

May 7, 2022

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 CentreTotal 14 pages (including covering letter)

Dear Sir,

Sub: Outcome of Board Meeting

Further to our letter dated 27th April, 2022, we write to inform that at the meeting held today (7th May, 2022), the Board of Directors of the Company have approved the following:

1) Audited Financial Results for the financial year ended 31st March, 2022

The Board of Directors of the Company, at its meeting held today (7th May, 2022), approved the audited financial results for the financial year ended 31st March, 2022.

Accordingly, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we enclose the following:

- i) Statement showing the Audited Financial Results for the quarter and year ended 31st March, 2022;
- ii) Auditor's Report from the Statutory Auditors, M/s. Deloitte Haskins & Sells on the above financial results;

Further, as required under Clause 4.1 of SEBI's circular dated 27th May, 2016, we confirm that the Statutory Auditors of the Company have issued the Report on the audited financial results of the Company for the year ended 31st March, 2022, with unmodified opinion.

This is for your records and for 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 time stipulated.

A copy of the press release made with regard to the audited financial results for the quarter and year ended 31st March, 2022 is enclosed.

2) Closure of Register of Members

Please note that the share transfer books of the Company will remain closed from **Saturday, 16th July, 2022 to Monday, 25th July, 2022** (both days inclusive) for the purpose of ensuing 49th Annual General Meeting.

3) 49th Annual General Meeting

The 49th Annual General Meeting of Members of the Company will be held on **Monday, 25th July, 2022** at 4.00 PM (IST) through Video Conferencing/Other Audio Visual Means.

4) Resignation of Mr. L Ramkumar as Chairman and Director

Mr. L Ramkumar (DIN 00090089) resigned as Chairman of the Board & Non-Independent Director of the Company with immediate effect and the Board has accepted the same.

5) Appointment of Mr. M A M Arunachalam as Non-executive Chairman of the Board

The Board of Directors has elected Mr. M A M Arunachalam (DIN 00202958) as Non-executive Chairman of the Board with immediate effect.

6) Appointment of Mr. L Ramkumar as an Additional Director:

The Board appointed Mr. L Ramkumar (DIN: 00090089) as an Additional Director of the Company with effect from 7th May, 2022, designated as Independent Director, for a period of 4 years, subject to the approval of the Shareholders.

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



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Website : www.shanthigears.com
CIN : L29130TZ1972PLC000649
GST : 33AADCS0692L1Z7

For your information, the Board Meeting commenced at 11.00 A.M. and concluded at 3.15 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,
For **SHANTHI GEARS LIMITED**

C. Subramaniam
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SHANTHI GEARS LIMITED

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended 31 March 2022 and (b) reviewed the Financial Results for the quarter ended 31 March 2022 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying Statement of Financial Results for the Quarter and Year Ended 31 March 2022 ("the Statement") of **SHANTHI GEARS LIMITED** ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended 31 March 2022:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended 31 March 2022

With respect to the Financial Results for the quarter ended 31 March 2022, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended 31 March 2022, prepared in accordance with the recognition and measurement principles laid down in the 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.

Basis for Opinion on the Audited Financial Results for the year ended 31 March 2022

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended 31 March 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these



requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended 31 March 2022 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended 31 March 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended 31 March 2022

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended 31 March 2022 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from



error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



(b) Review of the Financial Results for the quarter ended 31 March 2022

We conducted our review of the Financial Results for the quarter ended 31 March 2022 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 ICAI. 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 SAs specified under section 143(10) of the Act 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.

Other Matters

- The Statement includes the results for the Quarter ended 31 March 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



Krishna Prakash E

Krishna Prakash E
Partner

(Membership No. 216015)

UDIN: 22216015A10C0D7508

COIMBATORE, 7 May 2022

Financial Information

₹ Crores

Sl No	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Unaudited (Refer Note 4)	Unaudited	Unaudited (Refer Note 4)	Audited	Audited
1	Revenue from Operations	103.62	94.71	71.87	337.07	215.53
	Other Income	2.30	2.49	2.87	9.05	8.28
	Total Income	105.92	97.20	74.74	346.12	223.81
2	Expenses					
	(a) Cost of materials consumed	55.83	37.89	41.85	162.17	107.65
	(b) Changes in Inventories of finished goods and work-in-progress	(0.53)	9.74	(8.16)	4.42	(4.12)
	(c) Employee benefits expense	14.07	14.99	12.11	56.91	46.14
	(d) Depreciation and amortisation expense	2.54	2.61	2.42	10.37	8.86
	(e) Other expenses	15.35	14.74	14.27	53.52	39.21
	Total Expenses	87.26	79.97	62.49	287.39	197.74
3	Profit before tax (1-2)	18.66	17.23	12.25	58.73	26.07
4	Tax Expense					
	Current tax	4.02	5.04	1.67	15.27	4.41
	Prior Years	-	-	-	-	(0.24)
	Deferred tax	2.42	(1.58)	1.16	0.99	1.73
	Total tax expense	6.44	3.46	2.83	16.26	5.90
5	Profit for the periods / year after tax (3-4)	12.22	13.77	9.42	42.47	20.17
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)	(0.49)	(0.03)	(0.23)	(0.59)	(0.23)
	Income Tax relating to Item that will not be reclassified to Statement of Profit and Loss in subsequent periods	0.11	0.00	0.07	0.13	0.07
	Other Comprehensive Income for the period / year	(0.38)	(0.03)	(0.16)	(0.46)	(0.16)
7	Total Comprehensive Income (5+6)	11.84	13.74	9.26	42.01	20.01
8	Paid up Equity Share Capital (Face Value of ₹1 each)	7.67	7.67	7.67	7.67	7.67
9	Reserves and Surplus (i.e. Other Equity)				252.29	229.46
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)					
	Basic EPS ₹	1.59	1.79	1.23	5.54	2.63
	Diluted EPS ₹	1.59	1.79	1.23	5.54	2.63

For Shanthi Gears Limited


M Karunakaran

Whole-time Director

DIN: 09004843

Place : Coimbatore

Date : 7 May 2022



SHANTHI GEARS LIMITED
BALANCE SHEET AS AT 31 MARCH 2022

₹ Crores

Particulars		As at 31.03.2022	As at 31.03.2021
I. ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment		58.49	66.40
(b) Capital work-in-progress		3.19	0.03
(c) Investment property		7.25	7.51
(d) Other Intangible assets		0.22	0.11
(e) Financial assets			
(i) Investments		22.21	27.67
(ii) Other financial assets		3.97	4.12
(f) Deferred tax assets (net)		1.61	2.47
(g) Other non-current assets		4.95	4.58
Total non-current assets		101.89	112.89
2 Current Assets			
(a) Inventories		64.13	78.14
(b) Financial assets			
(i) Investments		27.92	19.18
(ii) Trade receivables		72.27	47.32
(iii) Cash and cash equivalents		1.32	1.97
(iv) Bank balances other than (iii) above		66.04	54.29
(v) Other financial assets		2.51	2.86
(c) Current Tax Assets		0.26	0.09
(d) Other current assets		4.42	8.68
Total current assets		238.87	212.53
Total Assets		340.76	325.42
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital		7.67	7.67
(b) Other Equity		252.29	229.46
Total Equity		259.96	237.13
1 Non-current liabilities			
(a) Provisions		0.16	0.16
(b) Other non current liabilities		0.69	2.32
Total Non-current liabilities		0.85	2.48
2 Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises		0.43	1.46
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		43.64	53.25
(ii) Other financial liabilities		0.88	0.78
(b) Other current liabilities		33.97	29.94
(c) Provisions		1.03	0.38
Total Current liabilities		79.95	85.81
Total Liabilities		80.80	88.29
Total Equity and Liabilities		340.76	325.42

For Shanthi Gears Limited


M Karunakaran
 Whole-time Director
 DIN: 09004843

Place : Coimbatore
 Date : 7 May 2022



SHANTHI GEARS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Particulars	₹ Crores	
	Year Ended 31.03.2022	Year Ended 31.03.2021
A. Cash Flow from Operating Activities:		
Profit after tax	42.47	20.17
Adjustments for:		
Depreciation on Property, Plant and Equipment	10.26	8.74
Depreciation on Investment Properties	0.12	0.12
Income Tax Expense	16.26	5.90
Profit on Property Plant and Equipment and ROU Assets sold/discarded, Net	(0.13)	(0.20)
Net gain arising of financial assets measured at fair value through profit or loss	(0.49)	(0.40)
Net Foreign Exchange differences	(0.05)	-
Interest income	(3.02)	(2.14)
Dividend Income from Tax Free Bonds	(1.76)	(2.05)
Govt Grant	(1.63)	-
Provision for doubtful trade receivable	0.09	(0.82)
Provision for Inventory	1.16	-
Dividend income	-	(0.98)
Operating Profit before Working Capital / Other Changes	63.28	28.34
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	14.01	(17.30)
Trade receivables	(24.97)	(9.13)
Other financial assets	1.27	(1.18)
Other current assets	4.09	(0.26)
Other non-current assets	(0.23)	0.72
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(10.66)	24.59
Other financial liabilities	0.10	-
Other current liabilities	4.03	8.56
Other long-term liabilities	(1.63)	0.94
Provisions	0.65	(0.06)
Cash Generated From Operations	49.93	35.22
Income Tax paid (net of refunds)	(14.92)	(4.50)
Net cash generated by operating activities (A)	35.01	30.72
B. Cash Flow from Investing Activities:		
Capital expenditure (including capital work In progress and capital advances)	(5.66)	(15.40)
Proceeds from sale of property, plant and equipment	0.18	0.24
Proceeds from non current investments	5.46	-
(Purchase)/Sale of Current Investments, Net	(20.38)	(9.40)
Interest income received	2.16	3.23
Dividend received	1.76	3.03
Net Cash Used in Investing Activities	(16.48)	(18.30)
C. Cash Flow from Financing Activities:		
Dividends paid on equity shares	(19.18)	(11.51)
Net Cash Used in Financing Activities	(19.18)	(11.51)
Net (Decrease)/Increase in Cash and Cash Equivalents [A+B+C]	(0.65)	0.91
Cash and Cash Equivalents at the beginning of the Year	1.97	1.06
Cash and Cash Equivalents as at End of the Year	1.32	1.97

For Shanthi Gears Limited


M Karunakaran
Whole-time Director
DIN: 09004843

Place : Coimbatore
Date : 7 May 2022



Notes

1. 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 7 May 2022. The statement of financial results for the full financial year has been audited and the results for the quarter ended 31 March 2022 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 Indian Parliament approved the Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits in September 2020 and the same has received Presidential assent. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company is in the process of assessing the impact of the Code and will record any related impact in the period the Code becomes effective.
4. 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.
5. Previous period figures have been regrouped wherever necessary.
6. The above financial results are also available on our website www.shanthigears.com

Place : Coimbatore
Date : 7 May 2022



For Shanthi Gears Limited



M Karunakaran
Whole-time Director
DIN: 09004843

Financial Results of Shanthi Gears Limited

Shanthi Gears Net Profit up by 111%

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 31st March 2022.

Highlights

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

- Revenue of ₹ 337 Crores in the financial year with a 56% growth over previous year.
- The Profit Before Tax (PBT) of ₹ 58.7 Crores in the financial year with a 125% growth over previous year. The Company registered a net profit of Rs.42.5 Crores (111% growth).
- The Return on Invested Capital (ROIC) improved to 36% in this financial year from 15% in previous year.
- The Company generated Free Cash Flow of ₹ 34.1 Crores during the financial year and registered 61% growth over previous year. Free Cash Flow to PAT is 80%.

During the year the Company had booked orders for ₹ 386 Crores and registered 27% growth over previous year.

Pending orderbook as on 31st March 2022 was ₹ 280 Crores against ₹ 225 Crores in the previous year.

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GST : 33AADCS0692L1Z7

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

1) Resignation of Mr. L Ramkumar as Director

Disclosure Requirement	Details
a) Reason for the change viz, appointment, resignation, removal, death or otherwise.	Mr. L Ramkumar (DIN: 00090089), Chairman & Non-Independent Director of the Company, resigned from the Board. with effect from 7 th May, 2022.
b) Date of appointment/cessation (as applicable) & term of appointment.	7 th May, 2022 (cessation)
c) Brief profile (in case of appointment).	Not Applicable
d) Disclosure of relationships between Directors (in case of appointment of a Director)	Not Applicable.

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CIN : L29130TZ1972PLC000649
GST : 33AADCS0692L1Z7

2) Appointment of Mr. L Ramkumar as an additional (Non-Independent) Director of the Board

Disclosure Requirement	Details
a) Reason for the change viz, appointment, resignation, removal, death or otherwise.	Mr. L Ramkumar (DIN: 00090089) (also referred as "the Appointee") has been appointed as Additional Director of the Board, designated as Independent Director, effective 7 th May 2022, for a period of 4 years, subject to the approval of the shareholders.
b) Date of appointment/cessation (as applicable) & term of appointment.	7 th May, 2022
c) Brief profile (in case of appointment).	Mr. L Ramkumar is a Cost Accountant and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He has over 41 years of rich and varied experience in management including 28 years in Tube Investments of India Ltd.
e) Disclosure of relationships between Directors (in case of appointment of a Director)	Not Applicable. The Appointee is not related to any of the Directors or other Key Managerial Personnel of the Company.