



APL/SECT/DLH/SE: 2021-22



March 24, 2022

Electronic Filing

National Stock Exchange of India Limited
"Exchange Plaza" Bandra-Kurla Complex,
Bandra (E),
Mumbai-400051

Department of Corporate Services/Listing
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai-400001

NSE Symbol : APLAPOLLO

Scrip Code : 533758

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

This is in continuation to our earlier letter dated March 21, 2022, relating to exchange release titled "Minority Equity Investment in Shankara Building Products Ltd."

We have been informed that the Board of Directors of Shankara Building Products Limited (Shankara) has today approved issuance of 14,00,000 convertible warrants at a price of ₹750/- per warrant (5.77% of fully diluted capital upon conversion) to APL Apollo Mart Limited (Apollo Mart), a wholly owned subsidiary of the Company, subject to approval of the members of Shankara and other requisite approvals, if any.

Further, as informed earlier, Apollo Mart on March 21, 2022 had bought 10,00,000 equity shares of ₹10 each (4.38% of the total paid up capital) of Shankara Building Products Limited (Shankara) from one of its promoters through stock exchange at a price of ₹755 per share. Accordingly, upon the issue of warrants as above, the total holding of Apollo Mart in Shankara, on a fully diluted basis, will be 9.90%.

The information as per SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 in respect of the above is as follows:

S No.	Particulars	Reply
a	name of the target entity, details in brief such as size, turnover etc.	Shankara Building Products Limited (540425, SHANKARA) Paid up capital: ₹22.85 crore, Turnover: ₹2044.48 crore, networth: ₹521.67 crore (both figures consolidated); Shankara is the leading organized retailer of home improvement and building products in India, operating under the brand name 'Shankara Buildpro', having more than 100 stores spread across the Southern states, Maharashtra Gujarat, MP and Odisha
b	whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any	The acquisition is not a related party transaction and promoter/ promoter group/ group companies of Apollo Mart do not have any interest in the entity being acquired.

APL Apollo Tubes Limited (APL Apollo Tubes Ltd.)

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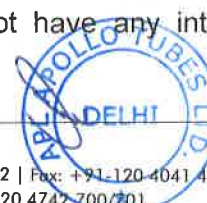
Corp. Office : 36, Kaushambhi, Near Anand Vihar Terminal, Delhi (NCR) - 201010, India Tel:+91-120 4041 400/401/402 | Fax: +91-120-4041 444

Corp. Office : Tapasya Corporate Heights, 4th Floor, Tower A, Sector 126, Noida, Uttar Pradesh 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205 India Unit - 2 : 332-338, Alur Village, Perandapali, Hosur, Tamilnadu-635109 India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, thane-421401, India Unit - 4, : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh -493661, India

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	interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";	
c	industry to which the entity being acquired belongs;	Specialty retail (building products)
d	objects and effects 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>Apollo Mart is a wholly owned subsidiary of APL, formed for the purpose of serving as a dedicated retail supply chain of APL in order to enhance the supply and distribution network and also to ensure increased customer satisfaction.</p> <p>The proposed acquisition of shares by Apollo Mart is in the nature of ordinary investment. APL Apollo and Shankara have a business association of over 15 years, with Shankara being one of the key distributors of APL Apollo products. APL Apollo's investment in Shankara will ensure consistency in sales and help the two companies chalk out enhanced revenue trajectory over the coming years. This investment is expected to be EPS and ROCE accretive from the first year onwards.</p>
e	brief details of any governmental or regulatory approvals required for the acquisition;	<p>The secondary market purchase of shares has already been completed and does not require any further approval.</p> <p>The preferential issue of convertible warrants is subject to approval of the shareholders of Shankara and such other approvals as may be required and will be in accordance with the applicable provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR) and other applicable provisions under Companies Act, 2012 and the relevant Rules..</p>
f	indicative time period for completion of the acquisition;	<p>The secondary market purchase of shares has been completed.</p> <p>As for the preferential issue), the allotment of convertible warrants will be completed by May 5, 2022, if approved by the members. The conversion of the warrants into equivalent number of Equity Shares will take place within a maximum period of 18 months thereof, subject to compliance with the applicable legal provisions.</p>
g	nature of consideration -	The consideration for both the above investments



	whether cash consideration or share swap and details of the same;	would be cash.
h	cost of acquisition or the price at which the shares are acquired;	For secondary purchase of shares : 10,00,000 equity shares at ₹755 per share For acquisition by way of subscription of preferential issue of convertible warrants: 14,00,000 convertible warrants at ₹750 per warrant which conforms to the pricing formula as per Regulations 164 and 166A of ICDR, with 25% payable at the time of allotment of warrants and the balance upon conversion of the same into equivalent number of equity shares on a later date.
i	percentage of shareholding / control acquired and / or number of shares acquired;	Upon such issue of warrants, the total holding of Apollo Mart in Shankara, on a fully diluted basis, will be 9.90%.
j	brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	Shankara is the leading organized retailer of home improvement and building products in India, operating under the brand name 'Shankara Buildpro', having more than 100 stores spread across the Southern states, Maharashtra Gujarat, MP and Odisha. Date of incorporation: 13/10/1995 <u>Turnover (consolidated)</u> FY 2020-21: ₹2044.48 crore FY 2019-20: ₹2644.71 crore FY 2018-19: ₹2550.64 crore

You are requested to take the same in your records.

Thanking you

Yours faithfully

For APL Apollo Tubes Limited


Deepak C S
Company Secretary
FCS-5060

