

February 3, 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 NEAPS**Stock Code: 522034**
Through BSE Listing CentreTotal 5 pages (including covering letter)

Dear Sir,

Sub: Outcome of Board Meeting

Further to our letter dated 22nd January,2022, we write to inform that at the meeting held today (3rd February,2022), the Board of Directors *inter alia* have approved the following:

1) Un-audited Financial Results of the Company for the third quarter ended 31st December, 2021

The Board of Directors considered and approved the Unaudited financial results of the Company for the third quarter ended 31st December,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 third quarter ended 31st December,2021 is further enclosed.

2) Declaration and Payment of Interim Dividend & Record Date

The Board of Directors have declared an interim dividend at Rs.2.50/- (Two Rupees and fifty paise Only) per equity share of Re.1/- each for the financial year ending 31st March,2022

Record date for the purpose of payment of interim dividend shall be **Tuesday, 15th February,2022.**

The interim dividend shall be paid to those shareholders whose names appear in the register of members as on Record date in respect of shares held in physical form and in case of shares held in dematerialized form, as per the details to be furnished by the depositories as on the Record date.

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Fax : +91-422-4545700
E-mail : info@shanthigears.murugappa.com
Website : www.shanthigears.com
CIN : L29130TZ1972PLC000649
GST : 33AADCS0692L1Z7

The Interim Dividend will be paid on or before 28th February, 2022 after deducting TDS as per the Income Tax, 1961.

For your information, the Board Meeting commenced at 12.30 A.M. and concluded at 3.05 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,
For **SHANTHI GEARS LIMITED**


C. Subramaniam
Company Secretary

Encl: As above

**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 nine months ended December 31, 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: 22216015AAEXDK1922)

COIMBATORE, February 3, 2022

Shanthi 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 Nine months ended 31 December 2021

Financial Information

₹ in Crore

SI No	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	94.71	71.77	64.83	233.45	143.66	215.53
	Other Income	2.49	2.16	1.89	6.75	5.41	8.28
	Total Income	97.20	73.93	66.72	240.20	149.07	223.81
2	Expenses						
	(a) Cost of materials consumed	37.89	38.31	31.02	106.34	65.80	107.65
	(b) Changes in Inventories of finished goods and work-in-progress	9.74	(4.82)	0.46	4.95	4.04	(4.12)
	(c) Employee benefits expense	15.18	15.01	12.63	43.43	34.62	46.92
	(d) Depreciation and amortisation expense	2.61	2.63	2.24	7.83	6.44	8.86
	(e) Other expenses	14.55	11.46	10.19	37.58	24.35	38.43
	Total Expenses	79.97	62.59	56.54	200.13	135.25	197.74
3	Profit before tax (1-2)	17.23	11.34	10.18	40.07	13.82	26.07
4	Tax Expense						
	Current tax	5.04	3.51	1.92	11.25	2.50	4.17
	Deferred tax	(1.58)	(0.07)	0.56	(1.43)	0.57	1.73
	Total tax expense	3.46	3.44	2.48	9.82	3.07	5.90
5	Profit for the periods / year after tax (3-4)	13.77	7.90	7.70	30.25	10.75	20.17
6	Other Comprehensive Income (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)	(0.04)	-	(0.10)	-	(0.23)
	Income tax relating to Item that will not be reclassified into profit or loss	0.00	0.01	-	0.02	-	0.07
	Other Comprehensive Income for the period / year	(0.03)	(0.03)	-	(0.08)	-	(0.16)
7	Total Comprehensive Income (5+6)	13.74	7.87	7.70	30.17	10.75	20.01
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)						229.46
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)						
	Basic EPS ₹	1.79	1.03	1.00	3.94	1.40	2.63
	Diluted EPS ₹	1.79	1.03	1.00	3.94	1.40	2.63

Notes:

- The above Unaudited Financial Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 3 February 2022.
- The above Unaudited Financial Results have been subjected to Limited Review by the 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 company continues to actively manage its business during COVID-19 pandemic and has not experienced significant changes on the business impact than estimated earlier. Based on the information currently available, where there is no material impact on the carrying amounts of Property, Plant and Equipment, Inventory, Receivables and other current assets and the management continues to monitor changes in future economic conditions
- The Code on Social Security, 2020 ("the Code") which would impact the contributions by the Company towards Provident Fund and Gratuity has received Presidential assent in September 2020. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code becomes effective and the related rules are published.
- The above unaudited financial results are also available on our website www.shanthigears.com

For Shanthi Gears Limited

(Signature)
M Karunakaran

Whole-time Director

DIN: 09004843

Place : Coimbatore

Date : 3 February 2022



Financial Results of Shanthi Gears Limited

Shanthi Gears Net Profit Up by 79%

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 nine months ended 31st December, 2021.

Highlights

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

- Highest ever Revenue of ₹ 94.7 Crores in the quarter with a **46 % growth** over Q3 of previous year.
- The Profit before tax for the quarter up by 69 % at ₹ **17.2 Crores** as against ₹ 10.2 Crores in Q3 of previous year. The Profit before tax % to Sales was 18 % for Q3.
- Focus on cost optimisation and lower capital employed enabled to sustain the Return on average Invested Capital (ROIC) to **41%** during Q3.
- The Company generated free cash flow of ₹ **13.9** Crores during Q3 and Free cash flow to PAT is **101%** in Q3.

During the quarter, the Company has registered an order booking of ₹ 93 Crores and Pending order book as on 31st December 2021 is ₹ 272 Crores.

The Board declared an interim dividend of ₹2.5/- per share (Face Value ₹1/- per share) for the financial year 2021-22.