



SGL-39/Sec/2023-24

25<sup>th</sup> October, 2023

**National Stock Exchange of India Ltd**

Exchange Plaza, 5<sup>th</sup> Floor  
Plot No.C-1, Block G  
Bandra-Kurla Complex  
Bandra (E),  
Mumbai 400 051

**BSE Limited**

1<sup>st</sup> 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**

Dear Sir / Ma'am,

**Sub: Outcome of Board Meeting held on 25<sup>th</sup> October, 2023**

Further to our letter dated 10<sup>th</sup> October 2023, intimation of the Board Meeting to consider and approve the Unaudited financial results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2023.

Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we wish to inform you that the Board of Directors at their Meeting held today has inter alia, approved the Unaudited Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2023. In this regard, a copy of the said Financial Results together with the Limited Review Report of M/s. M S K A & Associates, Chartered Accountants & Statutory Auditor of the Company is enclosed herewith.

A copy of the same will be made available on the website of the Company at [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 the time stipulated. A copy of the press release made with regarding to the un-audited financial results for the quarter and half year ended 30<sup>th</sup> September, 2023 is further enclosed.

The Meeting of the Board of Directors commenced at 12.30 p.m. and concluded at 02.30 p.m.





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

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

This is for your kind information and records.

Thanking you,

Yours faithfully,

**For Shanthi Gears Limited**

**Walter Vasanth P J**

**Company Secretary & Compliance Officer**



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: waltervasanthpj@shanthigears.murugappa.com | Website:www.shanthigears.com

**Statement of Unaudited Financial Results for the Quarter and Six months ended 30 September 2023**

₹ Crores

Sl No	Particulars	Quarter ended			Six months ended		Year ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	135.42	121.45	108.75	256.87	207.60	445.65
	Other income	3.94	3.99	3.28	7.93	5.42	11.24
	<b>Total income</b>	<b>139.36</b>	<b>125.44</b>	<b>112.03</b>	<b>264.80</b>	<b>213.02</b>	<b>456.89</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	66.99	54.49	54.96	121.48	107.12	214.18
	(b) Changes in inventories of finished goods and work-in-progress	(2.53)	2.57	(0.74)	0.04	(3.70)	0.12
	(c) Employee benefits expense	18.86	22.66	18.88	41.52	34.10	71.15
	(d) Depreciation and amortisation expense	3.01	2.97	2.72	5.98	5.29	10.88
	(e) Other expenses	23.37	18.63	13.68	42.00	29.99	70.37
	<b>Total expenses</b>	<b>109.70</b>	<b>101.32</b>	<b>89.50</b>	<b>211.02</b>	<b>172.80</b>	<b>366.70</b>
3	<b>Profit before tax (1-2)</b>	<b>29.66</b>	<b>24.12</b>	<b>22.53</b>	<b>53.78</b>	<b>40.22</b>	<b>90.19</b>
4	<b>Tax expense</b>						
	Current tax	7.86	6.61	5.55	14.47	10.31	25.40
	Deferred tax	0.78	(0.61)	0.38	0.17	(0.13)	(2.26)
	<b>Total tax expense</b>	<b>8.64</b>	<b>6.00</b>	<b>5.93</b>	<b>14.64</b>	<b>10.18</b>	<b>23.14</b>
5	<b>Profit after tax (3-4)</b>	<b>21.02</b>	<b>18.12</b>	<b>16.60</b>	<b>39.14</b>	<b>30.04</b>	<b>67.05</b>
6	Other comprehensive income (net of tax)						
	Items that will not be reclassified to statement of profit and loss in subsequent periods:						
	Re-measurement gain/(loss) on defined benefit/obligations (Net)	1.16	(0.33)	(0.15)	0.83	(0.19)	(2.21)
	Income tax relating to item that will not be reclassified to statement of profit and loss in subsequent periods	(0.29)	0.08	0.04	(0.21)	0.05	0.56
	Other comprehensive gain/(loss) for the period / year	0.87	(0.25)	(0.11)	0.62	(0.14)	(1.65)
7	<b>Total comprehensive income (5+6)</b>	<b>21.89</b>	<b>17.87</b>	<b>16.49</b>	<b>39.76</b>	<b>29.90</b>	<b>65.40</b>
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)						294.68
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)						
	Basic EPS ₹	2.74	2.36	2.16	5.10	3.92	8.74
	Diluted EPS ₹	2.74	2.36	2.16	5.10	3.92	8.74

**Notes**

1.The unaudited financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules there under and other accounting principles generally accepted in India. 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 25 October 2023. The statement of financial results for the quarter ended 30 September 2023 has been reviewed by the statutory auditors of the company.

2.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

3.The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.

4. Previous periods' figures have been re-grouped / re-classified, where necessary to make it comparable with the current period.

5. The above financial results are also available on our website [www.shanthigears.com](http://www.shanthigears.com)



Place : Coimbatore  
Date : 25 October 2023



For Shanthy Gears Limited

*M Karunakaran*  
M Karunakaran  
Whole-time Director  
DIN: 09004843

## SHANTHI GEARS LIMITED

## Statement of Assets and Liabilities

₹ Crores

Particulars		As at 30.09.2023 (Unaudited)	As at 31.03.2023 (Audited)
<b>I.</b>	<b>Assets</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, plant and equipment	60.89	62.96
	(b) Capital work-in-progress	1.41	2.03
	(c) Investment Property	7.06	7.13
	(d) Intangible assets	0.70	0.15
	(e) Financial Assets		
	(i) Investments	20.21	20.21
	(ii) Other financial assets	4.56	3.68
	(iii) Bank deposits	29.77	9.28
	(f) Deferred Tax Assets (net)	4.33	4.43
	(g) Other non-current assets	5.50	6.75
	<b>Total Non-Current Assets</b>	<b>134.43</b>	<b>116.62</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	68.09	66.60
	(b) Financial Assets		
	(i) Investments	56.52	37.10
	(ii) Trade Receivables	92.75	68.12
	(iii) Cash and Cash Equivalents	1.36	15.09
	(iv) Other balances with banks	2.97	0.95
	(v) Other financial assets	64.92	68.27
	(c) Other current assets	9.04	5.15
	<b>Total Current Assets</b>	<b>295.65</b>	<b>261.28</b>
	<b>Total Assets</b>	<b>430.08</b>	<b>377.90</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share capital	7.67	7.67
	(b) Other Equity	319.05	294.68
	<b>Total Equity</b>	<b>326.72</b>	<b>302.35</b>
	<b>Liabilities</b>		
<b>1</b>	<b>Non-current Liabilities</b>		
	(a) Other non-current liabilities	0.48	0.48
	<b>Total Non-current Liabilities</b>	<b>0.48</b>	<b>0.48</b>
<b>2</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Trade Payables		
	(A) Total outstanding dues of micro enterprises and small enterprises	4.27	3.01
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	59.87	40.66
	(ii) Other financial liabilities	0.97	0.95
	(b) Other current liabilities	33.52	26.04
	(c) Provisions	0.46	1.77
	(d) Current Tax Liabilities (Net)	3.79	2.64
	<b>Total Current Liabilities</b>	<b>102.88</b>	<b>75.07</b>
	<b>Total Liabilities</b>	<b>103.36</b>	<b>75.55</b>
	<b>Total Equity and Liabilities</b>	<b>430.08</b>	<b>377.90</b>



For and on behalf of the Board of Directors


**M Karunakaran**  
 Whole-time Director

 Place : Coimbatore  
 Date : 25 October 2023



## SHANTHI GEARS LIMITED

## Statement of Cash Flows for the six months ended 30 September 2023

₹ Crores

Particulars	Six months ended 30-Sep-2023 (Unaudited)	Six months ended 30-Sep-2022 (Unaudited)
<b>A. Cash Flows from Operating Activities:</b>		
<b>Profit before tax</b>	<b>53.78</b>	<b>40.22</b>
Adjustments for:		
Depreciation on Property, Plant and Equipment	5.92	5.26
Depreciation of Investment Property	0.06	0.03
Gain on disposal of Property, Plant and Equipment	(0.48)	(0.01)
Net gain arising of financial assets measured at fair value through profit or	(1.73)	0.80
Net Foreign Exchange differences	(0.20)	(0.02)
Interest Income	(3.64)	(1.93)
Dividend Income from Tax Free Bonds	(0.80)	(0.81)
Government Grant	-	(0.69)
Provision for Credit impaired Trade Receivable	1.77	0.26
Provision for Inventory	1.38	(4.40)
<b>Operating Profit before Working Capital / Other Changes</b>	<b>56.06</b>	<b>38.71</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2.87)	(6.54)
Trade receivables	(26.40)	(1.07)
Other financial assets	(0.47)	(0.32)
Other current assets	(3.89)	(5.12)
Other non-current assets	1.25	(0.64)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	20.56	8.52
Other financial liabilities	0.02	-
Other current liabilities	7.48	0.21
Other long-term liabilities	-	(0.01)
Provisions	(1.31)	1.90
Cash generated from operations	<b>50.43</b>	<b>35.64</b>
Income tax paid (Net of refunds)	(7.84)	(8.32)
<b>Net cash generated from Operating activities (A)</b>	<b>42.59</b>	<b>27.32</b>
<b>B. Cash Flows from Investing Activities:</b>		
Capital expenditure (including capital work in progress and capital advances)	(7.20)	(1.84)
Proceeds from sale of Property, Plant and Equipment	0.48	0.01
Proceeds from non current investments	-	0.01
(Purchase)/Sale of current investments, Net	(38.20)	(28.66)
Interest income received	3.12	2.33
Dividend received	0.80	0.81
<b>Net Cash Used in Investing Activities (B)</b>	<b>(41.00)</b>	<b>(27.34)</b>
<b>C. Cash Flows from Financing Activities:</b>		
Dividends paid on equity shares	(15.32)	-
<b>Net Cash Used in Financing activities (C)</b>	<b>(15.32)</b>	<b>-</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(13.73)</b>	<b>(0.02)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>15.09</b>	<b>1.32</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1.36</b>	<b>1.30</b>

Place : Coimbatore  
Date : 25 October 2023



For and on behalf of the Board of Directors



*M Karunakaran*  
**M Karunakaran**  
Whole-time Director  
DIN: 09004843

**Independent Auditor's Review Report on unaudited financial results for the quarter and year to date of Shanthi Gears Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**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 30 September 2023 and the year to-date results for the period from 01 April 2023 to 30 September 2023 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').
2. This Statement, which is the responsibility of the Company's Management and has been approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. 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 Engagement (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 persons 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 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 Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement for the quarter and period ended 30 September 2022, 30 June 2023 and year ended 31 March 2023 was reviewed / audited by another auditor whose report dated 21 October 2022, 26 July 2023 and 09 May 2023 respectively expressed an unmodified opinion/conclusion on that Statement.

Our conclusion is not modified in respect of the above matter.

**For M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No.105047W



Geetha Jeyakumar  
Partner

Membership No.: 029409

UDIN: 23029409BGTNBM6815



Place: Chennai  
Date: 25 October 2023

## Financial Results of Shanthi Gears Limited

### Shanthi Gears PBT up by 32% & Order Booking up by 43% in Q2 2023-24

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 30<sup>th</sup> September, 2023.

#### Highlights

The Company continues to focus on 4 key priorities of Revenue growth, Profitability, Return on Invested Capital and Free Cash Flow. SGL delivered strong performance on all these 4 priorities:

- Revenue of ₹ **135.4** Crores in the quarter with a 25% growth over Q2 of previous year.
- The Profit before tax for the quarter up by 32% at ₹ **29.7** Crores as against ₹ 22.5 Crores in Q2 of previous year.
- Focus on cost optimisation and lower Invested Capital enabled improvement in Return on Invested Capital (ROIC) to **72%** during Q2.
- The Company generated Free Cash Flow (FCF) of ₹ **19.1** Crores during Q2 as against ₹ 11.2 Crores during Q2 of previous year. FCF to PAT is 91% in Q2.

During the quarter, the Company booked orders for ₹ 149 Crores with a 43% growth over Q2 of previous year.