

October 21, 2022

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 NSE Digital Platform**Stock Code: 522034**  
Through BSE Listing Centre

Total 6 pages (including covering letter)

Dear Sir,

**Sub: Outcome of Board Meeting**

Further to our letter dated 10<sup>th</sup> October, 2022, we write to inform that at the meeting held today (21<sup>st</sup> October, 2022), the Board of Directors *inter alia* considered and approved the Unaudited financial results of the Company for the second quarter ended 30<sup>th</sup> September, 2022 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](http://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 unaudited financial results for the second quarter ended 30<sup>th</sup> September, 2022 is further enclosed.

For your information, the Board Meeting commenced at 12.45 P.M. and concluded at 2.25 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,  
For **SHANTHI GEARS LIMITED**

  
**C. Subramaniam**  
Company Secretary

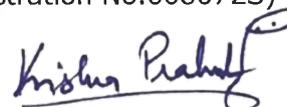
## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

### 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 and six months ended 30 September 2022 ("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  
Partner

Membership No.216015  
(UDIN:22216015BAMXQS2870)



Shanthy Gears Limited  
CIN: L29130TZ1972PLC000649  
Regd. Office: 304-A, Trichy Road, Singanallur, Coimbatore-641005 | Tel: +91-422-4545745 | Fax: +91-422-4545700  
Email: cs@shanthigears.murugappa.com | Website: www.shanthigears.com  
Statement of Unaudited Financial Results for the Quarter and Six months ended 30 September 2022

Financial Information

₹ Crores

SI No	Particulars	Quarter ended			Six Months ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	108.75	98.85	71.77	207.60	136.74	337.07
	Other Income	3.28	2.14	2.16	5.42	4.26	9.05
	<b>Total Income</b>	<b>112.03</b>	<b>100.99</b>	<b>73.93</b>	<b>213.02</b>	<b>143.00</b>	<b>346.12</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	54.96	52.16	38.31	107.12	68.45	162.17
	(b) Changes in Inventories of finished goods and work-in-progress	(0.74)	(2.96)	(4.82)	(3.70)	(4.79)	4.42
	(c) Employee benefits expense	18.88	15.22	15.01	34.10	28.25	56.91
	(d) Depreciation and amortisation expense	2.72	2.57	2.63	5.29	5.22	10.37
	(e) Other expenses	13.68	16.31	11.46	29.99	23.03	53.52
	<b>Total Expenses</b>	<b>89.50</b>	<b>83.30</b>	<b>62.59</b>	<b>172.80</b>	<b>120.16</b>	<b>287.39</b>
3	<b>Profit before tax (1-2)</b>	<b>22.53</b>	<b>17.69</b>	<b>11.34</b>	<b>40.22</b>	<b>22.84</b>	<b>58.73</b>
4	<b>Tax Expense</b>						
	Current tax	5.55	4.76	3.51	10.31	6.21	15.27
	Deferred tax	0.38	(0.51)	(0.07)	(0.13)	0.15	0.99
	<b>Total tax expense</b>	<b>5.93</b>	<b>4.25</b>	<b>3.44</b>	<b>10.18</b>	<b>6.36</b>	<b>16.26</b>
5	<b>Profit for the periods / year after tax (3-4)</b>	<b>16.60</b>	<b>13.44</b>	<b>7.90</b>	<b>30.04</b>	<b>16.48</b>	<b>42.47</b>
6	Other Comprehensive Income (net of tax)						
	Items that will not be reclassified to Statement of Profit and Loss in subsequent periods:						
	Re-measurement Gain/(Loss) on Defined Benefit/Obligations (Net)	(0.15)	(0.05)	(0.04)	(0.19)	(0.07)	(0.59)
	Income Tax relating to Item that will not be reclassified to Statement of Profit and Loss in subsequent periods	0.04	0.01	0.01	0.05	0.02	0.13
	Other Comprehensive Income for the period / year	(0.11)	(0.04)	(0.03)	(0.14)	(0.05)	(0.46)
7	<b>Total Comprehensive Income (5+6)</b>	<b>16.49</b>	<b>13.40</b>	<b>7.87</b>	<b>29.90</b>	<b>16.43</b>	<b>42.01</b>
8	Paid up Equity Share Capital (Face Value of ₹1 each)	7.67	7.67	7.67	7.67	7.67	7.67
9	Reserves and Surplus (i.e. Other Equity)						252.29
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)						
	Basic EPS ₹	2.16	1.75	1.03	3.92	2.15	5.54
	Diluted EPS ₹	2.16	1.75	1.03	3.92	2.15	5.54

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 October 2022.
- 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 Indian Parliament approved the Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits in September 2020 and the same has received Presidential assent. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company is in the process of assessing the impact of the Code and will record any related impact in the period the Code becomes effective.
- Previous period figures have been regrouped wherever necessary.
- The above financial results are also available on our website www.shanthigears.com



Place : Coimbatore  
Date : 21 October 2022



For Shanthy Gears Limited

*M Karunakaran*  
M Karunakaran  
Whole-time Director  
DIN: 09004843

SHANTHI GEARS LIMITED  
Statement of Assets and Liabilities

₹ Crores

Particulars		As at 30.09.2022 (Unaudited)	As at 31.03.2022 (Audited)
<b>I.</b>	<b>ASSETS</b>		
1	<b>Non-Current Assets</b>		
	(a) Property, plant and equipment	58.59	58.49
	(b) Capital work-in-progress	0.92	3.19
	(c) Investment property	7.22	7.25
	(d) Other Intangible assets	0.19	0.22
	(e) Financial assets		
	(i) Investments	22.21	22.21
	(ii) Other financial assets	4.38	3.97
	(f) Deferred tax assets (net)	1.79	1.61
	(g) Other non-current assets	6.80	4.95
	<b>Total non-current assets</b>	<b>102.10</b>	<b>101.89</b>
2	<b>Current Assets</b>		
	(a) Inventories	70.67	64.13
	(b) Financial assets		
	(i) Investments	38.21	27.92
	(ii) Trade receivables	73.34	72.27
	(iii) Cash and cash equivalents	1.30	1.32
	(iv) Bank balances other than (iii) above	84.33	66.04
	(v) Other financial assets	2.81	2.51
	(c) Current Tax Assets	-	0.26
	(d) Other current assets	9.81	4.42
	<b>Total current assets</b>	<b>280.47</b>	<b>238.87</b>
	<b>Total Assets</b>	<b>382.57</b>	<b>340.76</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity share capital	7.67	7.67
	(b) Other Equity	282.17	252.29
	<b>Total Equity</b>	<b>289.84</b>	<b>259.96</b>
1	<b>Non-current liabilities</b>		
	(a) Provisions	1.18	0.16
	(b) Other non current liabilities	-	0.69
	<b>Total Non-current liabilities</b>	<b>1.18</b>	<b>0.85</b>
2	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Trade payables		
	(A) Total outstanding dues of micro enterprises and small enterprises	3.37	0.43
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	49.21	43.64
	(ii) Other financial liabilities	0.81	0.88
	(b) Other current liabilities	34.26	33.97
	(c) Provisions	1.91	1.03
	(d) Current tax liability (Net)	1.99	-
	<b>Total Current liabilities</b>	<b>91.55</b>	<b>79.95</b>
	<b>Total Liabilities</b>	<b>92.73</b>	<b>80.80</b>
	<b>Total Equity and Liabilities</b>	<b>382.57</b>	<b>340.76</b>

For and on behalf of the Board of Directors



Place : Coimbatore  
Date : 21 October 2022



*[Signature]*  
M. Karunakaran  
Whole-time Director  
(DIN: 09004843)

## SHANTHI GEARS LIMITED

Statement of cash flows for the six months ended 30 September 2022

₹ Crores

Particulars	Six Months ended 30.09.2022	As on Year ended 31.03.2022
<b>A. Cash Flow from Operating Activities:</b>		
Profit after tax	30.04	42.47
Adjustments for:		
Depreciation on Property, Plant and Equipment	5.26	10.26
Depreciation on Investment Properties	0.03	0.12
Income Tax Expense	10.18	16.26
Profit on Property Plant and Equipment and ROU Assets sold/discarded, Net	(0.01)	(0.13)
Net gain arising of financial assets measured at fair value through profit or loss	0.80	(0.49)
Net Foreign Exchange differences	(0.02)	(0.05)
Interest income	(1.93)	(3.02)
Dividend Income from Tax Free Bonds	(0.81)	(1.76)
Govt Grant	(0.69)	(1.63)
Provision for doubtful trade receivable	0.26	0.09
Provision for Inventory	(4.40)	1.16
<b>Operating Profit before Working Capital / Other Changes</b>	<b>38.71</b>	<b>63.28</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(6.54)	14.01
Trade receivables	(1.07)	(24.97)
Other financial assets	(0.32)	1.27
Other current assets	(5.12)	4.09
Other non-current assets	(0.64)	(0.23)
Trade payables	8.52	(10.66)
Other financial liabilities	-	0.10
Other current liabilities	0.21	4.03
Other long-term liabilities	(0.01)	(1.63)
Provisions	1.90	0.65
<b>Cash Generated From Operations</b>	<b>35.64</b>	<b>49.93</b>
Income Tax paid (net of refunds)	(8.32)	(14.92)
<b>Net cash generated by operating activities (A)</b>	<b>27.32</b>	<b>35.01</b>
<b>B. Cash Flow from Investing Activities:</b>		
Capital expenditure (including capital work In progress and capital advances)	(1.84)	(5.66)
Proceeds from sale of property, plant and equipment	0.01	0.18
Proceeds from non current investments	0.01	5.46
(Purchase)/Sale of Current Investments, Net	(28.66)	(20.38)
Interest income received	2.33	2.16
Dividend received	0.81	1.76
<b>Net Cash Used in Investing Activities (B)</b>	<b>(27.34)</b>	<b>(16.48)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Dividends paid on equity shares	-	(19.18)
<b>Net Cash Used in Financing Activities (C)</b>	<b>-</b>	<b>(19.18)</b>
<b>Net Increase in Cash and Cash Equivalents [A+B+C]</b>	<b>(0.02)</b>	<b>(0.65)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>1.32</b>	<b>1.97</b>
<b>Cash and Cash Equivalents as at end of the period</b>	<b>1.30</b>	<b>1.32</b>

For and on behalf of the Board of Directors



Place : Coimbatore  
Date : 21 October 2022



*M. Karunakaran*  
M. Karunakaran  
Whole-time Director  
(DIN: 09004843)

## Financial Results of Shanthi Gears Limited

### Shanthi Gears PAT up by 110% in Q2

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 and six months ended 30<sup>th</sup> September, 2022.

#### Highlights

The Company continues to focus on 4 key priorities of Revenue growth, Profitability, ROIC and Free Cash Flow (FCF).

- Revenue of ₹ **108.8** Crores in the quarter with a 52% growth over Q2 of previous year.
- The Profit before tax for the quarter up by 99% at ₹ 22.5 Crores as against ₹ 11.3 Crores in Q2 of previous year. The Profit before tax % to Revenue was 21% for Q2
- Focus on cost optimisation and lower capital employed enabled improvement in Return on Invested Capital (ROIC) to **59%** during Q2.
- The Company generated Free Cash Flow of ₹ 11.2 Crores during Q2. Free Cash Flow to PAT is 68% in Q2.

During the quarter the Company booked orders for ₹ 104 Crores (against ₹ 89 Crores for corresponding quarter of the previous year). Pending orderbook as on 30<sup>th</sup> September 2022 was ₹ 270 Crores.