



KIRLOSKAR FERROUS INDUSTRIES LIMITED

A Kirloskar Group Company

Enriching Lives

Ref No. 2600/20

12 September 2020

The Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street, Fort,
Mumbai 400001
(Scrip Code : 500245)

Kind Attention : Mr. Abhay Mungekar / Mr. Amol Hosalkar / Mr. Mangesh Tayde

Dear Sir,

Subject : Disclosure with respect to in-principle approval for acquisition of assets of VSL Steels Limited

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; we wish to inform that the Board of Directors of Kirloskar Ferrous Industries Limited ["the *Company*"] at its meeting held today 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 not exceeding Rs. 135 Crores payable in installments ("the *Transaction*"); subject to fulfillment of certain commercial conditions, the approval of the Board of Directors and the Members of VSL Steels Limited and such necessary approvals from the statutory, government and regulatory authorities.

Salient details of the *Transaction* are as given below :

1. Object of proposed *Transaction* :

The object of proposed transaction is to expand production capacity of Pig Iron of the *Company*. After completion of the *Transaction*, the production capacity of pig iron will increase from 3,91,400 Metric Tonnes per annum to 5,41,400 Metric Tonnes per annum.

2. Purchase consideration :

The purchase consideration of Rs. 135 Crores will be exclusive of applicable taxes, duties and charges thereon and will be financed partly by way of borrowings and partly by way of internal accruals.

3. Proposed *Transaction* will not fall within the purview of related party transactions as defined under the Companies Act, 2013; rules thereof and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of entities belonging to the Promoters and Promoters Group of the *Company* has any interest in VSL Steels Limited.



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- Proposed Transaction is expected to be completed in two stages; viz. operations of pig iron plant are expected to commence within six months and that of sinter plant within 18 months.
- Brief details of the Seller, i.e. VSL Steels Limited :

VSL Steels Limited was incorporated on 25 November 2003 pursuant to provisions of the Companies Act, 1956. It has its registered office situated at Number 539, "Ashwini complex", IV floor, CMH road, Indiranagar, HAL 2nd stage, Bangalore 560038, Karnataka. It was incorporated to carry on manufacturing all kinds of ferrous and non-ferrous metals.

The Company proposes to acquire movable and immovable assets relating to the pig iron plant of VSL Steels Limited situated at Paramenahally Village, Hiriyur, Chitradurga District, Karnataka State. 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

Ravindranath
Venkatesh
Gumaste

Digitally signed by
Ravindranath Venkatesh
Gumaste
Date: 2020.09.12
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R. V. Gumaste
Managing Director
DIN : 00082829