

Press Release from Shanthi Gears Ltd

Revenue up by **19%** in Q2

Coimbatore, 22nd October 2019: 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 30th September 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 ₹ 70.9 Crores in the quarter with a **19% growth** over Q2 of previous year. Revenue of ₹ 142.7 Crores in the half year with a **18% growth** of over H1 of previous year.
- The Profit before tax for the quarter was higher by **4%** at ₹ 11.9 Crores against the corresponding quarter of the previous year. The Profit before tax for the half year was higher by **9%** at ₹ 24.5 Crores against half year of the previous year.
- Higher profitability and lower capital employed enabled improvement in Return on average Capital Employed (ROCE) to **29%** from 23% of the previous year.
- The Company generated operating free cash flow of ₹ **34 Crores** during H1. Cumulative Free cash flow to PAT is **191%** in H1

During the quarter the Company booked orders for ₹ 61 Crores (against ₹ 72 Crores for corresponding quarter of the previous year).

Pending orderbook as on 30th September 2019 was ₹ 145 Crores against ₹ 149 Crores in the previous year. The Company made good strides in the replacement market. Growth led strategies of enhancing efficiencies, exploring new markets and enlarging customer base has helped the Company to remain focused on a path to steady growth.

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

For further information, please contact

Gopi Kannan. S

Murugappa Group

+91 9500011238

Vinod Kumar

Ogilvy PR Worldwide

+91-9840126179