



August 2, 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 4 pages (including covering letter)

Dear Sir,

**Sub: Outcome of Board Meeting**

Further to our letter dated 24<sup>th</sup> July, 2018, we write to inform that at the meeting held today (2<sup>nd</sup> August, 2018), the Board of Directors have approved the following:

**1) Unaudited Financial Results of the Company for the first quarter ended 30<sup>th</sup> June, 2018**

Unaudited Financial Results of the Company for the first quarter ended 30<sup>th</sup> June, 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](http://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 first quarter ended 30<sup>th</sup> June, 2018 is further enclosed.

**2) Retirement of Mr C R Swaminathan from the Board**


Mr. C R Swaminathan (DIN: 00002169) retired from the Board today (02/08/2018)

For your information, the Board Meeting commenced at 11.30 A.M. and concluded at 2.50 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,  
For **SHANTHI GEARS LIMITED**

  
**C. Subramaniam**  
Company Secretary

Encl: As above

Financial Information

₹ Crores

Sl No	Particulars	Quarter ended			Year ended
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Unaudited	Audited (Refer Note 6)	Unaudited	Audited
1	<b>Revenue from Operations (Refer Note-4)</b>	61.95	54.80	56.49	219.55
	Other Income	2.36	3.99	2.66	11.92
	<b>Total Income</b>	<b>64.31</b>	<b>58.79</b>	<b>59.15</b>	<b>231.47</b>
2	<b>Expenses</b>				
	(a) Cost of materials consumed	25.50	20.23	23.16	81.42
	(b) Changes in Inventories of finished goods, work-in-progress	0.61	5.28	(2.50)	8.87
	(c) Excise duty	-	-	5.43	5.43
	(d) Employee benefits expense	10.81	10.85	10.19	41.72
	(e) Depreciation and amortisation expense	3.01	3.46	4.17	15.56
	(f) Other expenses	13.35	11.72	11.82	45.30
	<b>Total Expenses</b>	<b>53.28</b>	<b>51.54</b>	<b>52.27</b>	<b>198.30</b>
3	<b>Profit before tax (1-2)</b>	11.03	7.25	6.88	33.17
4	<b>Tax Expense</b>				
	Current tax	2.55	(1.42)	2.09	7.00
	Deferred tax	(0.02)	(0.95)	(0.27)	(2.41)
	<b>Total tax expense</b>	<b>2.53</b>	<b>(2.37)</b>	<b>1.82</b>	<b>4.59</b>
5	<b>Profit for the periods / year after tax (3-4)</b>	8.50	9.62	5.06	28.58
6	<b>Other Comprehensive Income (net of tax)</b>				
	Items not to be reclassified to profit or loss in subsequent periods				
	Re-measurement gains and (losses) on defined benefit obligation (net)	-	0.17	-	0.17
	Income tax relating to Item that will not be reclassified into profit or loss	-	(0.06)	-	(0.06)
	Other Comprehensive Income for the period / year	-	0.11	-	0.11
7	<b>Total Comprehensive Income (5+6)</b>	8.50	9.73	5.06	28.69
8	<b>Paid-up Equity Share Capital (Face Value of ₹1 each)</b>	8.17	8.17	8.17	8.17
9	<b>Reserves and Surplus (i.e Other Equity)</b>				309.62
10	<b>Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)</b>				
	Basic and Diluted EPS	1.04	1.18	0.62	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 02 August 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.
- Consequent to the introduction of Goods and Services Tax (GST) with effect from 01 July 2017, Excise Duty has been subsumed into GST. In accordance with Ind AS, GST is not part of revenue unlike Excise Duty. Accordingly, the figures for the period upto 30 June 2017 are not strictly relatable to those there after. Hence the following information is provided for better understanding.

Particulars	Quarter ended			Year ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	Unaudited	Audited (Refer Note 6)	Unaudited	Audited
Revenue from Operations	61.95	54.80	56.49	219.55
Less: Excise Duty	-	-	5.37	5.37
<b>Net Revenue from Operations</b>	<b>61.95</b>	<b>54.80</b>	<b>51.12</b>	<b>214.18</b>

- The above financial results are also available on our website www.shanthigears.com
- The figures of the quarter ended 31 March 2018 are the balancing figures between the audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the previous financial year.
- Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The application of Ind AS 115 did not have any material impact on the financial statements of the Company.
- Previous period figures have been regrouped wherever necessary.

For Shanthi Gears Limited

  
**L Ramkumar**  
Chairman

Place : Coimbatore  
Date : 02 August 2018



## 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 June 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.

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 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", written over a horizontal line.

**C.R. Rajagopal**  
Partner

Membership No. 023418

Place: Coimbatore  
Date: August 02, 2018



## Financial Results of Shanthi Gears Ltd

### PAT up by 68 %

The Board of Shanthi Gears Ltd. (SGL) a subsidiary of Tube Investments of India Ltd, (TII) met today to discuss the audited financial results for the quarter ended 30<sup>th</sup> June, 2018.

The turnover for the quarter was higher by 10 % in comparison to the same quarter of the previous year and at ₹ 61.95 Crores against ₹ 56.49 Crores in the same quarter of the previous year. The net profit after tax for the year was 68 % higher at ₹ 8.50 Crores against ₹ 5.06 Crores in the same quarter of the previous year. The turnover for the current quarter is exclusive of GST, however the turnover for the corresponding quarter in the previous year was inclusive of excise duty. On a like to like comparison the turnover grew by 21% for the quarter. The Profit before tax for the quarter was ₹11.03 Crores against ₹6.88 Crores in the same quarter last year, up by 60%.

During the quarter the Company improved its orderbook position significantly by booking orders for ₹ 73.3 Crores (against ₹ 60.5 Crores for corresponding quarter of the previous year), a growth of 22%. Pending orderbook as on June 2018 was ₹139 Crores against ₹125 Crores in the corresponding quarter of the previous year. Growth led strategies of enhancing efficiencies, exploring new markets and enlarging customer base has helped the Company to remain focused on a path to steady and sustainable growth.