



# KIRLOSKAR FERROUS INDUSTRIES LIMITED

A Kirloskar Group Company

Enriching Lives

Ref No. 2190/16

28 July 2016

The Department of Corporate Services  
BSE Limited  
Phiroze Jeejeeboy Towers,  
Dalal Street, Fort,  
Mumbai 400001

Kind Attention: Mr. Shyam Bhagirath / Mr. Amol Hosalkar

Dear Sirs,

**Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for acquisition of pig iron plant of VSL Steels Limited**

Reference: Scrip Code 500245

This intimation is pursuant to Regulation 30 and Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

This is to inform you that the Board of Directors of Kirloskar Ferrous Industries Limited (the "**Company**") at its meeting held today i.e. 28 July 2016 has granted its in-principle approval for acquisition of movable and immovable assets relating to the pig iron plant of VSL Steels Limited ('the Seller') for a cash consideration of Rs. 155 Crores payable in installments, subject to certain commercial conditions, necessary governmental or regulatory approvals and the approval of the Board of Directors and the shareholders of VSL Steels Limited ("**Proposed Transaction**").

We set out below the brief details of the Proposed Transaction :

- (i) Objects of the Proposed Acquisition: The object of the acquisition is to expand the Company's production capacity of pig iron. After completion of the Proposed Transaction, the Company's production capacity of pig iron will increase from 3,60,000 Metric Tonnes per annum to 5,40,000 Metric Tonnes per annum.
- (ii) Purchase consideration: The purchase price shall be financed partly by way of term loans to be availed from banks / financial institutions and partly by way of internal accruals.

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- (iii) Related Party Transaction: The Proposed Transaction will not come within the purview of related party transactions as defined under the Companies Act, 2013 and rules made thereunder;
- (iv) Indicative time period of completion of the Proposed Transaction : within 15 months
- (v) Interest of promoter/ promoter group/ promoter group companies of the Company: None of the promoter/ promoter group/ promoter group companies of the Company have any interest in the VSL Steels Limited.
- (vi) Kirloskar Ferrous Industries Limited proposes to acquire movable and immovable assets of VSL Steels Limited.
- (vii) Brief details of the Seller, i.e. VSL Steels Limited:

VSL Steels Limited was incorporated on November 25, 2003 under the provisions of the Companies Act, 1956 having its registered office at Number 539, "Ashwini complex", IV floor, CMH road, Indiranagar, HAL 2nd stage, Bangalore 560038, Karnataka. VSL Steels Limited was incorporated to carry on manufacturing all kinds of ferrous and non-ferrous metals. The seller was engaged in manufacturing of pig iron in India and the manufacturing unit of VSL Steels Limited is located at Paramenahally Village, Hiriur, Chitradurga District, Karnataka. Presently, the manufacturing unit is non-operational and does not have any turnover.

You are requested to take the same on record.

Thanking You,

Yours faithfully,

For Kirloskar Ferrous Industries Limited

R. V. Gumaste  
Managing Director  
DIN : 00082829



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