

July 21, 2021

National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai-400 051.BSE Ltd,
1st Floor,
New Trading Ring, Rotunda Building,
P J Towers, Dalal Street,
Fort,
Mumbai- 400 001.**Stock Code: SHANTIGEAR**
Through NEAPS**Stock Code: 522034**
Through BSE Listing CentreTotal 4 pages (including covering letter)

Dear Sir,

Sub: Outcome of Board Meeting

Further to our letter dated 12th July, 2021, we write to inform that at the meeting held today (21st July, 2021), the Board of Directors *inter alia* have approved the unaudited financial results of the Company for the first quarter ended 30th June, 2021 in the detailed format under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Limited Review report of M/s. Deloitte Haskins & Sells, Chartered Accountant & Statutory Auditor of the Company. The same is enclosed for your records and uploading in your website. A copy of the same will be uploaded in the Company's website www.shanthigears.com. An extract of the aforesaid financial results in the manner prescribed under the SEBI Listing Regulations will be published in English and Tamil newspapers within the time stipulated.

A copy of the press release made with regard to the un-audited financial results for the first quarter ended 30th June, 2021 is further enclosed.

For your information, the Board Meeting commenced at 11.30 A.M. and concluded at 1.25 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,
For **SHANTHI GEARS LIMITED**


C. Subramaniam
Company Secretary

Shanthi Gears Limited

CIN: L29130TZ1972PLC000649

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Email: cs@shanthigears.murugappa.com | Website: www.shanthigears.com

Statement of Unaudited Financial Results for the Quarter ended 30 June 2021

Financial Information

₹ Crores

Sl No	Particulars	Quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		Unaudited	(Refer Note 4)	Unaudited	Audited
1	Income				
	Revenue from Operations	66.97	71.87	25.13	215.53
	Other Income	2.10	2.87	1.80	8.28
	Total Income	69.07	74.74	26.93	223.81
2	Expenses				
	(a) Cost of materials consumed	30.14	41.85	12.91	107.65
	(b) Changes in Inventories of finished goods and work-in-progress	0.03	(8.16)	(1.10)	(4.12)
	(c) Employee benefits expense	13.24	12.30	11.28	46.92
	(d) Depreciation and amortisation expense	2.59	2.42	2.08	8.86
	(e) Other expenses	11.57	14.08	6.30	38.43
	Total Expenses	67.57	62.49	31.47	197.74
3	Profit / (Loss) before tax (1-2)	11.50	12.25	(4.54)	26.07
4	Tax Expense				
	Current tax	2.70	1.67	-	4.17
	Deferred tax	0.22	1.16	(0.96)	1.73
	Total tax expense / (Credit)	2.92	2.83	(0.96)	5.90
5	Profit / (Loss) for the periods / year after tax (3-4)	8.58	9.42	(3.58)	20.17
6	Other Comprehensive Income / (Loss) (net of tax)				
	Items not to be reclassified to profit or loss in subsequent periods				
	Re-measurement gains and (losses) on defined benefit obligation (net)	(0.03)	(0.23)	-	(0.23)
	Income tax relating to Item that will not be reclassified into profit or loss	0.01	0.07	-	0.07
	Other Comprehensive Income / (Loss) for the period / year	(0.02)	(0.16)	-	(0.16)
7	Total Comprehensive Income / (Loss) (5+6)	8.56	9.26	(3.58)	20.01
8	Paid up Equity Share Capital (Face Value of ₹1 each)	7.67	7.67	7.67	7.67
9	Reserves and Surplus (i.e Other Equity)				229.46
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)				
	Basic EPS ₹	1.12	1.23	(0.47)	2.63
	Diluted EPS ₹	1.12	1.23	(0.47)	2.63

Notes

- The above Financial Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 21 July 2021.
- The above results have been subjected to Limited Review by Statutory Auditors.
- The Company's main business is manufacture of Gears and Gear Products. There are no separate reportable segments as per Ind AS 108 - Operating Segments
- The figures of the quarter ended 31 March 2021 are the balancing figures between the audited figures of the full financial year ended 31 March 2021 and the published year to date figures upto third quarter ended 31 December 2020.
- The outbreak of COVID-19 pandemic has affected the Company's regular operations. Accordingly, the Company has considered the possible effects that may result from the pandemic on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external information which are relevant in determining the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimates as at the date of approval of these financial results.
- The above financial results are also available on our website www.shanthigears.com
- Previous period figures have been regrouped wherever necessary.

Place : Coimbatore
Date : 21 July 2021



For Shanthi Gears Limited

M Karunakaran

M Karunakaran
Whole-time Director
DIN: 09004843

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
SHANTHI GEARS LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **SHANTHI GEARS LIMITED** ("the Company") for the quarter ended June 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Krishna Prakash E

Krishna Prakash E
Partner
(Membership No. 216015)
UDIN: 21216015AAAABO7169

Place : Coimbatore
Date : July 21, 2021

Financial Results of Shanthi Gears Limited

Revenue at ₹ 67 Crs and PBT at ₹ 11.5 Crs in Q1

The Board of Directors of Shanthi Gears Limited (SGL) a subsidiary of Tube Investments of India Limited (TII), met today and approved the financial results for the quarter ended 30th June 2021.

Highlights

The key business and financial metrics remained strong during the quarter despite disruptions in operations due to 2nd wave of COVID 19 pandemic.

- Revenue of ₹ **67 Crs** in the quarter as against ₹ **25.1 Crs** in Q1 of previous year.
- The Profit before tax for the quarter was ₹ **11.5 Crs** as against (₹ **4.5 Crs**) in Q1 of previous year.
- Focus on cost optimisation enabled to sustain the Return on average Invested Capital (ROIC) at **29%** during Q1.

During the quarter the Company booked orders for ₹ 84 Crores and Pending order book as on 30th June 2021 was ₹ 235 Crores as against ₹ 164 Crores in corresponding quarter of the previous year.

In view of the widespread resurgence of the COVID -19, the Government of Tamil Nadu had enforced a total lockdown in the State from 10th May, 2021. Consequent thereto, there was a disruption in our operations due to shortage of manpower and receipt of Raw Materials during the aforesaid period.