

Regd. Office :  
304-A, Trichy Road,  
Singanallur  
Coimbatore - 641 005

Phone : +91-422-4545745  
Fax : +91-422-4545700  
E-mail : info@shanthigears.murugappa.com  
Website : www.shanthigears.com  
CIN : L29130TZ1972PLC000649  
GST : 33AADCS0692L1Z7

May 24, 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 Centre

Total 9 pages (including covering letter)

Dear Sir,

**Sub: Outcome of Board Meeting**

Further to our letter dated 8<sup>th</sup>, May 2021, we write to inform that at the meeting held today (24<sup>th</sup> May, 2021), the Board of Directors of the Company have approved the following:

**1) Audited Financial Results for the financial year ended 31<sup>st</sup> March, 2021**

The Board of Directors of the Company, at their meeting held today (24<sup>th</sup> May, 2021), approved the audited financial results for the financial year ended 31<sup>st</sup> March, 2021.

Accordingly, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") we enclose the following:

- i) Statement showing the Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2021;
- ii) Auditor's Report from the Statutory Auditors, M/s. Deloitte Haskins & Sells on the above financial results;

Further, as required under Clause 4.1 of SEBI's circular dated 27<sup>th</sup> May, 2016, we confirm that the Statutory Auditors of the Company have issued the Report on the audited financial results of the Company for the year ended 31<sup>st</sup> March, 2021, with unmodified opinion.

This is for your records and for 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 time stipulated.

A copy of the press release made with regard to the audited financial results for the quarter and year ended 31<sup>st</sup> March, 2021 is enclosed.

**2) Closure of Register of Members**

Please note that the share transfer books of the Company will remain closed from **Saturday, 10<sup>th</sup> July, 2021 to Wednesday, 21<sup>st</sup> July, 2021** (both days inclusive) for the purpose of ensuing 48<sup>th</sup> Annual General Meeting.



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### 3) 48<sup>th</sup> Annual General Meeting

The 48<sup>th</sup> Annual General Meeting of Members of the Company will be held on **Wednesday, 21<sup>st</sup> July, 2021** at 4.00 PM (IST) through Video Conferencing/Other Audio Visual Means.

For your information, the Board Meeting commenced at 11.00 A.M. and concluded at 15.05 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,  
For **SHANTHI GEARS LIMITED**

  
**C. Subramaniam**  
Company Secretary

Encl: As above

**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 Financial Results for the Quarter and Year Ended 31 March 2021**

**Financial Information**

₹ Crores

Sl No	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Refer Note 5)	Unaudited	(Refer Note 5)	Audited	Audited
1	<b>Revenue from Operations</b>	71.87	64.83	41.61	215.53	242.29
	Other Income	2.87	1.89	1.80	8.28	6.53
	<b>Total Income</b>	<b>74.74</b>	<b>66.72</b>	<b>43.41</b>	<b>223.81</b>	<b>248.82</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	41.85	31.02	24.51	107.65	111.98
	(b) Changes in Inventories of finished goods and work-in-progress	(8.16)	0.46	(4.96)	(4.12)	3.81
	(c) Employee benefits expense	12.30	12.63	11.60	46.92	48.23
	(d) Depreciation and amortisation expense	2.42	2.24	2.08	8.86	8.39
	(e) Other expenses	14.08	10.19	9.69	38.43	43.72
	<b>Total Expenses</b>	<b>62.49</b>	<b>56.54</b>	<b>42.92</b>	<b>197.74</b>	<b>216.13</b>
3	<b>Profit before tax (1-2)</b>	<b>12.25</b>	<b>10.18</b>	<b>0.49</b>	<b>26.07</b>	<b>32.69</b>
4	<b>Tax Expense</b>					
	Current tax	1.67	1.92	(0.10)	4.17	6.21
	Deferred tax	1.16	0.56	(0.70)	1.73	1.29
	<b>Total tax expense</b>	<b>2.83</b>	<b>2.48</b>	<b>(0.80)</b>	<b>5.90</b>	<b>7.50</b>
5	<b>Profit for the periods / year after tax (3-4)</b>	<b>9.42</b>	<b>7.70</b>	<b>1.29</b>	<b>20.17</b>	<b>25.19</b>
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)	(0.23)		(1.35)	(0.23)	(1.35)
	Income tax relating to Item that will not be reclassified into profit or loss	0.07		0.46	0.07	0.46
	Other Comprehensive Income for the period / year	(0.16)	-	(0.89)	(0.16)	(0.89)
7	<b>Total Comprehensive Income (5+6)</b>	<b>9.26</b>	<b>7.70</b>	<b>0.40</b>	<b>20.01</b>	<b>24.30</b>
8	Paid-up Equity Share Capital (Face Value of ₹1 each)	7.67	7.67	7.67	7.67	7.67
9	Reserves and Surplus (i.e Other Equity)				229.46	220.95
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)					
	Basic and Diluted EPS ₹	1.23	1.00	0.17	2.63	3.28

**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 24 May 2021. The results for the year ended March 31, 2021 has been audited and for the quarter ended March 31, 2021 has been reviewed by the statutory auditors. The statutory auditors of the Company have issued an unmodified report thereon.
- 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 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 estimated as at the date of approval of these financial results.
- The above financial results are also available on our website www.shanthigears.com
- The figures of the last quarter are balancing figures between the audited figures in respect of the full financial years and the published year-to-date figures upto the third quarter of the respective financial years.
- Previous period figures have been regrouped wherever necessary.

**For Shanthy Gears Limited**



*L Ramkumar*  
**L Ramkumar**  
Chairman

Place : Chennai  
Date : 24 May 2021

*[Handwritten mark]*

**Shanthi Gears Limited**  
**Statement of Assets and Liabilities**

₹ Crores

	Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
<b>I.</b>	<b>Assets</b>		
1	<b>Non-current Assets</b>		
	(a) Property, plant and equipment	66.40	52.18
	(b) Capital work-in-progress	0.03	6.37
	(c) Investment Property	7.51	7.26
	(d) Intangible assets	0.11	0.33
	(e) Financial Assets		
	(i) Investments	27.67	27.67
	(f) Deferred Tax Assets (net)	2.47	4.13
	(g) Other non-current assets	7.67	9.80
	<b>Total non-current assets</b>	<b>111.86</b>	<b>107.74</b>
2	<b>Current Assets</b>		
	(a) Inventories	78.14	60.84
	(b) Financial Assets		
	(i) Investments	19.18	51.65
	(ii) Trade Receivables	47.32	38.19
	(iii) Cash and Cash Equivalents	1.97	1.06
	(iv) Other balances with banks	0.78	0.93
	(v) Other financial assets	57.15	13.86
	(c) Current Tax Assets (Net)	0.09	1.53
	(d) Other current assets	8.93	7.23
	<b>Total current assets</b>	<b>213.56</b>	<b>175.29</b>
	<b>TOTAL ASSETS</b>	<b>325.42</b>	<b>283.03</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share capital	7.67	7.67
	(b) Other Equity	229.46	220.95
		<b>237.13</b>	<b>228.62</b>
	<b>Liabilities</b>		
1	<b>Non-current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Other Long-Term Liabilities	2.32	1.38
	(b) Provisions	0.16	0.16
	<b>Total non current liabilities</b>	<b>2.48</b>	<b>1.54</b>
2	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Trade Payables		
	- total outstanding dues of micro enterprises and small enterprises	1.46	3.21
	- total outstanding dues of creditors other than micro enterprises and small enterprises	53.25	26.91
	(ii) Other financial liabilities	0.78	0.93
	(b) Provisions	0.38	0.44
	(c) Other current liabilities	29.94	21.38
	<b>Total current liabilities</b>	<b>85.81</b>	<b>52.87</b>
	<b>Total liabilities</b>	<b>88.29</b>	<b>54.41</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>325.42</b>	<b>283.03</b>

For Shanthi Gears Limited



*L Ramkumar*  
**L Ramkumar**  
Chairman

Place : Chennai  
Date : 24 May 2021

**Shanthi Gears Limited**  
**Statement of Cash Flows for the year ended 31 March 2021**

	₹ Crores	
Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit for the year</b>	20.17	25.19
Adjustments for:		
Depreciation of property, plant and equipment	8.74	8.32
Depreciation of investment properties	0.12	0.07
(Profit)/Loss on Property plant & equipment Sold / Discarded (Net)	(0.20)	(0.32)
Income tax expense	5.90	7.50
Interest income	(2.14)	(0.56)
Dividend income	(0.98)	(2.79)
Net gain arising of financial assets measured at fair value through profit or loss	(0.40)	(0.39)
Provision for doubtful trade receivables	(0.82)	(0.02)
Bad debts written off	-	0.06
<b>Operating Profit before Working Capital / Other Changes</b>	<b>30.39</b>	<b>37.06</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(17.30)	9.29
Trade receivables	(9.13)	18.32
Other financial assets	(1.18)	0.71
Other current assets	(0.26)	(1.39)
Other non-current assets	0.72	(4.06)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	24.59	(0.81)
Other current liabilities	8.56	3.04
Other long-term liabilities	0.94	1.38
Short-term provisions	(0.06)	(0.22)
Cash generated from operations	<b>37.27</b>	<b>63.32</b>
Net income tax paid	(4.50)	(7.74)
<b>Net cash generated by operating activities</b>	<b>32.77</b>	<b>55.58</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(15.40)	(17.51)
Proceeds from sale of property plant and equipments	0.24	0.33
Investment in long term investments (Net)	-	(13.51)
Purchase of current investments and deposits	(103.57)	(69.20)
Proceeds from current investments and deposits	94.17	120.60
Interest received		
- Others	3.23	0.67
Dividend received		
- Others	0.98	2.79
<b>Net cash flow used in investing activities (B)</b>	<b>(20.35)</b>	<b>24.17</b>
<b>C. Cash flow from financing activities</b>		
Buy-back of equity shares		(70.00)
Dividends paid on equity shares	(11.51)	(23.01)
Tax on dividend	-	(4.73)
<b>Net cash flow used in financing activities (C)</b>	<b>(11.51)</b>	<b>(97.74)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>0.91</b>	<b>(17.99)</b>
Cash and cash equivalents at the beginning of the year	1.06	19.05
<b>Cash and cash equivalents at the end of the year</b>	<b>1.97</b>	<b>1.06</b>
Cash and Cash Equivalents as at End of the Year comprises of		
(a) Cash on hand	-	0.01
(b) Balances with banks		
i) In Current Accounts	1.97	1.05
ii) In deposit account with Original maturity less than 3 months		
Cash and Cash Equivalents as at End of the Year	<b>1.97</b>	<b>1.06</b>

For Shanthi Gears Limited



*L. Ramkumar*

**L. Ramkumar**  
Chairman

Place : Chennai  
Date : 24 May 2021

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## **INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

### **TO THE BOARD OF DIRECTORS OF**

### **SHANTHI GEARS LIMITED**

#### **Opinion and Conclusion**

We have (a) audited the Financial Results for the year ended March 31, 2021 and (b) reviewed the Financial Results for the quarter ended March 31, 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2021" ("the Statement") of **SHANTHI GEARS LIMITED** ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

#### **(a) Opinion on Annual Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2021:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

#### **(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2021**

With respect to the Financial Results for the quarter ended March 31, 2021, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the 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.

#### **Basis for Opinion on the Audited Financial Results for the year ended March 31, 2021**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

# Deloitte Haskins & Sells

## Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2021 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

## Auditor's Responsibilities

### (a) Audit of the Financial Results for the year ended March 31, 2021

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2021 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.



# Deloitte Haskins & Sells

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

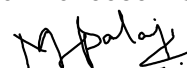
## **(b) Review of the Financial Results for the quarter ended March 31, 2021**

We conducted our review of the Financial Results for the quarter ended March 31, 2021 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 ICAI. 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 SAs specified under section 143(10) of the Act 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.

## **Other Matters**

- The Statement includes the results for the Quarter ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)



**Balaji M.N.**  
Partner

Membership No.202094  
UDIN:21202094AAAADG3892

Bengaluru, May 24, 2021



## Financial Results of Shanthi Gears Limited

### Shanthi Gears Q4 net profit up by 20% over Q3

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 year ended 31<sup>st</sup> March 2021.

#### **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 in Q4:

- Revenue of ₹ 71.9 Crores in Q4 with a 73% growth over Q4 of previous year. Revenue of ₹ 215.5 Crores in the financial year with a 11% de-growth over previous year.
- The Profit Before Tax (PBT) of ₹ 12.3 Crores in Q4 as against ₹ 0.5 Crores in Q4 of previous year. PBT of ₹ 26.1 Crores in the financial year with a 20% de-growth over previous year.
- Consequent to lower PBT, the Return on average Capital Employed (ROCE) declined to 15% in this financial year from 19% in previous year.
- The Company generated cumulative operating Free Cash Flow of ₹ 21 Crores during the year. Cumulative Free Cash Flow to PAT is 105%.

During the year the Company had booked orders for ₹ 305 Crores and registered 20% growth over previous year.

Pending orderbook as on 31<sup>st</sup> March 2021 was ₹ 225 Crores against ₹ 155 Crores in the previous year.