

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

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CORPORATE OFFICE

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SMIORE / SEC / 2024-25 / 77

4 November 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: Update on Strategic business acquisition through purchase of shares

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), "SEBI (LODR)" Regulations, 2015 and with reference to our letter No. SMIORE / SEC / 2024-25 / 5 dated 25 April 2024, we wish to inform Stock Exchanges that the Board of Directors, at its 375th meeting held today i.e., Monday, 4 November 2024 which commenced at 5.30 P.M. and concluded at 7.15 P.M., had inter alia, considered and approved acquisition of additional 20%, aggregating to 100% of the equity share capital of Arjas Steel Private Limited (ASPL) (in one or more tranches).

The Board further approved the Amendment Agreement to the existing Share Purchase Agreement (SPA) dated 25 April 2024, pursuant to which the Company will have the right to acquire up to 99.12% of the equity share capital of ASPL subject to, and in accordance with the terms of the SPA (Amendment Agreement).

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.

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

Thank you

for The Sandur Manganese & Iron Ores Limited

Bahirji Ajai Ghorpade
Managing Director
DIN: 08452844

Encl: A/a

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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 2023-24 of ASPL is Rs.2,608 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>All the required approvals are in place.</p>

Indicative time period for completion of the acquisition	The said acquisition is expected to be completed on or before 15 November 2024.
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 100% 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	Additional acquisition of up to 19.12% equity stake, aggregating up to 99.12% equity stake in Arjas Steel Private Limited (ASPL).
Brief background about the entity acquired in terms of : (i) Products/ line of business acquired (ii) Date of incorporation (iii) History of last 3 years turnover (iv) Country in which the acquired entity has presence (v) Any other significant information (in brief)	Manufacturing and sale of Steel 16 March 1993 FY 2023-24: Rs.2,608 crore FY 2022-23: Rs.2,876 crore FY 2021-22: Rs.2,368 crore India ASPL has a wholly owned subsidiary (WOS), Arjas Modern Steel Private Limited (AMSPL), which has an electric arc integrated steel plant located in Mandi Gobindgarh, Punjab. The said acquisition of equity shareholding in ASPL shall also result in the indirect acquisition of AMSPL, to such an extent.