

## SHANTHI GEARS LIMITED

Registered Office: 304-A, Trichy Road, Singanallur, Coimbatore-641 005, Tamil Nadu  
Tel: 91-422-4545745 ; Fax: 91-422-4545700  
Website: [www.shanthigears.com](http://www.shanthigears.com) ; e-mail: [waltervasanthpj@shanthigears.murugappa.com](mailto:waltervasanthpj@shanthigears.murugappa.com)  
CIN: L29130TZ1972PLC000649

**TRANSCRIPT OF THE PROCEEDINGS OF THE 50<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY HELD ON  
WEDNESDAY, 26<sup>th</sup> JULY 2023 FROM 04.30 PM TO 05.13 PM IST THROUGH VIDEO CONFERENCING**

### Participants

- Mr. M A M Arunachalam – Chairman  
Mr. L Ramkumar – Independent Director  
Mr. J Balamurugan – Independent Director  
Mr. Krishna Samaraj – Independent Director  
Mr. Mukesh Ahuja – Non-Executive Director  
Mr. M Karunakaran – Whole-time Director & Chief Executive Officer  
Mr. Arun Venkatachalam – Non-Executive Director  
Mr. Ranjan Kumar Pati – Chief Financial Officer  
Mr. Walter Vasanth P J – Company Secretary

### Mr. M A M Arunachalam, Chairman

Dear Shareholders, I have great pleasure in welcoming you to the 50<sup>th</sup> Annual General Meeting of Shanthi Gears Limited.

The Ministry of Corporate Affairs and SEBI have permitted holding of shareholder meetings through video conferencing till 30<sup>th</sup> September 2023. Accordingly, this Annual General Meeting of Shanthi Gears Limited is therefore 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 as per their circulars. Therefore, a soft copy of your Company's Annual Report for the year ended 2022-23 has been sent by e-mail to all of you on 03<sup>rd</sup> July, 2023. 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 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 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 General Meeting is present.

I now call the Meeting to order.

Before we proceed with the business of the Meeting, I request Mr. Walter Vasanth P J, Company Secretary of our Company to introduce the Members of the Board and Senior Executives.

**Mr. Walter Vasanth P J, Company Secretary**

Thank you Mr. Chairman.

I, welcome the shareholders for the 50<sup>th</sup> Annual General Meeting of Shanthi Gears limited. It's my privilege to introduce our board starting with,

Mr. L Ramkumar, Audit Committee Chairman

Mr. Krishna Samaraj, Risk Committee Chairman

Mr. J Balamurugan, Independent Director

Mr. Mukesh Ahuja, Non-executive Director

Mr. M Karunakaran, Whole-time Director & CEO

Mr. Arun Venkatachalam, Non-executive Director

Mr. Ranjan Kumar Pati, Chief Financial Officer

Now, I handover to Mr. Chairman.

**Mr. M A M Arunachalam, Chairman**

I wish to inform that all the Directors are present except Ms. Soundara Kumar, Nomination & Remuneration Committee Chairman, Mr. S K Sundararaman, Stakeholders Relationship Committee Chairman who could not attend this meeting due to personal reasons.

Mr. Krishna E Prakash Partner of M/s. Deloitte Haskins & Sells, Chartered Accountants our Statutory Auditor, Mr. R Sridharan, Secretarial Auditor, Mr. B Venkateswar, Cost 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 shareholder's 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 wish to inform you that the Company has complied with the procedure for service of the Notice of the 50<sup>th</sup> Annual General Meeting and other matters in accordance with the Companies Act and the Rules thereunder and also in line with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. 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 19<sup>th</sup> July, 2023. The electronic voting was kept open from the 23<sup>rd</sup> July, 2023 to 25<sup>th</sup> July, 2023

M/s. R Sridharan & Associates, Practicing Company Secretaries have been appointed by the Board as Scrutinizer 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 votes through remote e-voting to exercise their voting rights. The e-voting 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.

The Annual Report and the Notice convening the 50<sup>th</sup> 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 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 446 crore in FY 2022-23, a 32% growth compared to the previous year. Our Profit Before Tax (PBT) at Rs 90.20 crore was 54% higher than what we reported in FY 2021-22. Our Net profit scaled by 58% to Rs 67.10 crores. I am happy to share that the Return on Invested Capital (ROIC) improved to 56% in FY 2022-23 from 36% in FY 2021-22, we generated a Free Cash Flow of Rs 39.20 crore during the financial year and registered 15% growth over the previous year.

Our product and service quality helped us achieve a robust order inflow. During the year, the Company had booked orders for Rs 443 crore, a growth of 15% over the previous year.

As we have completed the 50<sup>th</sup> year of your company we look ahead with confidence and optimism to make major strides in the industry in building a better tomorrow. 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 the trying times in meeting customer commitment 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.

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 patient listening. Now, I request Mr. M Karunakaran, CEO to present the performance highlights of the Company for the year 2022-23.

### **Mr. Karunakaran, Whole-time Director & CEO**

Good Evening to all, I am happy to share the performance of the company for the 50<sup>th</sup> year and I would like to go through the highlights of the company in the FY 22-23.

### **Highlights of the FY 22-23**

As Chairman mentioned we have grown the topline by 32% increase from Rs.337 crores to Rs.446 crores and if you look at it from last two years from Rs.216 crores we have doubled our revenue.

And if you look at it, consistently our order booking quarter on quarter is on the increasing trend. We moved from Rs.92 crores in Q1 and we ended up at Rs.130 crores in Q4.

Coming to the exports we have also grown when compared to the previous year. We have also taken the exports as our focus area and are continuously growing from Rs.15 crores to Rs.24 to Rs.30 crores, we have doubled our exports from FY21.

### **Capability Building**

We also build capabilities to deliver high speed gearboxes, the first in the country to deliver over 1 lakh RPM for the different supplication and it's not only the gearbox we produced, we also supplied with a complete testing facility and supplied along with the test setup to customer.

One of the unique thing which we did last year was the 2.1 MW windmill gearbox, as you all are aware we have the manufacturing capability to do up to 750 KW. For the first time our team has taken up the changeling job and first in the country to dismantle the gearbox and serviced and I'm happy to share this, almost three gearboxes have been fitted in the field and its running successfully and the customers are quite happy with the performance of our gearbox.

### **Safety Awards**

Very important as a business we also focusing in bringing the safety culture across the plants and last year our company has been awarded three external safety awards and one golden award from QCFI, Tamil Nadu chapter and also two silver awards from ABK-AOTS and OSHA, last year based on the performance we had been rated as best performing company and we got the best BU from our Executive vice chairman Mr. Vellayan and awarded the best safety plant across the TII divisions.

## **Lean journey (Shingijutsu Team)**

In order to bring the focus and cost competitiveness in our operations, we have introduced the lean journey. In last the 18 months, we have implemented 27 projects and through that we almost got 419 improvements recorded. I will show you the pictures, you can see there is a lot of improvements in the shop floor through simulating the models in the paper, as it saves time and will be more cost effective. Overall, close to 20% of the people in the shop floor have participated in this initiative. We are seeing this as a big success domain in the coming days.

## **Capability Building**

As Next step in building capacity and capabilities, we have started focusing on manufacturing the gear motors though we are the late entrant. So far we have developed our products consistently to meet the market requirements. In order to keep the cost effectiveness, we are implementing the lean practices in the gear mode manufacturing line, few of those pictures can be seen here and this is our D unit. We have changed the roof and the layout has been made for the gear motor facility.

## **Customer Connect**

It's very important because, as we focus to grow we have to concentrate on quality engagement with the customers. This is our key focus area and we constantly interact with our customers and we display the best of our product development capabilities to customers through our exports too. In addition to it, we also conduct the connect programs for all regions to communicate the improvements we are doing and also at the product development stage.

## **Dealer Meet**

Importantly most of the partner dealer meet has been conducted in the month of March'2023. We have not invited all the dealers, only the top performing dealers were invited. We communicated our plans and new product developments during the dealer meet and we also launched few products in the dealer meet in the gear motor space.

## **Key Product developed for Emerging Sectors**

Few of the product developments happened during the last year was almost close to Rs.90 crores worth in the sectors of construction, renewable energy and the railways. I'm happy to share that, almost 90% of gears of Vandhe Bharat Express is from Shanthi Gears.

## **Employee Engagement**

In the employee engagement front, we have conducted the annual sports meet and close to 700 people have participated in the sports event and medical camps also conducted.

In order to retain the talent, we have programs like grow from within. We have succession planning and also focus on the high performing talents to differentiate their growth path. We jointly with TII participated in two Leadership development programs through TII thrive and close to 27 people participated in this non leadership programs through TII Edge.

## **CSR Initiatives**

With respect to CSR initiatives, you must have gone through from the annual report. These are all the pictures taken of the government schools where we improved the quality of classrooms.

## **EHS Update**

In the last 2 years, there were no reportable accidents in the company and compliance rate on the training is almost 100% last year. The frequency rate and incident rate have been reduced by almost 20% to Severity rate by 41% this period.

## **ESG Indicators**

As you are all aware as a company, we are committed to drive the ESG initiatives on the environments, social government side. Our energy intensity, we reduced it by 20% compared to last year turnover and also the water consumption reduced by 21% compared to last year turnover. The greenhouse gas emissions were reduced by 38% and overall, the total waste generated per crore revenue is reduced by 17%.

## **Financial Performance**

Coming to the financial performance, we enhanced our growth from Rs.337 crores to Rs.446 crores with 108% achievement over plan and 32% growth over the previous year. With respect to the PBT we have grown by almost 54% over the previous year, with respect to our internal plans we have grown by 126%, with respect to the Return on Investment Capital we are at almost 141% achievement and we generate a free cash flow of Rs.39 crores, which is almost 15% over the previous year.

## **Key Metrics**

If you look at it, the overall key parameters are in line with the revenue. If you look at the pre covid level, we had a CAGR of 17% on the top line, with respect to profits we have grown by 21% CAGR, in exports we have grown by 22% CAGR and then on Return on Investment capital it's from 21% to 55.5% with an improvement of 27% CAGR.

## **Q1 Performance 2023-24**

I'll quickly go through this, the Q1 performance of this year and few of the highlights in the Q1. As I communicated, so we are constantly focusing on the order booking, happy to share for the last quarter, we booked almost 140 crores.

The service team has done a good job in the onsite servicing and we are in the process of developing proto for the newer applications like Rotor lock bush, Sucker road pump for the oil and gas site and Skip hoist geared motor

Coming to the Q1 performance,

- We have grown 24% over the last quarter.
- The PBT has grown by 37%
- ROIC by 53.9%
- And free cash flow, we almost formed 34 crores or almost double with compared to the previous quarter of last year.

Thank you very much and it's the beginning to **Build a Better Tomorrow**.

Thank you very much.

## **After the Presentation**

### **Mr. M A M Arunachalam, Chairman**

The Annual Report for the year ended 31<sup>st</sup> March 2023 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 2022-23.

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 2022-23. 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 my response on the questions. 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. Walter Vasanth P J, Company Secretary**

NSDL Team, the first shareholder speaker is Mr. Rohit Vinodkumar Ohri, Folio no. IN30075711549066. Kindly unmute him in case if he is available.

### **NSDL Team**

Mr. Rohit Vinodkumar Ohri, you are in line, you can speak now. You can switch on your video and can talk now.

### **Mr. Rohit Vinodkumar Ohri**

So first of all, Congrats on the 50<sup>th</sup> year celebration of the Golden Jubilee year, sir.

So, with the questions that I've already sent, I'm just trying to increase my knowledge and understanding of the business, with the immense experience and the skill that you and your team has and probably that can help us in creating wealth in the long run as well.

So, I have sent the list of questions already. I request that if you can go one by one and answer all of them. And if at all due to time concern, if you're not able to answer them then if at all, you can reply on the email. That would be great.

Just two observations from the presentations that you made, the first has been, when we say that the order book is up by 35%. What is the base for this? And, is it fair to assume that the base for the order book is 140 crore and are we looking at somewhere around 600 crore to close the year with.

The second observation, I did ask this question last year as well.

With the Developments in unit D, so with the revival of unit D what sort of Revenue can we expect apart from that? Just a quick update on the question so that it can benefit the other shareholders as well who are there in the meeting the questions are related to the theme that you're building a better tomorrow, the VAVE strategy. The automation and industry 4.0 and Shanthi’s role in that, inquiries related to the order book order backlog. So there's no con call or an investor meet as such which happens for Shanthi, but for the other two that is TI and CG, we have the con call.

So your thoughts on that, are you probably looking at merging with some other entity or something of that sort?

There are certain events industry tailwinds and a lot of capex plans from the government of India. So, your thoughts on that, one they've had a train, you have already touched up on that. But, what is the work that we are doing and how many such trains are in the pipeline? if you can share that.

There are certain players repeated companies like Timken India, who are talking about renewable energy and certain offshore projects. And they're looking at the requirement of somewhere around 20,000 gear boxes and I hope that we have already entered that domain. If you can share that. What sort of work is coming from the renewables for us.

Basic questions on the product mix the balance and how would you maintain that with the standard gears or the specialized Gears? What is your focus area? What sort of exports are we looking at? The capex in terms of growth? as well as maintenance capex.

In organic growth opportunity, which Shanthi might be looking at or are you looking at any acquisitions?

Lastly, Shreeji Metazine LLP agreement, if you can share some more details on that I'll be very happy with that.

And if there are any planned visit or investors day, or conference call, uh, Walter requesting you to please add my name to that. And so hoping that you reply to the entire question list that was sent to you in advance.

And we wish all the very best and hope to see Shanthi achieve higher heights, Going forward as well.

Thank you, sir.

Thanks a lot.

**Mr. Walter Vasanth P J, Company Secretary**

Thank you, sir.

NSDL Team, you can unmute Mr. Chandragupta Acharya, Folio no. IN30018310315791

**NSDL Team**

Mr. Chandragupta Acharya you are in line, you can speak now.

**Mr. Chandragupta Acharya**

Thanks. Thanks a lot Mr. Walter and also thanks for giving me this opportunity.

So I also sent to my list of questions already by email, but I will again read them out, the first set of questions is about.

The Gujarat project that we have already announced, so what are the products that we intend to manufacture at this plan? And when will the commercial production begin?

How much capex is required for the same, that is the capex that we have already mentioned, but over and above that, incremental capex if at all, that we will be requiring for this plan. And how will this capex be funded?

And what are the target customers or customer segments that we intend to service from this plan? So, this is basically about, the Gujarat project which I was expecting something will be there in the annual report. But, nothing has been mentioned. So, please, put some more light on this.



Then the other set of questions is about the routine existing operations, what is the current order book of the company and the Outstanding order book? that if you can please share and can you also please provide a segment wise breakup of the revenues and the order you know, what customer segments this is coming from, like Steel, Cement, Wind power, Mining, whatever it is. So both for the revenues as well as for the outstanding order book. I would like to have these details.

How much of our revenues are currently from the replacement market and how do you see this trend going ahead? Do you see replacement market growing or the share would come down in favour of the customers or whatever? So that is my question.

Also I find out, what exports to America have shown good growth this year, though. Of course, the absolute size is small. So, how do you see this trend going ahead and exports in general and do you see this growth being maintained in the coming years? Are we putting some special focus on exports? I would like to know that.

And lastly our parent company, Tube Investments is planning to invest 1000 crores in the EV endeavour electric vehicles. And they have said that they will leverage Shanthi Gears expertise to manufacture gear boxes for the same. So, can you please update me on the size of the opportunity here. And from this initiative, what revenues we can expect when this is going to start and all that stuffs.

So this is my set of questions and I hope you will reply to all of them. Yeah, thanks.

Thanks a lot for this opportunity. And also, for the good performance that we have shown this year.

Thank you.

**Mr. Walter Vasanth P J, Company Secretary**

NSDL Team, you can unmute Mr.Aspi Bhesania, Folio no. 1201250000023508.

**NSDL Team**

The mentioned shareholder is not joined, we can move to the next shareholder.

**Mr. Walter Vasanth P J, Company Secretary**

You can unmute Mr. C.A. Romil Jain, Folio no. IN30292710272163.

**NSDL Team**

Mr. Romil Jain, you can switch on your video you are on live, you can speak now.

**Mr. C.A. Romil Jain**

First of all, good evening the board of directors and thank you so much for the giving me an opportunity.

Congratulations for reaching new height at Shanthi Gears, the new product in production and the achievements that we have made.

I also have similar questions, which is the other participants have asked, much more on the business side. So, I'm sure, we are looking forward for answers to those questions because that will help us to understand the business more.

Apart from that, I have a few questions which I will just ask. So, I require the revenue breakup of the business breakup between various sectors so between, let's say Aerospace, railways, textile, cement, steels and so if you could give the breakup.

Second question is on the capacity addition plan. So, apart from the Gujarat and you know whatever we are doing at the existing locations, what kind of capacity additions would be required, pursue the newer engagements and the newer sectors that we are working on. And what would be the capex size of that in the next three four years.

Third, I saw in the annual report, we have mentioned that we have got for the first time I think aerospace certification AS9100D. So, I want to understand in detail, what are the implications of that? what kind of order book do we have on aerospace side right now? How does the margin profile change with the introduction of Aerospace and other related to products. And what kind of growth opportunities do we see in these more segments?

Next question is on the new product introduction. So, what kind of new products apart from the ones that we have already mentioned in the presentation. In the next three four years, what kind of R and D investments are we going to expect on that side?

Next question is any significant opportunities we are seeing on the defence side and the V space apart from our group companies, where we are going to supply probably. Apart from that, which kind of automotive companies are we going to work with and what kind of opportunity size does that hold.

And lastly, in the next coming, three four five years, what kind of opportunities do we see in the overall business? And what is the vision of Shanthi Gears in terms of, if you can quantify in terms of revenue, profitability, or any of the metrics that, we are comfortable to.

Lastly, thank you so much for giving the opportunity and wish you All the Best, sir.

**Mr. Walter Vasanth P J, Company Secretary**

Thank you, NSDL Team.

**Mr. M A M Arunachalam, Chairman**

Yeah so, Mr. Rohit thank you for your compliments on the company's performance. I'll answer your questions may be not in order, but generally in what you have asked.

Your question on Building a Better Tomorrow, Shanthi Gears is planning to build capabilities to meet the future growth requirements from Infrastructure Development, Defence products, Export opportunities as part of China +1 strategy, Mobility and Green Energy. Also, business is focusing to improve the ESG requirements. SGL plans to grow 20% YoY consistently through new product developments, operational efficiencies & quality customer engagements.

You asked the question on the people development programs with TII Edge, TII Thrive and Grow, in order to meet the Company's growth requirements, we have initiated talent development programs like TII Edge, TII Thrive and Grow-from-within at each level.

The question on whether Shanthi doesn't have con calls like TI and CG? Well, TI and CG are fairly very large companies and also in Shanthi we have been concentrating on these four parameters is PBT, Sales, ROIC and Free cash flow. These are however reported in every Annual Report which comes to you. But in the future, maybe we can think of a con call at some point of time. But right now, it's still a small business, so let's see how it hands out in the next years.

On Vande Bharat trains, we expect about Rs.8 to Rs.10 crores of sales from them per annum.

You asked about Timken, aggressively looking at RE offshore renewable energy which is double digit of the portfolio, this involves very high investment and ROI is not favourable at the moment for this.

You asked about the capital expenditure of the central government and crowding in the private capex is one of the growth drivers of the Indian economy, with an emphasis on infrastructure-intensive sectors like roads, highways etc., and you asked us about the backlog of orders for the next 12 to 18 months? We have an order backlog of Rs.270 crores as of 30<sup>th</sup> June 2023.

You asked about the share ratio between standardized and specialized gears, currently we have a mix of 25:75 to bring stability, plan to enhance the standard mix to 40% over the next 4 years.

And you talked about the export business, yes exports is grown by 22% over the last 4 year. This year we plan to grow the exports to about 30% CAGR in next 5 years which will help us improve the export mix from 7% to 12% on total sales.

Then you asked about the mix of the GGB and SFW, basically we expect the mix to be around 60:40 in the long run.

I hope I have answered all your questions. And if anything further, you can always contact the Company Secretary and we can give you the answers by mail.

You have asked one more question on this sanand project. So basically, the sanand project we will start the operation in the second half of this year. Our total investment will be about 30 crores over 3 years.

You asked about the inorganic growth, yes we will definitely explore the inorganic growth opportunities.

I hope I have answered all your questions, like I said before if anything i missed out feel free to send a mail to Company Secretary and we will answer your further questions, the ones I haven't answered.

Mr. Acharya, the first question was on the same sanand project, we have signed the agreement to sale like I said, and sale deed is not yet signed but will start operating from the second half of this year. This sanand project will be used basically for SFW business requirements and Rs.30 crores will be the investments over the next 3 years. How we are going to fund it, the capex will be funded by all internal accruals and the target customer's will be steel, cement, mining and power.

The current order book, I have already mentioned Rs.270 crores as on 30<sup>th</sup> June 2023.

Segment-wise breakup of the revenue and order book, steel is about 30%, material handling about 10%, mining & off-highway 10%, power 10%, tools & plastics 10%, exports 7% and others 23%.

Then you asked how much of the revenue are currently from the replacement market, 20% from the replacement segment and this will be maintained this year also.

Then you asked for exports to America, yes we had 22% growth in exports sales in the last 4 years, like I mentioned we plan to grow by 30% CAGR in next 5 years which will help us improve the export mix from 7% to 12% on total sales.

Then you asked about the parent company, Tube Investments invests 1000 crores in its EV endeavour and has said it will leverage SGL's expertise to manufacture gearboxes for electric vehicles. Yeah, EV is a price competitive segment, we are exploring selective segments in EV space and lastly to Mr. Romil Jain, Mr. Karuna will answer.

#### **Mr. Karunakaran, Whole-time Director & CEO**

Yeah, the point here is the revenue break-up which the chairman has mentioned, one thing you should all know about the capacity addition for next 3 years, we are also planning Rs.100 crore investment in the next three

years and we are specifically with respect to this opportunities in the areas 9,100 deeds, very selective application, which we are focusing on the ISRO.

So, the percentage is not significant. It's only a capability building. This will help us for the other business, so I think if you look at the aerospace, it's only a 1% of the total size.

**Mr. M A M Arunachalam, Chairman**

So, I hope we have answered all your questions and thank you very much for attending this AGM.

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](http://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., 19<sup>th</sup> July 2023, 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 very much.