



October 26, 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 September, 2016
Under Regulation 33 of SEBI (Listing Obligations and Disclosure
Requirements), Regulations, 2015

Further to our letter dated 12th October, 2016, we enclose herewith a copy of our Un-audited Financial Results for the Quarter ended 30th September, 2016 approved at the Board of Director's Meeting held today [26.10.2016] 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 September, 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

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 Unaudited Financial Results for the Quarter and Six months Ended 30 September 2016

Financial Information

₹ Crores

SI No	Particulars	Quarter ended			Six Months ended		Year ended
		30.09.2016 (Unaudited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)	31.03.2016 (Unaudited)
1	Income from Operations						
	(a) Revenue from Operations	49.77	45.83	46.55	95.60	87.66	179.31
	(b) Other Operating Income	1.08	0.59	0.37	1.67	0.93	2.56
	Total Income from operations (a+b)	50.85	46.42	46.92	97.27	88.59	181.87
2	Expenses						
	(a) Cost of materials consumed	18.82	15.54	12.44	34.36	29.79	62.53
	(b) Changes in Inventories of finished goods, work-in-progress	(0.52)	(1.34)	0.36	(1.86)	(2.68)	(2.08)
	(c) Excise duty	4.96	4.66	4.52	9.62	8.49	17.08
	(d) Employee benefits expense	9.06	9.50	9.77	18.56	18.75	36.40
	(e) Depreciation and amortisation expense	4.52	4.26	4.15	8.78	8.33	16.71
	(f) Other Expenses	7.89	9.66	10.27	17.55	20.31	37.74
	Total Expenses	44.73	42.28	41.51	87.01	82.99	168.38
3	Profit from Operations before Other Income and Finance costs (1-2)	6.12	4.14	5.41	10.26	5.60	13.49
4	Other Income	3.07	2.49	2.97	5.56	5.23	9.28
5	Profit from ordinary activities before Finance costs (3+4)	9.19	6.63	8.38	15.82	10.83	22.77
6	Finance Costs	-	-	-	-	-	-
7	Profit from ordinary activities after Finance costs (5-6)	9.19	6.63	8.38	15.82	10.83	22.77
8	Tax Expense	2.46	1.74	2.21	4.20	3.29	5.29
9	Net Profit for the periods / Year (7-8)	6.73	4.89	6.17	11.62	7.54	17.48
10	Other Comprehensive Income	-	-	0.22	-	0.45	0.90
11	Total Comprehensive Income	6.73	4.89	6.39	11.62	7.99	18.38
12	Paid-up Equity Share Capital (Face Value of ₹1 each)	8.17	8.17	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 / six months)						
	i) Basic and Diluted EPS	0.82	0.60	0.76	1.42	0.92	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 26th October, 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	Six Months ended	Year ended
	30.09.2015	30.09.2015	31.03.2016
Net Profit under Previous GAAP	5.87	7.76	18.24
Actuarial (gain)/loss on employee defined benefit funds recognised in	(0.22)	(0.45)	(0.90)
Effect of measuring investments at fairvalue through profit and loss	0.89	0.89	0.64
Effect of fair valuation of Financial Assets	(0.29)	(0.53)	(0.43)
Tax and deferred tax impact on above adjustments	(0.08)	(0.13)	(0.07)
Net Profit for the period under Ind AS	6.17	7.54	17.48
Other Comprehensive Income	0.22	0.45	0.90
Total Comprehensive Income under Ind AS	6.39	7.99	18.38

- 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 : 26 October 2016



For Shanthi Gears Limited

M M Murugappa

M M Murugappan
Chairman

Shanthy Gears Limited
Balance Sheet as at 30 September 2016

₹ Crores

	Particulars	As at	As at
		30.09.2016	31.03.2016
		(Unaudited)	(Unaudited)
I. ASSETS			
1	Non-current Assets		
	(a) Property, plant and equipment	64.72	65.46
	(b) Capital work-in-progress	0.38	0.36
	(c) Investment Property	7.34	7.40
	(d) Intangible assets	0.23	0.36
	(e) Financial Assets		
	(i) Investments	10.18	6.00
	(f) Deferred Tax Assets (net)	3.00	1.98
	(g) Other non-current assets	7.27	13.09
	Total non-current assets	93.12	94.65
2	Current Assets		
	(a) Inventories	69.98	66.71
	(b) Financial Assets		
	(i) Investments	48.40	49.64
	(ii) Trade Receivables	43.09	38.59
	(iii) Cash and Cash Equivalents	65.00	58.01
	(iv) Other financial assets	6.66	5.54
	(c) Other current assets	9.79	4.96
	Total current assets	242.92	223.45
	TOTAL	336.04	318.10
	Liabilities		
II. EQUITY AND LIABILITIES			
	Equity		
	(a) Equity Share capital	8.17	8.17
	(b) Other Equity	288.14	276.03
		296.31	284.20
	Liabilities		
1	Non-current Liabilities		
	(a) Financial Liabilities		
	(i) Other Long-Term Liabilities	0.05	0.05
	(b) Provisions	0.10	0.10
2	Current Liabilities		
	(a) Financial Liabilities		
	(i) Trade Payables	23.94	21.41
	(ii) Other financial liabilities	4.49	2.57
	(b) Other current liabilities	10.10	8.92
	(c) Provisions	1.05	0.85
		39.73	33.90
	TOTAL	336.04	318.10

For Shanthy Gears Limited

M M Murugappan

M M Murugappan
Chairman

Place : Coimbatore
Date : 26 October 2016



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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 six months ended September 30, 2016 and Unaudited Balance Sheet as at September 30, 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 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)



A handwritten signature in black ink, appearing to read "C R Rajagopal".

C R RAJAGOPAL
Partner
(Membership No. 23418)

COIMBATORE,
October 26, 2016



Quarterly Financial Results of Shanthi Gears Ltd

Half Year Profit 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 30th September, 2016. The turnover for the quarter was ₹ 49.77 Crores against ₹46.55 Crores in the same quarter last year, up by 7%. The Profit before tax for the quarter was ₹9.19 Crores against ₹8.38 Crores in the same quarter last year, up by 10% and Profit before tax for half year was ₹15.82 Crores against ₹10.83 Crores, up by 46%. The Company focused on improving operational efficiencies and specific cost reduction initiatives which resulted in higher profitability.

During the quarter, the Company built its order book by ₹53 Crores (PY ₹41 Crores). The company started to build order book through efforts done during the last financial year.

The Company's current order book is at ₹112 Crores. Company continues to remain focused on expanding its customer base, enhancing its service network and improving its operating efficiency through investments in modern technology equipment.