

# *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 / 6

26 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: Press Release***

Pursuant to the provisions of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith copy of the Press Release titled "The Sandur Manganese & Iron Ores Limited (SMIORE) and Private Equity firm ADV Partners announced execution of a binding agreement relating to the strategic business acquisition of Arjas Steel Private Limited (Arjas) by SMIORE" which is being released today in various newspapers.

The 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

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## PRESS & MEDIA RELEASE

Bengaluru, 26 April 2024

### **The Sandur Manganese & Iron Ores Limited (SMIORE) and Private Equity firm ADV Partners announced execution of a binding agreement relating to the strategic business acquisition of Arjas Steel Private Limited (Arjas) by SMIORE**

- This acquisition of controlling interest of Arjas from an entity affiliated to ADV Partners marks SMIORE's foray into manufacturing of special steels & value-added products
- Arjas is a fully integrated special steel company and among the top 5 manufacturers of special steel products
- Arjas has been valued at an Enterprise Value of ₹ 3,000 Crore

SMIORE has signed a Share Purchase Agreement (SPA) with an entity affiliated with ADV Partners, an Asia-focused private equity firm to acquire a controlling interest in Arjas. The transaction has been agreed at an Enterprise Value of ₹ 3,000 Crore and will be subject to customary regulatory approvals and closing conditions. Through this transaction, ADV will fully divest its interest in Arjas marking another successful exit from its India portfolio.

This strategic business acquisition accelerates SMIORE's forward integration plans into steel & value-add products, and unlocks potential for numerous synergies and integration. Arjas is among the top 5 special steel manufacturers in India supplying to automobiles sector.

Arjas operates out of 2 plants spread across nearly 950 acres, its flagship manufacturing facility in Andhra Pradesh and another facility in Punjab through its wholly-owned subsidiary Arjas Modern Steel Private Limited. Arjas is currently undergoing a major expansion at both its facilities, which will enhance its consolidated capacity as well as expand its downstream facilities.

India is one of the fastest growing steel & automobiles markets in the world, Arjas is geared up to benefit from the ample opportunities for the alloy steel industry in India. Apart from automobiles, Arjas caters to a host of other industries such as energy, railways, defence, engineering, material handling and agriculture.

#### **Commenting on this milestone, Bahirji A. Ghorpade, Managing Director, SMIORE said:**

*"This acquisition marks a significant milestone for SMIORE as we venture into steel and value-added products manufacturing. It not only unlocks numerous synergies but also represents a meaningful forward integration for SMIORE. The acquisition will take us another step closer to our strategic transition from a merchant miner to an integrated commodity producer."*

*Arjas is a well-established player in the special steels segment, serving a host of critical industries that align with the government's growing focus on infrastructure and India's rapidly growing manufacturing economy. This acquisition, coupled with our recent mining expansion, positions SMIORE on a robust growth trajectory for the years ahead."*

*We look forward to working with the existing team of Arjas under the leadership of Sridhar and Visweswaran and welcome them to the Sandur family. To the customers of Arjas, we are committed to ensure that the highest standards of quality and service that Arjas has been delivering is maintained and by combining the strength of our mining capabilities with Arjas's expertise in steel production, we will ensure a reliable and high-quality supply of products. I want to emphasize our unwavering commitment to preserving the long-term vision of Arjas to emerge as a prominent special steel company in India and we will continue the growth trajectory which had been set in place by ADV Partners."*

#### **Commenting on this milestone, Suresh Prabhala, Managing Partner, ADV Partners said:**

*"The acquisition of erstwhile Gerdau India and subsequent transformation into Arjas Steel was a unique control investment in a conventional industry. This investment is representative of ADV's focus on India's manufacturing sector, ability to take a long-term view and support managements in organic and inorganic growth initiatives. The management team led by Sridhar, under the guidance of the Company's esteemed Independent directors, has done an excellent job navigating through challenging times while delivering growth. We believe that the partnership with SMIORE is a natural next step in Arjas' journey to establish itself as a leader in the alloy steel industry in India and wish the company and the SMIORE group success in this journey."*



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## PRESS & MEDIA RELEASE

### Commenting on this transaction, Sridhar Krishnamoorthy, Managing Director, Arjas said:

*“Over the past five years, ADV and its team have contributed immensely to the successful transition of Arjas Steel into an independent entity from the erstwhile Gerdau India. They have supported the Company through the difficult COVID period and helped implement organic and inorganic growth through investments in downstream facilities including Kocks Block, Garrett Coiler, setting up of a 20 MW solar power plant and several other initiatives and through acquisition of the business of Modern Steel in the state of Punjab.*

*These investments provide a great platform to enable Arjas to achieve its vision of becoming one of the larger special steel manufacturers in the country. The synergistic acquisition of Arjas by the SMIORE group will provide enhanced access to raw materials and further support capacity expansion to achieve our long-term goals. With the support and resources of SMIORE, Arjas will be well-positioned to enhance our offerings, capabilities and deliver greater value to our customers. This acquisition represents a new chapter in our journey and my team, and I welcome and look forward to working with the leadership of the SMIORE.”*

### About The Sandur Manganese & Iron Ores Limited

The Sandur Manganese & Iron Ores Limited (“SMIORE”) is one of India’s most respected private sector merchant miners and commodity producers with an operational track record spanning seven decades. At present, the Company’s operations span over three business segments i.e., Mining (Manganese & Iron Ores), Ferroalloys, and Coke and Energy. Together, these assets work in conjunction with each other to leverage the benefits of being an integrated Company in the metals and mining industry. SMIORE has an employee strength (direct and indirect) of ~4,000. The Company has recently concluded the expansion of its mining segment, after receiving the Maximum Permissible Annual Production (MPAP) from Monitoring Committee to mine 3.81 Million Tonnes of iron ore and 0.462 Million Tonnes of manganese ore.

### About Arjas Steel Private Limited

Arjas is a special steel manufacturer primarily engaged in the business of manufacturing special bar quality (SBQ) steel focused towards the auto sector in India. The Company has a total employee strength of ~2,500 and a combined production capacity of ~5,00,000 MT through its integrated steel plant in Tadipatri, Andhra Pradesh and an electric arc furnace-based steel plant in Mandi Gobindgarh, Punjab.

### About ADV Partners

ADV Partners is an independent Asian regional private equity manager with over US\$1.2 billion in total assets under management. ADV Partners pursues value-oriented investments in privately held mid-market companies across emerging Asia with a special focus on the manufacturing sector in India and South Asia. Some of ADV’s manufacturing investments include Arjas Steel, Amber Enterprises, Tarsons, Micro Plastics in India and the SQ Group of Bangladesh.

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### For more details, get in touch:

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### Safe Harbour

This document which have been prepared by The Sandur Manganese & Iron Ores Limited (the “Company”), Arjas Steel Private Limited and ADV Partners (collectively the “Parties”), have been prepared solely for information purposes. This document has been prepared by the Parties based on information and data which the Parties consider reliable, but the Parties makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Document. This Document may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Document is expressly excluded.

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