with the potential to grow and expand.

CDMO is one of the fastest growing segments in the pharmaceutical industry as big pharma players are increasingly outsourcing R&D and manufacturing to focus on core business activity.

Considering the growth potential in this sector and subject to the approval of the shareholders for amendment to the Objects Clause enabling the Company to foray into CDMO, the Company has signed an agreement on 13th March 2023 with Mr. N. Govindarajan, a well-recognised professional having rich experience in the Indian pharmaceutical industry, for establishment of CDMO business through a new subsidiary to be incorporated. The proposed subsidiary will focus on API and other products.

Mr. N Govindarajan will be the Chief Executive Officer of the subsidiary and will be establishing the business and driving its growth and profitability. The Company proposes to invest up to Rs. 285 Cr. into this subsidiary in the form of equity and compulsorily convertible preference shares in tranches. Mr. N Govindarajan will be investing up to Rs. 15 Cr. in equity and compulsorily convertible preference shares in tranches. Subject to the performance and other terms and conditions specified in the agreement, Mr. N Govindarajan will be entitled to get up to 25% of the equity for his investment.

Commenting on this new venture, Mr. M.A.M Arunachalam (also known as Arun Murugappan), Executive Chairman of the Company said, *"TII's foray in to CDMO, a business with high growth potential, augurs well with its plan to diversify its business portfolio and reduce dependency on traditional revenue streams. TII is delighted to join hands with Mr. N. Govindarajan, a well accomplished professional in the pharmaceutical industry in India."*

Commenting on the partnership with TII, Mr. N. Govindarajan said, *"I am privileged to partner with Murugappa Group for its entry into CDMO business and looking forward to work with TII to make the new venture a great success."*

About Murugappa Group

Founded in 1900, the INR 547 billion (INR 54,722 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including ten listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., CG Power and Industrial Solutions Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd. and Wendt (India) Ltd.

The Group holds leadership position in several product lines including Abrasives, Technical Ceramics, Electro Minerals, Auto Components & Systems, Power Conversion Equipment, Transformers & Reactors for the Power T&D segment, Solutions for Railways in Rolling Stock & Signalling Equipment, Bicycles, Fertilisers, Sugar, Tea and Spirulina (Nutraceuticals). The Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Rhodius, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 59,000 employees.

For more details, visit <https://www.murugappa.com/>

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