



Regd. Office :
304-A, Trichy Road,
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Phone : +91-422-4545745
Fax : +91-422-4545700
E-mail : info@shanthigears.murugappa.com
Website : www.shanthigears.com
CIN : L29130TZ1972PLC000649
GST : 33AADCS0692L1Z7

July 21, 2020

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 5 pages (including covering letter)

Dear Sir,

Sub: Outcome of Board Meeting

Further to our letter dated 8th July, 2020, we write to inform that at the meeting held today (21st July, 2020), the Board of Directors have approved the following:

1) Unaudited Financial Results of the Company for the first quarter ended 30th June, 2020

Unaudited Financial Results of the Company for the first quarter ended 30th June, 2020 in the detailed format under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as approved by the Board together with a copy of the Limited Review report of M/s. Deloitte Haskins & Sells, Chartered Accountant & Statutory Auditor of the Company 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 unaudited financial results for the first quarter ended 30th June, 2020 is further enclosed.

2) Resignation of Mr. B Balamurugan, Chief Financial Officer

Mr. B Balamurugan, Chief Financial Officer has resigned from the services of the Company for personal reasons. The resignation has been accepted by the Board and he will be relieved in due course.



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For your information, the Board Meeting commenced at 11.30 A.M. and concluded at 2.45 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

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Statement of Unaudited Financial Results for the Quarter ended 30 June 2020

Financial Information


₹ Crores

SI No	Particulars	Quarter ended			Year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Unaudited (Refer Note 4)	Unaudited	Audited
1	Revenue from Operations	25.13	41.61	71.39	242.29
	Other Income	1.80	1.80	1.28	6.53
	Total Income	26.93	43.41	72.67	248.82
2	Expenses				
	(a) Cost of materials consumed	12.91	24.51	31.64	111.98
	(b) Changes in Inventories of finished goods and work-in-progress	(1.10)	(4.96)	3.50	3.81
	(c) Employee benefits expense	11.28	11.60	11.41	48.23
	(d) Depreciation and amortisation expense	2.08	2.08	2.07	8.39
	(e) Other expenses	6.30	9.69	11.44	43.72
	Total Expenses	31.47	42.92	60.06	216.13
3	Profit / (Loss) before tax (1-2)	(4.54)	0.49	12.61	32.69
4	Tax Expense				
	Current tax	-	(0.10)	2.29	6.21
	Deferred tax	(0.96)	(0.70)	0.87	1.29
	Total tax expense / (Credit)	(0.96)	(0.80)	3.16	7.50
5	Profit / (Loss) for the periods / year after tax (3-4)	(3.58)	1.29	9.45	25.19
6	Other Comprehensive Income / (Loss) (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)	-	(1.35)	-	(1.35)
	Income tax relating to Item that will not be reclassified into profit or loss	-	0.46	-	0.46
	Other Comprehensive Income / (Loss) for the period / year		(0.89)		(0.89)
7	Total Comprehensive Income / (Loss) (5+6)	(3.58)	0.40	9.45	24.30
8	Paid up Equity Share Capital (Face Value of ₹1 each)	7.67	7.67	7.67	7.67
9	Reserves and Surplus (i.e Other Equity)				220.95
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)				
	Basic EPS ₹	(0.47)	0.17	1.22	3.28
	Diluted EPS ₹	(0.47)	0.17	1.22	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 21 July 2020.
- 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 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.
- 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
- Previous period figures have been regrouped wherever necessary.

For Shanthy Gears Limited



L Ramkumar
Chairman

Place : Chennai
Date : 21 July 2020

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 ended June 30, 2020 ("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)



M N Balaji
Partner
Membership No. 202094

Place : Bengaluru
Date : July 21, 2020
UDIN : 20202094AAAACA2920

Financial Results of Shanthi Gears Limited

Revenue at ₹ 25.1 Crs in Q1

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 30th June, 2020.

Highlights

The Company resumed operations from mid of Q1. The revenue was affected because of COVID 19 pandemic and resulted in Loss. But there is a progressive improvement in the business during the quarter and resulted in profit for the month of Jun-20.

- Revenue of **₹ 25.1 Crs** in the quarter as against **₹ 71.4 Crs** in Q1 of previous year.
- The Net Loss before tax for the quarter was **₹ 4.5 Crs** as against the Net Profit of **₹ 9.45 Crs** in Q1 of previous year.

During the quarter the Company booked orders for ₹ 40 Crores (against ₹ 72 Crores for corresponding quarter of the previous year). This is on account of sluggish demand from almost all major user industries due to COVID-19 pandemic.

Pending orderbook as on 30th June 2020 was ₹ 164 Crores against ₹ 163 Crores in the previous year.

“Consequent to the outbreak of the COVID-19 pandemic and the lockdown/curfew introduced by the Central and State Governments, the operations in the Company’s manufacturing plants had to be shut down or were disrupted from 23rd March 2020 onwards.

With the easing in the lockdown/curfew and the Governments permitting operations to be resumed with necessary permission from the local authorities, the Company has resumed operations from mid Q1.

The ensuing restrictions have had a significant impact on our operational and financial performance in the quarter. Our revenue and profitability for the quarter were significantly impacted as compared to the same quarter last year.”