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

January 27, 2020

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 4 pages (including covering letter)

Dear Sir,

Sub: Outcome of Board Meeting

Further to our letter dated 7th January,2020, we write to inform that at the meeting held today (27th January,2020), the Board considered *inter alia* the Unaudited Financial Results of the Company for the third quarter ended 31st December, 2019 and approved the same.

The aforesaid Financial Results 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 Accountants & Statutory Auditor of the Company are 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 unaudited financial results for the said quarter ended 31st December, 2019 is also enclosed.

For your information, the Board Meeting commenced at 1.00 P.M. and concluded at 3.45 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,
For **SHANTHI GEARS LIMITED**


C. Subramaniam
Company Secretary

Encl: As above

Shanthi Gears Limited

CIN: L29130TZ1972PLC000649

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Statement of Unaudited Financial Results for the Quarter and Nine months ended 31 December 2019

Financial Information

₹ Crores

SI No	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	58.02	70.91	61.51	200.68	182.87	242.97
	Other Income	1.57	1.88	3.41	4.73	9.23	11.80
	Total Income	59.59	72.79	64.92	205.41	192.10	254.77
2	Expenses						
	(a) Cost of materials consumed	24.25	31.58	28.69	87.47	83.41	115.76
	(b) Changes in Inventories of finished goods and work-in-progress	2.15	3.12	(2.36)	8.77	(5.44)	(7.88)
	(c) Employee benefits expense	12.38	12.84	11.58	36.63	33.84	45.40
	(d) Depreciation and amortisation expense	2.10	2.14	2.57	6.31	8.43	10.62
	(e) Other expenses	11.01	11.22	12.09	34.03	37.06	48.41
	Total Expenses	51.89	60.90	52.57	173.21	157.30	212.31
3	Profit before tax (1-2)	7.70	11.89	12.35	32.20	34.80	42.46
4	Tax Expense						
	Current tax	0.97	3.05	2.45	6.31	6.75	8.20
	Deferred tax	0.64	0.48	0.06	1.99	0.71	0.91
	Total tax expense	1.61	3.53	2.51	8.30	7.46	9.11
5	Profit for the periods / year after tax (3-4)	6.09	8.36	9.84	23.90	27.34	33.35
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)	-	-	-	-	-	0.25
	Income tax relating to Item that will not be reclassified into profit or loss	-	-	-	-	-	(0.07)
	Other Comprehensive Income for the period / year						0.18
7	Total Comprehensive Income (5+6)	6.09	8.36	9.84	23.90	27.34	33.53
8	Paid up Equity Share Capital (Face Value of ₹1 each) (Refer Note 4)	7.67	7.67	8.17	7.67	8.17	8.17
9	Reserves and Surplus (i.e Other Equity)						293.91
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters / nine months)						
	Basic EPS ₹	0.79	1.09	1.20	3.11	3.35	4.08
	Diluted EPS ₹	0.79	1.09	1.20	3.11	3.35	4.08

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 27 January 2020.
- 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
- Consequent to the Buyback of Equity Shares which was approved by SEBI on 26 February 2019, 50,00,000 shares have been extinguished on 09 April 2019.
- 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 : Coimbatore

Date : 27 January 2020




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, 2019 ("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 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)




C R Rajagopal

Partner
Membership No. 023418
UDIN : 20023418AAAAAE6720

Place : Coimbatore
Date : January 27, 2020

Financial Results of Shanthi Gears Limited

Revenue up by 10% in YTD Dec-19

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 2019.

Highlights

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

- Revenue of ₹ 58.0 Crores in the quarter with a **6% degrowth** over Q3 of previous year. Revenue of ₹ 200.7 Crores in the nine months with a **10% growth** of over previous year.
- The Profit before tax % to Sales was 13% for Q3 and 16% for the nine months ended Dec-19. The Profit before tax for the quarter was down by **38%** at ₹ 7.7 Crores against the corresponding quarter of the previous year. Operating Profit for the nine months was ₹ 28.3 Crores up by **8%**
- Higher profitability and lower capital employed enabled improvement in Return on average Capital Employed (ROCE) to **25%** from 23% of the previous year.
- The Company generated cumulative operating free cash flow of ₹ **42.7 Crores** during the nine months. Cumulative Free cash flow to PAT is **178%**

During the quarter the Company booked orders for ₹ 53 Crores (against ₹ 73 Crores for corresponding quarter of the previous year). This is on account of sluggish demand from almost all major user industries due to continued industrial slow down.

Pending orderbook as on 31st December 2019 was ₹ 127 Crores against ₹ 159 Crores in the previous year. The Company made good strides in the service and replacement market.