

October 22, 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 13th October, 2021, we write to inform that at the meeting held today (22nd October, 2021), the Board of Directors of the Company have approved the following:

1) Un-audited Financial Results for the second quarter ended 30th September, 2021

The Board of Directors *inter alia* have approved the unaudited financial results of the Company for the second quarter ended 30th September, 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 second quarter ended 30th September, 2021 is further enclosed.

2) Appointment of Mr. Mukesh Ahuja as an Additional Director:

The Board appointed Mr. Mukesh Ahuja (DIN: 09364667) as an Additional Director (non-executive, non-independent) of the Company with effect from 22nd October, 2021

It is hereby confirmed that Mr. Mukesh Ahuja is not debarred from holding the office as Director by virtue of any SEBI Order or any other authority.

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

3) Resignation of Mr. Vellayan Subbiah from the Board

The Board of Directors has accepted the resignation of Mr. Vellayan Subbiah as Director of the Company with effect from the close of business hours of today (22nd October 2021).

For your information, the Board Meeting commenced at 12.05 P.M. and concluded at 2.50 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,
For **SHANTHI GEARS LIMITED**


C. Subramaniam
Company Secretary

Disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1) Appointment of Mr. MUKESH AHUJA

Disclosure Requirement	Details
a) Reason for the change viz, appointment, resignation, removal, death or otherwise.	Mr. Mukesh Ahuja (DIN:09364667) (also referred as "the Appointee") has been appointed as an additional Director of the Company.
b) Date of appointment/cessation (as applicable) & term of appointment.	22 nd October, 2021 up to the ensuing Annual General Meeting.
c) Brief profile (in case of appointment).	<p>Mr. Mukesh Ahuja holds a degree in Production Engineering and MBA in Marketing. In addition, he has attended Executive Management programs at the Harvard Business School, Boston and the Indian Institute of Management, Bangalore.</p> <p>Mr. Mukesh Ahuja is presently the President of Tube Products of India, a division of Tube Investments of India Limited (TII) viz., the holding company. He has varied experience and expertise across the areas of Operations, Strategy, Business Development and Sales & Marketing spanning close to three decades.</p> <p>In his current role, Mr. Mukesh Ahuja has managed the business in a highly competitive environment while creating and executing strategies to build a sustainable competitive advantage for TII.</p>
d) Disclosure of relationships between Directors (in case of appointment of a Director)	<p>Not Applicable.</p> <p>The Appointee is not related to any of the Directors or other Key Managerial Personnel of the Company.</p>

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2) Resignation of Mr. VELLAYAN SUBBIAH

Disclosure Requirement	Details
a) Reason for the change viz, appointment, resignation, removal, death or otherwise.	Mr. Vellayan Subbiah (DIN:01138759), Director of the Company, resigned from the Board due to his other official commitments with effect from the close of business hours of 22 nd October, 2021
b) Date of appointment/cessation (as applicable) & term of appointment.	22 nd October, 2021
c) Brief profile (in case of appointment).	Not Applicable
e) Disclosure of relationships between Directors (in case of appointment of a Director)	Not Applicable.

Shanthi Gears Limited
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Email: cs@shanthigears.murugappa.com | Website: www.shanthigears.com
Statement of Unaudited Financial Results for the Quarter and Six months ended 30 September 2021

Financial Information

₹ Crores

SI No	Particulars	Quarter ended			Six Months ended		Year ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	71.77	66.97	53.70	138.74	78.83	215.53
	Other Income	2.16	2.10	1.72	4.26	3.52	8.28
	Total Income	73.93	69.07	55.42	143.00	82.35	223.81
2	Expenses						
	(a) Cost of materials consumed	38.31	30.14	21.87	68.45	34.78	107.65
	(b) Changes in Inventories of finished goods and work-in-progress	(4.82)	0.03	4.68	(4.79)	3.58	(4.12)
	(c) Employee benefits expense	15.01	13.24	10.71	28.25	21.99	46.92
	(d) Depreciation and amortisation expense	2.63	2.59	2.12	5.22	4.20	8.86
	(e) Other expenses	11.46	11.57	7.86	23.03	14.16	38.43
	Total Expenses	62.59	57.57	47.24	120.16	78.71	197.74
3	Profit before tax (1-2)	11.34	11.50	8.18	22.84	3.64	26.07
4	Tax Expense						
	Current tax	3.51	2.70	0.58	6.21	0.58	4.17
	Deferred tax	(0.07)	0.22	0.97	0.15	0.01	1.73
	Total tax expense	3.44	2.92	1.55	6.36	0.59	5.90
5	Profit for the periods / year after tax (3-4)	7.90	8.58	6.63	16.48	3.05	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)	(0.04)	(0.03)	-	(0.07)	-	(0.23)
	Income tax relating to Item that will not be reclassified into profit or loss	0.01	0.01	-	0.02	-	0.07
	Other Comprehensive Income for the period / year	(0.03)	(0.02)	-	(0.05)	-	(0.16)
7	Total Comprehensive Income (5+6)	7.87	8.56	6.63	16.43	3.05	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 ₹	1.03	1.12	0.86	2.15	0.40	2.63
	Diluted EPS ₹	1.03	1.12	0.86	2.15	0.40	2.63

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 22 October 2021.
- 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 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 PPE, Inventory, Receivables and other current assets and the management continues to monitor changes in future economic conditions
- The above financial results are also available on our website www.shanthigears.com
- Previous period figures have been regrouped wherever necessary.

For Shanthi Gears Limited

M Karunakaran

M Karunakaran
Whole-time Director

Place : Coimbatore
Date : 22 October 2021



Shanthy Gears Limited
Statement of Assets and Liabilities

₹ Crores

	Particulars	As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
I.	Assets		
1	Non-current Assets		
	(a) Property, plant and equipment	62.92	66.40
	(b) Capital work-in-progress	3.10	0.03
	(c) Investment Property	7.45	7.51
	(d) Intangible assets	0.12	0.11
	(e) Financial Assets		
	(i) Investments	25.69	27.67
	(ii) Security deposits	3.29	3.09
	(f) Deferred Tax Assets (net)	2.34	2.47
	(g) Other non-current assets	4.49	4.58
	Total non-current assets	109.40	111.86
2	Current Assets		
	(a) Inventories	84.07	78.14
	(b) Financial Assets		
	(i) Investments	19.07	19.18
	(ii) Trade Receivables	54.49	47.32
	(iii) Cash and Cash Equivalents	0.73	1.97
	(iv) Other balances with banks	0.75	0.78
	(v) Other financial assets	58.36	57.15
	(c) Current Tax Assets (Net)	-	0.09
	(d) Other current assets	7.41	8.93
	Total current assets	224.88	213.56
	TOTAL ASSETS	334.28	325.42
II.	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	7.67	7.67
	(b) Other Equity	245.88	229.46
	Total Equity	253.55	237.13
	Liabilities		
1	Non-current Liabilities		
	(a) Financial Liabilities		
	(i) Other Long-Term Liabilities	1.58	2.32
	(b) Provisions	0.16	0.16
	Total non current liabilities	1.74	2.48
2	Current Liabilities		
	(a) Financial Liabilities		
	(i) Trade Payables		
	- Due to micro enterprises and small enterprises	0.49	1.46
	- Others	42.86	53.25
	(ii) Other financial liabilities	0.75	0.78
	(b) Provisions	0.47	0.38
	(c) Current Tax Liabilities (Net)	0.05	-
	(d) Other current liabilities	34.37	29.94
	Total current liabilities	78.99	85.81
	Total Liabilities	80.73	88.29
	TOTAL EQUITY AND LIABILITIES	334.28	325.42

For and on behalf of the Board of Directors

M Karunakaran

Whole-time Director

Place : Coimbatore
Date : 22 October 2021



Shanthi Gears Limited
Statement of Cash Flows for the Six Months ended 30.09.2021

₹ Crores

Particulars	Six Months ended 30.09.2021	As on Year ended 31.03.2021
A. Cash Flow from Operating Activities		
Profit for the year	16.48	20.17
Adjustments for:		
Depreciation of property, plant and equipment	5.16	8.74
Depreciation of investment properties	0.06	0.12
Profit on Property plant & equipment Sold / Discarded (Net)	(0.02)	(0.20)
Income tax expense	6.36	5.90
Interest income	(2.48)	(2.14)
Dividend income	(0.15)	(0.98)
Net gain arising of financial assets measured at fair value through profit or loss	-	(0.40)
Provision for Inventories	(4.85)	(4.74)
Government grant	0.74	0.75
Unrealised (gain)/loss from forex fluctuation of trade receivables	(0.02)	(0.01)
Unrealised (gain)/loss on fair value of investments	(0.15)	(0.92)
Provision for doubtful trade receivables	0.03	(0.82)
Operating Profit before Working Capital / Other Changes	21.16	25.47
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1.08)	(12.57)
Trade receivables	(7.15)	(9.12)
Other financial assets	(0.06)	(1.18)
Other current assets	1.76	0.66
Other non-current assets	(0.40)	0.72
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(11.36)	24.59
Other current liabilities	4.40	8.56
Other long-term liabilities	(1.49)	0.19
Short-term provisions	0.10	(0.06)
Cash generated from operations	5.89	37.27
Net income tax paid	(6.16)	(4.50)
Net cash generated by/(used in) Operating activities (A)	(0.27)	32.77
B. Cash flow from Investing activities		
Capital expenditure on fixed assets, including capital advances	(4.27)	(15.40)
Proceeds from sale of property plant and equipments	0.02	0.24
Long term investments	2.00	-
Short-term investments(Net)	1.08	(9.40)
Interest received		
- Others	0.04	3.23
Dividend received		
- Others	0.15	0.98
Net cash flow used In Investing activities (B)	(0.98)	(20.35)
C. Cash flow from Financing activities		
Dividends paid on equity shares	-	(11.51)
Net cash flow used in Financing activities (C)	-	(11.51)
Net increase/(decrease) In Cash and cash equivalents (A+B+C)	(1.24)	0.91
Cash and cash equivalents at the beginning of the year	1.97	1.06
Cash and cash equivalents at the end of the period	0.73	1.97

Place : Coimbatore
Date : 22 October 2021



For and on behalf of the Board of Directors

M Karunakaran
M Karunakaran
Whole-time Director

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 six months ended September 30, 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: 21216015AAAADX1000

Place : Coimbatore
Date : October 22, 2021

Financial Results of Shanthi Gears Limited

Revenue at ₹ 71.8 Crs and PBT ₹ 11.3 Crs in Q2

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, 2021.

Highlights

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

- Revenue of ₹ **71.8** Crores in the quarter with a 34% growth over Q2 of previous year.
- The Profit before tax for the quarter was at ₹ 11.3 Crores as against ₹ 8.2 Crores in Q2 of previous year.
- Focus on cost optimisation and lower capital employed enabled to sustain the Return on Invested Capital (ROIC) to **25%** during Q2.

During the quarter the Company booked orders for ₹ 89 Crores (against ₹ 76 Crores for corresponding quarter of the previous year). Pending orderbook as on 30th September 2021 was ₹ 260 Crores against ₹ 187 Crores in the previous year.