

Date: 24th March, 2022

To
Department of Corporate services
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building, Phiroze Jeejeebhoy
Towers, Dalal Street, Fort,
Mumbai-400001
Scrip Code: - 540425

To
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1,
G Block, Bandra Kurla Complex,
Bandra (E)
Mumbai- 400051
Symbol- SHANKARA

Sub: - Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Dear Sir/Madam,

Please find enclosed herewith the Exchange Release being made by the Company today titled "Preferential issue of share warrants to Apl Apollo Mart Limited" along with a presentation on the same.

Thanking You.

Yours faithfully
For **Shankara Building Products Limited**



Ereena Vikram
Company Secretary & Compliance Officer



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Investor Release: 24th March 2022

Shankara raises Rs.105 Crs from APL Apollo Mart Ltd. via preferential issue of share warrants

Shankara Building Products Limited (BSE:540425) (NSE:SHANKARA) announced today that The board has approved the issue of preferential share warrants worth Rs.105 Crs to APL Apollo Mart Ltd. (a wholly-owned subsidiary of APL Apollo Tubes Limited).

The Company has approved the preferential issue of 14,00,000 share warrants convertible into equity shares (which is 5.77% of fully diluted capital upon conversion) for an offered price of Rs.750 per warrant to APL Apollo Mart Ltd. (a wholly-owned subsidiary of APL Apollo Tubes Limited).

Investment Highlights

No.	Particulars	No. of Shares	Price	Amt In Crs	% of Equity
1	Open market Purchase	10,00,000	755.0	75.5	4.38%
2	Convertible warrants	14,00,000	750.0	105.0	5.77%*
	Total	24,00,000	752.5	180.5	9.90%*

*Diluted Basis

- Total investment size of up to Rs.180.5 Crs
- APL Apollo will Immediately invest Rs. 101.8 Crs (Secondary market purchase +25% warrant subscription money) & Remaining investment of Rs 78.7 Crs within 18 months (75% on warrant conversion)
- The total holding of Apollo Mart in Shankara after the issue of the warrants will be 9.90% on a fully diluted basis

Investment Rationale

- **Synergy:** Shankara being a key distributor of APL Apollo's products, this transaction ensures consistency in the supply chain
- **Working Capital Optimisation:** Part of the proceeds will be utilized to fund working capital which in turn will improve operational cash flows

APL Apollo Tubes Ltd (APL Apollo), India's leading branded structural steel tube manufacturer. APL Apollo's multi-product offerings include over 1,500+ varieties for multiple building material structural steel applications. With state-of-the-art manufacturing facilities, APL Apollo serves as a 'one-stop shop' for a wide spectrum of tubular products, catering to an array of industry applications such as urban infrastructure and real estate, rural housing, commercial construction, greenhouse structures, and engineering applications.

Shankara Building Material Products Managing Director Sukumar Srinivas, "We are grateful to APL Apollo for their strong endorsement of Shankara's strategic vision. We are happy to extend the long-standing business association with them. We believe the association will create strong synergies for Shankara Building products ltd and APL Apollo."

About Us

Shankara Building Products Ltd is a leading organized retailer of home improvement and building products in India, Operating under the brand name ‘**Shankara Buildpro**’. We run 90 stores spread across Karnataka, Kerala, Andhra Pradesh, Telangana, Tamil Nadu, Maharashtra, Gujarat, Orissa, Madhya Pradesh, and Puducherry. Our operations started in 1995 and are headquartered in Bangalore. We sell over 30,000+ SKUs across the entire home construction and renovation lifecycle through our retail stores. The products are spread across categories of Construction Materials, Plumbing, and Sanitaryware, Flooring, Electricals, Interior-Exterior finishing, and Irrigation. We have tied up with leading brands across categories. Our customers are spread across Tier 1, 2, and 3 locations. In addition to the retail segment, we have two other legacy business segments – enterprise and channel. The common theme across all segments is the customer-centric approach to business. Our presence across the value chain of processing, channel, enterprise, retail, and supply chain gives us a lot of strength and unique advantages.

Safe harbor statement:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential, and target dates for project-related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further details please contact:

Shankara Building Products Ltd CIN: L26922KA1995PLC018990	Strategic Growth Advisors Pvt. Ltd. CIN: U74140MH2010PTC204285
 <p>Chief Financial Officer</p> <p>Mr. Alex Varghese alex@shankarabuildpro.com</p> <p>Company Secretary</p> <p>Ms. Ereena Vikram cs@shankarabuildpro.com www.shankarabuildpro.com</p>	 <p>Ms. Ami Parekh / Ms. Manasi Bodas</p> <p>+91 8082466052/ +91 9821043510 ami.parekh@sgapl.net / manasi.bodas@sgapl.net www.sgapl.net</p>

Shankara

Building Products Ltd.



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Introduction



- ▶ **Shankara Building Products Ltd** is India's leading organized retailer/wholesaler of home improvement and building products including Steel tubes and structural steels.
- ▶ Revenue of Rs22bn (annualized FY22) with Steel tubes/products forming majority of sales.
- ▶ Presence in 10 states with cumulative store base of 90 covering 450,000 sq. ft.
- ▶ Sells over 30,000+ SKUs across the entire home construction and renovation lifecycle



- ▶ **APL Apollo Tubes Ltd** is a leading structural steel tube manufacturer headquartered at Delhi NCR.
- ▶ Company operates 10 manufacturing facilities with total capacity of 2.6mn tons.
- ▶ It has a pan-India presence with units are located in Sikandarabad (UP), Hyderabad, Bangalore, Hosur, Raipur, Dujana, Malur and Murbad.
- ▶ APL Apollo's multi-product offerings include over 1,500+ varieties for multiple building material structural steel applications.

Investment details

APL Apollo Tubes Ltd., one of our key suppliers of steel tubes have agreed to subscribe through their wholly owned subsidiary APL Apollo Mart Ltd, 1,400,000 warrants priced at Rs750 per warrant fully convertible into equity shares by way of preferential allotment*.

Sale of 1,000,000 Equity shares at Rs 755 per share by promoter.

Total holding of APL Apollo Mart Ltd in Shankara after the issue & subscription of preferential warrants will be 9.90% on fully diluted basis.

Total Inflow of equity funds into Shankara will be Rs 1050mn post conversion of share warrants into equity shares.

**To be approved by the Shareholders of Shankara Building Products Ltd in accordance with the applicable SEBI Regulations.*

Strategic Partnership



Raising funds for growth aligned with Shankara's business plans.

Existing business association for 15years

APL Apollo Tubes Ltd. is India's largest manufacturer of steel tubes & a key supplier for Shankara building products Ltd.

Association to strengthen and ensure consistent supplies.

Priority access to APL Apollo's new product launches.

Benefits for Shankara

Strategic partnership to accelerate Shankara's growth plans.

Raising of working capital through equity to fund growth.

Expected to drive rapid growth in sales.

Value accretion to Shareholders through enhanced EPS & ROCE.

Direct access to India's largest innovator and manufacturer of Steel tubes & allied steel products.

Preferred platform for APL Apollo to launch new products.

Thank You

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