



KANORIA CHEMICALS & INDUSTRIES LIMITED



Park Plaza
71, Park Street
7th Floor
Kolkata-700 016

Tel : 2249-9472/9473/9474
Fax : 91-33-22499466
E-mail : cala1@kanoriachem.com
Website : www.kanoriachem.com

20th April, 2012

The Manager
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza",
✓ Plot No. C/1, "G" Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051

Symbol: KANORICHEM

Bombay Stock Exchange Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort
Mumbai - 400 001

Code No. 506525

Dear Sirs,

We enclose herewith a Press Release, which is being issued, in respect of a Share and Loan Purchase Agreement signed today with the Shareholders of APAG Holding AG, Switzerland.

Thanking you,

Yours sincerely,

For Kanoria Chemicals & Industries Limited

N. K. Sethia

Company Secretary

Encl.: as above

Corporate Office :

Indra Prakash, 21, Barakhamba Road, New Delhi - 110001, Tel : 91-11-4357 9200, Fax : 91-11-2371-7203, 2376-6486
Email : info@kanoriachem.com Website : www.kanoriachem.com



Kanoria Chemicals & Industries Limited

Indra Prakash, 21 Barakhamba Road, New Delhi 110 001
Tel: +91-11-43579200 Fax: +91-11-23717203, 23766486
Website: www.kanoriachem.com

Press Release

For immediate publication

KCI to acquire Switzerland based APAG Group

New Delhi, 20 April 2012: Kanoria Chemicals & Industries Limited (KCI) today entered into a Share and Loan Purchase Agreement to acquire APAG Holding AG, the Switzerland based holding company of its wholly owned subsidiary APAG Elektronik AG, Switzerland. As per the terms of the agreement KCI will acquire 90% stake in APAG Holding AG on closure of the transaction for a purchase consideration of CHF 6.39 million. The balance 10% stake will be acquired by 2014 on the basis of a pre-fixed pricing formula. As a part of the transaction, KCI will also take over the loan amounting to CHF 1.30 million provided by the selling shareholders to the group.

APAG Elektronik AG is engaged in development and sale of electronic and mechatronic modules and control devices for the automotive, consumer goods, power tool electronics and building automation industries. The designing and engineering facility of the company is located in Switzerland, whereas the manufacturing facility is located in the Czech Republic under the umbrella of a wholly owned subsidiary APAG Elektronik s.r.o. The group enjoys good reputation within its targeted industries, especially automobiles and is recognized for its technical capabilities.

Commenting on the acquisition, Mr. R. V. Kanoria, Chairman & Managing Director of KCI, said, "After the disinvestment of our Chloro Chemicals business in May'2011, KCI has been exploring diversification in knowledge based high growth areas. APAG which is known for its acumen in product designing and engineering, and is a reliable partner to the high end automotive segment in Europe, fits well into KCI's strategy. With fast increasing demand in the high end automotive segment both in India and the rest of the world, the knowledge base of APAG can be leveraged for future expansion in various geographical segments. KCI is excited, as it is its first global foray in manufacturing, apart from being the first move towards diversification away from commodity chemicals into knowledge based high value addition sectors."

The transaction is expected to be closed in May'2012 and is subject to customary closing conditions. KCI will be funding this transaction out of its internal accruals.

Avendus Capital Private Limited acted as the exclusive Strategic and Financial Advisor to KCI.

About Kanoria Chemicals & Industries Limited

Kanoria Chemicals & Industries Limited (KCI) (BSE: 506525; NSE: KANORICHEM) is a leading manufacturer of chemical intermediates in India. KCI is a major player in organic chemicals with manufacturing facilities at Ankleshwar in the state of Gujarat, which manufactures Alcohol and Alcohol based intermediates; and at Visakhapatnam in the state of Andhra Pradesh, which manufactures Formaldehyde and Hexamine. KCI enjoys leadership position in India for Pentaerythritol, Formaldehyde and Hexamine. The company has diversified in the renewable energy sector and is setting up a 5 MW grid-interactive solar power plant near Jodhpur in the state of Rajasthan. KCI has strong corporate governance and social responsibility practices that have been widely recognized and have won the company several awards. More information about the company is available at www.kanoriachem.com.

For further information please contact:

Mr. N K Nolkha, CFO
Kanoria Chemicals & Industries Limited
Phone: +91-9830118172
E-mail: nolkha@kanoriachem.com

Mr. Saurabh Saxena
Adfactors PR Pvt. Ltd.
Phone: +91-9810233370
saurabh.saxena@adfactorspr.com