



January 27, 2017

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: Outcome of Board Meeting

Further to our letter dated 17th January, 2017, we write to inform that at the meeting held today (27th January, 2017), the Board of Directors have approved the following:

1) Unaudited Financial Results of the Company for the third quarter/nine months ended 31st December, 2016

Unaudited Financial Results of the Company for the third quarter/nine months ended 31st December, 2016 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 third quarter and nine months ended 31st December, 2016 is further enclosed.

2) Amendment of Articles of Association

The Board approved the amendment of Articles of Association of the Company by replacing the existing Articles in entirety with new articles in alignment with the provisions of the Companies Act, 2013 subject to the approval of shareholders through postal ballot.



3) Interim Dividend

The Board decided not to declare interim dividend.

For your information, the Board Meeting commenced at 11.30 A.M. and concluded at 3.05 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,
For **SHANTHI GEARS LIMITED**

C. Subramaniam
Company Secretary

Encl: As above

Shanthy Gears Limited

CIN: L29130TZ1972PLC000649

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Email: cs@shanthigears.murugappa.com, Website:www.shanthigears.com

Statement of Unaudited Financial Results for the Quarter and Nine months Ended 31 December 2016

Financial Information

₹ Crores

SI No	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income from Operations						
	(a) Revenue from Operations	50.33	49.77	47.16	145.93	134.82	179.31
	(b) Other Operating Income	0.82	1.08	0.50	2.49	1.43	2.56
	Total Income from operations (a+b)	51.15	50.85	47.66	148.42	136.25	181.87
2	Expenses						
	(a) Cost of materials consumed	21.41	18.82	16.72	55.77	46.51	62.53
	(b) Changes in Inventories of finished goods, work-in-progress	(4.78)	(0.52)	0.32	(6.64)	(2.36)	(2.08)
	(c) Excise duty	5.05	4.96	4.54	14.67	13.03	17.08
	(d) Employee benefits expense	10.03	9.06	9.34	28.59	28.09	36.40
	(e) Depreciation and amortisation expense	4.59	4.52	4.19	13.37	12.52	16.71
	(f) Other Expenses	10.69	7.89	8.85	28.24	29.17	37.74
	Total Expenses	46.99	44.73	43.96	134.00	126.96	168.38
3	Profit from Operations before Other Income and Finance costs (1-2)	4.16	6.12	3.70	14.42	9.29	13.49
4	Other Income	2.42	3.07	1.83	7.98	7.06	9.28
5	Profit from ordinary activities before Finance costs (3+4)	6.58	9.19	5.53	22.40	16.35	22.77
6	Finance Costs	-	-	-	-	-	-
7	Profit from ordinary activities before Tax (5-6)	6.58	9.19	5.53	22.40	16.35	22.77
8	Tax Expense	1.85	2.46	0.94	6.05	4.22	5.29
9	Net Profit for the periods / Year after Tax (7-8)	4.73	6.73	4.59	16.35	12.13	17.48
10	Other Comprehensive Income	-	-	0.23	-	0.68	0.90
11	Total Comprehensive Income	4.73	6.73	4.82	16.35	12.81	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 / nine months)						
	i) Basic and Diluted EPS	0.58	0.82	0.56	2.00	1.48	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 27th January, 2017.
- 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 Financially 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	Nine Months ended	Year ended
	31.12.2015	31.12.2015	31.03.2016
Net Profit under Previous GAAP	5.15	12.91	18.24
Actuarial (gain)/loss on employee defined benefit funds recognised in Other Comprehensive Income	(0.23)	(0.68)	(0.90)
Effect of measuring investments at fairvalue through profit and loss	(0.58)	0.31	0.64
Effect of fair valuation of Financial Assets	0.08	(0.46)	(0.43)
Tax and deferred tax impact on above adjustments	0.17	0.05	(0.07)
Net Profit for the period under Ind AS	4.59	12.13	17.48
Other Comprehensive Income	0.23	0.68	0.90
Total Comprehensive Income under Ind AS	4.82	12.81	18.38

6. The above financial results are also available on our website www.shanthigears.com

7. Previous period figures have been regrouped / reclassified, wherever necessary.

For Shanthy Gears Limited


M M Murugappan
 Chairman

Place : Coimbatore

Date : 27 January 2017



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 nine months ended December 31, 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.

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 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)




C R RAJAGOPAL
Partner
(Membership No. 23418)

January 27, 2017
SINGAPORE



Quarterly Financial Results of Shanthi Gears Ltd

PBT up by 19 %

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 and nine months ended 31st December, 2016.

The turnover for the quarter was ₹ 51.15 Crores against ₹47.66 Crores in the same quarter last year, up by 7%. The Profit before tax for the quarter was ₹6.58 Crores against ₹5.53 Crores in the same quarter last year, up by 19% and Profit before tax for nine months was ₹22.40 Crores against ₹16.35 Crores, up by 37%.

During the quarter, the Company built its order book by ₹55 Crores which is 39 % higher than Q3 of 2015-16. The Company's order book as on 31st December, 2016 stands at ₹116 Crores compared to ₹74 Crores as of same date last year.

To enhance its product offerings in the catalogue, range the company launched 3 products namely Elite for Standard Helical, Worm+ for Standard Worm and Power+ for Gear Couplings.