

SGL-14/Sec/2024-25

09th May, 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

Further to our letter dated 26th April, 2024 we write to inform that at the meeting held today (09th May, 2024), the Board of Directors of the Company has approved the following:

1) Audited Financial Results for the financial year ended 31st March, 2024

The Board of Directors of the Company, at its meeting held today (09th May, 2024), approved the audited financial results for the financial year ended 31st March, 2024.

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, 2024;
- ii) Auditor's Report from the Statutory Auditors, M/s. MSKA & Associates 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, 2024, 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, 2024 is enclosed.

2) 51st Annual General meeting

The 51st Annual General Meeting of Members of the Company will be held on Monday, 29th July, 2024 through Video Conferencing/Other Audio Visual Means.

3) Closure of Register of Members and Record Date

Please note that the share transfer books of the Company will remain closed from Saturday, 20th July, 2024 to Monday, 29th July, 2024 (both days inclusive) and being fixed record date as 19th July, 2024 for the purpose of determining the Members eligible to receive the Final dividend, if approved by the Shareholders at the ensuing 51st Annual General Meeting.

4) Recommendation of Final Dividend:

The Board of Directors has recommended a final dividend of Rs.2/- (Rupees Two only) per equity share of Rupee 1/- each (ISIN INE631A01022) for the financial year ended 31st March, 2024 together with the interim dividend of Rs.3/- per share, paid on 23rd February, 2024, the total dividend for the financial year 2023-24 works out to Rs.5/- (Rupees Five only) per share. The said final dividend, if approved by the Members at the ensuing AGM, will be paid within 30 days from the date of the AGM (i.e., on or before 26th August, 2024).

5) Appointment of Mr. A Venkataramani as Additional Director, designated as “Non-Executive & Independent Director”, of the Company:

The Board appointed Mr. A Venkataramani (DIN: 00277816) as Additional Director of the Company with effect from 09th May, 2024, designated as “Non- Executive & Independent Director”, subject to the approval of the Shareholders.

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

For your information, the Board meeting commenced at 12.45 P.M. and concluded at 1.30 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

Shanthi 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 Financial Results for the Quarter and Year Ended 31 March 2024

Financial Information

₹ Crores

Sl No	Particulars	Quarter ended			Year ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		Audited (Refer Note 3)	Unaudited	Unaudited (Refer Note 3)	Audited	Audited
1	Revenue from Operations	153.64	125.54	123.40	536.05	445.65
	Other Income	9.52	3.61	2.78	21.06	11.24
	Total Income	163.16	129.15	126.18	557.11	456.89
2	Expenses					
	Cost of materials consumed	74.21	66.57	57.10	262.26	214.18
	Changes in Inventories of finished goods and work-in-progress	(0.38)	(5.29)	1.87	(5.63)	0.12
	Employee benefits expense	17.56	17.75	17.70	76.83	71.15
	Depreciation and amortisation expense	4.22	3.01	2.88	13.21	10.88
	Other expenses	35.64	23.16	20.08	100.80	70.37
	Total Expenses	131.25	105.20	99.63	447.47	366.70
3	Profit before tax (1-2)	31.91	23.95	26.55	109.64	90.19
4	Tax Expense					
	Current tax	6.82	6.75	8.98	28.04	25.40
	Deferred tax charge/(benefit)	(0.59)	(0.23)	(1.90)	(0.65)	(2.26)
	Total tax expense	6.23	6.52	7.08	27.39	23.14
5	Profit after tax (3-4)	25.68	17.43	19.47	82.25	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)	(2.45)	0.42	(1.69)	(1.20)	(2.21)
	Income Tax relating to Item that will not be reclassified to Statement of Profit and Loss in subsequent periods	0.61	(0.10)	0.43	0.30	0.56
	Other Comprehensive Income/(Loss) for the period / year	(1.84)	0.32	(1.26)	(0.90)	(1.65)
7	Total Comprehensive Income (5+6)	23.84	17.75	18.21	81.35	65.40
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)				337.64	294.68
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)					
	Basic EPS ₹	3.35	2.27	2.54	10.72	8.74
	Diluted EPS ₹	3.35	2.27	2.54	10.72	8.74

Place : Coimbatore
Date : 09 May 2024



For Shanthi Gears Limited

M Karunakaran
Whole-time Director
DIN: 09004843

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 09 May 2024 and has been subjected to audit by the Statutory Auditors of the Company. These audited financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of 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.
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 figures of the last quarter of the financial years ending March 31, 2024 and March 31, 2023 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 which were subjected to a limited review.
4. An Interim Dividend of ₹ 3 (Rupees Three only) per equity of ₹ 1/- each was declared by the Company at the meeting of the Board of Directors held on 30 January 2024 for the financial year 2023-24 and the same has been paid prior to 31 March 2024. Further, the Board of Directors have recommended a final dividend of ₹ 2 (Rupees Two only) per equity of ₹ 1/- each for the financial year 2023-24 at their meeting held on 09 May 2024.
5. 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.
6. Previous period figures have been regrouped wherever necessary.
7. The above financial results are also available on our website www.shanthigears.com

Place : Coimbatore
Date : 09 May 2024



For Shanthi Gears Limited

M Karunakaran
Whole-time Director
DIN: 09004843

SHANTHI GEARS LIMITED
BALANCE SHEET AS AT 31 MARCH 2024

(₹ Crores)

	Particulars	As at 31 March 2024	As at 31 March 2023
I.	ASSETS		
1	Non-Current Assets		
	(a) Property, plant and equipment	63.92	62.96
	(b) Capital work-in-progress	4.10	2.03
	(c) Investment property	7.54	7.13
	(d) Intangible assets	0.69	0.15
	(e) Financial assets		
	(i) Investments	20.21	20.21
	(ii) Other financial assets	7.43	3.78
	(f) Deferred tax assets (net)	5.38	4.43
	(g) Other non-current assets	6.04	7.10
	Total non-current assets	115.31	107.79
2	Current Assets		
	(a) Inventories	85.23	66.60
	(b) Financial assets		
	(i) Investments	25.10	37.10
	(ii) Trade receivables	117.96	68.12
	(iii) Cash and cash equivalents	0.65	15.09
	(iv) Bank balances other than (iii) above	7.26	74.99
	(v) Other financial assets	86.23	3.36
	(c) Other current assets	5.06	4.10
	Total current assets	327.49	269.36
	Total Assets	442.80	377.15
II.	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	7.67	7.67
	(b) Other Equity	337.64	294.68
	Total Equity	345.31	302.35
2	Non-current liabilities		
	(a) Other non current liabilities	0.49	0.55
	Total Non-current liabilities	0.49	0.55
3	Current Liabilities		
	(a) Financial Liabilities		
	(i) Trade payables		
	(A) Total outstanding dues of micro enterprises and small enterprises	9.62	3.01
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	50.30	39.96
	(ii) Other financial liabilities	3.64	3.88
	(b) Provisions	2.21	1.03
	(c) Current Tax Liabilities (Net)	0.47	2.64
	(d) Other current liabilities	30.76	23.73
	Total Current liabilities	97.00	74.25
	Total Liabilities	97.49	74.80
	Total Equity and Liabilities	442.80	377.15

For Shanthi Gears Limited



Place : Coimbatore
Date : 09 May 2024




M Karunakaran
Whole-time Director
(DIN-09004843)

SHANTHI GEARS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(₹ Crores)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
A. Cash Flow from Operating Activities:		
Profit after tax	82.25	67.05
Adjustments for:		
Income Tax Expense	27.39	23.14
Depreciation on Property, Plant and Equipment	12.87	10.68
Depreciation on Investment Property	0.11	0.12
Amortisation of Intangible assets	0.23	0.08
Gain on disposal of Property Plant and Equipment	(1.78)	(0.21)
Provision for Warranty	0.09	-
Provision for Liquidated Damages	1.08	-
Net gain arising of financial assets measured at fair value through profit or loss	(3.49)	(1.79)
Unrealised gain on foreign currency transactions and translations	(0.09)	(0.31)
Interest income from Fixed Deposits	(7.06)	(4.52)
Interest Income from Tax Free Bonds	(1.56)	(1.60)
Loss on Sale of Investments	0.21	-
Provision no longer required written back	(4.48)	-
Government Grant	-	(0.61)
Provision for Credit impaired Trade Receivables	5.13	0.92
Provision for Credit impaired Other Receivables	0.61	-
Provision for Inventories	(2.39)	3.20
Operating Profit before Working Capital/Other Changes	109.12	96.15
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(16.24)	(5.67)
Trade Receivables	(54.89)	3.23
Bank Balances other than Cash and Cash Equivalents	(0.14)	-
Other Financial Assets	(1.55)	0.43
Other Current Assets	(0.96)	(0.47)
Other Non-Current Assets	0.02	(0.60)
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables	21.43	(0.39)
Other Financial Liabilities	(0.24)	0.07
Other Current Liabilities	7.03	(7.93)
Other Long-Term Liabilities	(0.06)	(0.22)
Provisions	(1.17)	0.59
Cash Generated From Operations	62.35	85.19
Income Taxes Paid (net of refunds)	(26.10)	(22.24)
Net cash generated by operating activities (A)	36.25	62.95
B. Cash Flow from Investing Activities:		
Capital Expenditure (including Capital Work In Progress and Capital Advances)	(20.00)	(15.27)
Proceeds from sale of property, plant and equipment	1.81	0.21
Proceeds from sale of non current investments	1.78	-
(Purchase)/Sale of Current Investments, Net	13.50	(7.19)
Proceeds/(Investments) in Deposits, Net	(16.77)	(8.98)
Interest Income received	7.38	5.06
Net Cash Used in Investing Activities	(12.30)	(26.17)
C. Cash Flow from Financing Activities:		
Dividends paid on equity shares	(38.39)	(23.01)
Net Cash Used in Financing Activities	(38.39)	(23.01)
Net Increase in Cash and Cash Equivalents [A+B+C]	(14.44)	13.77
Cash and Cash Equivalents at the beginning of the Year	15.09	1.32
Cash and Cash Equivalents as at End of the Year	0.65	15.09



For Shanthi Gears Limited

M Karunakaran
 Whole-time Director
 (DIN-09004843)

Place : Coimbatore
 Date : 09 May 2024

Independent Auditor's Report on Audited Annual Financial Results 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

Report on the Audit of Financial Results

Opinion

We have audited the accompanying statement of annual financial results of Shanthi Gears Limited (hereinafter referred to as 'the Company') for the year ended March 31, 2024 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid statement:

- (i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, its net profit, other comprehensive income and other financial information of the Company for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results 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 Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management and Those Charged with Governance Responsibilities for the Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the annual financial results. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit, other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, issued thereunder and other accounting principles generally accepted in India and is in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Statement, the Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management and Those Charged with Governance are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 these Statement.

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 Statement, 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial results in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors 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.



MSKA & Associates

Chartered Accountants

Other Matter

- a. The Statement of the Company for the year ended March 31, 2023 was audited by another auditor whose report dated May 09, 2023 expressed an unmodified opinion on those Statement.
- b. The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of the above matters.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W



Geetha Jeyakumar

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 24029409BKDEKA9734

Place: Coimbatore

Date: May 09, 2024

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:

Appointment of Mr. A Venkataramani (DIN: 00277816) as Additional Director, designated as "Non-Executive & Independent Director", of the Company

Disclosure Requirements	Details
a) Reason for the change viz, appointment, resignation, removal, death or otherwise.	Mr. A Venkataramani (DIN: 00277816) (also referred as "the Appointee") has been appointed as Additional Director designated as "Non-Executive & Independent Director", of the Board
b) Date of appointment / cessation (as applicable) & term of appointment.	09 th May, 2024, Mr. A Venkataramani (DIN: 00277816) has been appointed as an Additional Director (till the next general meeting or for a period of three months from the date of appointment, whichever is earlier) designated as "Non-Executive & Independent Director", not liable to retire by rotation, for a tenure of 5 consecutive years commencing from 09 th May, 2024 to 08 th May, 2029, subject to approval of the shareholders.
c) Brief profile (in case of appointment)	<p>Mr. A Venkataramani is currently the Managing Director of IP Rings, a leading light engineering company involved in the manufacture of Steel Piston Rings and near net shaped cold forged components.</p> <p>He serves on the Board of the 2.4 Bill USD Amalgamations Group who are involved in the manufacture of Tractors, Diesel Engines and Auto Components. He leads the groups investments in auto component manufacturing and distribution and serves on the Boards of companies such as Amalgamations Repco, George Oakes and India Pistons while providing strategic direction to the groups new mobility initiatives.</p> <p>A Mechanical Engineer from the UK and an MBA from the University of Chicago, his achievements include negotiating JV agreements and setting up greenfield projects.</p> <p>He is an Independent Director on the Board of Edutech NTTF and Parry Enterprises and Avalon Technologies has also served as President of the Madras Management Association (MMA), The Madras Chamber of Commerce and Industry (MCCI) and Auto Component Manufacturers Association (ACMA).</p>



d) Disclosure of relationships between Directors (in case of appointment of a Director)	The Appointee is not related to any of the Directors or other Key Managerial Personnel of the Company.
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Financial Results of Shanthi Gears Limited

Shanthi Gears Net Profit up by 32%; Revenue up by 25% in Q4 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 year ended 31st March 2024.

Highlights

The Company continues to focus on 4 key priorities of Revenue, Profitability, ROIC and Free Cash Flow (FCF). SGL delivered strong performance on all these 4 priorities in Q4 and full year:

- Revenue of ₹ 153.6 Crores in Q4 with a 25% growth over Q4 of previous year. Revenue of ₹ 536.1 Crores in the financial year with a 20% growth over previous year.
- The Profit Before Tax (PBT) of ₹ 31.9 Crores in Q4 with a 20% growth over Q4 of previous year. PBT of ₹ 109.6 Crores in the financial year with a 22% growth over previous year.
- The Return on Invested Capital (ROIC) improved to 57% in this financial year from 56% in previous year.
- The Company generated Free Cash Flow (FCF) of ₹ 43.1 Crores during the financial year and registered 10% growth over previous year.

During the year the Company booked orders of ₹ 579 Crores with 31% growth over previous year. Open order book as on 31st March 2024 was Rs.328 Crs.

The Board of Directors have recommended a final dividend of Rs.2 per share (200%) for the financial year 2023-24. The total dividend including the interim dividend already paid is Rs.5 per share (500%) for FY 2023-24.