

The Sandur Manganese & Iron Ores Limited

(An ISO 9001:2015; ISO 14001:2015 and 45001:2018 certified company)

CIN:L85110KA1954PLC000759; Website: www.sandurgroup.com

REGISTERED OFFICE

'SATYALAYA', No.266
Ward No.1, Palace Road
Sandur - 583 119, Ballari District
Karnataka, India
Tel: +91 8395 260301/ 283173-199
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CORPORATE OFFICE

'SANDUR HOUSE', No.9
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Tel: +91 80 4152 0176 - 79 / 4547 3000
Fax: +91 80 4152 0182

SMIORE / SEC / 2024-25 / 5

25 April 2024

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001
Scrip Code : 504918 / Symbol: SANDUMA

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex
Mumbai - 400 051
Symbol: SANDUMA

Dear Sir/ Madam,

Sub: Strategic business acquisition through purchase of shares

Pursuant to the provisions of Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR)" Regulations), we wish to inform the Stock Exchanges that, at the recommendation of the Audit Committee, the Board of Directors, at its 370th meeting held on Thursday, 25 April 2024 which commenced at 3.30 PM and concluded at 5.00 PM, had inter alia, considered and approved strategic business acquisition through purchase of 80% equity share capital of Arjas Steel Private Limited (ASPL), by entering into a Share Purchase Agreement. Accordingly, the Company has entered into the Share Purchase Agreement. Additionally, 19.12% (approx.) stake in Arjas Steel Private Limited will be acquired by BAG Holdings Private Limited (an entity owned by Mr. Bahirji A. Ghorpade, one of the promoters of The Sandur Manganese & Iron Ores Limited).

Detailed information as required under SEBI (LODR) Regulations read along with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-I/P/CIR/2023/123 dated 13 July 2023 is enclosed as 'Annexure A' to this letter.

The Stock Exchanges are requested to kindly take the same on record.

Thank you

for The Sandur Manganese & Iron Ores Limited

Mohammed Abdul Saleem
Whole Time Director, Company Secretary &
Compliance Officer
ICSI Membership No.F5218

Encl: A/a

MINES OFFICE: Deogiri - 583112, Sandur Taluk, Ballari District

Tel: +91 8395 271025 / 28 / 29 / 40; Fax: +91 8395 271066

PLANT OFFICE: Metal & Ferroalloy Plant, Vyasankere, Mariyammanahalli - 583 222, Hosapete Taluk, Vijayanagara District

Tel: +91 8394 244450 / 244335

Annexure A

(Details as required under SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023)

<p>Name of the target entity, details in brief such as size, turnover etc.</p>	<p>Arjas Steel Private Limited (ASPL)</p> <p>ASPL is an integrated specialty steel (alloy and micro-alloy) manufacturer located in Tadipatri with upstream and downstream facilities. ASPL is among the top 5 players in India primarily catering to the automotive sector.</p> <p>Consolidated turnover for FY 2022-23 of ASPL is ~ Rs.2,876 crore.</p>
<p>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?</p> <p>If yes, nature of interest and details thereof and whether the same is done at “arm’s length”</p>	<p>No, the proposed acquisition does not fall under the scope of related party transaction.</p>
<p>Industry to which the entity being acquired belongs</p>	<p>Iron and Steel industry</p>
<p>Objects and impact 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)</p>	<p>Upon exploring avenues for strategic growth to accelerate its journey of forward integration into steel, value-added products and unlock potential for numerous synergies, the Company which currently is into the business of mining manganese & iron ores, generation of power and manufacturing ferroalloys & coke has decided to pursue an inorganic growth strategy by acquiring a pre-existing business.</p> <p>Business acquisition of ASPL is a strategic investment which brings potential benefits that aligns with strategic vision and future road map of The Sandur Manganese & Iron Ores Limited (SMIORE) to become a national integrated player in the steel industry.</p>
<p>Brief details of any governmental or regulatory approvals required for the acquisition.</p>	<p>Except for the approval of the Competition Commission of India, no other Governmental/Regulatory approvals are required.</p>

Indicative time period for completion of the acquisition	The acquisition of ASPL is expected to complete within seven months, subject to customary closing conditions as per the Share Purchase Agreement (SPA).
Consideration - whether cash consideration or share swap or any other form and details of the same	Cash
Cost of acquisition and/ or the price at which the shares are acquired	Enterprise value of ASPL is ~ Rs.3,000 crore. To acquire an 80% equity stake in ASPL, equity value will be decided basis customary and agreed adjustments to the enterprise value at the closing date.
Percentage of shareholding/ control acquired and/ or number of shares acquired	SMIORE has agreed, pursuant to the SPA, to acquire 80% equity shareholding in ASPL
Brief background about the entity acquired in terms of:	
(i) Products/ line of business acquired	Manufacturing and sale of Steel
(ii) Date of incorporation	16 March 1993
(iii) History of last 3 years turnover	FY 2022-23: Rs.2,876 crore FY 2021-22: Rs.2,368 crore FY 2020-21: Rs.1,561 crore
(iv) Country in which the acquired entity has presence	India
(v) Any other significant information (in brief)	ASPL has a wholly owned subsidiary (WOS), Arjas Modern Steel Private Limited (AMSPL), which has an electric arc furnace based steel plant located in Mandi Gobindgarh, Punjab. Accordingly, the aforesaid proposed business acquisition shall also result in the indirect acquisition of AMSPL, to such an extent.