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

13th July, 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

Bombay Stock Exchange Ltd
1st Floor
New Trading Ring, Rotunda Building
P J Towers, Dalal Street
Fort
Mumbai 400 001

Dear Sirs,

This is to inform you that the Board of Directors of Tube Investments of India Limited ("the Company"), at its meeting held today (13th July, 2012), approved the acquisition of 3,60,50,291 equity shares of Re.1 each of Shanthi Gears Limited ("SGL"), Coimbatore, from the Promoters of SGL, representing 44.12% of SGL's equity capital, at Rs.81/- (Rupees eighty-one) per share.

Pursuant to the above, the Company has today entered into a Share Purchase Agreement with the Promoters of SGL, for the purchase of the above said shares.

Consequent to the above, the Company will be making an Open Offer to the shareholders of SGL to acquire from them 2,12,46,122 fully paid up equity shares of Re.1/- each, at a price of Rs.81/- (Rupees eighty-one) per share, representing 26% of the paid up share capital of SGL, in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Regulations"). We enclose herewith the Public Announcement to the shareholders of SGL in terms of the Regulations. We request you to take the Public Announcement on your records. A copy of the press release in this regard is also enclosed for your reference.

The transaction is subject to the approval of the shareholders of the Company under Section 372A of the Companies Act, 1956. The Company will be seeking the approval of the shareholders, through postal ballot, for the investment in the shares of SGL for an amount not exceeding Rs.500 crores.

This information is being provided pursuant to Clause 36 and other requirements of the Listing Agreement entered into with the Stock Exchange(s).

Thanking you,

Yours faithfully,
For TUBE INVESTMENTS OF INDIA LTD.

S SURESH
COMPANY SECRETARY

Encl.

murugappa

PUBLIC ANNOUNCEMENT UNDER REGULATION 15(1) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 ("SEBI (SAST) Regulations")

FOR THE ATTENTION OF THE SHAREHOLDERS OF SHANTHI GEARS LIMITED

Open Offer for acquisition of up to 2,12,46,122 fully paid up Equity Shares of Shanthi Gears Limited ("Target Company") from the Shareholders of Target Company by Tube Investments of India Limited ("Acquirer")

1. **Offer Details**

i. **Size**: Up to 2,12,46,122 Fully paid up Equity Shares of the face value of Re.1 (Rupee One only) each of the Target Company ("***Equity Shares***") constituting 26% of the voting share capital of the Target Company ("***Offer Size***")

ii. **Offer Price/consideration**: Rs.81 /- (Rupees Eighty One only) per fully paid up Equity Share aggregating to Rs 172.09 crores assuming full acceptance

iii. **Mode of payment (cash/security)**: Cash

iv. **Type of offer**: Triggered offer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations

2. **Transaction which has triggered the open offer obligations ("Underlying Transaction")**

Details of Underlying Transaction						
Type of Transaction (direct/ indirect)	**Mode of Transaction (Agreement/ Allotment/ Market purchase)**	**Shares / Voting rights acquired/ proposed to be acquired**		**Total Consideration for shares /Voting Rights (VR) acquired (Rs. in Crores)**	**Mode of payment (Cash/ securities)**	**Regulation which has triggered**
		Number	**% total equity / voting capital**			
Direct	Share Purchase Agreement ("SPA"') dated 13th July, 2012 entered into between the Acquirer, and the Promoter / Promoter Group of the Target Company (hereinafter referred to as the "Sellers") for acquisition by the Acquirer of the Seller's shares held in the Target Company	3,60,50,291	44.12%	Rs 292.01 crores	Cash	3(1) and 4 of SEBI (SAST) Regulations

TUBE INVESTMENTS OF INDIA LTD. CHENNAI 600 001

3. Acquirer

Details	Acquirer	PAC	Total
Name of Acquirer(s)/ PAC(s)	Tube Investments of India Limited	NA	NA
Address	Dare House, 234 N S C Bose Road, Chennai – 600 001	NA	NA
Name(s) of persons in control/promoters of Acquirers/ PAC where Acquirers/PAC are companies	Murugappa Holdings Limited, New Ambadi Estates Private Limited, Ambadi Enterprises Ltd, A M M Arunachalam & Sons Private Ltd, A M Meyyammai, M V Murugappan, Arun Alagappan, Murugappa Educational And Medical Foundation, M A Alagappan, M V Murugappan, A A Alagammai, M M Murugappan, M M Venkatachalam, M V Seetha Subbiah, M V Murugappan, A Venkatachalam, M V Ar Meenakshi, M V Muthiah, S Vellayan, Ar Lakshmi Achi Trust, M.M.Veerappan, M M Muthiah, A Vellayan, Pressmet Pvt Ltd., M A Alagappan, M A M Arunachalam, Meyyammai Venkatachalam, M M Murugappan, V Arunachalam, M M Seethalakshmi, Lalitha Vellayan, M V Subbiah, Lakshmi Venkatachalam, V Narayanan, M.M.Muthiah Research Foundation, M M Murugappan, M V Valli Murugappan, A Venkatachalam, A Vellayan, Meenakshi Murugappan, A M Meyyammai, M A Alagappan, Sigapi Arunachalam, Arun Venkatachalam, M V Subbiah, M A M Arunachalam, M A Alagappan, Lakshmi Venkatachalam, M M Venkatachalam, M Seethalakshmi, A M M Vellayan Sons P Ltd, M M Murugappan, M V Subramanian, M A Alagappan, Kabir Subbiah, Karthik Subbiah, Solachi Ramanathan, M M Muthiah Sons Private Ltd, Pranav Alagappan, A V Nagalakshmi, Dhruv M Arunachalam, Carborundum Universal Limited, A Keertika Unnamalai, EID Parry (India) Limited, Parry America Inc., Parrys Investments Limited, Parry Infrastructure Company Private Limited, Parrys Sugar Limited, Parry Phytoremedies Private Limited, Parry Agrochem Exports Limited, Coromandel International Limited, Parry Chemicals Limited, CFL Mauritius Limited, Coromandel Brasil Limitada (Limited Liability Company), Sabero Organics Gujarat Limited, Sabero Europe BV, Sabero Australia Pty Ltd, Sabero Organics America SA, Sabero Argentina SA, Sabero Organics Philippines Asia Inc, Silkroad Sugar Private Limited, Sadashiva Sugars Limited, Parrys Sugar Industries Limited, Alagwadi Bireshwar Sugars Private Limited, US Nutraceuticals LLC, New Ambadi Estates Pvt. Limited., Parry Agro Industries Limited, Thangamalai Tea Factory Private Limited, Parry Enterprises India Limited, Parry Murray Limited, UK, Parry Murray and Co Furnishing and Floor Covering (India) Pvt Limited, CUMI America Inc., Net Access (India) Limited, Southern Energy Development Corporation Limited, Sterling Abrasives Limited, CUMI (Australia) Pty Limited, CUMI Canada Inc., CUMI Middle East FZE, CUMI International Limited, Volszhsky Abrasives Works, Foskor Zirconia Pty Limited, South Africa, Cellaris Refractories India Limited, Shine Kids Education Pvt Limited, CUMI Abrasives and Ceramics Company Limited, China, Cholamandalam Investment and Finance Company Limited, Cholamandalam Securities Limited, Cholamandalam Distribution Services Limited, Cholamandalam Factoring Limited, Coromandel Engineering Company Limited, Kadamane Estates Company, Yelnoorkhan Group Estates, Murugappa & Sons, AMM Foundation, Kanika Subbiah, M V Subbiah Benefit Trust, Valli Subbiah Benefit Trust, Vedhika Meyyammai, Cholamandalam MS General Insurance Company Limited, TI Financial Holdings Limited, TICI Motors (Wuxi) Co Limited, Financiere C10, SAS, Sedis, SAS, Societe De Commercialisation De Composants Industriels, Sedis Company Ltd, UK.	NA	NA

TUBE INVESTMENTS OF INDIA LTD. CHENNAI 600 001

Name of the Group, if any, to which the Acquirer/PAC belongs to	Murugappa Group	NA	NA
Pre-Transaction shareholding Number % of total share capital*	NIL	NA	NA
Proposed shareholding after the acquisition of shares which triggered the Open Offer*	3,60,50,291 Equity Shares (44.12%)	NA	3,60,50,291 Equity Shares (44.12%)
Any other interest in the Target Company	NIL	NA	NIL

** Mr. V Arunachalam and M/s. Presmet Private Ltd (forming part of Promoter Group of Acquirer) hold 2,950 and 6,500 equity shares constituting 0.0036% and 0.0080% of paid up share capital of Target Company respectively. Acquirer along with equity shares held by Promoter Group i.e. Mr. V. Arunachalam and M/s. Pressmet Private Limited will hold 3,60,59,741 Equity Shares constituting 44.13% of equity share capital of the Target Company.*

4. **Details of selling shareholders**

Name	Part of promoter group (Yes/ No)	Details of shares/voting rights held by the selling shareholders			
		Pre-Transaction		Post-Transaction	
		Number of shares	% of voting share capital	Number of shares assuming 26% shares are validly tendered in the Offer	% of voting share capital assuming 26% shares are validly tendered in the Offer
Mr. P Subramanian	Yes	2,82,50,291	34.57	Nil	Nil
Shanthi General Finance Private Limited	Yes	7,00,000	0.86	Nil	Nil
Shanthi Social Services	Yes	71,00,000	8.69	Nil	Nil
Total		3,60,50,291	44.12	Nil	Nil

5. **Target Company**

i. **Name**: Shanthi Gears Limited (Company Identification Number [CIN]: L29130TZ1972PLC000649)

ii. **Registered Office**: 304-A, Trichy Road, Singanallur, Coimbatore-641005

iii. **Exchanges where listed**: The Equity Shares are listed on BSE Limited (Scrip Code: 522034) and the National Stock Exchange of India Limited (Scrip Symbol: SHANTIGEAR)

INVESTMENTS OF INDIA LTD. CHENNAI 600 001

6. **Other details**

i. Further details of the Offer shall be published on or before July 20, 2012 in the detailed public statement to be issued in terms of Regulation 13(4) of the SEBI (SAST) Regulations, 2011;

ii. The Acquirer undertakes that it is aware of and will comply with its obligations under the SEBI (SAST) Regulations;

iii. The Acquirer has adequate financial resources to meet its obligation under the Offer and has made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of Regulation 25(1) under the SEBI (SAST) Regulations;

iv. This Public Announcement is not being issued pursuant to a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations; and

v. Completion of the Offer and the underlying transaction as envisaged under the SPA is subject to receipt of statutory approvals (as applicable) and satisfaction of other conditions precedents set out in the SPA. The underlying transaction could be completed prior to completion of the Offer.

Issued by the Manager to the Offer

ENAM

Enam Securities Pvt Ltd.
1st Floor, Axis House,
C-2, Wadia International Centre,
P.B. Marg, Worli, Mumbai- 400025.
Tel. No.: + 91 22 4325 2525
Email: sgl@enam.com
Contact Person: Mr. Sachin K Chandiwal / Mr. Sonal Sinha

On behalf of the Acquirer

Tube Investments of India Limited
Dare House, 234 N S C Bose Road, Chennai – 600 001

TUBE INVESTMENTS OF INDIA LTD. CHENNAI 600 001

Place: Mumbai
Date: July 13, 2012

TII to acquire promoter shareholding in Shanthi Gears

Chennai, July 13, 2012: Tube Investments of India Ltd., (TII) flagship company of the Murugappa Group with multiple businesses ranging from diversified auto-ancillary products, bicycle retailing to financial services and insurance, has signed a share purchase agreement to acquire 44.1% stake in 'Shanthi Gears Ltd.' a leading manufacturer of industrial power transmission products, headquartered in Coimbatore, India. Consequently, TII will be making an open offer to the extent of 26%. Total cost of the acquisition including the public offer is expected to be Rs. 464 Crores assuming full response to the proposed open offer pursuant to SEBI regulation.

Shanthi Gears Ltd manufactures a wide range of products that include gears, gear boxes, geared motors and gear assemblies. It has been designing, manufacturing and supplying various kinds of gears and gearboxes to various industries for a variety of applications for the past four decades. The Company has manufacturing operations in Coimbatore spread across 6 units including a Foundry Division and markets its products in India and abroad. Turnover of the Company was Rs. 178 crores in FY 12 with a Profit After Tax of Rs. 28 crores. The Company is a Debt Free Company as on March 31, 2012.

Commenting on the strategic fit of this acquisition, Mr. MM Murugappan, Chairman, Tube Investments and Vice Chairman, Murugappa Group, stated that "Shanthi Gears is one of the largest organized players in India in the gears segment and its product profile is targeted towards more of niche products and greater customer retention. We hope to leverage our understanding of the engineering space and our existing customer relationships to help scale the business further"

Announcing the acquisition, Mr.L Ramkumar, Managing Director, Tube Investments stated that "Addition of Shanthi's product portfolio substantially enhances our ability to service other industry segments and reduce our reliance on the Auto sector, at the same time growing our presence in the value added businesses."

About Tube Investments of India Ltd.

Tube Investments of India Limited is the flagship Company of Murugappa Group. The Company has 18 manufacturing/assembly units spread across the country. The Company's shares are listed on the National and Bombay stock exchanges in India. The Company's major products are Precision Cold rolled strips and welded tubes , Drive and Industrial Chains, Door frames, other metal formed products, E-Scooters, Fitness Equipment and Bi-Cycles.

TI is the market leader in precision tubes with 55 percent market share by virtue of its quality and application engineering capabilities. It is the market leader in roll formed car doorframes with 60 percent market share by virtue of its cost efficiency, association with key auto majors and roll forming capabilities. TI is a leading player in automotive chain with 40 percent market share by virtue of its quality, cost and delivery and association with two

wheeler majors. The company is also a leading player in bicycle segment around 30 percent market share by virtue of its brand equity, product development capability and proximity to the markets.

TII is the promoter of Cholamandalam Investment Finance Company Ltd. and Cholamandalam MS General Insurance Company Ltd and holds equity stake of 54.5% and 74% respectively.

TII reported a total revenue of Rs 6456 Cr on a consolidated basis with a PAT of Rs 269 Cr for the year ended 31st March 2012.

About the 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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