



KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Date: 20 June 2017

Enriching Lives

NSE Scrip Code: KIRLOSENG

BSE Scrip Code: 533293

To
The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C -1, Block G, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051

To
Corporate Relationship Department
BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, this is to inform you that, the Board of Directors in its meeting held on June 19, 2017, had approved the proposal for acquisition of 100% equity shares of La-Gajjar Machineries Private Limited (LGM). This is subject to signing of Definitive agreements

Please find below details of the proposed acquisition under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015:

Sr. No.	Particulars	Description
1	Name and Address of the target entity, details in brief such as size, turnover etc.	La-Gajjar Machineries Private Limited (LGM), having its registered office at Nagarwel Hanuman Road Acidwala Estate Opp. Sukhrampura Amraiwadi, Ahmedabad - 380026 LGM is engaged in the manufacturing and sale of Submersibles and monoblock pumps and pumpsets and Stainless steel pumps in the domestic and export markets. The turnover of the Company for the year ended 31 March 2017 as per unaudited Financial Statements was approximately Rs. 400 Crs.
2	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 "arm's length"	No
3	Industry to which the entity being acquired belongs	Manufacture and Sale of Electric Pumps and Pumpsets



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4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Kirloskar Oil Engines Ltd (KOEL) is inter alia in the business of manufacturing and selling diesel pump sets. LGM provides KOEL a strong and established footprint into the electric pump market through its 'Varuna' and 'Raindrop' brand of submersible and mono-block pumps and further consolidates on KOEL's strong position in the pump segment. This acquisition underlines our commitment and focus to consolidate, grow and deliver in the space of energy, water and food.
5	Brief details of any governmental or regulatory approvals required for the acquisition	No governmental or regulatory approvals are required for this acquisition.
6	Indicative time period for completion of the acquisition	Closing is expected to be completed within 3 months subject to fulfilling of conditions as may be specified in the definitive agreements.
7	Nature of consideration - whether cash consideration or share swap and details of the same	Cash Consideration
8	Cost of acquisition or the price at which the shares are acquired	The final acquisition price will be determined based on 7.89 times the EBITDA multiple of the Company for FY 17-18. The acquisition price would also be subject to certain adjustments for changes in net working capital and net debt on Closing.
9	Percentage of shareholding / control acquired and / or number of shares acquired	76% in first tranche which will be immediate and the balance 24% would be acquired on or before the completion of 5 years from closing date.



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10	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 the acquired entity has presence and any other significant information (in brief)	LGM was incorporated in 1981 and was the first company to launch oil filled motors in India. It is engaged in the business of Submersibles Pumpset, monoblocks pumps and Stainless steel pumps. The Company is market leader in UP and Odisha and among top 5 player in 12 States of India. In 2002, it started exporting pumps to Middle East Countries. Revenues for last 3 Financial Years: FY 2014-15 – Rs. 270 Crs. FY 2015-16 – Rs. 317 Crs. FY 2016-17 – Rs. 400 Crs. (Unaudited)

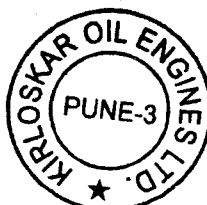
You are requested to take the same on record.

Thanking you,

Yours Faithfully,
For Kirloskar Oil Engines Limited

VINOD
KUMAR
THAMATTOOR

Digitally signed by VINOD KUMAR
THAMATTOOR
DN: cn=IN, o=Personal, CID=5670192,
2.5.4.20=064d7b0c9b1f34e0c70d9a3355a
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serialNumber=397d6112b1c258cb7494f8eb
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Date: 2017.06.20 18:34:19 +05'30'



T. Vinodkumar
Chief Financial Officer