

Ref.: SEC&LEG/1023

June 21, 2024

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001
Scrip Code - 505283

National Stock Exchange of India Limited
Exchange Plaza, C -1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051.
NSE Symbol: KIRLPNU

Sub: Disclosure under Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI Listing Regulations, we hereby notify that the Company has entered into a Memorandum of Understanding with System and Components India Private Limited on June 21, 2024 for acquisition of 54.55% equity stake in System and Components India Private Limited.

Details required to be disclosed under the SEBI Listing Regulations, 2015 read with Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 have been provided in Annexure 1 to this letter.

Please take the above information on record.

Yours faithfully,

For Kirloskar Pneumatic Company Limited

Jitendra R. Shah
Company Secretary & Head Legal
Membership No. 17243

Kirloskar Pneumatic Company Limited

A Kirloskar Group Company

Regd. Office: Plot No. 1, Hadapsar Industrial Estate, Hadapsar,
Pune, Maharashtra 411013
Tel: +91 (20) 26727000
Fax: +91 (20) 26870297
Email: sec@kirloskar.com | Website: www.kirloskarpneumatic.com
CIN: L29120PN1974PLC110307

a.	Name of the target entity, details in brief such as size, turnover etc.;	<p>Systems and Components India Private Limited (Target Company) including its wholly owned subsidiary namely Victory Alloy Steel Private Limited. Currently, wholly owned subsidiary company is in-operative. The Target Company is having Corporate Identity Number U74210MH1989PTC054107 and its registered office situated at E-301, Eastern Business District, Formerly known as Neptune Mall, L.B.S.Marg, Bhandup (West), Mumbai - 400078, Maharashtra, India.</p> <p>For other details please refer point (j) below.</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”;	No
c.	Industry to which the entity being acquired belongs;	Capital Goods - Manufacturing
d.	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);	Acquisition is in the similar line of business i.e. Refrigeration. The acquisition of this stake will empower the Company to scale up its business and expand into adjacent segments related to its current operations.
e.	Brief details of any governmental or regulatory approvals required for the acquisition;	None
f.	Indicative time period for completion of the acquisition;	The proposed acquisition is subject to signing of the Share Purchase Agreement (SPA). The transaction will be consummated in the next 3 months subject to conditions precedent, due diligence and closing adjustments thereof.

g.	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash consideration.
h.	Cost of acquisition or the price at which the shares are acquired;	Aggregate consideration of around Rs. 15 Crores payable in cash in one or more tranches subject to conditions precedent, due diligence, closing adjustments thereof and share purchase agreement.
i.	Percentage of shareholding / control acquired and / or number of shares acquired;	Initially, acquisition of 75,000 shares representing 50% of equity shares in the Target Company. Thereafter fresh allotment of shares to KPCL so that KPCL will hold upto 54.55% in the Target Company.
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 the acquired entity has presence and any other significant information (in brief);	<p>Target Company was incorporated on October 31, 1989.</p> <p>Target Company has been in business of Industrial Refrigeration for over 30 years and having their manufacturing plant at Murbad, Maharashtra.</p> <p>The consolidated revenues for previous three years are as follows;</p> <p>Turnover (in Rs. Crore)</p> <p>2023-24 (unaudited) : 27.32</p> <p>2022-23 (Audited) : 51.42</p> <p>2021-22 (Audited) : 22.84</p>