

SGL-53/Sec/2023-24

30th January, 2024

National Stock Exchange of India Ltd

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

BSE Limited

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**

Dear Sir / Ma'am,

Sub: Outcome of Board Meeting held on 30th January, 2024

Further to our letter dated 19th January, 2024 we write to inform you that pursuant to Regulations 30, 33 and any other applicable Regulations of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI LODR'), the Board of Directors of the Company, at the meeting held today (30th January, 2024) has approved the following:

1) Unaudited standalone financial results for the quarter and nine months ended 31st December, 2023:

The Board of Directors ("Board") considered the Unaudited standalone financial results of the Company for the quarter and nine months ended 31st December, 2023 and approved the same.

The aforesaid Unaudited standalone financial results, in the format specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), together with a copy of the Limited Review Reports of M/s. M S K A & Associates, Chartered Accountants & Statutory Auditors of the Company are enclosed for your records and for uploading in your website. The aforesaid Unaudited standalone financial results are also uploaded on the Company's website www.shanthigears.com. An extract of the aforesaid Unaudited standalone 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 said unaudited standalone financial results for the quarter and nine months ended 31st December, 2023 is enclosed.

2) Declaration and Payment of Interim Dividend & Record Date:

The Board of Directors have declared an interim dividend at Rs.3 /- (Rupees Three only) per equity share of Re.1/- each for the financial year ending 31st March, 2024.

The interim dividend shall be paid to those shareholders whose names appear in the register of members of the Company or in the records of the Depositories as beneficial owners of the shares as on Friday, 09th February, 2024, which is the Record Date fixed for the purpose. The Interim Dividend will be paid on or before 23rd February 2024.

3) Re-appointment of Mr. M Karunakaran (DIN 09004843) as Chief Executive Officer and Whole-time Director:

In view of planned succession, Mr. M Karunakaran, Chief Executive Officer and Whole-time Director of the Company has been re-appointed as Chief Executive Officer and Whole-time Director for a further term effective from 10th February, 2024 to 09th February, 2029 (both days inclusive), subject to the approval of the shareholders.

4) Notice of Postal Ballot & E-voting:

The Board approved the issuance of a Notice of Postal Ballot and E-voting, for seeking approval of the shareholders for re-appointment of Mr. M Karunakaran (DIN 09004843) as Chief Executive Officer & Whole-time Director for a further term effective from 10th February, 2024 to 09th February, 2029 (both days inclusive) and the terms of remuneration payable to him.

The requisite disclosures as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular no. SEBI/HO/CFD-PoD-1/P/CIR2023/123 dated 13th July, 2023 are provided in Annexure-A.

The Meeting of the Board of Directors commenced at 12.45 p.m. and concluded at 02.05 p.m.

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 Nine months ended 31 December 2023

₹ Crores

SI No	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	125.54	135.42	114.65	382.41	322.25	445.65
	Other income	3.61	3.94	3.04	11.54	8.46	11.24
	Total income	129.15	139.36	117.69	393.95	330.71	456.89
2	Expenses						
	Cost of materials consumed	66.57	66.99	49.96	188.05	157.08	214.18
	Changes in inventories of finished goods and work-in-progress	(5.29)	(2.53)	1.95	(5.25)	(1.75)	0.12
	Employee benefits expense	17.75	18.86	19.35	59.27	53.45	71.15
	Depreciation and amortisation expense	3.01	3.01	2.71	8.99	8.00	10.88
	Other expenses	23.16	23.37	20.30	65.16	50.29	70.37
	Total expenses	105.20	109.70	94.27	316.22	267.07	366.70
3	Profit before tax (1-2)	23.95	29.66	23.42	77.73	63.64	90.19
4	Tax expense						
	Current tax	6.75	7.86	6.11	21.22	16.42	25.40
	Deferred tax	(0.23)	0.78	(0.23)	(0.06)	(0.36)	(2.26)
	Total tax expense	6.52	8.64	5.88	21.16	16.06	23.14
5	Profit after tax (3-4)	17.43	21.02	17.54	56.57	47.58	67.05
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)	0.42	1.16	(0.33)	1.25	(0.52)	(2.21)
	Income tax relating to item that will not be reclassified to statement of profit and loss in subsequent periods	(0.10)	(0.29)	0.08	(0.31)	0.13	0.56
	Other comprehensive income for the period or year	0.32	0.87	(0.25)	0.94	(0.39)	(1.65)
7	Total comprehensive income (5+6)	17.75	21.89	17.29	57.51	47.19	65.40
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 (in ₹)	2.27	2.74	2.29	7.37	6.20	8.74
	Diluted EPS (in ₹)	2.27	2.74	2.29	7.37	6.20	8.74

Notes

- The unaudited financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS 34) on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 ("the Act"), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. The above Financial Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 30 January 2024. The statement of financial results for the quarter and nine months ended 31 December 2023 has been reviewed by the Statutory Auditors of the company.
- 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 Board of Directors have declared an interim dividend of Rs 3/- (Rupees Three only) per Equity Share of Re 1/- each for the financial year 2023-24.
- 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.
- Previous periods' figures have been re-grouped / re-classified, where necessary to make it comparable with the current period.
- The above financial results are also available on our website www.shanthigears.com

Place : Coimbatore
Date : 30 January 2024



For Shanthy Gears Limited

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 31 December 2023 and the year to-date results for the period from 01 April 2023 to 31 December 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 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, (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and is in compliance with Regulation 33 of 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 the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other 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 31 December 2022 and year ended 31 March 2023 was reviewed / audited by another auditor whose report dated 25 January 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

Geetha Jeyakumar
Membership No.: 029409
UDIN: 24029409BKDEE18710

Place: Chennai
Date: January 30, 2024

Annexure-A

Details pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD1/P/CIR/2023/123 dated 13th July, 2023:

Name of the Director	Mr. M Karunakaran
Reason for Change	The Board of Directors, pursuant to the recommendation of the Nomination and Remuneration Committee at its meeting held on 30 th January, 2024, approved the reappointment of Mr. M Karunakaran CEO and Whole time Director for a term of five years with effect from 10 th February, 2024. The said appointment is subject to approval of shareholders of the Company.
Date of Appointment	10 th February, 2024
Term of Appointment	5 years
Brief Profile	Mr. M Karunakaran (52 years; DIN 09004843), is a Mechanical Engineer from Annamalai University, Completed his Post Graduate diploma in Die & Tool Design from GTTC and MBA from University of Madras. He has also completed Advanced Manufacturing Program from M/s Warwick University, UK and the Murugappa Leadership Program (MLP) from IIM, Ahmedabad. He has over two decades of experience in Operations, Strategy and business turnaround. He has been associated with Tube Investments of India Limited (TII) for more than 25 years and now serving as CEO of Shanthi Gears Limited from February, 2019.
Disclosure of relationships between directors	Not related to any Director of the Company
Information as required under Circular No. LIST/COMP/14/2018-19 and NSE/CML/2018/02 dated June 20, 2018 issued by the BSE and NSE, respectively.	Not debarred from holding office of a Director by virtue of any SEBI Order or any other such authority

Financial Results of Shanthy Gears Limited

Shanthy Gears Revenue up by 9% & Order Booking up by 19% in Q3 2023-24

The Board of Directors of Shanthy Gears Limited (SGL), a subsidiary of Tube Investments of India Limited (TII), met today and approved the financial results for the quarter and nine months ended 31st December 2023.

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 ₹ **125.5** Crores in the quarter with a 9% growth over Q3 of previous year. For nine months ended 31st December 2023, Revenue grew by 19%.
- The Profit Before Tax (PBT) for the quarter up by 2% at ₹ **24.0** Crores as against ₹ 23.4 Crores in Q3 of previous year. The drop in PBT growth is mainly on account of product mix. For nine months ended 31st December 2023, PBT grew by 22%.
- Focus on cost optimisation and lower Invested Capital enabled improvement in Return on Invested Capital (ROIC) to **53%** during Q3. For nine months ended 31st December 2023, ROIC is at 59%.
- The Company generated Free Cash Flow (FCF) of ₹ **8.1** Crores during Q3 as against ₹ 6.5 Crores during Q3 of previous year. For nine months ended 31st December 2023, FCF grew by 75%.

During the quarter, the Company booked orders for ₹ 142 Crores with a 19% growth over Q3 of previous year. For nine months ended 31st December 2023, order book grew by 37%.

The Board declared an interim dividend of ₹ 3 per share (Face Value ₹ 1 per share) for the financial year 2023-24.