

News Announcement

Innoventive Industries to acquire a majority stake in Innovative Technomics Pvt. Ltd, India

Acquisition extends Innoventive's footprint in Electrical & Electro-mechanical products and markets

Pune, September 20, 2012: Innoventive Industries Limited (IIL) a leading multi-product engineering company announces that it has signed an agreement to acquire 51% stake in Innovative Technomics Pvt. Ltd (ITPL); an industry leader in high voltage soft starters and testing equipments catering to the domestic and international markets. This acquisition remains subject to customary closing conditions.

IIL manufactures precision steel tubes, membrane panel strips, auto components, oil well drilling couplings, pup joints and other precision steel products catering to applications in diverse sectors such as transportation, boilers & heat exchangers, energy, oil & gas, farm equipment & general engineering.

Commenting on the acquisition **Mr. Jitendra Palande, Group CEO, Innoventive Industries** said, *"We are delighted to announce the acquisition of a majority stake in Innovative Technomics Pvt. Ltd; a leader in specialty engineering products catering to domestic and overseas manufacturing industries. United by a common culture based on passion for innovation, Innoventive will extend its leadership position in newer products and markets.*

ITPL's unique product range of electrical and electromechanical products offers significant advantages for end customers. The Company currently caters to a large and high profile customer base in India and has recently commenced exports to the Middle East and Europe.

We see immense potential in this acquisition due to the synergistic nature of ITPL's business and its contribution in diversifying its product offerings in the niche engineering space. I believe this acquisition will benefit customers of both businesses because it expands the depth and breadth of our innovative products. Adding ITPL will increase Innoventive's scale and broaden its capability of creating, managing and delivering innovative and diversified products globally. We will focus continuously on providing customers with innovative products and superior experiences. This will significantly contribute to our growth and will create substantial value for all our stakeholders."

ITPL's range of niche engineering products comprises of High Voltage Soft Starters, High Speed Testing Equipment and Linear Motor Systems used in industries such as water, oil & gas, steel, cement and textile.

IIL has valued ITPL's business at INR 230 Million. IIL will own 51% stake whereas balance will be held by Salunke Group.

ITPL have agreed in-principle, to acquire 100% stake in Summit Corporation Pvt. Ltd. ITPL enjoys synergy with Summit's engineering capability. If this transaction materializes, Summit will become fellow subsidiary of IIL.

About Innovative Technomics Pvt. Ltd, India (ITPL)

Innovative Technomics Pvt. Ltd was incorporated in 1993 and has been developing newer engineering products and technologies through its in-house R&D to cater to the engineering requirements of various manufacturing industries both in India and overseas. The Company over 18 years has had several path breaking products and is a leader in specialty fields such as High Voltage Soft Starters, High Speed Testing equipment's and Linear Motor systems.

About Innoventive Industries Ltd (IIL)

Innoventive Industries Limited (BSE:INNOIND, NSE:INNOIND, Reuters: INNV.BO, Bloomberg: IIL IN) is a multi-product engineering company which manufactures precision steel tubes, membrane panel strips, auto components, oil well drilling couplings, pup joints and other steel products catering to applications in diverse sectors such as automobiles, boilers & heat exchangers, energy, oil & gas, farm equipment & general engineering.

It specializes in processing various types of steel, has a capability to make tubular transformations, enjoys flexible production systems and is able to undertake faster development cycles and effective supply chain management for efficient delivery. IIL has a well developed in-house R&D setup which has led to innovation in the manufacturing process leading to significant savings in resources and heightened competitiveness. The company has received a patent for its unique manufacturing process and is in the process of filing additional patents for some of its other innovations.

IIL has five manufacturing facilities spread across Pune District and Silvassa. Its manufacturing facility at Pimple Jagtap was granted the 'Mega Project' status by the Govt. of Maharashtra under the 'Package Scheme of Incentives 2007 which entitles the company to relief from certain duties and benefit of Industrial Promotion Subsidy. IIL markets its products in the domestic as well as export markets and its customer list includes some of the leading names in their industries.

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Some of the statements in this document that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our products, the highly-competitive market for the types of products that we offer, market conditions that could cause our customers to reduce their spending for our products, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Further, this document may make references to reports and publications available in the public domain. Innoventive Industries Ltd. makes no representation as to their accuracy or that the company subscribes to those views / findings.

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