

SHANTHI GEARS LIMITED

(CIN: L29130TZ1972PLC000649)

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

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TRANSCRIPT OF THE PROCEEDINGS OF THE 49th ANNUAL GENERAL MEETING OF THE COMPANY HELD ON MONDAY, 25th JULY 2022 FROM 04.00 PM TO 04.50 PM IST THROUGH VIDEO CONFERENCING

Participants

- Mr. M A M Arunachalam .. Chairman
- Mr. L.Ramkumar .. Independent Director
- Mr. J Balamurugan .. Independent Director
- Ms. Soundara Kumar .. Independent Director
- Mr. Krishna Samaraj .. Independent Director
- Mr. S K Sundararaman .. Independent Director
- Mr.Mukesh Ahuja .. Nom-Independent Director
- Mr. M Karunakaran .. Chief Executive Officer & Whole-time Director
- Mr. Ranjan Kumar Pati .. Chief Financial Officer
- Mr. C Subramaniam .. Company Secretary

Mr. M A M Aruachalam : Dear Shareholders, I have great pleasure in welcoming you to the 49th 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.on 2nd July,2022 . 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 on our 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

I now call the Meeting to order.

Before I proceed with the business of the Meeting, I would like to introduce to you the members of the board and the senior executive.

Mr. J Balamurugan, N & R Committee Chairman
Mr.L.Ramkumar,Stakeholders Relationship Committee Chairman
Ms. Soundara Kumar, Audit Committee Chairman
Mr. Krishna Samaraj
Mr.S K Sundararaman
Mr. Mukesh Ahuja
Mr. M Karunakaran, Whole-time Director & CEO
Mr.Ranjan Kumar Pati, CFO
Mr.Subramaniam.Company Secretary

I wish to inform that all the Directors are attending this AGM.

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

I am informed that the documents and other registers required under law are available for inspection by members.

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 49th 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 18th of July 2022. The electronic voting was kept open from the 22nd July 2022 to 24th July 2022.

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.

Electronic voting facility at the AGM is being made available to enable members, who have not cast their voted through remote e-voting to exercise their voting rights. The e-votting window is available throughout the AGM. Members are requested to vote at the same NSDL Portal.

The members who have already voted through remote e – voting shall not be eligible to participate in the voting today. However, they can participate in the AGM

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 2022 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. Also, Secretarial Audit Report for the year ended 31st March 2022 does not have any qualifications or observations or comments. Hence, the same are 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.

We achieved a revenue of Rs.337 crore in FY22, A 56% growth compared to the previous year. Our Profit Before Tax (PBT) at Rs 58.7 crore was 125% higher than what we reported in FY21. Our Net profit scaled up by 111% to Rs.42.5 crore. I am happy to share that the Return on Invested Capital (ROIC) improved to 36% in FY22 from 15% in FY21, We generated a Free Cash Flow of Rs. 34.1 crores during the financial year and registered 61% growth of 27% over the previous year.

Our product and service quality helped us achieve a robust order inflow. Our Pending order book as of 31st March 2022 was Rs 280 crore against Rs.225 crore in previous year. During the year, the Company had booked orders for Rs. 386 crore, a growth of 27% over the previous year.

As we are completing the 50th year of your company we look ahead with confidence and optimism to make major strides in the industry in the years to come. The foundation laid so far would help us serve customers better with added focus on new products & technologies, top class quality and service. We would also continuously upgrade our manufacturing processes and technologies towards this end.

I take the opportunity to thank the entire team for its unwavering passion displayed during trying times in meeting customer commitments and achieving business goals. I express my sincere gratitude to my fellow Directors for their proactive contributions in drawing and supporting the contours of the Company's strategies. I thank all other stakeholders, including our esteemed shareholders for their continued support.

During the year, Mr. Vellayan Subbiah stepped down from the Board during October 2021 due to his other

commitments. I thank him for his valuable guidance during the transition phase and putting company back on

I welcome Mr. Mukesh Ahuja to the Board. We look forward to his valuable contribution 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 2021-22.

Over to you Karunakaran.

Mr. M. Karunakaran, CEO and Whole-time Director: Good Afternoon everyone, I am happy to share the performance of FY 21-22.

Highlights FY 21: Here the highlights of year 2021-22, As chairman mentioned the order booking we did 386 crores with a growth of 27% in the previous year and we have a pending order booking of 280 crores now, and in Q4 we achieved an highest production of 101 crore., this is the first time our company crossed 100 crore mark in a quarter and all the order booking, sales, production, every department has performed 40 crore mark in the month of march.

Also I am glad to inform that our export sales have achieved almost 24 crores which is 7% of total turnover and 52% growth in exports.

During the year we also commissioned and successfully developed a **Bucket wheel Excavator** Gearbox, a make in India Program. It is one of the prestigious project for Shanthi Gears. Its height is almost 15ft, weight is 55 tons, this is the biggest gearbox we made so far. This has given a new entry in the mining space.

In order to improve the agility, we made the business into three product verticals in Gears & Gear box division to focus on

- Standard and OEM Helical gearbox
- Non-Standard Gearbox
- Gears & Pinions

Coming to the other highlights, first time we serviced 2.1MW wind mill gear boxes as renewable space in the growing industry, now we also developed new capability to service 2.1MW gearboxes.

In order to grow the gear motor space we put up a dedicated facility in D unit and is commence from Q4, we will be getting good business in the coming year.

It is very important to be a product development differentiator our team is very focused and we have launched few of the critical requirements.

Lean Project : In order to be competitive in the market, we have to be effective in this regard. We engage a consultant from Japan called **Shingijutsu** is one of the renowned Lean implementation Company, we have taken their support and formed 21 teams to improve the efficiency of the plant.

Major orders Executed

- **Vande Bharath Project,** we supplied 170 sets of gears in Q4 alone.

- Successfully completed a new competency rebel for servicing of load sharing gearboxes and also the twin screw gearboxes.

Key Product Developed in 2021-22: In order to grow the business we need to focus on New Product Development, the Company has developed few of the emerging technology which is required for future i.e next 5years, we identified and focused on the Thermal Power Plants and mining applications and also the compressor gear which is also the marine application and the windmill gearbox of 2.1MW. We also developed some of the new gear motor rangers and all the electrical disconnectors gear boxes. As a company we are very diversified we also wanted to continue, focus as a player and in this regard these products are very important to us.

People Initiatives: Also without people we can't do it, we do lots of communication and keep people engaged on their activities, we do **Employee Engagement Survey**, based on the survey or feedback we implement the actions. So this is one of the good Company which has Employee engagement levels are above 70%. Some of the people initiatives, we communicate the **Kaizen** is the way of life. We do lot of continue improvement projects. Our team members got shine awards from Murugappa group for the best performance.

Covid Precautions : During Covid, we did all the parameters required to operate the Company. As a team we all 100% vaccinated the 1st and 2nd dose, even now the booster dose our team almost 40% of the people have completed.

CSR Initiatives : As CSR, you have seen in reports we continued to focus on education and also the renewable powers, Solor energy development projects. So in the coming years we would like to focus on these areas.

EHS Update : Coming to the Environmental, Health and Safety I would like to highlight some of the parameters in the safety

As a company, our Severity Rate have come down from 27 to 1 and Incident Rate constantly we brought down from 104 to 29 and also the Reportable incidents last year is 0. We are focusing more on Training and Awareness of the people which is almost 100%.

Financial Performance : It is one of the best performance of Shanthi Gears. We grow on 56% over the previous year. Our PBT Sales, almost a grown from 26crores to 59crores. 125% of growth over the previous year.

Return on Investment Capital has move from 15% to 36% and Free Cash Flow is almost 34crores.

Key Metrics : The key metrics for 5 year trend in terms of revenue, we have grown by almost 12% CAGR and PBIT is 15% and export sales our CARG is 21% growth. Order Book has grown by 13%.

Q1 Performance 2022-23 : We continue the progress in Q1 also,

- We successfully Commissioned 750KW new windmill gearbox manufacturing.
- Also successfully tested with the load test in our D-unit.
- Highest Production of 104 crores in Q1.
- Supplied 440sets for highspeed trains (T-18) in Q1 and also we continued the FGD gear boxes.

Expos Participated: In order to focus more on order booking we have to communicate & meet the customer and explain the capabilities, one of the forum is the expos we participated. In Q 1 we participated in 4 expos

- 1) **IME 2022 – International Mining Exhibition in Kolkata** (No .of visitors : 200; New Customers:20 Nos)
- 2) **IPTEX 22-Grinder – International Power Transmission Expo in Pune** (No. of visitors: 60Nos; New Customers:12Nos)

3) **Wind energy India 2022 in New Delhi** (No. of Visitors: 200Nos;New Customers:15Nos)

4) **INTEC Exhibition in Coimbatore** (No. of Visitors: 200Nos;New Customers:22Nos)

Priorities for Q-1: If you look at 4 Priorities

- Revenue which we continue to grow 20% year on year. In last quarter we have grown from 66 to 97 which is a 47% growth.
- PBT moved from 12crs to 18crs which is we grown by 53%.
- ROIC we have achieved 113%.
- FCF is almost 17crs respect to last year we have 143% achievements.

As a team we are committed and ensure the growth and profitability, as a differentiator we continue to put SGL on fast track growth.

Thank You very much.

AFTER THE PRESENTATION

Mr. M A M Arunachalam : Thank You Karuna Sir.

The Annual Report for the year ended 31st March 2022 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 2021-22.

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 2021-22. In the interest of time and with a view to giving adequate opportunity to all. Please keep your questions as brief as possible , 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.

Mr. C. Subramaniam, Company Secretary: Our first Speaker is Celestine Elizabeth, you can speak now.

Mrs. Celestine Elizabeth : Respective Chairman, other members of the board, my fellow shareholders attending this virtual meeting, I am Celestine Elizabeth speaking from Mumbai. I thank the Company Secretary Mr.C.Subramaniam for sending me E-annual report and also registering me as speaker at my request. Thankyou so much sir.

Our working is good, sales, PBT and EPS last year is 2.53 and this year is 5.54 even dividend is at Rs.2.50. Our Share Capital is 7.67. We have a low share Capital against that revenue is 52.29. I feel this is the 49th year, Sir next year will be a Golden Jubilee year I look out your blessing us with Bonus. Murugappa people are very good, they always reward the shareholders, as a good management team I look out if it is possible. Congratulations for all the records received during the year. Here I would like to know whether we have done any sort of ADV ratings, If so what is our ratings and the rating Agency.

Now my queries,

- 1) Whether all staffs are working in the office, plant everyday or alternate days.
- 2) Are we getting the benefits of PLI Scheme or have we applied for PLI Scheme
- 3) Capacity utilization for plants. What is the Capex for the next 3years for organic and in-organic growth
- 4) Future Road map for next 5years keeping in mind Geo-political lieu and specially supply and logistics destructions, rising interest cost due to inflation and semi-conductors or ship shortages.

I feel that we get some good news on the 50th year. It is great to be so powerful & growth oriented upto this 50years and now with all digitalization the growth may come still more. With this, I have supported all the resolutions. I wish my company all the best. Thankyou for giving me this special hearings.

Mr. C. Subramaniam, Company Secretary: Our next Speaker is Mr.Rangan , you can speak now.

Mr. Rangan(Shareholder) : Congratulations for excellent working of the company. I was attending the AGM of Elecon Engineerings who is suppose to be our competitor and the MD has complemented you “SGL does all kind of business where there is a immediate breakdown or some down time, they will come and support and they have got a good margin for the business”

Now we see that 80rs you have brought the shares and today its overing about 240crores and the CIGAR is hardly 11% and when will we reach 500crores. Actually we supposed to reach 500crores long back. And you are talking about wind mills and aerospace but the volume is not coming. Now you have developed products, but will there be in volumes, how you are going to scale up?. This year and last year are good but when are we going to achieve the scale of 500crores. What will be the capital expansion because we have a heavy cash flow.

Depreciation is very low. Company should create a market capitalization for the Shareholders but we are paying tax for depreciation. We have to keep on increase the capital and reduce the taxation.

I have been with SGL for more than 37years. I visited the factory last year, met the Company Secretary, I was very much about what I seen in 10-15 years back. But to that extend the turnover should be scaled up. You have a vision of 1000crores for next 6-7years please throw some lights on that. I am not able to go through the balance sheet as there is no physical balance sheet. You can send the physical balance sheet for Shareholders who are registered as speakers. Thankyou so much Sir.

Mr. C. Subramaniam, Company Secretary: Our next speaker is Balakrishnan, Sir you can speak now.

Mr.Balakrishnan(Shareholder) : Good evening Chairman and Directors of Shanthi Board. I would like to appreciate the Board of Directors and the management team of Shanthi Gears for their excellent performance and achieving the 4 key priorities in the year 2021-22. I have a strong belief that much greater and better performance will be achieved in the year to come. Moving forward, I would like to clarify few of my observations in our company Annual Report. Some of the questions similar to my observations have already been asked by our fellow shareholders.

I still confidence that I can put some more questions to the board.

- 1) Kindly share us the installed capacity of the valuable assets and the percentage of utilization of these assets to support each product verticals in the present condition.
- 2) The road map for the next five years and the target year for achieving 1000crore mark
- 3) Among 8 industrial sector, in which segment our market share is high and are we envisaged to tap markets where our market share is very low with new products.
- 4) At present, we are debt free company, is there any plan in pipeline to grow our top line inorganically.
- 5) Do we have threats from variable frequency system to some of our key market sector like conveyor gearboxes and gear motors. If so strategies to comfort them.
- 6) Coimbatore district is been declared as a hub for defence equipment manufacturing recently by the Government of India. Thereby do we expect any potential for our company to embark into this segment in a big way.

Thankyou very much sir.

Mr. C. Subramaniam, Company Secretary: Our next speaker is Mr. Adithya. Adithya you can speak now.

Mr. Adithya(Shareholder): Good afternoon Board of Directors and fellow shareholders. I have the following set of queries.

The press release you publish along with our quarterly numbers, I find it quite in-adequate for our kind of company. I would request the company to start posting its investment presentation along with the quarterly numbers and with various parameters and a conference call once or twice every year will be equally helpful.

Sir, are we undertaking any green field or brown field expansion because in page 12th of our Annual Report we have depicted picture of 2 bhoomi pooja, I guess one of it is D-unit as per presentation which has been presented , could you elaborate more on the capex and potential revenue from the same.

And what is the budget revenue and growth for the year 2022-23 because in one of the presentation slide you mentioned that our quarterly growth is as per our budgeted quarterly growth.

How much revenue can we generate from our current capacity. How much incremental capex we need for us to double our current capacity. Thankyou for the opportunity.

Mr. C. Subramaniam, Company Secretary: Thankyou Sir. Our next speaker is Ms. Gunjan Kabra , you can speak now.

Ms. Gunjan Kabra(Shareholder) : Hi Sir, My 1st question is we are into customized gears so how it is differed from standard gears in terms of demand; When is customized gears preferred and when is standard gears preferred I wanted to understand from user perspective. I also believe customized gears command high margin but why are our margins are lower. We have achieved around 30 to35% of better margin what is your view on better margins going forward.

Also where are we getting more demands from , is it fresh capex or the replacement demand. Major revenue comes from which sector & how much is renewable as part of our total contribution.

Do we have any other player in India who is providing gears and the renewable space. With our current capacity what is the peak revenue we can reach, what is the capacity utilization that we are operating at currently and do we have any capex plan.

As CG Power is also part of same group, they also deal in the Industrial segments, we also deal in gear and industrial segments. So can you say synergy effects going forward.

Steel price is going down and the gear unit price is also come down, Can we have certain impact on our top line. The last code cycle in the manufacturing sector was in 2003-2008. What is your view on the cycle this time and what is your view in terms of longevity of cycles. What is the mix of large gear box and small gear box like customization happening in both the segments and which type of gear box are we presenting more helical ,worm or bevel , How is usage of gear motor different from all these 4types.

Are we focusing on export, What is the percentage that is expected to reach this year in FY 2023 and how much is the after market contributing our total sales.

Mr. C. Subramaniam, Company Secretary : Our next speaker is Rohit Balakrishnan, Sir you may speak now

Mr. Rohit Balakrishnan(Shareholder) : Sir, I had a few questions, many of the questions are already being asked by participants. Sir, in last AGM also you are talking about our target is to double our revenue and triple our profit in 3 years. This year seems really well for us. Can you talk bit more detail about what is really driving the sales and order booking. This is the 2nd quarter where we have done 100crores, May be can you just tell much deeper is just the general pickup in the cycle because other companies we compete with are also done really well.

What are all the new products we introduced , is there any metric you can share about new product you have been developed in terms of share of revenue in this year 2022. Any other metric may be number of new industries that we get into. Also in Annual Report & presentation you mentioned that we have manufactured few gearboxes 1st in India, can you elaborate a bit more in terms of current capability and portfolio. How many of these products that only we are doing. This year the growth have been fantastic Can you talk bit about volume & value that will be very helpful as there were lot of price increase as well.

Can you share what is the revenue mix that we have by industry very broadly. What are the key industry we have and is that mix changing over the year or is it very similar and you see that the previous industry mix only 0.2 , to continue next few years and in terms of customer concentration what is the top 5 customer concentration and also any new customer we have won, how many total customer that we have able to increase our mark in the share. Our customer advances are growing decently close to about 20crores. Can you just share the nature of what kind of advances are giving. Can this be taken as indication of growth. The last one is not a question but a request, I have been trying to reach out the company and seek a meeting to understand the business a bit better, as a part of invest firm we are trying to meet the companies just to understand the business better. I have been attending the AGM last two years this is the third year. Just wanted to place that as a formal request. As this is the short quorum to ask question and clarity it would be very helpful. Thankyou very much Sir.

Mr. C. Subramaniam, Company Secretary : Our next speaker is Rohit Ohri, Sir you can speak now.

Mr. Rohit Ohri(Shareholder): I have already sent list of queries, I hope that you answer them. With blessings of gearman of Coimbatore late Mr. P. Subramaniam we are entering into 50th year of operation and your team is

also doing quiet well. There was very nice video that was uploaded in your site and it feels proud as a Shareholder of a company. In terms of questions, I have few observations in addition to one which I have already sent across.

- 1) There are some images of Bhoomi Pooja which is on page no 18 in physical form, If you are in PDF it comes in page no 12. What are these greenfield expansion that are happening in the system and if u take us through by. When this investment/plant will be ready.
- 2) My next question is related to the Conference call. TII and CG has but SGL is not having Con.call so your views on that.
- 3) My last question is related to the developments which are happening with the company. TII has been quite aggressive off late, they have been entering into electric vehicle segments with the tractors. The came up with the recent acquisition that is motion electronics and IPL, In this growth story where do we stand and how come SGL play a role in this.

Thankyou Sir, I hope you answer the questions already sent to you.

Mr. C. Subramaniam, Company Secretary : Our next speaker is Manoj Kumar Gupta, Sir you can speak now.

Mr. Manoj Kumar Gupta (Shareholder): My name is Manoj Kumar Gupta I am shareholder of SGL. I have joined this meeting from Kolkata. I thank the Company Secretary and the team to help us to join this meeting through VC. What will be the total cost of our green field project and how you will arrange that fund and Capex plan for next 2-3 years. Can you throw some highlights. There is some short of semi conductors and chip, how you face this challenge. Inflation is gone up by 20-30% on every material in every sector, So how you face this inflation.

I have great respect to Murugappa group , I believe that you will reward the investors next year on 50th AGM. Thankyou Sir.

Mr. C. Subramaniam, Company Secretary : Our next speaker is Apsi, you can speak now.

Mr. Apsi (Shareholder): Sir, I would like to know the intention behind this meeting, after transferring the amount what will you do. Do you intend to bring dividend, because dividend to shareholders have to pay high. Before you give debenture or else do a buyback because both of this takes a effective in the hands of shareholders rather than a dividend You also reduced face value from 10 to 1 and given bonus along with this you could have done this, but you can do in future also. Thankyou very much.

Chairman: There are lot of common questions, I am going to answer all the common questions. One or two specific questions I am going to give to my team to answer. Starting with Mrs. Celestine Elizabeth,

Do you have any CSR ratings? No we don't have any CSR rating.

Have we applied for PLI Scheme? No we haven't applied for PLI Scheme

Bonus shares, at the moment we don't have any plans for bonus shares

Capacity Utilization , our plant is 70%, our exports is 7%

The company has plan to enhance about 10% in next 5 years.

Synergy between TII, CG and SGL, we have already working with CG power on some projects, we have done few products on electric vehicle system and there is a lot of potential in taking this forward.

Mr. Aditya asked for investors calls and meets on quarterly basis. Basically TII call most of the investors we cover CG and SGL.

Our capex, we planned around 30 crores for the year, 20% of them for maintainance purpose.

About Segment split, approximate segment split 8% comes from service business and 92% comes from manufacturing business.

We are working with some of the new products for emerging sector, renewable power, FGD Railways, construction, etc. We have already commenced supplies for some of these segments and planned to rapid up for few this year.

Here, the other questions from Rohit, Vinod about TII 1,2,3. Yes TII we are moving our dependence away from 70% in auto. Shanthi plays a big part of it

So, here I put few questions to the team. One is about Bhoomi pooja, What is the green field project about, Capex plan for that project, how will you meet inflation, Road map for 1000 crore turnover. Plan to draw

organically/inorganically conveyor, Coimbatore for defence corridor and capacity Utilization. If please, Karunakaran & team you can put this question together.

Mr. M. Karunakaran, CEO and Whole-time Director : This is some of the pictures of Bhoomi pooja for one of the office in D-unit location and Foundry, these are the two photos in Annual report and not any green field. We have enough area of covering the operations that's why we re located our operations at D-unit. Coming to capex, we have plan about 30crores . Some of the things we investing on D bottle making facility. As you are aware we are making a customized product, it is very difficult to predict the capacity utilization and we just split into product group, within the product group there is a variant we can make light duty medium and heavy. It is very difficult to access the capacity, but we are trying to monitor the utilization of the machines. Our Chairman mentioned about our utilization 70% is on machines, even some of the machines which is not critical we are also using 30% which is the conventional machines. Coming to road map of 1000crores, even in last meeting also we discussed about double the revenue and it is really working, You have seen the results last year. Surely on our way whatever the commitments which we are working and we are also constantly investing on contemporary machines also which is depending or not depending a batch, it is multi-tasking that we are investing, Surely we are working towards growing the revenue, the profit should be maximized. The defence corridor, yes, Coimbatore is coming up but really if you look at customized products in defence really we have to know lots of technology and know how and we are also exploring but at very initial stage and other than this, if any opportunity comes from in-organic we are also seeking. Some of the sectors as of now its no once it comes we let you know. Hope I covered all the things.

Chairman : Yes Pretty much covered. Thankyou Karuna.

The voting results 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 48hours and communicated to 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 15minutes. Members, as on cut-off date, i.e.,18t July,2022, 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.