

SHANTHI GEARS LIMITED

(CIN: L29130TZ1972PLC000649)

Registered Office: “304-A, Trichy Road, Singanallur, Coimbatore 641005

Website: www.shanthigears.com - E-mail id: cs@shanthigears.murugappa.com

Phone: 044-4217770-5 – Fax: 044-42110404

TRANSCRIPT OF THE PROCEEDINGS OF THE 48th ANNUAL GENERAL MEETING OF THE COMPANY HELD ON TUESDAY, 21st JULY 2021 FROM 04.00 PM TO 04.50 PM IST THROUGH VIDEO CONFERENCING

Participants

- | | | |
|-------------------------|----|--|
| - Mr. L. Ramkumar | .. | Chairman |
| - Mr. Vellayan Subbiah | .. | Non-Independent Director |
| - Mr. J Balamurugan | .. | Independent Director |
| - Ms. Soundara Kumar | .. | Independent Director |
| - Mr. Krishna Samaraj | .. | Independent Director |
| - Mr. S K Sundararaman | .. | Independent Director |
| - Mr. M Karunakaran | .. | Chief Executive Officer &
Whole-time Director |
| - Mr. Ranjan Kumar Pati | .. | Chief Financial Officer |
| - Mr. C Subramaniam | .. | Company Secretary |

Mr. L. Ramkumar, Chairman: Dear Shareholders, I have great pleasure in welcoming you to the 48th Annual General Meeting of Shanthi Gears Ltd.

I wish to inform you that due to the continuing COVID-19 pandemic, the Ministry of Corporate affairs and the Securities and Exchange Board of India have permitted companies to hold such Annual General Meetings this calendar year also through video conferencing. Therefore, this Annual General Meeting is being held through video conferencing.

Further, the requirement to send physical or paper copies of the Annual Report has also been dispensed with by the Government of India and SEBI due to the pandemic related challenges faced by companies. Therefore, a soft copy of your Company’s Annual Report for the year ended 2020-21 has been sent by e-mail to all of you. So, the soft copy of the Annual Report was also made available to all Shareholders who responded to our request and have registered their e-mail ids with us. The Annual Report and other documents are also made available in soft copy form with easy to locate links on the home page of your Company’s website.

For this Annual General Meeting, I wish to give you the following information, for your guidance, in facilitating your participation and for the smooth conduct of the Meeting:

Kindly note that all of you Shareholders have been put on mute.

Those of you who have evinced interest and have registered to speak today, the moderator at the appropriate time will unmute you, once your name is called in sequence by the moderator.

Please note that the speed and working of both the audio and video mode for joining the Meeting does depend on your internet capacity.

Also, kindly note that since this Meeting is being held through electronic means, no proxies are allowed to attend.

Now may I start the formal proceedings of the Annual General Meeting:

I am informed that, based on the registrations received from Shareholders, the requisite quorum for this Annual Meeting is present

Mr. C. Subramaniam, Company Secretary: Yes Sir, 44 members are present

Mr. L. Ramkumar, Chairman: Thank You Subramaniam, I now call the Meeting to order.

Before we proceed with the business of the Meeting, let me introduce to you my colleagues on the Board. Due to the travel restrictions arising out of the COVID-19 pandemic, my colleagues on the Board, or most of them are participating from their respective locations through video conferencing.

Mr. J Balamurugan, Director & N & R Committee Chairman
Ms. Soundara Kumar, Director & Audit Committee Chairman
Mr. Krishna Samaraj
Mr. Vellayan Subbiah
Mr. M Karunakaran, Whole-time Director

I wish to inform that except Mr. S K Sundararaman and Mr. M A M Arunachalam all the other directors are attending the meeting

And also, we have
Mr. C Subramaniam, Company Secretary
Mr. Ranjan Kumar Pati, Chief Financial Officer

Mr. M N Balaji and Mr. Krishna Partners of M/s. Deloitte Haskins & Sells, Chartered Accountants and our Statutory Auditor is also participating in this Meeting through video conferencing.

Ladies and gentlemen, at this point, I would like to place on record the contributions made by founder of Shanthi Gears Limited, Late Mr. P Subramanian, who passed away in December last popularly known as the 'Gear Man'. Late Subramanian built Shanthi Gears from a vey small trading company in the 70s to a well renowned Gear Manufacturer in the 90s. Got it listed on the Stock Exchange and made it the third largest Gear Manufacturer in the country. All through his Sheer, perseverance and determination. Great Humanitarian! Late Subramanian's social and philanthropical services through Shanthi Social Services is widely known and makes changes to hundred lives. Govt. of India also awarded him "Padma Shri" considering his remarkable contribution in the field of trade and Industry. We Shanthi Gears sincerely acknowledge the strong foundation he laid for the Company and pay our homage. We feel so privileged to pay our Homage to the most revered memory of the founder of the company and a great son of the country, Late P Subramanian at this Annual

General Meeting. I request everyone to raise and observe a minute silent as a mark of our respect in his memory before we proceed with the Meeting.

A MINUTE OF SILENCE OBSERVED TO PAY HOMAGE TO THE FOUNDER, MR. P SUBRAMANIAN

Mr. L Ramkumar, Chairman: Shareholders,

You may be also familiar with the procedure for the conduct of shareholders meeting and the voting held in shareholders meetings in terms of the Companies Act 2013 and the SEBI Listing Regulations.

To draw your attention, there is a remote electronic voting procedure before the general meeting, followed by an electronic procedure at the general meeting for those who did not vote in the remote electronic voting.

I am to inform you that the Company has complied with the procedure for service of the Notice of the 48th Annual General Meeting and other matters in accordance with the Companies Act and the Rules thereunder and also in line with the circulars of the Ministry of Corporate Affairs and the Securities and Exchange Board of India issued in the aftermath of the COVID-19 pandemic. The remote electronic voting facility was provided to all of you through National Securities Depository Limited (NSDL) and the cut-off eligibility date to take part in the voting exercise was 14th of July 2021. The electronic voting was kept open from the 18th July 2021 to 20th July 2021.

M/s. R Sridharan & Associates, Practicing Company Secretaries have been appointed by the Board as Scrutineers and for conduct of the electronic voting process. Mr. R Sridharan is also present at this Meeting through video conferencing.

I hope all of you have cast your votes. If not, you may do so now also.

The Annual Report and the Notice convening the 48th Annual General Meeting have already been sent to you through electronic means.

With your permission, may I take the Notice as read.

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

Ladies and gentlemen, once again and for those of you who may have logged on just now, I hope all of you are safe and well in your respective locations and, I wish to share a few thoughts this afternoon on the performance of Shanthi Gears Limited.

The year 2020-21 has been unprecedented in terms of the environment in which we have had to do business.

My sincere wishes and prayers for the good health, happiness, and prosperity of all our shareholders and their families. The pandemic has not only affected our livelihood, business and the economy but also taught us many lessons in managing tough situations. It has been a year of learning and exploring new opportunities.

Our business in Q1 was sluggish but could break even in Q2. We could meet the additional demand in Q3 and Q4 and achieved a business of Rs.134 crore in Q3 & Q4 which is 37% higher over the corresponding period FY 19-20. We gained momentum in exports by registering a 27% growth, adding products and expediting proto orders. The team bagged about 10 projects in steel sector, that includes new products and new application for stainless steel rolling application. The business also recorded its highest order booking of Rs.190 crores in H2.

The tough operating conditions due to the pandemic also forced the company to look at new opportunities to improve your company's performance. The noteworthy improvements have been in the areas of productivity, cost reduction, digitalization and acquisition of new customers. I am confident these will be continued with focus in the coming years too.

As we get into FY 21-22, we have to service customer orders within the framework of the restrictions imposed due to the second wave of COVID 19. With a healthy order-book of above Rs.200 crore, your company will continue to strengthen relationships with customers, suppliers and other stake holders.

2020-21 has been a challenging year and I would like to thank our employees, management team, Customers, dealers, suppliers and other stake holders for their hard work and commitment during this important phase of the company's journey. I would also thank the Board Members for their continued support and encouragement to the team.

I thank all my fellow Board Members for their timely inputs and support to the Company. I welcome Mr. M A M Arunachalam and Mr. M Karunakaran, present CEO to the Board. We look forward to their valuable inputs in the coming years.

I also take this opportunity to express my gratitude to all of you, our esteemed and valued shareholders for the continued support and the confidence you have reposed in the Company.

Ladies & gentlemen, to conclude, I thank you for sparing your precious time and for patiently listening to me. Now, I request Mr. M Karunakaran, CEO to present the performance highlights of the Company for the year 2020-21.

Over to you Karunakaran.

Mr. M. Karunakaran, CEO and Whole-time Director: Thank you sir, Good Evening Shareholders, thank you for participating in the AGM. I would Like to share the performance of Shanthi Gears in the year 2020-21.

Highlights FY 21: Here the highlights of last year in the 2020-21, during the first quarter we began with COVID and we formed two different Business units one is the Gears and Gear boxes division and the other is Service, Foundry and Worm. Also, we registered highest order booking of 305 crores even in this pandemic and we raised at a rate of 20% over the previous year. So, we have registered 26% growth in exports last year. These are the significant points we have noted last year. Also, as a team we have set an objective of doubling the profit and tripling the revenue in the next 3 years.

So we would like to focus on the four key areas for our growth. First is Executive Excellence, we need to know whether our customers are happy and all. The second one is we want to focus on the new product development. And the third one Working Capital Management our return on capital employed has been moving towards to 40% Also the fourth one is employee engagement that is a very key for our business. We registered the highest production in the last year of the fourth quarter from about 74 crores. This is one of the highest productions so far.

SGL Performance FY 21: Coming to the revenue part last year though our revenue reduced by 11 % compared to the last year, initially we thought we can make line with the last year but due to the COIVD and other supply chain issues we could not make it. But we have taken lot of new issues to take the business to the next level.

SGL during COIVD 19: And during the COVID company has made lot of contribution to the local community we have helped the people, Government during the COVID pandemic time. And as the visit is restricted to various premises I restricted due to the COVID restrictions, so we adopted new ways of connecting

customers and sharing our knowledge to the customers.

Connect- Virtual Technical Seminars/ Exhibitions: We participated in the Aero India show in 2021 and participated on the International Conference on condition monitoring for steel industries. So, these are all the things which we participated the last year.

Key products developed in FY 21: As I mentioned new Product development is key for our business, so we executed the blooming mill gear box, it is one of the credentials for the Shanthi Gears in the Gear Industry, this we executed in the Q1 and also, we tested virtually the customer, inspected the Gear box virtually and then we got the clearance for dispatch. So, this is a very big milestone, the height of the Gear box is almost 12 feet, and the weight of the gear box is 56 tones. Also, the company has achieved for the new area called the miner, this is a very important substituted gearbox and we developed indigenously here. And it is a complex one, our team has done it successfully and has delivered. Also, importantly as our focus is for exports, we focused on new product development is the key for our growth, we developed a new application called, Airport Fire Rescue system, And we developed 14 parts and exported to US and now we have got regular business, from Q3 of last year onwards. Also, we developed a gear for High speed application, for a German customer, we developed four parts and we are doing the bulk production from this financial year onwards. Also, this is one of the new innovations on Marine application, which was a long dream for Shanthi Gears, we wanted to be part of the Marine application, so we developed the parts and exported to Germany, our gears and the quality were appreciated and now we are getting the bulk orders from this segment. Also, the railway product this is for the Mumbai metro which we got approved, and one of the cycloid gear boxes, see normally typically Gear boxes are Helical and all this is a high pressure, we can stop at the precise location. Also, this new application like on load Tap changer was developed for the industry.

Capability building: Apart from the product development we also built capability, I would like to share that we invested almost 24 crores of investment made in the Plant & machinery for capability building. Some of the machineries, you are seeing in the picture one knows Kaap Niles is a Profile Grinding machine, also the Mazak is a horizontal boring machine, the Turn Mill center from the DMG mori, see these machines are unique where we don't have existing capability, this helps us to know getting new capabilities and, we could give customers solution. This is a Profile grinding machine, this is supplied from Kaap Niles Germany, And the unique feature of their machine knows, we could do both internal and external profile grinding the unique advantage is like we can do the set-up time changing the internal to external by 50% in compared to our existing machines. Also, we can get 25% power saving. Also, because we wanted to do the cost with OEM, this will improve the productivity by 30%. Also, the other machine is Mazak, boring Machine, HMC this also we have almost the same brand but again if we look at this machine normally we do the machining and after wards we take the housing for inspection this machine has the capability to take the in-process gauging, also the spindle coolant this will go for high performance. The productivity is much higher. And in the same way, the Turn Mill center which we got it from DMG Mori, so this is a unique machine, normally we do this gear making like turning separately Hobbing separately and Milling separately in separate machines, but this is a machine which could do all the operations in one machine also as an unique feature we can do this spiral dual cutting, also this machine is capable of doing the Grinding in the same machine. So, we are aware of the customer needs which are changing are keeping on doing the product development faster. I think these capabilities will move us faster and know we can service customers fast.

Technical Training Center: And as unique facility we have also created a unique Technical Training center, in our plant, which is close to 9700 square feet, facility. We have deployed two dedicated resource, almost in the last year we completed, 62 programs for all the category of people. And totally out of 1400 we have covered 50 % of the people almost to 6-man days overall. And the staff category we have provided training for 2 Man days.

People Initiatives: Also, as I mentioned Employee engagement is the key for our business, because we do lot of communication, we have virtual meetings and also physical meetings with social distancing norms, also we have recognized lot of initiatives like Kaizen, these are the pictures you can see here. For the first time, we launched our Quarterly Magazine, to connect the family and the company, we have launched 3 editions of this Quarterly magazine named PULSE. So, like this we did a lot and in the Pandemic situation to reach customers, we have strong presence in social media.

Digital Presence: We have almost 3700 followers in the beginning of the year and our IT team and also the digital initiatives have made us to reach 10000 subscribers by the end of the year, I think this is one of the smartest ways to reach customers.

Highlights Q1 FY 21-22: Also, when we consider the highlight of the Q1, we executed the prestigious order from one of the surface mining company, we delivered last quarter and the height of this Gear Box is almost 15 feet. Also, we developed new products for the Agra- Kanpur project, the rotary head gearbox for the pilling rig machine. Also, we have received our first order for the 750 KW wind mill gear boxes. And the maiden order received for the Main battle tank. We also secured a screw compressor gear, from a major global OEM.

COVID 19 & Vaccination Update: A very important point is that all our employees, close to 99% got themselves and their family vaccinated. And as a team in the last quarter almost 80 people got affected by the COVID 19 And all have been recuperated. As I mentioned, 99% the first dose vaccination is completed, and second dose vaccination know almost 35% completed and we will be achieving the 100% by next quarter.

So, I am confident with the support of my team and the Board we have a very healthy opening order book and now we are looking for a step jump in the coming year and Thank you very much for your support.

AFTER THE PRESENTATION

Mr. L. Ramkumar, Chairman: Thank You Karunakaran for your nice presentation.

The Annual Report for the year ended 31st March 2021 has been with you for some time now. We will be pleased to provide any clarification that the members may require regarding the accounts and operations of the Company during the financial year 2020-21.

I would request members who have already registered as speaker shareholder and who wish to ask questions or make observations or provide suggestions may to come now. To start speaking shareholders are requested to click the video “on” button.

I suggest that members confine their questions to the Company’s operations and the annual accounts for the year 2020-21. In the interest of time and with a view to giving adequate opportunity to all, I request members to be judicious in the use of time in expressing their views.

After the members have spoken, I will share with you, my views on the observations. The proceedings of the meeting are being recorded to enable us to do the needful on the members’ observations. We request the shareholders to extend their cooperation to ensure a smooth conduct of this meeting.

Over to you Subramaniam.

Mr. C. Subramaniam, Company Secretary: I request Mr. Rohit to Speak, Mr. Rohit kindly unmute your Audio & Video and speak now.

Mr. Rohit (Shareholder): Thank you very much for the opportunity and Thank you for the presentation, Sir. I

have few questions some of which you addressed during your presentation. You have mentioned that the sales have been increasing from the past and you mentioned about doubling the upcoming years, so how have you planned to do it, you could take about the big levers that you are pursuing in the export market or the domestic market that will be really helpful. And also, in relation to this in Annual export you mentioned that the overall opportunities are 1000 crores and we have 10% market share, so you mentioned as 3rd largest so what are the other two major players and how do we see our market share to increase from the 10% that we have. The other question was, in terms of service you mentioned you said regarding service we have been having a separate unit but in the last few years it is only about 1-2% of the sales. So, my question is what the steps are we are going to make and what are the ways in which we will be taking measures in the service sector to improve that. The other question was, at this moment can you broadly share what the industry breakdown are, what are the top three industries that we share and what are the shares of the revenue. And the other question from the side of opportunities again, in terms of Exports this year we have grown to 16 crores, can you talk about that how you see if you are talking about the 400, 500 crores in the next three four years, how much will that come from exports and what are we doing in terms of distribution and sales, historically, not many companies have succeeded in the Exports side, from core manufacturing point of view. So, would be interesting if you could some of your perspectives on this. The other question was Sir, if we look at our margins, historically we have gone through 40% of margins too but currently we are Just wanted to know is it through operational perspective that the sales hasn't grown well and hence we see this or is this due to any change in the product mix itself because of which there has been such things in the margin. An das you sort of grow your sales do you think we can go to that margins, maybe not 305 plus but a 20% plus kind of margins. Then some very bookkeeping kind of questions, If we see the balance sheet the Advance from customers has almost doubled from 12 odd crores to 21 crores, can you take it as a leading indicator, I mean order book is also growing and just to understand the business of the company how much does it I mean how much does the customer give as an advance. Also, if you could talk about eh customer contribution, maybe the top five or the top 10 who have contributed. And in our business, typically which is the lead time from the order booking to sales. I mean is it completed within a year or does it take 18 months or 24 moths or of that sort. Sorry it is a basic question but am slightly new to this company and that's why. And my last question is So if we see our Parent company, there are two big companies in the group, So do we see any Synergy we have with them or are we independent of what they do, I know we are more in Gears and CG is more into motors , But just I mean from the customer point of view, is there any Synergy or are we seeing any synergies. I think these are the Questions that I had. Thank You!

Mr. C. Subramaniam, Company Secretary: Thank You Mr.Rohit, Now I call upon Mr. KS Balasubramnaim to speak. Mr.KS Balasubramaniam please click on your Audio and video to speak

Mr. K.S Balasubramaniam (Shareholder): Mr. Chairman, Managing Director and other Board of Directors of Shanthi Gears Limited, I am K S Balasubramaniam participating in the 48th AGM of the company, which I deem it a pleasure. Normally, whenever there is a change in management or even in government the normal practice is to find with lenses the lapses of the previous regime. But this new management literally paid rich enormous and excellent services rendered by the founder, Padmashri P.Subramanian who laid a solid foundation. Not with passing reference but featuring with an Elegant photo it is fitting homage I should say this is the culture of the enlightened Murugappa group, I hope my appreciations sir. Shanthi Gears has carved a name in India's Gear industry, Sir I am very much impressed with your five lights that guide the company, Integrity, Responsibility, Passion, Respect & Quality. It should be appreciable and available in all the other companies to have foot hold over the management. The company believes n clean energy and has a total windmill capacity to generate 6.66 megawatts. And also has additional solar power of 806 solar panels with 203 KW capacity. In the backdrop of COVID 19 Pandemic situation the quarter 1 was disappointing, management putting it's all strength together sustained in the gears and gear boxes and geared motors and gained momentum growth in the tough operating condition. 10 projects in steel sector, forming a warrior's team to protect the fellow members from COVID

setting an example for other company also. Operating ratios are satisfactory though not outstanding. Net worth also showed a negative impact. Though revenue from operations was down from 242 crores to 215 crores. Against the share capital of 7.67 crores the reserves are hefty, 229.46 crores. Above all it's a debt free company, Value addition and cost reduction is the watch word, very rightly said sir. The management should have legitimate pride in having told like that Though the company has 572 permanent employees, with an average age of 44 other than piece rate workers, how many women employees are there. From the pictures it is visible that they have been very active in by conduct of games, international Women's day, etc., Under CSR you have spent 75 lakhs to study on bio diversity, rural India reserves mentioning, girls education in Chhattisgarh for which 11 lakhs were spent and for COVID relief 22 lakhs were spent like CM relief fund, etc., Also these were price worthy. With a huge level order upon 300 crores, the future looks promising. Though for the present, shareholders remain satisfied with the interim dividend of 1.5 as the final dividend also, the dividend distribution policy needs a new look sir. I wish the management a glorious future. Thanking you sir.

Mr. L. Ramkumar, Chairman: Thank You

Mr. C. Subamaniam, Company Secretary: Thank You Mr. Balasubramaniam, now I call upon Mr. Abhisekh to speak

Mr. Abhisekh (Shareholder): I am Abhisekh a shareholder of the company. First of all, congratulations to the Management and a deep condolence for the demise of our Founder chairman. Our company deserve much more respect representing the current market share, profitability. Sir, myself and my family are the long-term shareholders of the company we would like to know what the real impact of COVID 19 is and how the business has been affected because of COVID 19. Where will you see the end of the thing and what will be the growth results in the first half and second half. The corona virus has made business worse and is there any employee who has been sacked or the salary is been cut, if any. What are the new product launches after April 1 and what is the response so far. Any salary cut was been taken by the management, what is the view of the management while the sustainability and growing remains challenging. What are the management efforts to improve working capital, Sales ratio, ROCE, EBITDA and interest coverage ratios? Then, what are the management efforts to reduce the other expenses, legal and professional charges and Audit fees. Myself, a running a legal firm in the name Seven ones associates in Chennai, I would request the management to add in the employment of the company and we will be glad to extend our services to the company. What are the policies related to dividend sir, most of the senior citizens are dependent on that and have been disappointed that the final dividend is also not declared and the interim dividend is treated as the final. Since, we are marching towards the 50th year, the shareholders are also expecting bonus issue in the 50th year. In page number 61, we have 5 different plant locations, so I request the management to arrange a factory visit for the shareholders. Profit After tax has come down to 20.17 crores from 25.20 crores, so why has it come down sir, when the company is doing good business and has also entered into the marine business, since the profits are coming down what is the outcome of the previous quarter sir, kindly give us an update on that. And we have 16634 shareholders, out of which how many of them have attended the AGM and what is the minimum quorum requested for the AGM. Then in page number 56, we have the list of shares being held in the unclaimed suspense account and the shares that are transferred to Investor's Education and Protection Fund, I would request the management to note that the Compliance officer and the RTA plays a major role in pertaining to these unclaimed shares. They are much interested to transfer the shares to IEPF and when the genuine shareholder claim they are not ready to settle. In fact my share certificate, I have sent for correspondence, it has to come back to me after name transfer and it has to be dematerialized, in fact RTA has retained the share certificate and the resent the bunch of entire compliance back to me. My share certificate has been retained by them. And for the past two years they have been having an argument with me through e-mail, Company secretary is arguing with me through e-mail. But they are not in a position to resolve the issue. In fact we are genuine investors sir, we have invested our hard earned money, they should be in a position to settle the share directly to the Demat account, or should be in a position to send us back the physical share certificates, so

that we could send for dematerialization, but in this case the share certificates is been retained by our RTA, SKDC. Under such circumstances, how can we physical shareholders have hope on the management sir. Public will lose faith in the system sir, So I would request management to kindly instruct the compliance officer and take necessary actions against the RTA who has retained my original share certificates of my Father Please return ,Folio number I have already shared you through the email ID of Shanthi Gears, they have retained 1000 share certificates, And even the compliance officer is trying to support the RTA sir. The folio number is S00870. Sir kindly look into the matter and kindly revert sir. And I have also raised this issue in the AGM of Chola MS , since last year I was not given an opportunity t speak in the AGM sir. I wish the company and the board of directors for great success and prosperity in the future. Thank you for giving me this opportunity.

Mr. L. Ramkumar, Chairman: Thank you Mr. Rohit, Mr. Balasubramniam and Mr. Abhisekh for your interest in the company and also the questions. There are couple of questions I would answer and some of them I will take the help of Mr.Subramaniam and Mr. Karunakaran. I this there was a question on the margins of the concern, which was as high as 40% and over the period of years have go down to 18% 20% or so. It is because over the years the competition has increased and there have been tough pricing and we have been not able to recover the full input cost increases over a period of time the product mix which you are attempting is to constantly enhance the contribution and margin over the period of time definitely there is scope for increasing the volume with the existing facility. Somebody asked about the operating leverage and what we have yes, that is main constantly being affected with the effects on productivity, I am requesting Karunakaran to explain more on this matter. The other question asked was on the synergies. Between TII and CG. I would say and if Mr. Vellayan had something he could add as well. See as for as Tube investments and Shanthi are concerned, Tube investments has more knowledge on Metallurgy and main of the process are like heat treatment and such which Shanthi Gears uses, plus tube investment sis also into transmissions in a way by sale of Industrial chains and all that. So there is a lot of collaboration which is taking place in the ways of exchange of knowledge of transmission and as well as from the customer side. As for CG is taken, you know it is recently taken by the group, they have the motors and we have the gears. And there are lot of efforts going on in terms of discussion between the teams to look at the synergies. There is a good potential. Vellayan would you like to share something.

Mr. Vellayan Subbaiah, Director: Yeah, there are definitely new products like gear motors are like opportunities, where we could kind of work together, where Shanthi has the opportunity to basically use the CG motors and add of couple of gear items and set it to sell in the market. In a decision we are potentially trying to go jointly to the market across our industrial capability in three divisions so it includes industrial change the large industrial machines made by CG and the large gear boxes made by Shanthi Gears both of this are the issues that we have started off and might get momentum in this year.

Mr. L. Ramkumar, Chariman: Thank you, As with regard to the question on Quorum and the number of members attending the meeting, can you just mention how much it is Subramaniam?

Mr. C. Subamianiam, Company Secretary: Minimum 30 is the quorum and 57 members are participating the meeting.

Mr. L. Ramkumar, Chariman: Thank You, Also with regard to the question on the shares sent to RTA and kept missing, I would request you to write to the RTA or the Company Secretary, I request Mr.Subramnaiam to look into this matter and I am sure this problem could be solved. So Karunakaran can you answer the questions that we noted out and I also sent you

Mr. M. Karunakaran, CEO and Whole-time Director: Yes Sir, coming to this topline growth is the key for our business we have identified know, first we have to understand the sectors which are growing, and we want to be in the emerging sectors accordingly we have prioritized the plans. So plans in the emerging sectors and how

we will be taking it forward and that's why we have take two verticals focusing on Gears and Gear boxes business and Service, Foundry and Worm We have detailed plan, we have know what is the capability, what is the current gap and how we can expand the market and all how we connect with the customer sand so. So, we have a detailed plan, that we are very clear on how we want to grow double in the next three years. Coming to the Service business, it is currently 13% of the sales of our concern and as plan we want to take it to 20% with respect to the sales, so also based on the COVID pandemic know, for service sector we have go on a physical visit to customers and understand, we couldn't go on physical visits but. Inspire of that we created Shanthi Rebuild app to go through and upload videos, we got some references to have physical visits. Now we are going on physical visits and trying to build capabilities and increase that area. We also had action plans, but currently we are focusing on going through to get earn 20% from the Service business. Also, if we look in the top industries, we are looking at steel as the top industry, next is the metal handling and the gears for the machine tools these are the prominent industries. And also know if you look at the order booking to the sales lead time, typically it is when we are making custom built know 24 weeks is the average for the medium and big gear boxes it is known almost 36 weeks. So whatever the orders we have almost 80% will be executed in this financial year, these were the questions by Rohit. Coming to the questions asked by Abhishek on the impact of COVID know it is almost plus 40 crores in the topline because of COVID almost 45 days there was no operations and then subsequent people absenteeism and all. And, as you asked about the salary cut, we have also taken a salary cut for few days almost 6 months, then we have deferred our increments. So, these are the activities and you know the amount paid back after the business picked up in January. So, these are the initiatives we have taken. I hope I have answered all the questions.

Mr. L. Ramkumar, Chairman: Yeah you have answered, one question that I have noted down is Shareholders Have expressed their points on dividend being lower this year, you all know the reason because of the profitability, cash flow and in order to keep the company staring. Your point Is noted, and the board will take up this matter in the current year appropriately. I think with this all the question are answered Subramaniam.

Mr. C. Subramaniam, Company Secretary: Yes Sir, we can proceed.

Mr. L. Ramkumar, Chairman: The voting result shall be declared along with the scrutinizer's report and shall be placed on the website of the Company, www.shanthigears.com and on the website of NSDL within 48 hours and communicated to the stock exchange(s).

As there is no other business to be transacted, I declare the meeting as closed. The Portal will be open for next 15 minutes. Members, as on the cut-off date, i.e., 14th July 2021, who had not cast their vote electronically may cast vote now at the same NSDL portal. I thank you for the cooperation in ensuring a smooth conduct of the meeting.

Thank you.

THE 48TH AGM OF SHANTHI GEARS LTD HAS CONCLUDED.

* * * * *