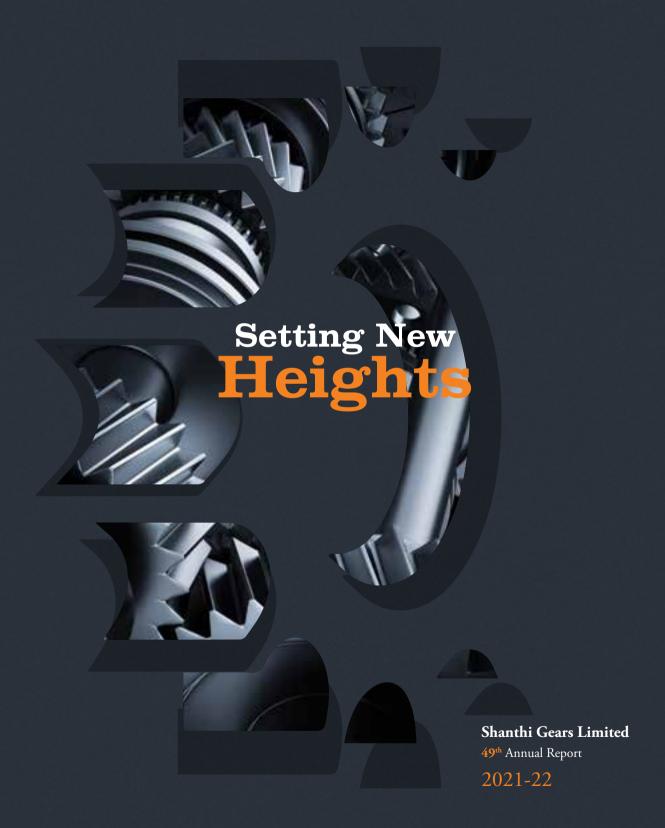
Shanthi Gears



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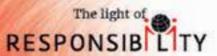
Cautionary Statement

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

that gives us the courage to always do the right thing



that gives us the humility to think about the world around us PASZION
that provides us with the desire to win

The light of

RESPECT

that inspires people around us to perform



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





From The Desk of the Chairman



"All round performance improvement in a challenging environment"

Dear Shareholders

and in good health.

It is a pleasure to share my thoughts through this narrative as Our product and service quality India and all of India Inc. are on to a firm footing on progress and development. Despite considerable 2021-22 was characterised by all in a challenging environment. In the 4 key priorities of Revenue growth, Profitability, Return on Invested Capital (ROIC) and Free the path-breaking achievements Cash Flow (FCF), your Company of the team in developing and delivered a strong performance.

We achieved a revenue of ₹337 crores in FY22, a 56% growth compared to the previous year. Our Profit Before Tax (PBT) at ₹58.7 crores was 125% higher than what we reported in FY21. Our Net profit scaled by 111% to ₹42.5 crores. I am happy to share that the Return on Invested Capital (ROIC) As we are going to complete the improved to 36% in FY22 from 50th year of your company we

I hope you and your family are safe Cash Flow of ₹34.1 crores during optimism to make major strides the financial year and registered in the industry in the years to

helped us to achieve a robust order inflow. Our Pending order book as of 31 March 2022 was ₹280 volatility in H1, we achieved very crores against ₹225 crores in the our manufacturing processes and good growth in FY22. The year previous year. During the year, the Company had booked orders of round performance improvement ₹386 crores, a growth of 27% over In closing, I take the opportunity the previous year.

> I am immensely proud of some of delivering customised products that were the first time for the Directors for their proactive nation. In doing so, we have made a small, yet meaningful contribution towards creating an Atmanirbhar Bharat. I thank the entire team of Shanthi Gears for their invaluable contribution to our stellar performance.

15% in FY21, We generated a Free look ahead with confidence and L. Ramkumar

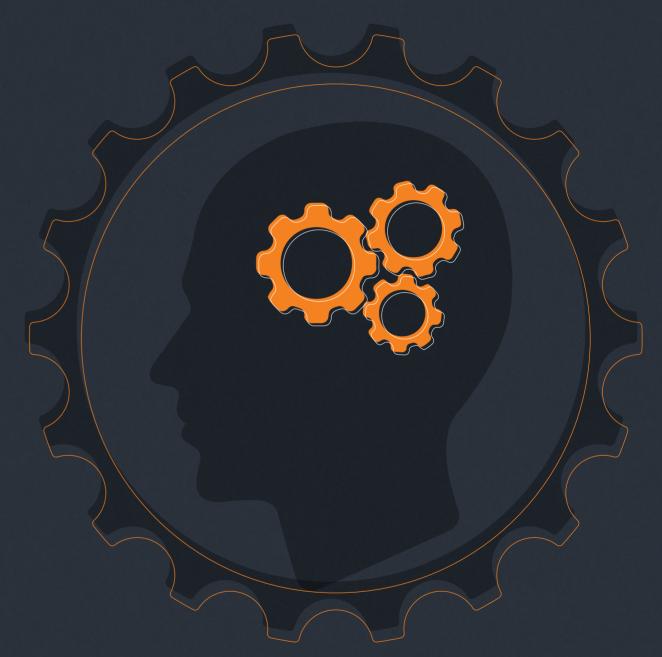
61% growth over the previous year. come. The foundation laid so far would help us to serve customers better with added focus on new products & technologies, top class quality and service. We would also continuously upgrade technologies towards this end.

> 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 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.



Over the last 50 years of our journey, there are many things which we have done very faithfully, other than making gears.

We have explored.
We have learned.
We have imbibed.
We have improved.
We have ideated.
We have innovated.



Our patience and persistent efforts have helped us to build an intellectual capital that is as wide as it is deep.

This invaluable asset has allowed us to remain alive to sectoral dynamism and agile to customise superior products. That stands the test of time.

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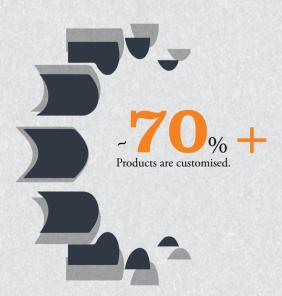
Setting New Heights

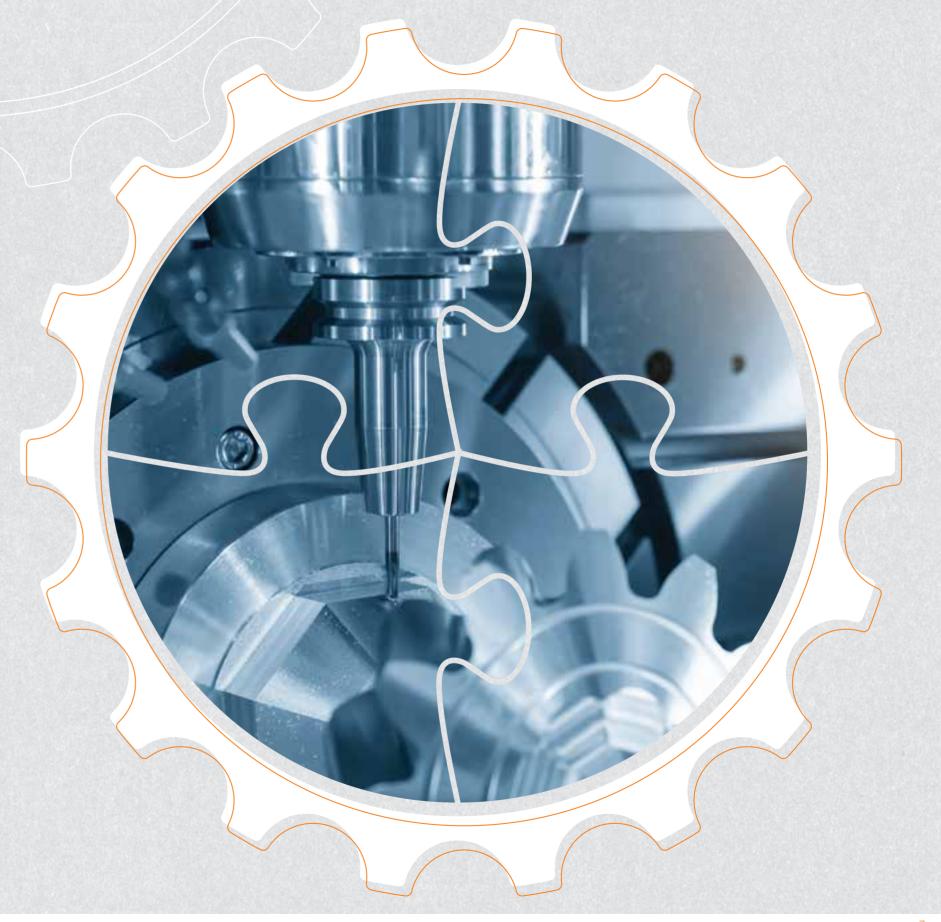
We focus on customised solution

Manufacturing gears and gearboxes At Shanthi Gears, we thrive on these are one thing and customising them is challenges. quite the other.

of 1) Application and its operating from conventional to emerging sectors environment, 2) Selection of with a large product offering - we effective input material, 3) Supply have developed gears from 25 mm dia Chain Management, and 4) Testing to 3,200 mm outer dia catering to a methodology, among the host of other multitude of applications. factors. Moreover, all these factors vary widely with every application, customer and Industry served.

Our passion is to develop new This demands in-depth knowledge products for diverse sectors ranging







Setting New Heights

We enhance knowledge, on-the-job!

one thing. Servicing them is quite the the refurbished gearboxes are supplied

We never hesitate to service gears of any make - Indian or global. We Our Gears and Pinion are used in look upon this as an opportunity to safety critical applications like Railway grow our knowledge. We consider and Aerospace. this as a platform to create and foster relationships.

Marketing gearboxes and solutions are We undertake such challenges and under Shanthi Rebuild brand.

Gearboxes make equipment move be With strong Engineering, Design it a cycle or earth-moving equipment and State-of-the-art manufacturing or a wind turbine. Hence, gearboxes facilities we are able to associate in need to be in motion all the time. developement, supply, servicing and A malfunction in the gearbox is validation of gearboxes for critical detrimental to the user's performance application. Our products are widely used in Steel, Cement, Power, Mining





Setting New Heights

Wedeliver first-time solutions.

Ideating on improvements is satisfying and Innovating novel solutions is blissful.

Innovation comes with its challenges

– entering unchartered territories,
expending resources (time and money)
and then the risk of failure.

At Shanthi Gears, we have committed ourselves to widen the market with first-time solutions. Because this is the true test of the effectiveness of the intellectual capital resident within the organisation. We have been able to develop path-breaking products which were hitherto imported.

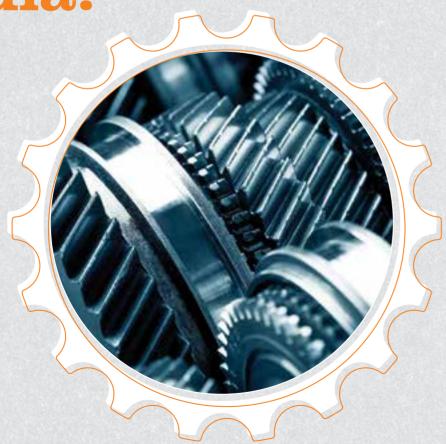
Products developed innovatively are validated through simulation, field trials and condition monitoring.



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About the Company

Shanthi Gears Limited (SGL) is one of the leading players in gear manufacturing and servicing in India.



SGL is the first industrial gear manufacturing company in India having AS 9100D certification (Aero Standards) with fully-integrated operations, a strong inhouse R&D and insightful design capabilities.

India, and part of the multi-billion a century, the Company has created a dollar Murugappa Group, SGL is an wide range of product portfolio that Industrial Gearing Solutions company that designs and manufactures Gears, Gearboxes, Geared Motors, and Gear and helical gearboxes used across Assemblies.

Commencing business as a gear Defence and Railways. manufacturer for the textile industry in 1969, the Company has, over the years, diversified into manufacturing standard (off-the-shelf) and customised (non-standard) gears and gearboxes.

SGL is driven by the philosophy of innovation to create greater value for its customers and for widening and a strong distribution setup. the industry pie by leveraging its knowledge.

A subsidiary of Tube Investments of With a rich experience of nearly half encompasses a range of customised gearboxes, loose gears, worm gearboxes various industries such as Steel, Power, Cement, Mining, Sugar, Off-Highway,

> The Company operates in three manufacturing locations including one foundry in Coimbatore and operates with a team size of more than 1,000 passionate and persevering members. The Company operates a strong marketing network of 15 offices across India with 50 sales/service engineers

Manufacturing facilities

Team size in FY22

Revenue in FY22 (₹ crore)

EBITDA in FY22 (₹ crore)

Profit after tax in FY22 (₹ crore)

Networth in FY22 (₹ crore)

Shanthi Gears

competitive advantage

Experience

We possess nearly five decades of experience in the Industrial gear manufacturing and servicing space. We have experienced the entire life-cycle of India's industrial transformation and continue to remain relevant.

Diversity

We have it with us to challenge the odds. Our innovative zeal has allowed us to create one of the largest product basket in our business space catering to diverse sectors and applications.

Precision

Our modern cutting-edge technology, our streamlined processes and stringent quality parameters enable us to deliver robust, high-precision products.

We can service/repair any gear made by domestic or international gear manufacturers. It widens our acceptance among our customers.

End-to-end capability

We provide end-to-end solutions - from the development of a new product to the finished goods and servicing which makes us a one-stopshop for customers' gear requirements.

Customisation

Our innovative zeal and our knowledge of the material, motion and usage allow us to customise products to specific customer requirements. It cements lasting customer relationships and makes us less vulnerable to market



Growth

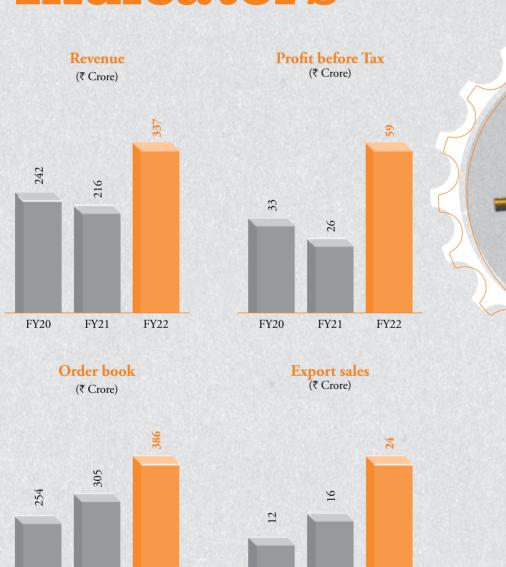




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Performance Indicators



FY20

FY21

FY22



FY20

FY21

FY22

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