



February 1, 2019

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**  
Trough 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 21<sup>st</sup> January, 2019, we write to inform that at the meeting held today (1<sup>st</sup> February, 2019), the Board of Directors has approved the following:

**1) Unaudited Financial Results of the Company for the third quarter and nine months ended 31<sup>st</sup> December, 2018**

Unaudited Financial Results of the Company for the third quarter ended 31<sup>st</sup> December, 2018 in the detailed format under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as approved by the Board together with a copy of the Limited Review report of M/s. Deloitte Haskins & Sells, Chartered Accountant & Statutory Auditor of the Company 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](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 time stipulated.

A copy of the press release made with regard to the unaudited financial results for the third quarter ended 31<sup>st</sup> December, 2018 is further enclosed.

**2) Appointment of Mr. Vellayan Subbiah as an additional Director**

The Board of Directors have approved the appointment of Mr. Vellayan Subbiah (DIN: 01138759) as an additional Director of the Company with immediate effect.

**3) Resignation of Mr. Rajiv Narayanamoorthy, Chief Executive Officer**

The Board took note that consequent to his resignation [as informed to the Stock Exchanges by letter dated 26<sup>th</sup> October, 2018], Mr. Rajiv Narayanamoorthy, Chief Executive Officer [Key Managerial Person] will be relieved from the services of the Company with effect from today (01/02/2019).

**4) Appointment of Mr. M Karunakaran as Chief Executive Officer**

The Board of Directors of the Company has appointed Mr. M Karunakaran as Chief Executive Officer [Key Managerial Person] of the Company with effect from today (01/02/2019).

**5) Authority to Chief Executive Officer for determining materiality of event for disclosure under the SEBI Listing Regulations, 2015**

Mr. M Karunakaran, Chief Executive Officer [Key Managerial Person] has been authorized by the Board as the person for determining materiality of event for disclosure to the Stock Exchanges under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with Mr. B Balamurugan, Chief Financial Officer [Key Managerial Person-KMP].

The contact details of the said KMPs are:

Sl. No.	Name of the KMP	Contact details (e-mail id)
1	Mr. M Karunakaran Chief Executive Officer	<a href="mailto:KarunakaranM@shanthigears.murugappa.com">KarunakaranM@shanthigears.murugappa.com</a>
2	Mr. B Balamurugan Chief Financial Officer	<a href="mailto:bbalamurugan@shanthigears.murugappa.com">bbalamurugan@shanthigears.murugappa.com</a>

The contact telephone number of the above KMPs is +91 422 4545745

All communications with regard to disclosure(s) to be made under the Regulations and the Policy on Materiality framed thereunder by the Company to the Stock Exchanges will be signed by the Company Secretary."

Information required under Regulation 30 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed herewith.

For your information, the Board Meeting commenced at 11.30 A.M. and concluded at 2.15 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,  
For **SHANTHI GEARS LIMITED**

  
**C SUBRAMANIAM**  
**COMPANY SECRETARY**

**Shanthy Gears Limited**

CIN: L29130TZ1972PLC000649

Regd. Office: 304-A, Trichy Road, Singanallur, Coimbatore-641005. Tel: +91-422-4545745 Fax: +91-422-4545700

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

**Statement of Unaudited Financial Results for the Quarter and Nine Months Ended 31 December 2018**

**Financial Information**

₹ Crores

SI No	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Revenue from Operations</b>	61.51	59.41	53.95	182.87	164.75	219.55
	Other Income	3.41	3.46	2.70	9.23	7.93	11.92
	<b>Total Income</b>	<b>64.92</b>	<b>62.87</b>	<b>56.65</b>	<b>192.10</b>	<b>172.68</b>	<b>231.47</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	28.69	29.22	18.47	83.41	61.19	81.42
	(b) Changes in Inventories of finished goods and work-in-progress	(2.36)	(3.69)	3.76	(5.44)	3.59	8.87
	(c) Excise duty	-	-	-	-	5.43	5.43
	(d) Employee benefits expense	11.58	11.45	10.35	33.84	30.87	41.72
	(e) Depreciation and amortisation expense	2.57	2.85	3.80	8.43	12.10	15.56
	(f) Other expenses	12.09	11.62	10.86	37.06	33.58	45.30
	<b>Total Expenses</b>	<b>52.57</b>	<b>51.45</b>	<b>47.24</b>	<b>157.30</b>	<b>146.76</b>	<b>198.30</b>
3	<b>Profit before tax (1-2)</b>	<b>12.35</b>	<b>11.42</b>	<b>9.41</b>	<b>34.80</b>	<b>25.92</b>	<b>33.17</b>
4	<b>Tax Expense</b>						
	Current tax	2.45	1.75	3.00	6.75	8.42	7.00
	Deferred tax	0.06	0.67	(0.33)	0.71	(1.46)	(2.41)
	<b>Total tax expense</b>	<b>2.51</b>	<b>2.42</b>	<b>2.67</b>	<b>7.46</b>	<b>6.96</b>	<b>4.59</b>
5	<b>Profit for the periods / year after tax (3-4)</b>	<b>9.84</b>	<b>9.00</b>	<b>6.74</b>	<b>27.34</b>	<b>18.96</b>	<b>28.58</b>
6	<b>Other Comprehensive Income (net of tax)</b>						
	Items not to be reclassified to profit or loss in subsequent periods						
	Re-measurement gains and (losses) on defined benefit obligation (net)	-	-	-	-	-	0.17
	Income tax relating to item that will not be reclassified into profit or loss	-	-	-	-	-	(0.06)
	Other Comprehensive Income for the period / year	-	-	-	-	-	0.11
7	<b>Total Comprehensive Income (5+6)</b>	<b>9.84</b>	<b>9.00</b>	<b>6.74</b>	<b>27.34</b>	<b>18.96</b>	<b>28.69</b>
8	<b>Paid-up Equity Share Capital (Face Value of ₹1 each)</b>	<b>8.17</b>	<b>8.17</b>	<b>8.17</b>	<b>8.17</b>	<b>8.17</b>	<b>8.17</b>
9	<b>Reserves and Surplus (i.e Other Equity)</b>						<b>309.62</b>
10	<b>Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters / nine months)</b>						
	Basic and Diluted EPS ₹	1.20	1.10	0.82	3.35	2.32	3.50

**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 01 February 2019.
- 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 26 December 2019, declared a one-time Special (Interim) Dividend of ₹ 5 per Equity share of ₹1 each, for the financial year 2018-19.
- The Board also approved a proposal for buyback of equity shares of the Company, not exceeding 50 lakh equity shares of ₹ 1/- each fully paid-up, at a price of ₹140 per share, through the tender route on a proportionate basis, from the shareholders, which got approved by the shareholders through postal ballot on 29 January 2019.
- The above financial results are also available on our website www.shanthigears.com
- Previous period figures have been regrouped wherever necessary.

For Shanthy Gears Limited

  
**L. Ramkumar**  
 Chairman

Place : Coimbatore  
Date : 01 February 2019



**INDEPENDENT AUDITOR'S 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, 2018 ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the 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 issue a report 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, 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



Place: Coimbatore  
Date: February, 1 2019



## Financial Results of Shanthi Gears Ltd

### PAT up by 46 %

The Board of Shanthi Gears Ltd. (SGL) a subsidiary of Tube Investments of India Ltd, (TII) met today to discuss the unaudited financial results for the quarter ended 31<sup>st</sup> December, 2018.

The turnover for the quarter was higher by 14 % in comparison to the corresponding quarter of the previous year and at Rs.61.51 Crores against Rs. 53.95 Crores in the same quarter of the previous year. The net profit after tax for the quarter was 46 % higher at Rs. 9.84 Crores against Rs. 6.74 Crores in the same quarter of the previous year. The Profit before tax for the quarter was Rs.12.35 Crores against Rs.9.41 Crores in the same quarter previous year, up by 31%. Higher Return on average Capital Employed (ROCE) for the quarter to 24.4% from 16.3% in the corresponding quarter of the previous year. The Company generated free cash flow of Rs.9 Crores in the quarter before disbursing one-time special interim dividend of Rs.5 per share.

During the quarter the Company improved its orderbook position significantly by booking orders for Rs. 74.2 Crores (against Rs. 56.5 Crores for corresponding quarter of the previous year), a growth of 31%. Pending orderbook as on 31<sup>st</sup> December 2018 was Rs.159 Crores against Rs.126 Crores in the corresponding quarter of the previous year. The Company continues to remain focused on expanding its customer base, enhancing its dealer and service network and improving the production capabilities through investments in modern technologies.

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

### 1) Appointment of Mr. Vellayan Subbiah

Disclosure Requirement	Details
a) Reason for the change viz, appointment, resignation, removal, death or otherwise.	Mr. Vellayan Subbiah has been appointed as an additional Director of the Company.
b) Date of appointment/cessation (as applicable) & term of appointment.	From 1 <sup>st</sup> February, 2019, up to the ensuing Annual General Meeting.
c) Brief profile (in case of appointment).	<p>Mr. Vellayan Subbiah holds a Degree in Civil Engineering from IIT Madras, followed by a Management Degree from the University of Michigan. He is currently the Managing Director of Tube Investments of India Limited (TII) viz., the holding company.</p> <p>Prior to TII, he was the Managing Director of Cholamandalam Investment and Finance Company Limited between 2010 and 2017.</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>



## 2) Resignation of Mr. Rajiv Narayanamoorthy

Disclosure Requirement	Details
a) Reason for the change viz, appointment, resignation, removal, death or otherwise.	Mr. Rajiv Narayanamoorthy, Chief Executive Officer [Key Managerial Person], resigned from the service of the Company for personal reasons and relieved from the service on 1 <sup>st</sup> February, 2019
b) Date of appointment /cessation (as applicable) & term of appointment.	1 <sup>st</sup> February, 2019
c) Brief profile (in case of appointment).	Not Applicable
d) Disclosure of relationships between Directors (in case of appointment of a Director)	Not Applicable.



ISO 9001 : 2015  
 ISO 14001 : 2015  
 OHSAS 18001 : 2007  
 EN 9100 : 2016 (AS 9100 D)  
 ISO/TS 22163 : 2017

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

### 3) Appointment of Mr. M Karunakaran

Disclosure Requirement	Details
a) Reason for the change viz, appointment, resignation, removal, death or otherwise.	Mr. M Karunakaran (also referred as "the Appointee") has been appointed as Chief Executive Officer of the Company [Key Managerial Person].
b) Date of appointment /cessation (as applicable) & term of appointment.	1 <sup>st</sup> February, 2019
c) Brief profile (in case of appointment).	<p>Mr. M Karunakaran holds a degree in Mechanical Engineering 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 about 24 years of experience in the areas of Product Design &amp; Development, Operations, SCM, VAVE Projects and Project Management.</p> <p>Mr. M Karunakaran was associated with M/s. Tube Investments of India Ltd (TII) for over 20 years.</p>

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	Mr. M Karunakaran is currently associated with the Company and heading its Operations & Technical function since 2014.
d) 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.