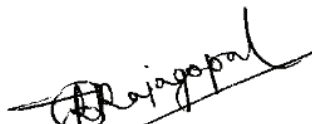


INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF SHANTHI GEARS LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **SHANTHI GEARS LIMITED** ("the Company") for the Quarter and Six months ended 30th September 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. 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 Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Six months ended 30th September 2015 of the Statement, from the details furnished by the Registrars.



For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No.008072S


C.R. Rajagopal
Partner
M.No. 23418



Unaudited Financial Results for the Quarter and Six months ended 30th September, 2015

Part I - Financial Information

(Rs. in Crores)

SI No	PARTICULARS	Quarter ended			Six months ended		Year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from Operations						
	(a) Net Sales / Income from Operations (Net of Excise Duty)	42.05	37.16	36.77	79.21	70.98	152.00
	(b) Other Operating Income	0.37	0.50	0.96	0.93	2.01	3.19
	Total Income from operations (Net) (a+b)	42.42	37.72	37.73	80.14	72.99	155.19
2	Expenses						
	(a) Cost of materials consumed	12.44	17.35	15.15	29.79	31.82	69.24
	(b) Changes in Inventories of finished goods, work-in-progress	0.36	(3.04)	0.76	(2.68)	(3.74)	(4.86)
	(c) Employee benefits expense	9.55	8.75	8.70	18.30	17.48	36.52
	(d) Depreciation and amortisation expense	4.15	4.18	4.24	8.33	8.42	16.75
	(e) Other Expenses	10.00	9.82	8.52	19.82	19.18	36.05
	Total Expenses	36.50	37.06	37.37	73.56	73.16	153.70
3	Profit / (Loss) from Operations before Other Income, Finance cost & Exceptional Items (1-2)	5.92	0.66	0.36	6.58	(0.17)	1.49
4	Other Income	2.08	2.26	2.36	4.34	4.84	11.65
5	Profit / (Loss) from ordinary activities before Finance cost & Exceptional Items (3+4)	8.00	2.92	2.72	10.92	4.67	13.14
6	Finance Costs	-	-	0.01	-	0.02	0.03
7	Profit / (Loss) from ordinary activities after Finance cost but before Exceptional Items (5-6)	8.00	2.92	2.71	10.92	4.65	13.11
8	Exceptional Items	-	-	-	-	-	-
9	Profit / (Loss) from Ordinary Activities before Tax (7+8)	8.00	2.92	2.71	10.92	4.65	13.11
10	Tax Expense	2.13	1.03	0.44	3.16	0.53	3.79
11	Net Profit / (Loss) from Ordinary Activities after tax (9-10)	5.87	1.89	2.27	7.76	4.12	9.32
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	-
13	Net Profit / (Loss) for the period after taxes (11-12)	5.87	1.89	2.27	7.76	4.12	9.32
14	Paid-up Equity Share Capital (Face Value of Re. 1 each)	8.17	8.17	8.17	8.17	8.17	8.17
15	Reserves Excluding Revaluation Reserves	-	-	-	-	-	262.57
16	Earnings Per Share (EPS) - Rs. (not annualised)						
	i) Basic and Diluted EPS before Extra ordinary items for the period	0.72	0.23	0.28	0.95	0.50	1.14
	ii) Basic and Diluted EPS after Extra ordinary items for the period	0.72	0.23	0.28	0.95	0.50	1.14

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PART - II Shareholders' Information for the Quarter and Six months ended 30th September, 2015

A	PARTICULARS OF SHAREHOLDING	Quarter ended			Six months ended		Year ended
		30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	31.03.2015 (Audited)
1	Public Share Holding						
	- Number of Shares	24412940	24412940	24412940	24412940	24412940	24412940
	- Percentage of Shareholding	29.88%	29.88%	29.88%	29.88%	29.88%	29.88%
2	Promoters and Promoter group Shareholding						
	a) Pledged / Encumbered						
	- Number of Shares	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of Shares (as a % of the total share holding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of Shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL
	b) Non - Encumbered						
	- Number of Shares	57302913	57302913	57302913	57302913	57302913	57302913
	- Percentage of Shares (as a % of the total share holding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the company)	70.12%	70.12%	70.12%	70.12%	70.12%	70.12%

B INVESTOR COMPLAINTS	
Particulars	Quarter ended 30.09.2015
Pending at the beginning of the Quarter	NIL
Received during the Quarter	1
Disposed off during the Quarter	1
Remaining unresolved at the end of the Quarter	NIL

MMH Murugappa

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Particulars	Statement of Assets and Liabilities (Rs. in Crores)	
	As at 30.09.2015 (Unaudited)	As at 31.03.2015 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	8.17	8.17
(b) Reserves and surplus	270.32	262.57
	278.49	270.74
Non-current liabilities		
(a) Deferred tax liabilities (net)	-	0.86
(b) Other long-term liabilities	0.09	0.09
(c) Long-term provisions	0.13	0.10
	0.22	1.05
Current liabilities		
(a) Trade payables	31.65	23.55
(b) Other current liabilities	10.87	10.81
(c) Short-term provisions	-	0.14
	42.52	34.50
Total	321.23	306.29
ASSETS		
Non-current assets		
(a) Fixed assets	78.83	85.26
(b) Deferred tax assets (net)	0.36	-
(c) Long-term loans and advances	5.53	5.83
	84.72	91.09
Current assets		
(a) Current investments	63.15	15.54
(b) Inventories	70.86	65.45
(c) Trade receivables	38.47	37.03
(d) Cash and bank balances	53.57	89.09
(e) Short-term loans and advances	5.43	3.15
(f) Other current assets	5.03	4.94
	236.51	216.20
Total	321.23	306.29

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 28th October, 2015.
- The Statutory Auditors of the Company have carried out a Limited Review of the above Unaudited Standalone Financial Results for the quarter and half year ended 30th September 2015.
- The Company's Main Business is manufacture of Gears and Gear Products. There are no separate reportable segments as per Accounting Standard 17 (AS17).
- The above financial results are also available on our website www.shanthigears.com
- Previous period figures have been regrouped / reclassified, where necessary.

For Shanthi Gears Limited

M M Murugappa

M M Murugappan
Chairman

Place : Coimbatore
Date : 28th October, 2015



Works: "C" Unit, Avinashi Road, Muthugounden Pudur Post, Coimbatore - 641 406, India.
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