**Tube Investments of India Ltd.**
Dare House, 234, N.S.C. Bose Road, Chennai 600 001, India
Tel: 91.44.4217 7770-5 Fax: 91.44.4211 0404
Website: www.tiindia.com

2nd November, 2012

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 Limited
1st Floor
New Trading Ring, Rotunda Building
P J Towers, Dalal Street
Fort
Mumbai 400 001

Dear Sirs,

**Unaudited financial results for quarter ended 30th September, 2012 – Press Release**

Please find enclosed a copy of the Press Release for your records.

Thanking you,

Yours faithfully,
For TUBE INVESTMENTS OF INDIA LIMITED

S SURESH
COMPANY SECRETARY

Encl:

murugappa

INDIA

murugappa

# TUBE INVESTMENTS OF INDIA LTD CONSOLIDATED Q2 PAT UP BY 40%

The Board of Directors of Tube Investments of India Limited (TII) met today and approved the un-audited financial results for the quarter ended 30th September, 2012.

**Consolidated Results**

The Company's consolidated Profit after Tax for the quarter was at Rs. 109 Cr. against Rs. 78 Cr. in the corresponding period of previous year, a growth of 40%.

During the quarter Cholamandalam Investment & Finance Company Ltd, a subsidiary company in the financial service business, achieved a consolidated Profit after tax of Rs. 69 Cr. against Rs. 35 Cr. in the corresponding period of previous year. The total disbursements grew by 29% for the quarter.

Cholamandalam MS General Insurance Company Ltd., a general insurance subsidiary of the Company, registered a growth of 11% in Gross Written Premium during the quarter. The profit after tax for the quarter was at Rs. 10 Cr. as against Rs. 7 Cr. during corresponding period last year.

**Standalone Results**

Sales for the quarter were up by 9% at Rs. 925 Cr. as against Rs. 846 Cr. for the same period last year. The profit before depreciation, interest and tax for the quarter was at Rs. 95 Cr. against Rs. 98 Cr. last year. The profit before tax for the quarter was Rs. 50 Cr. as compared to Rs. 60 Cr. for the corresponding period in the previous year.

Mr. L. Ramkumar, Managing Director said, "The Bicycles division has registered an 18% growth in revenue over corresponding period last year. The Engineering division also registered a growth of 7% despite the negative growth in the Auto industry. Lower off-take in the passenger car segment and delay in release of further orders for railway wagons resulted in a decline of 1% in revenues of the metal formed products division. The margins were under pressure across all segments due to increase in power & fuel costs, inflation coupled with lower off-take"

**Review of Businesses – Second Quarter**

**Bicycles**

The Bicycle division's revenue for the quarter was up by 18% over the same quarter last financial year largely due to the servicing of institutional orders. The expansion of retail network continued and 89 new outlets have been added in the rural / urban / semi urban areas during the quarter. The margins continued to be under pressure due to inability to pass on the cost increases fully in a competitive environment.

**Engineering**

During the quarter, this division recorded a revenue growth of 7% over the corresponding period of last year. The 2-wheeler & Commercial vehicle segment declined by 3% & 5% respectively thereby affecting the demand for tubes & cold rolled steel strips. However, Tubular components segment grew by 8% due to continued focus on value addition initiative. The margins were affected by increase in power & fuel cost and delay in passing on the entire cost increase to the customers.

**Metal Formed Products**

During the quarter, this division's revenue dropped by 1% over the corresponding period of last year.

There was a marginal revenue growth in Chains. Despite the decline of 6% in the motorcycle segment and 8% in passenger car segment, sale of Fine Blanked products witnessed a good growth due to new products. There was a drop in doorframe volumes due to lower production of cars that the division caters to. There was also a delay in release of further orders for Railway wagons apart from severe price pressure due to competition. This resulted in lower volumes and price realization thereby affecting the margins of the division.

**Acquisition of promoters holding and Open offer of Shanthi Gears Limited (SGL)**

The company has acquired 3, 60, 50,291 equity shares representing 44.12% of SGL from the erstwhile promoters at an investment of ₹292.01 Cr. Consequently, in accordance with the SEBI Regulations, the Company has made an open offer to the shareholders of SGL to acquire from them, up to 2,12,46,122 fully paid up equity shares of ₹1 each, representing 26% of SGL's share capital, at ₹81 per share.

**About Murugappa Group**

Founded in 1900, the Rs. 22314 Crores (USD 4.4 billion) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including eight listed Companies actively traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Cycles, Sugar, Farm Inputs, Fertilizers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies like Groupe Chimique Tunisien, Foskor, Cargill, Mitsui Sumitomo, Morgan Crucible and Sociedad Química y Minera de Chile (SQM). The Group has a wide geographical presence spanning 13 states in India and 5 continents.

Renowned brands like BSA, Hercules, Ballmaster, Ajax, Parry's, Chola, Gromor and Paramfos are from the Murugappa stable. The organization fosters an environment of professionalism and has a workforce of over 32,000 employees. For more details, visit www.murugappa.com.

For further information, please contact:
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