

February 10, 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 8 pages (including covering letter)

Dear Sir,

Sub: Outcome of Board Meeting

Further to our letter dated 22nd January,2021 and 4th February,2021, we write to inform that at the meeting held today (10th February,2021), the Board of Directors *inter alia* have approved the following:

1) Un-audited Financial Results of the Company for the third quarter ended 31st December, 2020

The Board of Directors considered and approved the Unaudited financial results of the Company for the third quarter ended 31st December,2020 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 third quarter ended 31st December,2020 is further enclosed.

2) Declaration and Payment of Interim Dividend & Record Date

The Board of Directors have declared an interim dividend at Rs.1.50/- (One Rupee and fifty paise Only) per equity share of Re.1/- each for the financial year ending 31st March,2021

Record date for the purpose of payment of interim dividend shall be **Tuesday, 23rd February,2021.**

The interim dividend shall be paid to those shareholders whose names appear in the register of members as on Record date in respect of shares held in physical form and in case of shares held in dematerialized form, as per the details to be furnished by the depositories as on the Record date.

The Interim Dividend will be paid on Friday, 5th March, 2021 after deducting TDS as per the Income Tax, 1961.

3) **Appointment of Mr. M A M Arunachalam as Additional Director:**

The Board appointed Mr. M A M Arunachalam (DIN 00202958) as Additional Director (non-executive, non-independent) of the Company with effect from 10th February, 2021

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

4) **Appointment of Mr. M Karunakaran as Additional Director and as Whole-time Director:**

The Board appointed Mr. M Karunakaran (DIN 09004843) as Additional Director (executive, non-independent) of the Company with effect from 10th February, 2021

The Board further appointed Mr. M Karunakaran as Whole-time Director [Key Managerial Personnel] of the Company. The appointment of Mr. M Karunakaran is for a 3-year term, from 10th February, 2021 till 9th February, 2024 (both dates inclusive) and will be subject to the approval of the Shareholders in general meeting.

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

5) **Appointment of Chief Financial Officer:**

The Board appointed Mr, Ranjan Kumar Piti as Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 10th February, 2021

Disclosure in the format prescribed under Regulation 30 of the Listing Regulations in respect of sl. nos.3 to 5 above is attached.

For your information, the Board Meeting commenced at 12.10 A.M. and concluded at 14.45 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,

For **SHANTHI GEARS LIMITED**


C. Subramaniam
Company Secretary

Encl: As above

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

Disclosure Requirement	Details
<p>a) Reason for the change viz, appointment, resignation, removal, death or otherwise.</p>	<p><u>Appointment:</u></p> <ol style="list-style-type: none"> 1) Mr. M A M Arunachalam (DIN 00202958) as Additional Director (non-executive, non-independent). 2) Mr. M Karunakaran (DIN 09004843) as Additional Director (executive, non-independent) and also as Whole-time Director 3) Mr. Ranjan Kumar Piti as Chief Financial Officer
<p>b) Date of appointment /cessation (as applicable) & term of appointment.</p>	<p><u>Appointment:</u></p> <ol style="list-style-type: none"> 1) Mr. M A M Arunachalam (DIN 00202958) as Additional Director (non-executive, non-independent) with effect from 10th February, 2021. 2) Mr. M Karunakaran (DIN 09004843) as Additional Director (executive, non-independent) and also as Whole-time Director with effect from 10th February, 2021 <p>M Karunakaran also appointed as Whole-time Director for a 3-year term, from 10th February, 2021 to 9th February, 2024 (both days inclusive), subject to the approval of the shareholders in general meeting.</p> <ol style="list-style-type: none"> 3) Mr. Ranjan Kumar Piti as Chief Financial Officer with effect from 10th February, 2021



<p>c) Brief profile (in case of appointment).</p>	<p><u>Appointment:</u></p> <p><u>1) Mr. M A M Arunachalam:</u></p> <p>Mr. M A M Arunachalam (also known as Arun Murugappan) (DIN 00202958), is an MBA graduate from the University of Chicago, USA. He is currently the Managing Director of M/s. Parry Enterprises India Ltd (PEIL), a Murugappa group business arm which is into polynets, general marketing, travels and solar energy. Mr. M A M Arunachalam drives the business development and strategic initiatives of PEIL by identifying opportunities for its divisions – General Marketing Division, Parry Travels and Tuflex India. He is also on the Board of Coromandel Engineering Ltd, Tube Investments of India Ltd and Carborundum Universal Ltd.</p> <p><u>2) Mr. M Karunakaran:</u></p> <p>Mr. M Karunakaran (DIN: 09004843), Mechanical Engineer from Annamalai University. He has completed his Post Graduate Diploma in Die and Tool Design from Govt. Technical Training Center (GTTC), Chennai and MBA from University of Madras. He has also completed Advanced Manufacturing Program from M/s Warwick University, UK and Murugappa Leadership program (MLP) from IIM, Ahmedabad.</p> <p>He has 26 Years of experience in the areas of Product Design & Development, Operations, SCM, VAVE Projects and Project Management.</p>
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	<p>Mr. Karunakaran has been associated with M/s. Tube Investments of India Ltd (TII) for the last 20 years. He has played a major role in Stabilizing the EOU Tube Plant in Chennai and handled the manufacturing activities of Precision Cold drawn welded (CDW) Tubes Plant in China. He has served as the Plant Head of M/s. Tube Products of India, Shirwal from 2010 to 2014.</p> <p>Karunakaran is currently CEO of M/s. Shanthi Gears Limited.</p> <p>3) Mr. Ranjan Kumar Piti:</p> <p>Mr. Ranjan Kumar Piti is a Member of the Institute of Chartered Accountants of India and Commerce graduate from Utkal University, Odisha. He has over 15 years of experience in heading the Finance function in various industries like FMCG, Automobile, SCM and Retail and have experience of working in both Factory and Corporate environment.</p> <p>Mr. Ranjan Kumar Pati has been associated with the Murugappa Group (EID parry India Ltd) earlier during the period 2007 to 2011 as Plant Finance Head and before joining SGL he was working as Unit Finance Controller (UFC) in Classic Mall Development Co Ltd (Phoenix Group), Chennai</p>
<p>d) Disclosure of relationships between Directors (in case of appointment of a Director)</p>	<p>Not Applicable.</p> <p>The Appointees are not related to any of the Directors or other Key Managerial Personnel of the Company.</p>



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 nine months ended December 31, 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)



Balaji M.N.

Partner

Membership No. 202094

UDIN: 21202094AAAAAU6916

Place : Bengaluru

Date : February 10, 2021

Shanthi Gears Limited

CIN: L29130TZ1972PLC000649

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Email: cs@shanthigears.murugappa.com | Website:www.shanthigears.com

Statement of Unaudited Financial Results for the Quarter and Nine months ended 31 December 2020

Financial Information

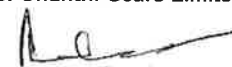
₹ Crores

Sl No	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	64.83	53.70	58.02	143.66	200.68	242.29
	Other Income	1.89	1.72	1.57	5.41	4.73	6.53
	Total Income	66.72	55.42	59.59	149.07	205.41	248.82
2	Expenses						
	(a) Cost of materials consumed	31.02	21.87	24.25	65.80	87.47	111.98
	(b) Changes in Inventories of finished goods and work-in-progress	0.46	4.68	2.15	4.04	8.77	3.81
	(c) Employee benefits expense	12.63	10.71	12.38	34.62	36.63	48.23
	(d) Depreciation and amortisation expense	2.24	2.12	2.10	6.44	6.31	8.39
	(e) Other expenses	10.19	7.86	11.01	24.35	34.03	43.72
	Total Expenses	56.54	47.24	51.89	135.25	173.21	216.13
3	Profit before tax (1-2)	10.18	8.18	7.70	13.82	32.20	32.69
4	Tax Expense						
	Current tax	1.92	0.58	0.97	2.50	6.31	6.21
	Deferred tax	0.56	0.97	0.64	0.57	1.99	1.29
	Total tax expense	2.48	1.55	1.61	3.07	8.30	7.50
5	Profit for the periods / year after tax (3-4)	7.70	6.63	6.09	10.75	23.90	25.19
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)	-	-	-	-	-	(1.35)
	Income tax relating to Item that will not be reclassified into profit or loss	-	-	-	-	-	0.46
	Other Comprehensive Income for the period / year						(0.89)
7	Total Comprehensive Income (5+6)	7.70	6.63	6.09	10.75	23.90	24.30
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)						220.95
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)						
	Basic EPS ₹	1.00	0.86	0.79	1.40	3.11	3.28
	Diluted EPS ₹	1.00	0.86	0.79	1.40	3.11	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 10 February 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
- Board of Directors of the Company at the meeting held on 10 February 2021, declared a Interim Dividend of ₹ 1.5 per Equity share of ₹1 each, for the financial year 2020-21
- 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 Shanthi Gears Limited



L Ramkumar
Chairman

Place : Chennai

Date : 10 February 2021



Financial Results of Shanthi Gears Limited

Revenue at ₹ 64.8 Crs and PBT at ₹ 10.2 Crs in Q3

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 nine months ended 31st December, 2020.

Highlights

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

- Revenue of ₹ **64.8** Crores in the quarter with a **12% growth** over Q3 of previous year.
- The Profit before tax for the quarter up by **32%** at ₹ **10.2 Crores** as against ₹ 7.7 Crores in Q3 of previous year. The Profit before tax % to Sales was **16%** for Q3.
- Focus on cost optimisation and lower capital employed enabled to sustain the Return on average Capital Employed (ROCE) to **25.4%** during Q3.
- The Company generated free cash flow of ₹ **10.2** Crores during Q3 and Free cash flow to PAT is **132%** in Q3.

During the quarter, the Company has registered highest ever order book of ₹ 104 Crores (96% growth over previous year). Pending order book as on 31st December 2020 is ₹ 220 Crores against ₹ 127 Crores in the previous year.

The Board declared an interim dividend of ₹ 1.5 per share of Face Value ₹ 1 per share for the financial year 2020-21.