



Tube Investments of India Ltd.

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Website: www.tiindia.com CIN: U35100TN2008PLC069496

(formerly TI Financial Holdings Limited)

7th December, 2017

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

Dear Sirs,

We write to inform that the Company has today (7th December, 2017) entered into separate Shareholders' Agreements with Mr. Shuyuan Gan, promoter and 100% shareholder of (a) M/s. Great Cycles (Private) Limited, and (b) M/s. Creative Cycles (Private) Limited, both situated in Colombo, Sri Lanka, for acquiring from him 80% of the issued and subscribed share capital of each of the said two companies for an aggregate consideration of USD 3.34 Million and a sum equivalent to 80% of the applicable net working capital as on 30th November, 2017.

The said two companies are engaged in the manufacture of premium bicycles and the present acquisition in the aforementioned target companies by the Company from Mr. Shuyuan Gan is part of the Company's strategy for securing the backend supply chain in the mass premium and super premium segments for its bicycles division viz., TI Cycles of India.

Separate disclosures pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to the above are annexed.

A copy of the press release being issued in this regard is also enclosed.

Thanking you,

Yours faithfully,
For TUBE INVESTMENTS OF INDIA LIMITED

S SURESH
COMPANY SECRETARY

Encl.



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Disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to acquisition by the Company of controlling interest in the issued and subscribed share capital of M/s. Great Cycles (Private) Ltd., Sri Lanka

Disclosure requirement	Details
a) Name of the target entity, details in brief such as size, turnover etc.	<p><u>Target entity:</u> M/s. Great Cycles (Private) Ltd., Sri Lanka</p> <p>Turnover: USD 0.89 Mn. in 2016-17</p>
b) Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length".	<p>The acquisition will not fall within the meaning of a related party transaction.</p>
c) Industry to which the entity being acquired belongs.	<p>Bicycle manufacturing.</p>
d) Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if the business is outside the main line of business of the listed entity).	<p>Our Company (viz., the acquirer) is already engaged <i>inter alia</i> in the business of manufacture and marketing of bicycles and fitness equipment. The bicycles division of the acquirer viz., TI Cycles of India (TICI) is well-renowned and a pioneer in establishing the premium cycle segment in India with several popular brands. The present acquisition is part of the strategy of TICI to strengthen its backend sourcing chain for the premium bicycle offerings. Besides securing the supply, the acquisition is also expected to help TICI in being competitive in the market with regard to its product offerings in the premium segment.</p>
e) Brief details of any governmental or regulatory approvals required for the acquisition.	<p>The manufacturing facility of the target company is located in the export processing zone leased to it by the Board of Investment, Sri Lanka ("BOI"). Accordingly, in respect of the acquisition, the BOI has to be notified of the acquisition under the existing arrangement between the BOI and the target company for lease of the facility inside the export processing zones. Other than the same, the</p>



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	<p>Company as the acquirer understands that no other approval or filing with any other governmental or regulatory authority in Sri Lanka would be required.</p> <p>Under the extant regulations of the Reserve Bank of India governing overseas direct investment by Indian companies, the investment (acquisition) in the share capital of the target company qualifies under the automatic route. Accordingly, other than the reporting requirements, no prior approval of RBI is required for the proposed acquisition. No other regulatory/governmental approval is also envisaged.</p>						
f) Indicative time period for completion of the acquisition.	The acquisition would be completed before 31st March, 2018.						
g) Nature of consideration – whether cash consideration or share swap and details of the same.	Cash consideration of USD 2.34 Million and a sum equivalent to 80% of the applicable net working capital as on 30th November, 2017.						
h) Cost of acquisition or the price at which the shares are acquired.	USD 2.34 Million and a sum equivalent to 80% of the applicable net working capital as on 30th November, 2017.						
i) Percentage of shareholding /control acquired and/or number of shares acquired.	80% of the issued and subscribed share capital of the target company viz., 40,00,000 Ordinary Shares.						
j) Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which acquired entity has presence and any other significant information (in brief).	<p>The target company was incorporated on 18th Jan 2006. It has a bicycle manufacturing facility at the BOI Export Processing Zone in Kattunayake, Colombo, Sri Lanka, very close to the seaport and airport. The facility has an assessed capacity of 1.2 lakh adult bicycles per annum.</p> <p>The turnover details of the target company for the last three years are furnished below:</p> <table border="1" data-bbox="772 1724 1299 1841"> <tr> <td>2016-17</td> <td>USD 0.89 Mn.</td> </tr> <tr> <td>2015-16</td> <td>USD 0.76 Mn.</td> </tr> <tr> <td>2014-15</td> <td>USD 1.34 Mn.</td> </tr> </table>	2016-17	USD 0.89 Mn.	2015-16	USD 0.76 Mn.	2014-15	USD 1.34 Mn.
2016-17	USD 0.89 Mn.						
2015-16	USD 0.76 Mn.						
2014-15	USD 1.34 Mn.						



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Disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to acquisition by the Company of controlling interest in the issued and subscribed share capital of M/s. Creative Cycles (Private) Limited, Sri Lanka

Disclosure requirement	Details
a) Name of the target entity, details in brief such as size, turnover etc.	<p><u>Target entity:</u> M/s. Creative Cycles (Private) Ltd., Sri Lanka.</p> <p>Turnover: USD 2.46 Mn. in 2016-17</p>
b) Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length".	The acquisition will not fall within the meaning of a related party transaction.
c) Industry to which the entity being acquired belongs.	Bicycle manufacturing.
d) Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if the business is outside the main line of business of the listed entity).	Our Company (viz., the acquirer) is already engaged <i>inter alia</i> in the business of manufacture and marketing of bicycles and fitness equipment. The bicycles division of the acquirer viz., TI Cycles of India (TICI) is well-renowned and a pioneer in establishing the premium cycle segment in India with several popular brands. The present acquisition is part of the strategy of TICI to strengthen its backend sourcing chain for the premium bicycle offerings. Besides securing the supply, the acquisition is also expected to help TICI in being competitive in the market with regard to its product offerings in the premium segment.
e) Brief details of any governmental or regulatory approvals required for the acquisition.	The manufacturing facility of the target company is located in the export processing zone leased to it by the Board of Investment, Sri Lanka ("BOI"). Accordingly, in respect of the acquisition, the BOI has to be notified of the acquisition under the existing arrangement between the BOI and the target company for lease of the facility inside the export processing zones. Other than the same, the Company as the acquirer understands that no



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	<p>other approval or filing with any other governmental or regulatory authority in Sri Lanka would be required.</p> <p>Under the extant regulations of the Reserve Bank of India governing overseas direct investment by Indian companies, the investment (acquisition) in the share capital of the target company qualifies under the automatic route. Accordingly, other than the reporting requirements, no prior approval of RBI is required for the proposed acquisition. No other regulatory/governmental approval is also envisaged.</p>						
f) Indicative time period for completion of the acquisition.	The acquisition would be completed before 31st March, 2018.						
g) Nature of consideration – whether cash consideration or share swap and details of the same.	Cash consideration of USD 1 Million and a sum equivalent to 80% of the applicable net working capital as on 30th November, 2017.						
h) Cost of acquisition or the price at which the shares are acquired.	USD 1 Million and a sum equivalent to 80% of the applicable net working capital as on 30th November, 2017.						
i) Percentage of shareholding /control acquired and/or number of shares acquired.	80% of the issued and subscribed share capital of the target company viz., 40,00,000 Ordinary Shares.						
j) Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which acquired entity has presence and any other significant information (in brief).	<p>The target company was incorporated on 23rd September 2004. It has a bicycle manufacturing facility at the BOI Export Processing Zone in Kattunayake, Colombo, Sri Lanka, very close to the seaport and airport. The facility has an assessed capacity of 1.2 lakh adult bicycles per annum.</p> <p>The turnover details of the target company for the last three years are furnished below:</p> <table border="1"><tr><td>2016-17</td><td>USD 2.46 Mn</td></tr><tr><td>2015-16</td><td>USD 1.80 Mn</td></tr><tr><td>2014-15</td><td>Nil</td></tr></table>	2016-17	USD 2.46 Mn	2015-16	USD 1.80 Mn	2014-15	Nil
2016-17	USD 2.46 Mn						
2015-16	USD 1.80 Mn						
2014-15	Nil						



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PRESS INFORMATION NOTE

TI Cycles announces signing of agreement for acquisition of controlling stake in Creative Cycles & Great Cycles, Sri Lanka

Colombo, Srilanka, 7 December 2017: TI Cycles of India, one of the leading bicycle manufacturers in India, a part of the USD 4.7 Billion Murugappa Group, announced that it has signed a definitive agreement for acquisition of a controlling stake in Creative Cycles (Private) Limited & Great Cycles (Private) Limited, Colombo, Sri Lanka. This acquisition, when concluded, will help strengthen and expand the global supply chain for the premium cycles portfolio of TI Cycles.

Creative Cycles and Great Cycles have manufacturing facilities in the Katunayake Export Processing Zone, Colombo with a capability to produce a wide range of bicycles, from kids to performance cycles, from steel to alloy bikes.

“TI Cycles is a leader in the premium cycles segment, bringing the best of cycling experience to the Indian consumer,” says L Ramkumar, Managing Director, Tube Investments India Limited (of which TI Cycles of India is a Division). “With this acquisition, we will be able to grow the market for premium cycles and our market share in the premium segment even more aggressively. Our goal has always been to offer the finest products and experience to Indian consumers and this is one more step in that direction.”

“I am excited to be associated with TI Cycles and the Murugappa group,” says Shuyuan Gan, Founder & Director of Creative Cycles & Great Cycles. “We’re looking forward to working closely with TI Cycles as an integral part of their global supply chain.”

Subject to approvals from the respective authorities and successful completion of all formalities, the acquisition is expected to close by the end of this financial year.





About Murugappa Group

Founded in 1900, the INR 300 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine listed Companies 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., Shanthi Gears Ltd., Tube Investments of India Ltd., TI Financial Holdings Ltd and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 32,000 employees.

For more details, visit www.murugappa.com

About TI Cycles of India

TI Cycles of India, a Unit of Tube Investments of India Ltd., (TI) is one of the leading bicycle manufacturers in India, is a part of INR 300 Billion Murugappa group. TI Cycles has been at the forefront of innovations and is a pioneer in the market of bicycles.

TI Cycles has 4 mother brands - BSA, Hercules, Mach City and Montra - and strong sub-brands like Ladybird and Rodeo which cater to a wide variety of distinct consumer segments. Apart from a 1400 strong direct dealer and distribution network, TI Cycles has established exclusive retail formats for marketing its brand of cycles and accessories - TRACK & TRAIL, TRACK & TRAIL SPORT and BSA HERCULES - that provide a satisfying buying experience and expert after sales service for discerning customers.

