



July 25, 2016

The Manager,
Listing Department,
National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Mumbai-400 051.

BSE Ltd,
1st Floor,
New Trading Ring, Rotunda Building,
P J Towers, Dalal Street,
Fort,
Mumbai- 400 001.

Dear Sir,

Sub: Un-audited Financial Results for the Quarter Ended 30th June, 2016 Under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Further to our letter dated 15th July, 2016, we enclose herewith a copy of our Un-audited Financial Results for the Quarter ended 30th June, 2016 approved at the Board of Director's Meeting held today [25.07.2016] along with 'Limited Review Report' from Statutory Auditors thereon.

A copy of the press release made with regard to the Financial Results for the quarter ended 30th June, 2016 is also enclosed.

This is for your information and records.

Thanking you,

Yours faithfully,
For **SHANTHI GEARS LIMITED**

C. Subramaniam
Company Secretary

Encl: As above

Statement of Unaudited Financial Results for the Quarter Ended 30 June 2016

Financial Information

₹ Crores

SI No	Particulars	Quarter ended			Year ended
		30.06.2016 (Unaudited)	31.03.2016 (Unaudited) Refer Note 6	30.06.2015 (Unaudited)	31.03.2016 (Unaudited)
1	Income from Operations				
	(a) Revenue from Operations	45.83	44.48	41.11	179.31
	(b) Other Operating Income	0.59	1.13	0.56	2.56
	Total Income from operations (a+b)	46.42	45.61	41.67	181.87
2	Expenses				
	(a) Cost of materials consumed	15.54	16.02	17.35	62.53
	(b) Changes in Inventories of finished goods, work-in-progress	(1.34)	0.28	(3.04)	(2.08)
	(c) Excise duty	4.66	4.04	3.97	17.08
	(d) Employee benefits expense	9.50	8.32	8.98	36.40
	(e) Depreciation and amortisation expense	4.26	4.19	4.18	16.71
	(f) Other Expenses	9.66	8.56	10.03	37.74
	Total Expenses	42.28	41.41	41.47	168.38
3	Profit from Operations before Other Income and Finance costs (1-2)	4.14	4.20	0.20	13.49
4	Other Income	2.49	2.22	2.26	9.28
5	Profit from ordinary activities before Finance costs (3+4)	6.63	6.42	2.46	22.77
6	Finance Costs	-	-	-	-
7	Profit from ordinary activities after Finance costs (5-6)	6.63	6.42	2.46	22.77
8	Tax Expense	1.74	1.08	1.08	5.29
9	Net Profit for the Quarters / Year (7-8)	4.89	5.34	1.38	17.48
10	Other Comprehensive Income	-	0.23	0.23	0.90
11	Total Comprehensive Income	4.89	5.57	1.61	18.38
12	Paid-up Equity Share Capital (Face Value of Re.1 each)	8.17	8.17	8.17	8.17
13	Reserves Excluding Revaluation Reserves	-	-	-	276.03
14	Earnings Per Share of Face value of ₹ 1 each (Not annualised for the quarters)				
	i) Basic and Diluted EPS for the quarters / year	0.60	0.65	0.17	2.14

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 25th July, 2016.
- The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 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 transition from the previous Indian GAAP to Ind AS, the reconciliation of profit is provided as below for the previous quarters and year presented, in accordance with the requirements of paragraph 32 of Ind AS 101 - First time Adoption of Ind AS.

₹ Crores

Particulars	Quarter ended		Year ended
	31.03.2016	30.06.2015	31.03.2016
Net Profit under Previous GAAP	5.33	1.89	18.24
Actuarial (gain)/loss on employee defined benefit funds recognised in Other Comprehensive Income	(0.23)	(0.23)	(0.90)
Effect of measuring investments at fairvalue through profit and loss	0.33	-	0.64
Effect of fair valuation of Financial Assets	0.03	(0.24)	(0.43)
Tax and deferred tax impact on above adjustments	(0.12)	(0.04)	(0.07)
Net Profit for the period under Ind AS	5.34	1.38	17.48
Other Comprehensive Income	0.23	0.23	0.90
Total Comprehensive Income under Ind AS	5.57	1.61	18.38

- The figures of quarter ended 31.03.2016 are the balancing figures between the figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the previous financial year.
- The above financial results are also available on our website www.shanthigears.com
- Previous period figures have been regrouped / reclassified, wherever necessary.

Place : Coimbatore
Date : 25 July 2016



For Shanthi Gears Limited

M M Murugappan

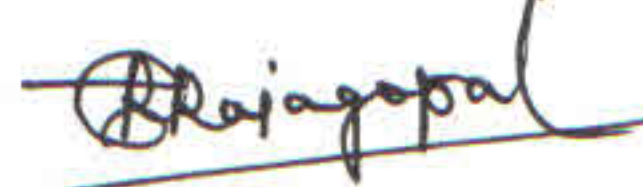
M M Murugappan
Chairman

**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 ended 30 June 2016 ("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 05 July 2016. 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.
2. 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.
3. 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 05 July 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)



C R RAJAGOPAL
Partner

(Membership No. 23418)



Place: Coimbatore
Date: 25 July 2016

**Quarterly Financial Results of Shanthi Gears Ltd****Sales up by 11% and PBT up by 170 %**

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 30th June, 2016. The turnover for the quarter was Rs. 46.42 Crores against Rs. 41.67 Crores in the same quarter last year. The Profit before tax for the quarter was Rs. 6.63 Crores against Rs. 2.46 Crores in the previous year. The Company focused on enhancing service levels, growing profitable segments, improving operational efficiencies and specific cost reduction initiatives which resulted in higher profitability.

During the quarter, the Company built its order book by Rs. 50 Crores (PY Rs. 41 Crores). The company continues to put efforts to enhance presence in the market such as Steel, Cement and Railways. The company is enhancing its reach by strengthening its Sales and Service teams and building reference in high potential segments. Company could consolidate its position in Defence and Railway segment and secured orders from Railways and Defence.

The Company's current order book is at Rs. 88 Crores. The Company has plans to invest Rs. 25 Crores in the current year to build capacity and capability to service customers.