

Taking over of the management of the Company

Pursuant to the listing agreement, we wish to inform you that the Company has taken over the management of The Kolhapur Steel Limited (TKSL). This is by way of induction of majority directors by the company on the Board of The Kolhapur Steel Limited. This is in accordance with the order dated 10th September, 2007 passed by Honourable Board of Industrial and Financial Reconstruction (BIFR) which was taken on record by the Board of Directors of The Kolhapur Steel Limited at its Board meeting held today. As directed by BIFR, Kirloskar Brothers Limited shall deposit an amount of Rs 14.86 crores in a No Lien Account, which is earmarked for payment of dues of TKSL to Shree Suvarna Sahakari Bank Limited and a Creditor after final approval of BIFR to the modified rehabilitation proposal.

The Kolhapur Steel Limited (TKSL), incorporated in the year 1965, is engaged in manufacturing of alloy steel castings catering to sugar, cement, steel, pumps/valves, marine, earth moving and other general engineering industries sectors. The capacity of TKSL steel castings can be used by the company to meet its captive demand due to increase in production as well as to cater to other customers. The share purchase agreement will be executed upon the approval of BIFR.