

## **Quarterly Financial Results of Shanthi Gears Ltd**

### **Topline grows by 3%**

The Board of Shanthi Gears Ltd.,(SGL) a subsidiary of the Chennai based Tube Investments of India Ltd, (TII) of the Murugappa Group met today to discuss the unaudited financial results for the quarter ended 30<sup>th</sup> June, 2014. The turnover for the quarter was Rs 34.21 crores against Rs. 33.19 crores in the same quarter last year. The operating profit for the quarter was impacted by a one-time charge of Rs. 3.02 Cr arising out of the settlement of a legal dispute. The net profit for the quarter was Rs. 1.85 crores against Rs. 3.37 crores in the previous year..

During the quarter, the Company built its order book by Rs. 48 crores (PY Rs. 40 Cr) despite continued difficult conditions in the market. The increase in the orders booked during the quarter represents a growth of 19.6% over the previous year. Orders from export markets were also higher. Most of the key user segments in the domestic market remained flat during the quarter just ended. The Company continues to remain focused on expanding its customer base, enhancing the distribution and service network and on improving its speed of execution. Intense competition in the market place and depressed markets exerted pressure on the Company's profitability. The various cost management initiatives undertaken over the last few months together with a thrust on operating efficiencies have helped the Company mitigate this impact.

With an improvement in business confidence aided by the recent growth in the core sectors, it is expected that the growth in the industry will pick up in the coming quarters. The Company's current order book is at Rs. 79 cr., and the Company will continue to maintain its focus on growing the customer base, enhancing its product range, reducing cost and improving deliveries to achieve a better performance in the coming quarters.