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### Cautionary Statement

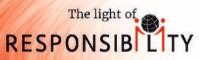
Certain expectations and projections regarding the future performance of the Company referenced in the Annual Report constitute forward-looking statements. These expectations and projections are based on currently available competitive, financial and economic data, along with the Company's operating plans and are subject to certain future events and uncertainties, which could cause actual results to differ materially from those indicated by such statements.

# The Spirit of the Murugappa Group

The light of

# INTEGRITY

that gives us the courage to always do the right thing



that gives us the humility to think about the world around us The light of PASZION

that provides us with the desire to win

The light of RESPECT

that inspires people around us to perform

The light of OUALITY

which makes us dream of excellence

These **five lights** guide us as we navigate through professional and personal decisions.





## Our Homage



Shri P Subramanian

11th November, 1942 - 11th December, 2020

Founder of Shanthi Gears Limited

#### FROM THE DESK OF THE CHAIRMAN

#### Dear Shareholders.

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.

On 11<sup>th</sup> December 2020, we lost our beloved founder of Shanthi Gears, Mr P Subramanian who not only established one of the finest gear and gear box manufacturing facitilities, but also distinguished himself by his generous and selfless service to the society through Shanthi Social Services. In 2021, Govt. of India awarded him Padma Shri (posthumously) considering his remarkable contribution in the field of Trade and Industry. We at Shanthi Gears sincerely acknowledge the strong foundation he laid for the company and pay our homage.

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 ₹134 crores 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 ₹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 2021-22, we have to service customer orders within the framework of the restrictions imposed due to the second wave of Covid 19. With a healthy orderbook of above ₹200 crores, 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.

My Sincere thanks to all of you for the trust and confidence reposed in us during this uncertain time.

Sincerely, L Ramkumar



## COMMITMENT TO STAKEHOLDERS AND SOCIETY

## **COVID Contribution**

Contribution to CM relief fund for COVID.



## Renovation

We have Renovated the rest room of Sulur Girls Higher Secondary School.





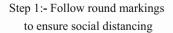
### **SAFETY - COVID-19 AWARENESS**

- CORONA Warriors team is formed comprising of shop floor employees (rotational shifts) to prevent the spread of COVID.
- Warriors will ensure the basic preventive
  measures that are to be followed in work
  place to reduce the risk of COVID infections
  like employee's compliance with social
  distancing in the workplace, adherence to
  wear the masks, practice of hand washing
  and other COVID precautionary measures
  to followed in common areas like canteen,
  bus transport and employees rest room,
  etc.,



 Scheduled weekly meetings with warriors to collect their feedback about workplace compliance and address the concerns immediately.







Step 2:- Disinfection of footwears



Step 3:- Hand sanitization

## EMPLOYEE ENGAGEMENT ACTIVITIES

X-mas Celebration



Pongal Celebration



International Women's Day Celebration



Women wellness program



Eye Check-up Camp







Bureau Veritas Certification

#### SHANTHI GEARS LTD.

Shanthi Bancer

UNIT-C (HEAD OFFICE) - AVINASHI ROAD, MUTHUSOUNDEN PUDUR POST, COMBATORE - 541 402, TAMIL NADU, NDIA.

This is a multi-site certificate, additional site(s) are listed on the next page(s)

Bureau Verifas Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System standards detailed below.

Standards

#### ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018

Scope of certification

UNT-CHEAD OFFICE; DESION, DEVELOPMENT, MANUFACTURE AND SERVICING OF DIFFERENT TYPES OF GEARS, GEAR BOXES, GEARED MOTORS, COUPLINGS, PINIONS AND PRECISION MACHINED PARTS FOR RIGUSTRIAL, AEROSPACE, FAULUAYS, MINIO, WIND MILL, TEXTILE MILLS AND DEFENCE APPLICATIONS.

UNT-F- DESION, DEVELOPMENT AND MAINFACTURE OF FARRICATED CASING, MACHINED, LIN-MACHINED FERRICUS AND NON-FERRICUS PARTS FOR INDUSTRIAL, GEAR BOXES, DEPENCE, RAILWAYS, MINIO, EARTH MOVERS & WIND MILL APPLICATIONS

Original cycle start date For ISO 9001 & ISO 14001: 27 April 2018 Original cycle start date For ISO 45001. Expiry date of previous cycle: 19 March 2019 26 April 2021 Recertification Audit date: 05 March 2021 Recertification cycle start date:

Subject to the continued satisfactory operation of the unpanization's Management System, this certificate expires on: 26 April 2024

Certificate No. IND.21.1936/MNU Version: 1 Revision date: 21 April 2021

-1L. on behalf of BVCH SAS – UK Branch each K. MANNAN CERTIFICATION, South Axis x98as, Industry 8, Facilities Division



Bureau Inetias (note) Private Limber (Dertification Business). 72 Business Park, Mints Industria Area, MIDO Dissas Road Co. Audiest (Red.), Mushley - 600 DRZ India.

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# **Order Booking (₹ Cr.)**



# **Export Sales (₹ Cr.)**

