

Press Release from Shanthi Gears Ltd

Revenue up by **10%** in YTD Dec-19

Coimbatore, 27th January 2020: 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 2019.

Highlights

The Company continues to focus on 4 key priorities of Revenue growth, Profitability, ROCE and Free Cash Flow (FCF). SGL delivered strong performance on all these 4 priorities:

- Revenue of ₹ 58.0 Crores in the quarter with a **6% degrowth** over Q3 of previous year. Revenue of ₹ 200.7 Crores in the nine months with a **10% growth** of over previous year.
- The Profit before tax % to Sales was 13% for Q3 and 16% for the nine months ended Dec-19. The Profit before tax for the quarter was down by **38%** at ₹ 7.7 Crores against the corresponding quarter of the previous year. Operating Profit for the nine months was ₹ 28.3 Crores up by **8%**
- Higher profitability and lower capital employed enabled improvement in Return on average Capital Employed (ROCE) to **25%** from 23% of the previous year.
- The Company generated cumulative operating free cash flow of ₹ **42.7 Crores** during the nine months. Cumulative Free cash flow to PAT is **178%**

During the quarter the Company booked orders for ₹ 53 Crores (against ₹ 73 Crores for corresponding quarter of the previous year). This is on account of sluggish demand from almost all major user industries due to continued industrial slow down.

Pending orderbook as on 31st December 2019 was ₹ 127 Crores against ₹ 159 Crores in the previous year. The Company made good strides in the service and replacement market.

About Murugappa Group

Founded in 1900, the INR 369 Billion (36,893 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bioproducts and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 50,000 employees.

For more details, visit www.murugappa.com

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