Management Discussion

Unidentified Speaker
Good evening dear shareholders. It gives us immense pleasure to welcome you all to the 53rd Annual General Meeting of Shanti Gears Limited. This meeting is being conducted through video conferencing as per the circulars issued by the Ministry of Corporate affairs and sebi. In this regard, the company has facilitated the members to join the meeting through VC by using the NSDL platform from various locations. The requirement to send physical copies of the annual report has been dispensed with as per the SEBI Regulation Circular.

Therefore, a soft copy of the 53rd Annual Report for the financial year ended 2025 26 was sent to your registered email ID on 6th July 2026 the notice of the AGM Annual Report and annual return are uploaded on the company's website. Kindly note that all the shareholders have been put on mute. Those who have registered as speaker shareholders will be unmuted by the moderator in sequence.

Please note that the quality of your audio and video depends on your Internet capacity. Also, kindly note that since this meeting has been held through electronic means, no proxies are allowed to attend. I am informed that the requisite quorum for this AGM is present. I call the meeting to order. Before we proceed with the business meeting

I request Mr. Walter Vasanth to introduce the members of the board and senior executives.

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Good evening all. It gives me immense pleasure to introduce our esteemed directors and senior executives Mr. M.a.m. Arnachalam, Chairman of the company Mr. S.K. Sundaraman, Chairperson of the Audit and the stakeholder relationship committee Mr. A. Venkatramani, chairperson of the nomination remuneration committee Ms. Arna Tangraj, chairperson of the corporate social responsibility committee Mr. K. Ilango, independent and non executive director Mr. Arun Venkatachalam, non Executive Director and Chairperson of Risk Management Committee Mr. Mukesh Awuja, Non Executive Director Mr. Karunagaran CEO and Whole Time Director Mr. Sukantha Kumar Panigrahi, Chief Financial Officer of the Company and myself Walterson, P.J. Company secretary of the Company.

S.K. Sundararaman - Chairperson, Shanti Gears Limited
I wish to inform you that all the Directors are present Mr. R. Sidran, Secretary Laureator Sutrazu of the E Voting and Mrs. Geeta Jaikumar, Partner and Mr. Shankar Raman, Partner of Mska and Associates NMP Chartered Accountant, Statutory Auditor and Mr. B. Venkateshwar, Cost Auditor is also participating in this meeting through video conferencing. I'm informed that the documents and other registers required under law are available for inspection by members. I request Walter Vasanth to commence with the proceedings.

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
The registers as required under the Companies Act 2000 would be made available electronically for inspection by the members. Members seeking to inspect such registers can send the request to waltrosenpjanti gues.murgapa.com the notice convening the meeting has been circulated by email to the shareholders and hosted on the website of the Company and the stock exchanges. The notice may please be taken as ready. The Auditor's report, being an unqualified or unmodified one, is not required to be read out at the AGM as per the provision of Section 145 of Companies Act 2013.

Since the audited report has been circulated along with the annual report, the same may be please

be taken as read. The E voting process has been explained in the notice convening the AGM. The facility for Remote E Voting remained open from 9am on Sunday 26th July 2026 to 5pm on Tuesday 28th July 2026 to enable the shareholders to to vote through remote E voting. The remote E voting was closed by 5pm on 28th of July 2026. The facility for E voting has been made available at the time of meeting and members attending the meeting through VC and who have not already cast their vote by remote E voting may exercise their voting right during this meeting.

If any votes are cast by the members to the E voting available during the AGM I and if the same members have not participated in the meetings of the vc, then the votes cast by such members shall be considered invalid. As the facility of the E voting during the meeting is available only to the members attending this meeting to further inform the members that who have cast their vote by remote E voting prior to the meeting may also attend the meeting but shall not be entailed to cast their votes again.

Now I request our Chairman to to address his speech.

S.K. Sundararaman - Chairperson, Shanti Gears Limited
Ladies and Gentlemen, I trust and hope you are all doing well. I wish to share the performance of Shanti Gears Limited on behalf of the Board of Directors, I extend a warm welcome to all of you to the 53rd Annual General Meeting of Shanti Gears Limited. I sincerely thank you all for your continued trust, confidence and unwavering support. The financial year 202526 was a challenging year for the Company, primarily due to lower inflows in the first three quarters which impacted our overall business performance Revenues from operations stood at 518.72 crores reflecting a 14% decline over the previous year.

Consequently, EBITDA stood as 123.54 crores and profit after tax as 76.66 crores. Despite these headwinds, we remained focused through disciplined cost management, operational excellence and stronger customer engagement. We enhanced the company's resilience by continuing to invest in its long term growth projects. Notably, the company undertook its highest ever capital investment of 64 crore during the year and maintained a debt free balance sheet. As we move to the new financial hour, our focus is clear.

Revive, rebuild and grow. We are committed to improving in order inflows, enhancing operational efficiency, maximizing the benefits of our recent capital investments and delivering sustainable value to all our shareholders. I take the opportunity to thank the entire team for his unwavering passion displayed during the trying times in meeting customers commitment and achieving business goals. I express my sincere gratitude to my fellow directors, CEO, company secretary, CFO and other senior management personal for their proactive contributions in drawing and supporting the contours of the company's strategy.

I thank all other employees, esteemed shareholders and other stakeholders for their continued support and confidence in the company. Ladies and gentlemen, to conclude I thank you for sparing your precious time for a patient listening. Now I request Mr. K. Karunakaran, CEO and whole time director to present the performance of the company for the year 2526.

M Karunakaran - Chief Executive Officer, Shanti Gears Limited
Good afternoon. I'm happy to share few of the highlights in 2526. See as you all aware our one of the major focus areas are customer and customer obsession. So also as part of our long term strategy we would like to focus on exports and as part of that as a route to export maximization so few of the credentials last year one of the customers in western part of India void so they are the

manufacturers of the gears and gearboxes for railway application and also the couplings so we got a best partner award for developing the new products in a record time.

And also the other customer is Placer India they are the railway equipment manufacturing company so they are the largest player in India. So these two are from the European manufacturers. So once we start establishing the products in India so this will help us to send our products to Europe I think I thank the entire team for making the great achievement in this occasion Also as part of our strategy in order to grow so these are all the product developments are key for our growth. So as a traditional company from the conventional industries steel, cement and power so wanted to focus on some of the growing sectors so construction, renewable power and also the process chemical industries and also the machine tools.

So the team developed these products and also this office. The 30% of the products which we would like to take it from the new products. I think few of the products are displayed in the picture. All these products which we developed last year is the potential of 50 crores business. We can get it in next two years. Also on the same way which is on the cement and construction. These are the other products which is used in the seal and construction industry. And this potential of these both the product groups put together is almost now 120 crores revenue.

We can get it in next. Yes. So as we discussed the product development is one of the key areas. And last year we developed worth of 120 crores worth of new products has been developed successfully. And as part of the next focus area is on the capability building. As a company we continue to focus on bringing new technology and improving the productivity. And as part of that we also added few of the missionaries which is currently which is as a part of the 54 year world organization we regularly we are equipping ourselves to bring the new technology in our facility as part of it.

Last year one of the highest investment made during the year. As chairman mentioned 64 crores has been invested in the plant. And few of the pictures which has been shared in the annual report. Also as part of this there's new machineries which has been implemented or installed is giving us an edge of improving the productivity by Almost a minimum 30 to 50% in all the areas. Also we build as part of the new capability building. So we also currently the Shanti gears can manufacture up to 40 tons weight of gearboxes.

We build the new bay of 13,000 square feet which can take up to 80 tons weight of gearboxes in facility. And accordingly all our the manufacturing machines. Also we can make up to 3.2 meter diameter in the gear manufacturing facility. As part of the success story, the people behind the success. So as part of this know we want to grow the leadership team. And here we people to grow from within. We also have a middle management and senior management programs. On the leadership development we continue to focus on upskilling the people blue collar and all the people to bring up to the current technology so that they can deliver the best product to the customer requirements.

As part of the CSR initiatives we continue to focus on the green initiatives and green development. And last year in the previous year we did 10,000 trees has been planted. And last financial year we did 36,000 trees has been planted with the area of almost 60 acres of land has been used for this and few of the pictures you must have seen in the annual report it has been the trees has been grown almost no 8ft. Whatever the trees which we planted in 2425 and we take the complete responsibility not only the responsibility ends after planting, we also monitor and maintain so that our mission of now hundred thousand trees by 2030 will be successful.

As part of the CSR initiatives we also know focusing on the education and rural development. Last year we constructed two classrooms of 1650 square feet and close to almost 120 students can benefit from this facility. Also the help site we also installed an X ray machine in the nearby village and as part of a connect program with the customers. So we participated in the focused areas like Winergy. So wind energy is part of the wind exhibition conducted in Chennai. Also the construction equipment like XCON in Bangalore and Cement Expo in New Delhi.

So total all the three expos gave us close to almost 250 foot falls from and also few key customers will stick to our stalls. And as part of this story there are mixed response in in terms of the performance. But really if you look at it on the enabler side on the order booking we grown the order book from 515 crores in the previous years to 638 crores which is almost not 24% growth over the previous year. And if you can see the quarter on quarter rent the first three quarters were almost no flat at close to 150 crores and quarter three we moved to 178 which has some scheduled orders.

Really the momentum picked up from Q4 and really this has helped to improve our order booking growth to 24%. And coming to the four parameters of the business. With respect to the growth first time after Covid I think this is the industry during the challenges. So we registered a decline of close to 14% and achieved a 519crores of sale. And as in line with that sales so PBT also dropped to 21% and ROIC because of the higher capital investment so also registered 39% and free cash flow we recorded 30 crores of FCF has been recorded and with FCF to pack percentage of only 39%.

As really if you look at it on the Q1 performance you must have seen the results and in the Q1 performance is also the continuing the decline of 15% over the last year. Q1 and with respect to the profitability is declined by 54% due to the revenue drop and also with the higher input prices and proportionately the ROIC and free cash flow also lower. With respect to our plans, as our focus is on restoring profitable growth through disciplined execution, we are strengthening our order pipeline, improving operational efficiency, optimizing cost.

Also accelerating new product and market development. Really, if you look at our customer, responsiveness is the focus and maintaining a cash flow and working capital. We are also investing in the capabilities that will position the company for sustainable long term growth while maintaining prudent financial discipline. The management team is fully committed to improve the performance. While challenges remain, we are confident that these actions being taken will strengthen the business and create long term value for our stakeholders.

On behalf of the management team, I thank you all for your continued trust patience. Thanks.

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Thank you, sir. The company had made necessary arrangements for the two way communication in this meeting. Members desirous of expressing their views or ask questions during the meeting have been requested to register themselves as a speaker. By sending the request at least three days prior to this meeting. Shareholders who have registered themselves as speaker shareholder will not be allowed to speak at the agm. The speaker shareholders will be called sequentially and each shareholder will be allowed to speak up to three minutes.

After all the questions are being asked, the chairman will give his responses to the shareholder questions. Now I request the NSDL team to unmute the speaker shareholder. When I call out the names, the first speaker shareholder Mr. Rangan Venkataraman.

Questions & Answers

Rangan Venkataraman - Analyst
Hello. Are you able to hear me, sir? Hello. Hello.

S.K. Sundararaman - Chairperson, Shanti Gears Limited
Yes sir. We can hear. We can hear you. We can hear you. Go ahead. Come

Rangan Venkataraman - Analyst
On vacation. Okay. Now you see I would like to know market capitalization. It has. Share price has come from 600 to 400 rupees. 440. That's a very bad damage. Because I am a shareholder for the last 45 years. And we are talking about the exports for several years before. Actually now only you're talking about the exports. What is as a percentage of exports is very negligible. And now you have invested about 64 crores in the fixed assets. Now how much turnover you'll be able to do this year current and henceforth how many times you'll be able to do that.

Now you're talking about the 40 ton gear boxes. It will be increased to 80 ton. Something like that. At the end of the day I would like to know what will be the next three years. Don't know what because we have. I like to know that. But no doubt I got confidence is coming. That's why I stay invested. But is Anywhere How? Why the loss was there? I mean not lost the profitability has come down very drastically. Why? What are the reasons? And now the other companies are the Bharat Gas or something like that.

The whole industry is about 1.4 billion only now how much you are going to contribute between that and B Gas is going in a million way but as I found our market laps is good because gear industry in spite of B is doing well it is not moving up and they are doing very good turnover so please tell me what will be the next three years turnover? That's all I want. Thanks. Let's end up my

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Thank you sir. Now I request NSL team to unmute Mr. Himanshu Trivedi

Himanshu Trivedi - Analyst
Am I audible? Can you hear me sir?

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Yes sir.

Himanshu Trivedi - Analyst
Yeah. Good evening all of you respect chairman of the meeting. First of all thankful to our composer Walter PJ who is sending a top copy the AGM notice value which is full of information practical place which is easy to follow, easy to understand so I thankful to you and your entire report is nicely prepared all corporate governance and all parameters are covered in the AGM so I don't have much question Because I am full plate on board and they're working I have already sent my question inquiry to go email well you know with the time of give the opportunity to speak my speaker all the question of query are informative given by the CEO and chairman sir so I have no further query Still I have few question as a speaker sir what is the market share we have in domestic as well as in interest market?

My second query what will be the profit signing ratio coming financial year?

And my third question who is the best competitor as on date? I wish good luck and bright future for

coming financial and coming festival thank you to all sir please ARR the plant visit as a speaker s order I told to you and as the festival season Please remember the speaker sell order thank you to all as they like as your employees thank you sir.

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Team kindly unmute Ms. Yashvi Kotari

Operator
So Mr. Yashvi Kotari not joined this meeting

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Okay, we can move on to Mr. Jay Abhishek Mr. Abhishek please unmute yourself and speak

Jay Abhishek - Analyst
Hello. Am I audible?

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Yes sir. You're audible Sir

Jay Abhishek - Analyst
I congratulate the management on the eve of annual general body meetings addressed all is well with you and your family in this challenging situation A company deserves much more respect than the current market cap after completing more than a decade of successful operations profitability and becoming one of the strongest brand in the respective segment first of all I would like to know what steps is the management taking to conduct phone call, quarterly presentations and meeting with global investors on a regular basis and what steps is the management taking?

Sir? Conduct a plant visit and this year being asking for the plan two, three years but the management has not considered so I request you to find the arrange for a plant visit for the shareholder that the EPS is 8.32 and return on it is 16.93. It is good. We appreciate the management for the sincere efforts in bringing the company to this particular extent and rewarding the minority shareholders in good numbers and hope that the company takes all our questions in the right spirit, sir and kindly try to consider hybrid ATMs in the years to consider as most of the senior citizens are not able to join because of the digital challenges in this virtual platform.

So if you can try to consider hybrid AGMs more number of shareholders can join in the meeting. You can get the valuable points, suggestion and ideas that will be helpful for the management to empower in the coming future. So try to consider hybrid meetings feasible and nothing much to us. I wish the company and the board of directors a great success and prosperity in the coming future. And thank you for giving this opportunity, sir. Hope to see you in the upcoming hybrid ATM next year. Thank you.

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Thank you. Thank you sir. Industrial team Kindly unmute aspi Besania.

Operator
Sir, Mr. ASP Basania is not joined this meeting.

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Okay, thank you. Let's move on to kindly unmute Mr. Rohit Vinod Kumar.

Operator
Mr. Rohit, please unmute yourself and speak.

Rohit Vinod Kumar - Analyst
Hi team. Walter and team, I've shared a list of questions with you all. I think they're 26. I hope that you answer all of them. But in terms of the observations which are there for today, I would like to reiterate that there is slight a bit of lack of communication with the shareholders. Well, most of the time we are sitting in a blind spot where we feel, you know, that the annual reporter. Maybe after 364, 365 days we come to know that what was the reason as to why particular quarter performed well or it did not.

I was. I would request that if. If the management can write one pager at the end of each quarter trying to indicate that what exactly happened during the quarter, how the quarter went by. For example, today itself. If we see there is no explanation as to why there was a drop in the revenue. Well, we have to ponder ourselves and try to gauge the reason as to why it could be. Is it because of some deterioration of some Export or it is higher sale of low margin products? Or is it because of some pricing issue or competition or the plant is underutilized or what could be the reason?

That is what we keep wondering whether it is some deferred delivery that we are looking at or there was some export order that did not pass through. So. So this, these kind of things, they generally keep us in the blind spot. I think if you would be on my place, you would also feel the same. That why after 365 days? I try to get the answers but. But what exactly is the reason? And for the quarter that has gone by, is it that the end market has weakened? Is the reason why we saw that little bit of drop in the top line?

I know the ratios are good, your order backlog is also good. But then what happened during the quarter? That is one major question which, which sometimes has a. A big question mark that I face during every quarter. Whether this is a temporary blip or is this because of some structural changes that is happening in the industry. Now the second part, I think I just wanted to understand that what sort of economic advantages does the Murugapa ownership create for Shantigyas? Because unfortunately I feel that the major focus goes towards TI and cg.

So is it because there's no scope of innovation that is left in the industry for Shanti Gyas that Shanti is sometimes sidelined? Or what exactly could be the reason why the group is not nurturing Shanti and we do not see that uptake. Because I believe that this is the probably the second year in a row where the top line of Shanti is kind of whittling and then we have this little bit of a negative growth on the top line and then it follow throughs into the entire PL and the bottom line as well. So just.

Just that, that what exactly is the thought process apart from that? I have sent you a list of questions. I think these are 26 questions which are mostly focusing only on the business operations. I'm not looking for high level guidance as such. But if you can just let me know over the next two, three years, how do you see Shanti growing? That would be great. Thank you. Thank you. Thanks a lot. And I hope you answer all the questions. Thank you.

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Thank you. Thank you sir. NSDL team kindly unmute Henil Bagadia.

Henil Bagadia - Analyst
Thank you for the opportunity, sir. So I've also sent some questions and I would appreciate if each of them are taken up. So just for fair observations across some of the critical aspects, I would like to

take some time. We've done about 50 crores of capex in FY26 and about 120 plus in the last few years. So what percentage was towards volume expansion and what was towards adding new capabilities such as advanced treatment etc. Despite the 4 year CAPEX of say about 120 crores, we have not moved much in terms of revenue from 450 to just about 520 crores with a peak of 600 crores last year.

So last year versus this year, what was the reason for drop and what is the gestation period from when these new investments will actually come on stream? Say the management had previously aimed at doubling the revenues and tripling the profit. So what were the bottlenecks, why we weren't able to achieve it and what are the new timelines in which you plan to do it? If you could give a broad split between what revenue comes from the legacy industries versus the nation emerging ones like aerospace, defense, wind, high end compressors, process industries and also across the product lines, that is standard versus the custom built gearboxes.

And also the third part that is the service and spares that we do for existing contracts. What is our current capacity utilization between critical and high precision gear lines versus non critical ones? So we've actually come up with a concept, a wonderful concept called Shanti Rebuild. So if you could give some more understanding about what's the target market for the gear big gearbox retrofit repair and refurbishment in India. What kind of revenues and EBITDA are we clocking right now and what kind of potential do we see from existing clients as well as new clients and how are we compared to our peers of course across the gearbox lifecycle.

If you could also give some more understanding on the spend ratio between initial CapEx and the repairs, maintenance and spares that has to be spent across the life. If I come to the niche one in niche industry called Defense aerospace. So how many companies in India actually hold the AS9100D certification which is required for defense aerospace? What is our market share out there and what kind of competition do you see and how many products do we have out there? If we see the smart gears we have also piloted on sensorlink gearboxes.

So if you could give some more understanding of how the pilots were and how the uptick is across industries? If you see we have had a joint collaboration with TI and CG Power and CG Power is actually on the verge of getting approval for the EV motors and cars controller system. So what happens once it gets launched? Do we have a Part in the IP do we not have? Does the exclusive manufacturing come to Shanti Gear for our scope of work? How does it work? Because TI has got across multi has got products across multiple EV ranges from 3 Wheeler, SCV trucks, tractors, etc, if we see the railway and other legacy opportunities.

So what is the order book pipeline from the railway project? Because that's been one of the drivers especially the Vande Bharat Amit Bharat and the Namo Bharat trains as well as the high horsepower electric loco that we were supplying to. And also in the lhb once the Kavach is being implemented, do you see opportunities because the traction gearbox needs to be put in and I think so that could be a sizable opportunity. Also on the national steel policy, the cement additions and the thermal power that we are seeing for the 2030, do you see some significant TAM from the legacy industries also coming into us?

So for wind energy, if we see the industry is migrating towards 3 and 5 megawatts, so out there, what kind of time do you see? And it's a very complex space out there because we need a very advanced gearbox. And also for the offshore wind, do we have metallurgy, enough metallurgy in place to actually provide for offshore wind also? So if I see the competition part, if you could give some more understanding upon the low value gearbox as well as in the specialized one, what kind of

competition is there from domestic as well as the Chinese ones?

And are there any government barriers to, I mean protect us and the industry from such dumping? And also some more understanding on the EOT crane side which is also one of the legacy segment where we supply on the port, logistics, shipping etc. Do you see the replacement cycle for the old cranes actually coming in wherein the gearbox have to be changed and retrofit and how big can that be? If we see the R and D part, I think so some years back. Lastly on the R and D part, if you see some years back we had alluded that we are facing shortage of talent.

So has that been solved? And what is our current R and D budget, our pipeline and what R and D spins do we plan to do in the next forthcoming years? And as we are pivoting more towards the sunrise industries, how do you see the mix between the legacy and the sunrise industries? Thanks a lot sir for the opportunity and I would really appreciate the answers.

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Thank you. Thank you sir. NSDL team kindly unmute Mr. Manoj Bagadia.

Manoj Bagadia - Analyst
Hi sir, can you hear me?

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Yes sir.

Manoj Bagadia - Analyst
Sir, thank you very much for the opportunity to talk. Sir. I'll not go too much into details because I'm not qualified to talk into details about the business, the opportunity. But when I look at the history of this company and when I look at the strong promoters, I mean I, I fail to understand what's the growth limitation. Money is not the limitation, promoters are not the limitation market the way opportunities opening up and could have been in past. So I fail to understand what has been the limitation for growth for this company.

Although we might have doubled in last four, five years. But if I look at the history then our size is too small as compared to the opportunity. So if you can throw some light on what's been the opportunity in the legacy market and what's been the opportunity that our new initiatives into the new age bring businesses are there. So if you can talk about the opportunity and how do we plan to take business into these segments and grow. Second thing is, is there a internal transformation happening? Because I mean if the company has been there for a very very long time then what you mentioned is the capex for the productivity and other thing, right?

But then about the mindset also because I mean I think somebody has to drive that where we are 500 crore turnover, right? I mean we should be talking about doubling in three, four, three, four years, right? I mean so if somebody sets the target and then work backwards as to how do we achieve this. I mean do we need to look beyond boundaries into newer businesses also or what do we need to look at and is there limitations? So according to me I think if someone is there to set the targets it might become much easier and I think it might be a fruitful journey over next five, ten years.

Actually something happens like that somebody talked about the export opportunity so I think sir, can you just talk about the export opportunity and the capabilities what we have today. Is this enough or do we need to focus lot more on the capability? Because what one thing I understand in our business is I think the capability is the key and then it's a question of proving our capability and

then growing into the business. So do we have enough capability right now even into the new emerging sectors or do we need to focus on that and spend a lot of money into developing this capability?

Also if you can talk about sir, group synergy, I mean I think we must be one of the smallest company in the whole group and there are visionary leaders within the group. So if you can talk about the synergy or what things can happen or what can change which will change the face of this company. And my last question is sir, if you talk about the CapEx, payback, IRR and everything is that what we are looking at in the short, medium and longer term? And what kind of return we can generate and when do you see crossing thousand crore hurdle?

What is the time frame we are looking at? And then do we sustain those kind of growth rates? Thanks a lot sir for the opportunity to talk.

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Thank you sir. Team, kindly unmute Ms. Pooja Varjarajan.

Operator
Pooja Ma', am, please unmute yourself and speak foreign.

Pooja Vardarajan - Analyst
Yes. Yeah. Good evening to the Chairman, Board of Directors, Management company secretary and my fellow shareholders. My name is Pooja Vardarajan. I'm grateful for the opportunity to participate as a speaker in the annual general meeting of Shanti Gears limited At the outset I would like to congratulate the board and the entire management team on the company's performance during the year. I appreciate the efforts taken by the management towards strengthening the business and creating a long term value for shareholders.

I further appreciate the efforts of the company secretary and the entire secretarial and compliance team for their diligent work in ensuring timely regulatory compliances and for the quality and transparency of the annual report and corporate governance report which provides comprehensive information about the company's performance, governance and future outlook. So I had already shared my questions to the management in my mail. So I'm. I'll just brief few for the management. First is where the company sees itself in five years from now and what are the key growth drivers for the future?

Second would be with the rapid growth of EV ecosystem does the company have any plans to explore opportunities in the EV segment by leveraging its existing engineering and manufacturing capabilities? Third would be the company's plans to expand its global presence and enter into the international markets. So finally, is the company exploring into any new industries or emerging business segments that could become future growth drivers? I finally thank the management for taking the time to address my questions and for company for providing shareholders with this opportunity to interact with the company.

I wish Shanti Gears Limited, the board, the management and the entire team a continued success and sustainable growth in the years ahead. Thank you and have a wonderful day.

S.K. Sundararaman - Chairperson, Shanti Gears Limited
Thank you Ms. Pooja. So thank you for all your questions and I'll answer All of them and And Pass on a few to my senior executives over here. Questions may not be answered in order but all of them will be answered. So the questions on the company's revenue and profitability have declined. Revenue

and profitability are declined due to weak demand across key end user industry, delayed customer capital expenditure, lower capacity utilization, pressing pricing Pressures. Despite these challenges, the companies remain focused on operational efficiency, cost optimization and strengthening customer engagement.

Sir, what is your question? What's the outlook for 2026?

We are expecting a double digit growth for this year and growth is expected to be driven by industrial information infrastructure and manufacturing investments. Increasing demand from core industries for high precision cares. Our order book is healthy. It has grown by 23%. The unexecuted order book as of 31st March 2020 was 350 crores. The initiatives that we've taken to improve this company margins improving our margins through value engineering, cost optimization, productivity enhancement, lean manufacturing and better procurement at an improvement product base.

And the question on what is our capital expenditure?

We plan to spend about 150 crores in capital expenditure and 13% of our sales will be in export.

And the question on the rapid growth of electric vehicle ecosystem and increasing demand. Yes, we continue to evaluate opportunities in the EV ecosystem for our core expertise in position gearing and value. Our focus remains on pursuing opportunities that are strategically aligned and commercially viable.

And the question on international presence, does the management see significant potential Exports remain an important part of growth area for the company.

We are focused on extra presence in existing international markets exploring new opportunities to customer engagement and driven offerings.

And. Okay, so the questions on 4 Somebody said about 4 year cumulative capex of 120 crores. Revenues moved from 450 crores to 509 crores after making 605 crores. Why is the capex not yielded that I just explained to you and we have a healthy order book and then we will grow by double digit.

Someone asked for the current capacity utilization. We really don't disclose capacity utilization by individual product lines. For competitive reasons a high position critical gear lines are operating at significantly higher utilization than the standard gear lines. The immediate focus is to improve utilization of the standard product lines through market expansion. About the tan gearbox retrofit repair and repurpose In India approximately 800 crores of repairs currently done by customers themselves. If Shanti can rebuild can convert even 10 to 15% of this market over the next three to five years it could add other 80 to 120 grows of high value service revenue with attractive margins making aftermarket services a meaningful growth engine.

How does then the question on gearbox life cycle what is spend? Between initial equipment purchase and first acquisition lifetime maintenance Gearbox life cycle aftermarket spend is typically 1.3 to 2x of the original equipment value making services a high margin recurring revenue opportunity. Shanti Gears is scaling this Through Shanti Rebuild OEM certified refurbishment, multi brand service capability, AMCs conditioning, monitoring, spares and retrofit solution to increase recurring revenue from his install base.

There was a question on the precision engineering companies hold as 9100D certification for supplies to defense. What is NPL's market share?

India has estimated 80 to 120 as 9100D certified companies, but only a limited number have

advanced precision gear manufacturing capabilities. Shanti Gears is uniquely positioned with as 9100D and iris certifications. While market share is not disclosed, the company is a niche player with significant growth potential in defense and aerospace gear applications.

Then about the wind energy you asked about. Domestic wind is moving at 3 to 5 megawatt turbines and garments promoting offshore wind. Does SGL have validated POCs?

Yes, SGL has a core capability in large planetary gears and wind gearbox servicing validating POCs. No publicly disturbed validation for 3 to 5 megawatt or offshore wind game platforms. Opportunities are there. Noem qualification can unlock participation in India's next generation also and offshore wind projects.

Then there's a question on visiting the factory. I mean you can get in touch with our company secretary and then take it from there. I think I've answered most of the questions if anything is left behind covered in case if anything they can also reach out to couple. Okay, thank you very much. I request The Company secretary the resolution members

Walter Vasanth P J - Company Secretary, Shanti Gears Limited
Thank you Chairman for the Q and A session and now to move on. We'll move on with the proposed resolutions. Year under 31st March 2026 with boards report and auditors report thereon. Declaration of final dividend of rupees two per share including interim dividend of rupees three per equity share already declared and paid. Reappointment of Mr. Mukesh Director who retires by rotation at the 53rd Annual General Meeting as Special business. Special resolution to consider the commission payable to the non exit editors for the financial year from financial year 2526 to financial year 20292030 not exceeding an amount equal to 1% of the net profits of the company approved.

Then approval of appointment of Mr. Klango as non executive and independent Director of the company for a term of five consecutive years from 5 May 2026 to 4 May 2031. The next resolution to consider the payment of commission of rupees one crore to Mr. M.a.m. Arnachalam for the financial year 2526. Now a special business ordinary resolution appointment of Mr. B. Venkateshwar cost accounters Cost order of the company for the financial year 2627 and to fix his remuneration. Mr. R. Sridharan, practicing company secretary is a scrutinizer to the scrutinize the voting taken through electronic means.

The results of the remote e voting and e voting during the AGM would be announced to stock exchanges and displayed on the website of the company within two working days. Now I would like to hand over to Chairman for his vote of thanks.

S.K. Sundararaman - Chairperson, Shanti Gears Limited
I would like to thank all members, directors, CEO, Company Secretary, cfo, employees of Shanti Gears NSGL team and all the attendees for attending this 53rd Annual General Meeting. The portal will be open for the next 15 minutes members as on the cut off date I.e. 22.07.2026 who had not cast their vote. Electronic teammate cast vote now at the same NSDL portal as there is no other business to be transacted, I declare the meeting is closed.

I thank you for the cooperation ensuring smooth conduct of the meeting. Thank you.