

Building a Better Tomorrow



Shanthi Gears Limited

50th Annual Report

2022-23



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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

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

The light of
PAS2ION
that provides us with
the desire to win

The light of
RESPECT
that inspires people
around us to perform

The light of
QUALITY
which makes us
dream of excellence

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

Shanthi Gears at a Glance

Shanthi Gears Limited (SGL), a subsidiary of Tube investments of India Ltd has been a leading player in Industrial Gearboxes with specialisation of Customised solutions over five decades. Today, through strategic innovations aimed at diversifying its customer segments, the Company steadfastly addresses requirements of multitudes of Industries like Steel, Cement, Thermal & Wind Power, Mining, Transportation, Construction etc.

Shanthi Gears have brought the highest standards in precision design and manufacturing to deliver superior performance to the customers. With State-of-the-art Engineering & manufacturing facilities, highly skilled professional resources with honed capabilities, we also execute VAVE (Value Addition and Value Engineering) of existing gears and gear boxes for diverse application.

Under the Shanthi Rebuild brand, we have a full-fledged and experienced team, spread across India, to reach customers on time and provide end-to-end solution. We undertake refurbishment of any make Gearboxes, develop spares through faster processing to help customers in reducing the equipment down time. Also, we deploy full time On-site manpower to cater gearbox assembly, commissioning and maintenance requirements.

Shanthi Gear Limited is the first Indian Gear Manufacturing company to get the AS-9100D certification for supply of components to Aerospace and IRIS certification (ISO/TS 22163:2017) for supply of Railway components.



One of the Asia's largest Industrial Power Transmission solution provider, powering Sustainable Growth

From the Desk of the Chairman

“We remain committed to deliver quality products and services for Building a Better Tomorrow”



Dear Valued Shareholders,

I hope this letter finds you and your family safe and in good health!

On Behalf of the Board of Directors, I am delighted to present to you the 50th Annual Report of Shanthi Gears Limited (SGL) for the Financial Year ended 31 March 2023 (FY 2023).

In the last decade, SGL has embarked a journey of growth and achievement. However, our path to success has not come without challenges. Like many engineering companies, we faced setbacks and obstacles along the way. We expanded our offerings to encompass institutional sales and business services, diversifying our portfolio and strengthening our market presence. The learnings, the challenges faced and overcome, and the victories make us ever grateful for the path we have walked and for the people who show up every day as one family to help achieve sustainable success at scale to build an unshakeable foundation for a better tomorrow.

We experienced internal restructuring of our business model, a critical step towards enhancing our operational efficiency, we strengthened our leadership capabilities and grew our revenue steadily through empowerment of our team towards a collective profitable future.

In FY 2023, SGL achieved a record-breaking revenue of ₹ 446 crores, with a Profit Before Tax (PBT) of ₹ 90.2 crores, marking a 54% increase over previous year.

The year FY 2023 has been a remarkable year for all of us here at SGL. Despite the challenging economic environment, our business has been on a steady growth track. We achieved this by aligning to our customers' vision, focusing on growth, and we remain committed to deliver quality products and services for “Building a Better Tomorrow”.

The growth and success of a company depends primarily on its people. With our strong belief in the power of learning, SGL has conducted various people development programs like TII Edge TII Thrive and Grow Within to contribute to their career growth and strengthen the leadership capabilities of our teams.

We have achieved extraordinary growth together, and I express my sincere gratitude to every employee and management team member for shaping our success story with their dedication, teamwork, and commitment. The Members of the Board have been a great source of strength in our success path and to the Company's management. I thank them for their active involvement, guidance, and support. I am also grateful to our valued customers, channel partners and other stakeholders for their collaboration and continued support.

Lastly, I would like to express my gratitude to all our shareholders for the trust shown in our growth strategies and confidence in SGL.

Sincerely,

M A M Arunachalam

Building A Better Tomorrow

The Road Travelled

Across our extraordinary 50-year odyssey, our achievements have diversified across industries and regions

We constantly strive to:



Learn



Explore



Evolve



Revolutionize

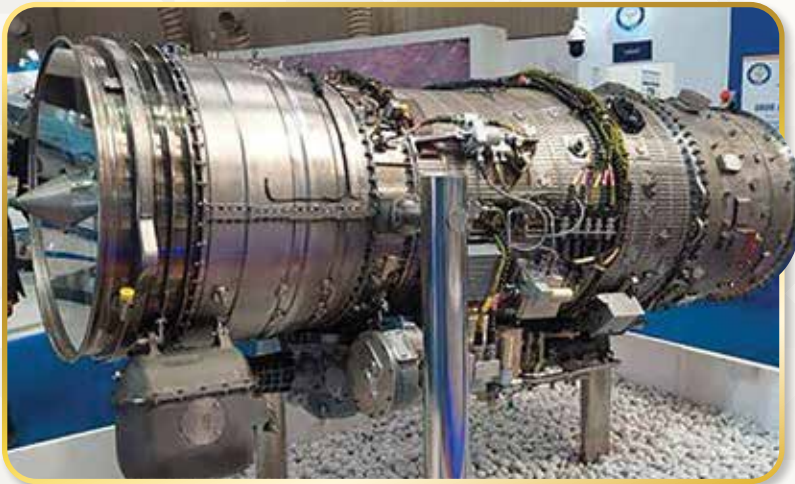
At the heart of our industrial capabilities lies a relentless pursuit of excellence, where employee intelligence and unwavering perseverance fuel our drive to surpass boundaries.

Together, we forge
a legacy of precision
and innovation that
propels industries
forward.

Building A Better Tomorrow

Breaking The Barrier

We have built credentials to successfully manufacture and test gearboxes at speeds exceeding 1 Lakh RPM which is a significant milestone in the gearbox industry.



First Mover Advantage

We are the pioneers to develop and supply Traction Gears and Pinions for High Speed rail application

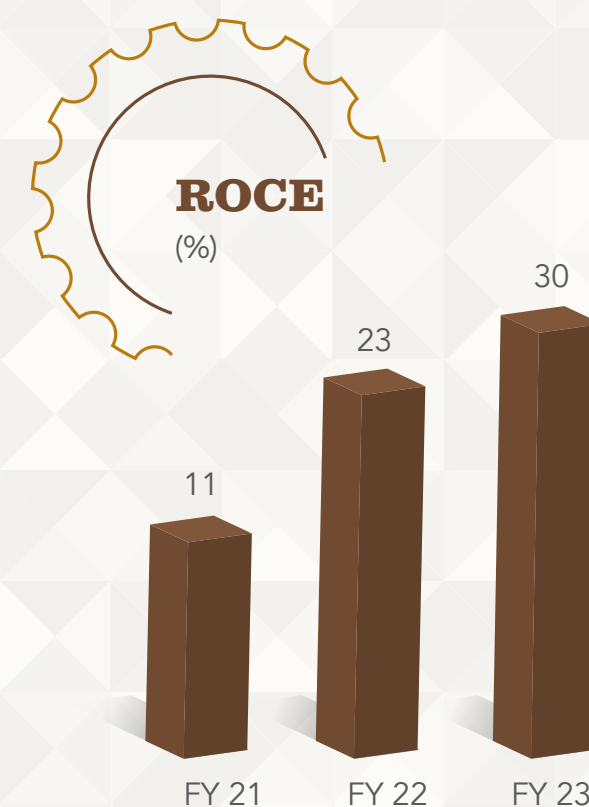
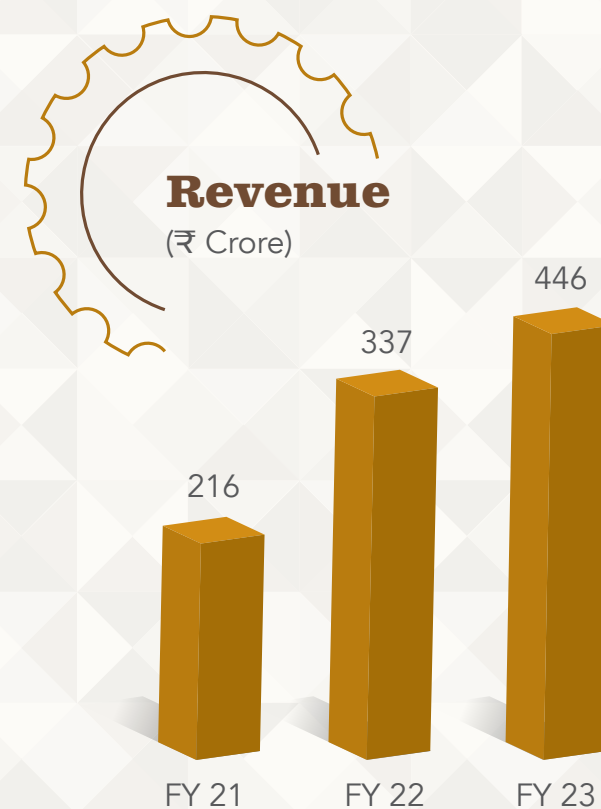


Building A Better Tomorrow

Indigenous outlook

Our business encompasses the need for developing indigenous products. Towards this objective we have offered indigenous gearboxes for steel, cement, mining and construction segment which was hitherto imported.

With our rich engineering expertise, we are raising hands for the vision of Make in India.



Building A Better Tomorrow

Passion our heartbeat

We offer Gearbox service for Multi Brands thereby exhibiting our interest and desire to keep low down time and assure our care towards customers.



Solutions that Stand the Test of Time

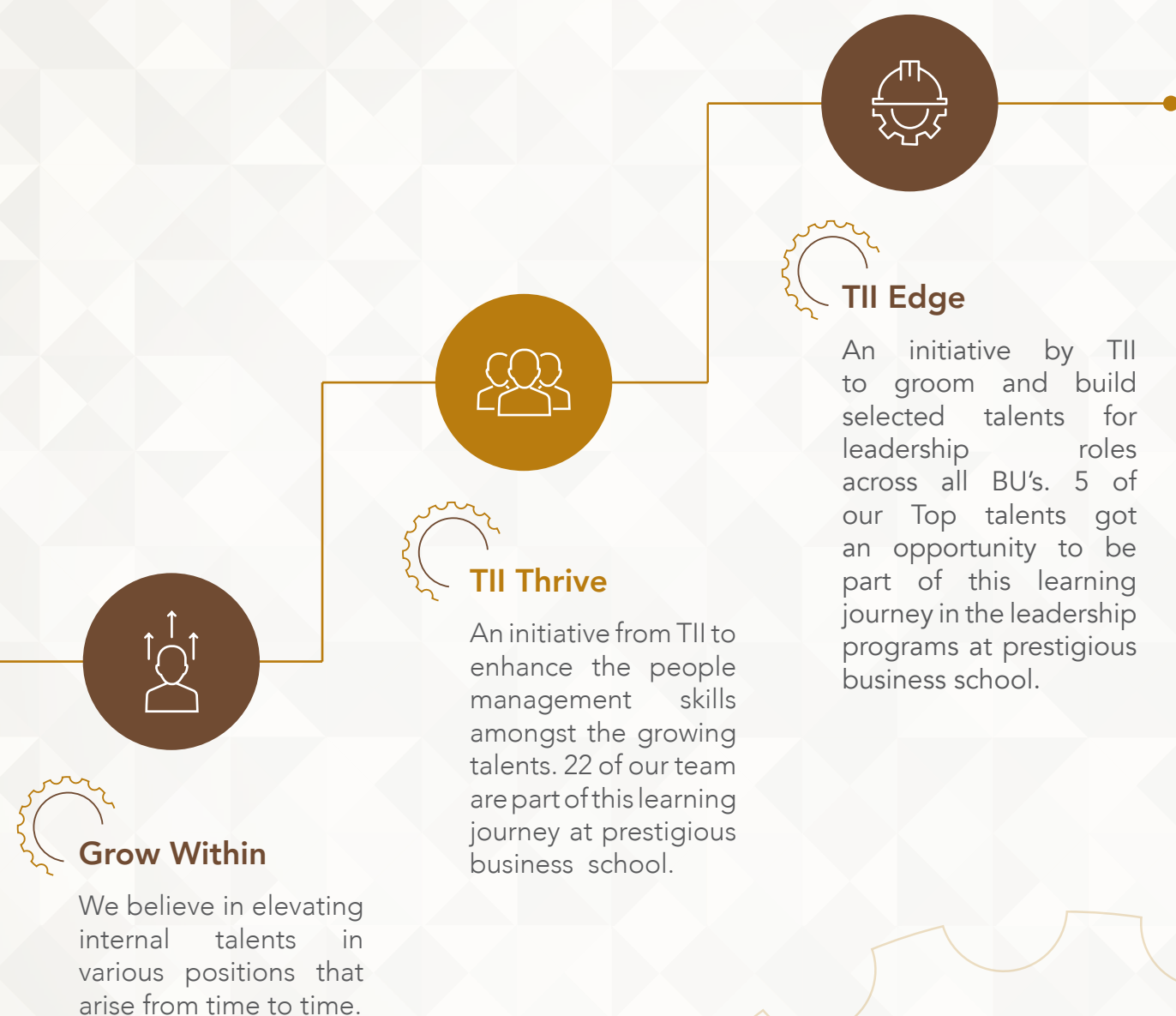
We go beyond boundaries to integrate power transmission products like motor and couplings to offer total solutions for turnkey projects to the industry, reducing the vendor base for the buyer and offers single point contact and responsibility

Our supply pattern predominantly offers customized solutions for key industrial segments like mining, mineral, metro, construction, power of our which is unique in the Gearbox Industry.



Building A Better Tomorrow

Employees: the driving force Behind Our Success!



Shanthi Gears
believes in
"Growing Talent
WITHIN"



Building A Better Tomorrow

More than just an engineering company, a family.

At Shanthi Gears, our wellness program is an initiative designed to support the wellbeing of our employees from a mental, physical, and emotional perspective. We care about our employees and believe that their health and well-being are essential to their success.

Blood Donation Camp

The reason to donate blood is simple: it saves lives. In fact, every two seconds of every day, someone needs blood.

As part of 73rd Founders Day celebration, we had organized a blood donation camp on September 23, 2022, at our C unit campus. 76 of our employees donated their blood for this noble cause.



Eye Screening Camp

Our workers are largely engaged in heavy engineering works, where it is important to have healthy eyes in order to be safe at all times. Eye exams play a significant role in helping our employees to keep their eyes healthy and their vision clear.

In order to support our employees' eye health, we organized an eye screening camp at our factory premises on September 3, 2022, at C Unit, and on September 9, 2022, at F Unit. We received an overwhelming response, with 223 beneficiaries participating in the camp.



Building A Better Tomorrow

Celebrating our successes, together - SGL's Way.

Pongal Festival

It's time to celebrate Pongal!



Christmas Joy

Pomp galore!
A peek into
our Christmas
festivities.



Karthigai Deepam

Spreading Positivity
and Light.



Women's Day

Honoring the strength,
resilience, and achievements of
women at Shanthi Gears.

