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

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

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)

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

Place: Mumbai
Date: July 13, 2012