

23rd July, 2019National 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 MeetingFurther to our letter dated 9th July, 2019, we write to inform that at the meeting held today (23rd July, 2019), the Board of Directors have approved the following:**1) Unaudited Financial Results of the Company for the first quarter ended 30th June, 2019**

Unaudited Financial Results of the Company for the first quarter ended 30th June, 2019 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 first quarter ended 30th June, 2019 is further enclosed.

For your information, the Board Meeting commenced at 11.30 A.M. and concluded at 2.15 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,
For **SHANTHI GEARS LIMITED**


C. Subramaniam
Company Secretary
Encl: As above

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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.com, Website www.shanthigears.com

Statement of Unaudited Financial Results for the Quarter ended 30 June 2019

Financial Information

₹ Crores

Sl No	Particulars	Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		Unaudited	Refer Note 5	Unaudited	Audited
1	Revenue from Operations	71.75	60.10	61.95	242.97
	Other Income	1.28	2.57	2.36	11.80
	Total Income	73.03	62.67	64.31	254.77
2	Expenses				
	(a) Cost of materials consumed	31.64	32.35	25.50	115.76
	(b) Changes in Inventories of finished goods and work-in-progress	3.50	(2.44)	0.61	(7.88)
	(c) Employee benefits expense	11.41	11.56	10.81	45.40
	(d) Depreciation and amortisation expense	2.07	2.19	3.01	10.62
	(e) Other expenses	11.80	11.35	13.35	48.41
	Total Expenses	60.42	55.01	53.28	212.31
3	Profit before tax (1-2)	12.61	7.66	11.03	42.46
4	Tax Expense				
	Current tax	2.29	1.45	2.55	8.20
	Deferred tax	0.87	0.20	(0.02)	0.91
	Total tax expense	3.16	1.65	2.53	9.11
5	Profit for the periods / year after tax (3-4)	9.45	6.01	8.50	33.35
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)	-	0.25	-	0.25
	Income tax relating to Item that will not be reclassified into profit or loss	-	(0.07)	-	(0.07)
	Other Comprehensive Income for the period / year		0.18		0.18
7	Total Comprehensive Income (5+6)	9.45	6.19	8.50	33.53
8	Paid up Equity Share Capital (Face Value of ₹1 each) (Refer Note 4)	7.67	8.17	8.17	8.17
9	Reserves and Surplus (i.e Other Equity)				293.91
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)				
	Basic EPS ₹	1.22	0.74	1.04	4.08
	Diluted EPS ₹	1.22	0.74	1.04	4.08

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 23 July 2019.
- 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 Buyback of Equity Shares which was approved by SEBI on 26 February 2019, 50,00,000 shares have been extinguished on 09 April 2019.
- The figures of the quarter ended 31 March 2019 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.
- The above financial results are also available on our website www.shanthigears.com
- Previous period figures have been regrouped wherever necessary.

Place : Coimbatore
Date : 23 July 2019



For Shanthi Gears Limited


R. Ramesh Kumar
Chairman

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

TO THE BOARD OF DIRECTORS OF SHANTHI GEARS LIMITED

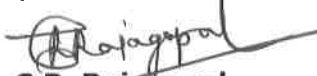
1. We have reviewed the accompanying Statement of Unaudited Financial Results of **SHANTHI GEARS LIMITED** ("the Company") for the Quarter ended June 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure 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 Company's 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. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 : July 23, 2019
UDIN : 19023418AAAA848215

**Financial Results of Shanthi Gears Ltd****PAT up by 11%**

The Board of Shanthi Gears Limited (SGL) a subsidiary of Tube Investments of India Limited, (TII) met today to discuss the audited financial results for the quarter ended 30th June, 2019. The turnover for the quarter grew by 16% and PAT grew by 11% compared to Q1 of last year.

Highlights

The Company continues to focus on 4 key priorities of revenue growth, profitability, ROCE and Free Cash Flow (FCF)

- Revenue of ₹ 71.7 Crores. in the quarter with a growth of 16% over Q1 of previous year.
- The Profit before tax for the quarter was higher by 14% at ₹ 12.6 Crores against ₹ 11.0 Crores in the corresponding quarter of the previous year.
- Higher profitability and lower capital employed enabled improvement in Return on average Capital Employed (ROCE) for the quarter to 31% from 24% in the corresponding quarter of the previous year.
- The Company generated operating free cash flow of ₹ 15.9 Crores during the quarter.

During the quarter the Company booked orders for ₹ 76 Crores (against ₹ 70 Crores for corresponding quarter of the previous year).

Pending orderbook as on 30th June 2019 was ₹ 163 Crores against ₹ 139 Crores in 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.