



October 26, 2018

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
Trough NEAPS

Stock Code: 522034
Through BSE Listing Centre

Total 6 pages (including covering letter)

Dear Sir,

Sub: Outcome of Board Meeting

Further to our letter dated 11th October, 2018, we write to inform that at the meeting held today (26th October, 2018), the Board of Directors have approved the following:

1) Unaudited Financial Results of the Company for the second quarter ended 30th September, 2018

Unaudited Financial Results of the Company for the second quarter ended 30th September, 2018 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 Accountant & Statutory Auditor of the Company is 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 time stipulated.

A copy of the press release made with regard to the unaudited financial results for the second quarter ended 30th September, 2018 is further enclosed.

2) Resignation of Mr. Rajiv Narayanamoorthy, Chief Executive Officer

Mr. Rajiv Narayanamoorthy, Chief Executive Officer has resigned from the services of the Company for personal reasons. The resignation has been accepted by the Board and he will be relieved in due course. Mr. M Karunakaran, Head-Operations and Technical will then take over as the Chief Executive Officer.

Shanthi Gears

SHANTHI GEARS LIMITED



murugappa



BUREAU
VERITAS

BS EN 9001 : 2015
EN 9100 : 2016 Certified
(Equivalent to AS 9100 D)

Regd. Office :
304-A, Trichy Road,
Singanallur
Coimbatore - 641 005

Phone : +91-422-4545745
Fax : +91-422-4545700
E-mail : info@shanthigears.murugappa.com
Website : www.shanthigears.com
CIN : L29130TZ1972PLC000649
GST : 33AADCS0692L1Z7

For your information, the Board Meeting commenced at 11.30 A.M. and concluded at 2.45 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,
For **SHANTHI GEARS LIMITED**

C. Subramaniam
Company Secretary

Works: "C" Unit, Avinashi Road, Muthugounden Pudur Post, Coimbatore - 641 406, India.
Tel: +91 422 4545745 / Fax: +91 422 4545700 / Mobile: +91 96262 60500 (8 Lines)

ALL AGREEMENTS CONTINGENT UPON STRIKES, ACCIDENTS AND OTHER CONDITIONS BEYOND OUR CONTROL. ALL CONTRACTS ARE SUBJECT TO APPROVAL BY AN OFFICER OF THE COMPANY. SUBJECT TO COIMBATORE JURISDICTION

Shanthy 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 2018

Financial Information

₹ Crores

| SI No | Particulars | Quarter ended | | | Six Months ended | | Year ended |
|-------|---|---------------|--------------|--------------|------------------|---------------|---------------|
| | | 30.09.2018 | 30.06.2018 | 30.09.2017 | 30.09.2018 | 30.09.2017 | 31.03.2018 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Revenue from Operations | 59.41 | 61.95 | 54.31 | 121.36 | 110.80 | 219.55 |
| | Other Income | 3.46 | 2.36 | 2.57 | 5.82 | 5.23 | 11.92 |
| | Total Income | 62.87 | 64.31 | 56.88 | 127.18 | 116.03 | 231.47 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 29.22 | 25.50 | 19.56 | 54.72 | 42.72 | 81.42 |
| | (b) Changes in Inventories of finished goods, work-in-progress | (3.69) | 0.61 | 2.33 | (3.08) | (0.17) | 8.87 |
| | (c) Excise duty | - | - | 0.02 | - | 5.45 | 5.43 |
| | (d) Employee benefits expense | 11.45 | 10.81 | 10.33 | 22.26 | 20.52 | 41.72 |
| | (e) Depreciation and amortisation expense | 2.85 | 3.01 | 4.13 | 5.86 | 8.30 | 15.56 |
| | (f) Other expenses | 11.62 | 13.35 | 10.88 | 24.97 | 22.70 | 45.30 |
| | Total Expenses | 51.45 | 53.28 | 47.25 | 104.73 | 99.52 | 198.30 |
| 3 | Profit before tax (1-2) | 11.42 | 11.03 | 9.63 | 22.45 | 16.51 | 33.17 |
| 4 | Tax Expense | | | | | | |
| | Current tax | 1.75 | 2.55 | 3.33 | 4.30 | 5.42 | 7.00 |
| | Deferred tax | 0.67 | (0.02) | (0.86) | 0.65 | (1.13) | (2.41) |
| | Total tax expense | 2.42 | 2.53 | 2.47 | 4.95 | 4.29 | 4.59 |
| 5 | Profit for the periods / year after tax (3-4) | 9.00 | 8.50 | 7.16 | 17.50 | 12.22 | 28.58 |
| 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) | - | - | - | - | - | 0.17 |
| | Income tax relating to Item that will not be reclassified into profit or loss | - | - | - | - | - | (0.06) |
| | Other Comprehensive Income for the period / year | - | - | - | - | - | 0.11 |
| 7 | Total Comprehensive Income (5+6) | 9.00 | 8.50 | 7.16 | 17.50 | 12.22 | 28.69 |
| 8 | Paid-up Equity Share Capital (Face Value of ₹1 each) | 8.17 | 8.17 | 8.17 | 8.17 | 8.17 | 8.17 |
| 9 | Reserves and Surplus (i.e Other Equity) | | | | | | 309.62 |
| 10 | Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters / six months) | | | | | | |
| | Basic and Diluted EPS | 1.10 | 1.04 | 0.88 | 2.14 | 1.50 | 3.50 |

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 26 October 2018.
- 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
- The above financial results are also available on our website www.shanthigears.com
- Previous period figures have been regrouped wherever necessary.

Place : Coimbatore
Date : 26 October 2018



For Shanthy Gears Limited

L. Ramkumar
Chairman

Shanthy Gears Limited
Statement of Assets and Liabilities

₹ Crores

| Particulars | | As at 30.09.2018 (Unaudited) | As at 31.03.2018 (Audited) |
|-------------|--|------------------------------------|----------------------------------|
| I. | Assets | | |
| 1 | Non-current Assets | | |
| | (a) Property, plant and equipment | 51.56 | 49.44 |
| | (b) Capital work-in-progress | 0.16 | 0.50 |
| | (c) Investment Property | 7.09 | 7.11 |
| | (d) Intangible assets | 0.49 | 0.26 |
| | (e) Financial Assets | | |
| | (i) Investments | 14.17 | 12.17 |
| | (f) Deferred Tax Assets (net) | 5.30 | 5.95 |
| | (g) Other non-current assets | 5.45 | 5.81 |
| | Total non-current assets | 84.22 | 81.24 |
| 2 | Current Assets | | |
| | (a) Inventories | 66.93 | 58.88 |
| | (b) Financial Assets | | |
| | (i) Investments | 153.73 | 101.40 |
| | (ii) Trade Receivables | 57.85 | 55.48 |
| | (iii) Cash and Cash Equivalents | 1.19 | 0.98 |
| | (iv) Other balances with banks | 0.43 | 0.50 |
| | (v) Other financial assets | 17.46 | 56.23 |
| | (c) Current Tax Assets (Net) | - | - |
| | (d) Other current assets | 6.22 | 5.35 |
| | Total current assets | 303.81 | 278.82 |
| | TOTAL ASSETS | 388.03 | 360.06 |
| II. | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | (a) Equity Share capital | 8.17 | 8.17 |
| | (b) Other Equity | 327.14 | 309.62 |
| | | 335.31 | 317.79 |
| | Liabilities | | |
| 1 | Non-current Liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Other Long-Term Liabilities | 0.95 | 0.88 |
| | (b) Provisions | 0.10 | 0.10 |
| | Total non current liabilities | 1.05 | 0.98 |
| 2 | Current Liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Trade Payables | | |
| | - Due to micro enterprises and small enterprises | 0.23 | - |
| | - Others | 33.58 | 23.67 |
| | (ii) Other financial liabilities | 0.43 | 0.50 |
| | (b) Provisions | 0.38 | 0.61 |
| | (c) Current Tax Liabilities (Net) | 0.01 | 0.30 |
| | (d) Other current liabilities | 17.04 | 16.21 |
| | Total current liabilities | 51.67 | 41.29 |
| | Total liabilities | 52.72 | 42.27 |
| | TOTAL EQUITY AND LIABILITIES | 388.03 | 360.06 |

For and on behalf of the Board of Directors

Place : Coimbatore
Date : 26 October 2018




L Ramkumar
Chairman

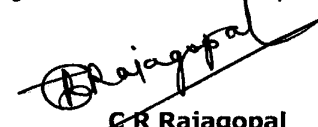
INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

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 and half year ended September 30, 2018 ("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)


C.R. Rajagopal

Partner

Membership No. 023418

Place: Coimbatore

Date: October 26, 2018



Financial Results of Shanthi Gears Ltd

PAT up by 26 %

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, 2018.

The turnover for the quarter was higher by 9 % in comparison to the corresponding quarter of the previous year and at ₹ 59.41 Crores against ₹ 54.31 Crores in the same quarter of the previous year. The net profit after tax for the quarter was 26 % higher at ₹ 9.00 Crores against ₹ 7.16 Crores in the same quarter of the previous year. The Profit before tax for the quarter was ₹11.42 Crores against ₹9.63 Crores in the same quarter previous year, up by 19%. Higher profitability and lower capital employed enabled improvement in Return on average Capital Employed (ROCE) for the quarter to 22.4% from 17.3% in the corresponding quarter of the previous year. The Company generated free cash flow of ₹10.2 Crores in Q2, helped by better networking capital and higher profits as against ₹3.96 Crores in the same quarter previous year.

During the quarter the Company improved its orderbook position significantly by booking orders for ₹ 73.7 Crores (against ₹ 56.4 Crores for corresponding quarter of the previous year), a growth of 31%. Pending orderbook as on 30th September 2018 was ₹149 Crores against ₹121 Crores in the corresponding quarter of the previous year. The Company continues to remain focused on expanding its customer base, enhancing its dealer and service network and improving the production capabilities through investments in modern technologies.