



Enriching Lives

KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Date: 21 June 2017

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

Subject: Update – Acquisition of 100% equity shares of La-Gajjar Machineries Private Limited

Dear Sir/Madam,

In furtherance to our letter dated 20 June 2017 and 21 June 2017 on the captioned subject, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, please find enclosed herewith a copy of Press Release.

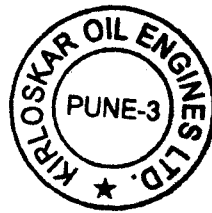
You are requested to take the same on record.

Thanking you,

Yours Faithfully,
For Kirloskar Oil Engines Limited

VINOD
KUMAR
THAMATTO
OR

Digitally signed by VINOD KUMAR
THAMATTOOR
DN: cn=Personal, c=IN, o=Kirloskar, ou=Personnel, email=vinod.kumar@kirloskar.com, serial=3355a94e03f24374af17aea245699ca8ec42568, postalCode=411014,
st=Maharashtra,
serialNumber=39796112b1c258cb749
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Date: 2017.06.21 16:50:22 +05'30'



T. Vinodkumar
Chief Financial Officer

Encl.: As above.



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PRESS RELEASE

Kirloskar Oil Engines to acquire La Gajjar Machineries

Kirloskar Oil Engines Limited (KOEL), announced that it has executed a definitive agreement, on June 21, 2017, to acquire 76% stake in La-Gajjar Machineries (LGM) at a valuation of 7.89 times EBITDA for the year ending March 2018. The balance holding will be acquired by KOEL over a 5 year period.

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 diesel and electric pump segment.

Commenting on the acquisition, Managing Director of KOEL Mr. Nihal Kulkarni said "this acquisition underlines our commitment and focus on fundamentals of energy, water and food. In recent years we have increased our focus on rural India by building a vast digitized network of over 500 distributors and over 25000 retailers and through this acquisition we believe that we will be able to further utilise this huge network to deliver value for all stake holders."

Mr T Vinod Kumar, Chief Financial and Human Resources Officer of KOEL said " This a strategic fit for KOEL and we believe that both organizations complement each other extremely well in more ways than one. The pump set market has been witnessing steady growth and this alliance offers an excellent opportunity for the synergies and combined strengths of the two entities to play out in the market."

Mr. Udayan Gajjar, Chairman and principal shareholder of LGM group, said "The partnership with KOEL will help the Company to further build on its brand strengths, market presence and product knowledge created over the years and will be beneficial for all the stakeholders in the business viz. customers, employees and the suppliers."

The current shareholders and the management team of LGM would continue to be actively involved in the business.

Antony Cherukara, V.P corporate strategy and Head Agriculture & Allied business commenting on the strategy said, Kirloskar Oil engines Ltd. is the leader in diesel engines pump set business and has forayed into farm mechanization through the most awarded product for small farmers named 'Mega T'. The product has already gained wide acceptance as an alternate to the more expensive tractors across India. With this pump foray, KOEL intends to use its wide distribution network to increase sale and achieve leadership in the complete pump segment. La-Gajjar which sells "Varuna" brand of pumps will add to the portfolio of products in the KOEL Agriculture and Allied Business.





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EY and PDS Legal were the M&A and legal advisors, respectively, for LGM. DSK Legal were the legal advisors for KOEL.

Kirloskar Oil Engines Ltd.

KOEL is an acknowledged market leader in India for designing, manufacturing & service of diesel engines, gensets & pumpsets. Incorporated in 1946 as a part of Kirloskar Group of Companies, KOEL is a leading engineering conglomerate, which was founded by late Mr Laxmanrao Kirloskar. The group with a rich heritage of 123 years has an annual sales exceeding in Rs. 8,800 Crores and caters to different segment of society with its core purpose of 'Enriching Lives' which is essentially focusing on bringing about a positive change.

KOEL's engineering capabilities are backed by a strong R&D centre which works towards bringing innovative product offerings to the customer at competitive prices. KOEL has developed a niche for itself in the markets it operates by launching new farm mechanization products and highly efficient diesel generator sets in India. Going beyond Indian shores, these solutions have reached the markets of Middle East, Africa, Europe, South Asia and the Americas.

La-Gajjar Machineries

LGM is a leading submersible and mono block pump manufacturer in India with established brands "Varuna" and "Raindrop" and a pan-India distribution setup. Its proprietary product range includes submersible 3" to 10" oil and water cooled pumps with motor ratings from 0.5 to 150 H.P. including stainless steel pumps and mono block pumps. The Company enjoys market leadership position in states like UP and Odisha and is among top 5 players in another 12 states. LGMs manufacturing facilities are in Ahmedabad in Gujarat which are backed by a sales and service network providing access to over 3,000 counters. For the year ended 2016-17, LGM had annual revenues of approximately Rs 400 crores.

For More Details Contact

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