

Date: 18th December, 2023

To,
The General Manager,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

To,
Manager – Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block, Bandra-
Kurla Complex, Bandra (East), Mumbai 400 051

Scrip Code: 540425

Trading Symbol: SHANKARA

Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) - “Scheme of Arrangement amongst Shankara Building Products Limited (“Company” or “Demerged Company”) and Shankara Buildpro Limited (“Resulting Company”) and their respective shareholders and creditors” (“Scheme”).

Respected Sir/Madam,

We wish to inform you that the Board of Directors of the Company at their meeting held today, 18th December 2023, has subject to necessary statutory and regulatory approvals, considered, and approved the Scheme and have granted their approval for demerger of business for unlocking significant value.

The said Scheme involves the demerger of the Demerged Undertaking comprising of the Trading Business (as defined in the Scheme) of the Company into the Resulting Company, which is a wholly owned subsidiary of the Company, on a going concern basis and in consideration, the consequent issuance of equity shares by the Resulting Company to all the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio (as defined in the Scheme) i.e.,

“For every 1 (One) fully paid equity share of face value of INR 10/- (Indian Rupees Ten Only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 1 (One), fully paid equity share of INR 10/- (Indian Rupees Ten Only) each in the Resulting Company”.





Further, the details as required under Regulation 30 of the SEBI Listing Regulations read with the SEBI Circular dated 13th July 2023, are given in the Enclosure.

Thanking you,

Yours Faithfully

For, **Shankara Building Products Limited**



Ereena Vikram

Company Secretary & Compliance officer

Enclosed:



Enclosure

Sl. No.	Particulars	Details
1.	Brief details of the division(s) to be Demerged	<p>The Company proposes to demerge its Trading Business pursuant to the Scheme.</p> <p>Trading Business comprises of retail, supply, distribution and promotion of various home improvement and building products in India including but not limited to steel pipes and tubes, structural steel products, infrastructure materials, PVC products, aluminium and metal products, fabrication, electrical products, tiles and sanitary wares, through multiple sales channel(s)</p>
2.	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year;	INR 4,036.22 cr. (~100%)
3.	Rationale for demerger	<p>The Scheme for demerger, transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company shall have the following specific benefits:</p> <ul style="list-style-type: none"><li data-bbox="915 1339 1489 1625">i) Demerger shall enable both Demerged Company and the Resulting Company to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies such as expansion of product categories and geographical presence.<li data-bbox="915 1688 1489 1759">ii) Creation of dedicated vertical for the growth of Trading Business with focused attention.<li data-bbox="915 1822 1489 1938">iii) Attracting new set of investors with specific knowledge, expertise and risk appetite corresponding to their own businesses, thus,





both the Demerged Company and the Resulting Company will have its own set of likeminded investors, thereby providing the necessary funding impetus to the long-term growth strategies of Trading Business and Manufacturing Business.

iv) Pursuant to the Scheme, Equity Shares issued by the Resulting Company would be listed on the stock exchanges and thus, will unlock the value of the Trading Business for the shareholders of the Demerged Company.

- Existing shareholders of the Demerged Company would hold the shares of two listed companies once the scheme becomes effective, giving them flexibility in managing their investments in two businesses having differential dynamics.

v) Demerger to be in the interest of shareholders, creditors and there is no likelihood that any shareholder or creditor would be prejudiced as a result of Scheme. It will not impose any additional burden on the shareholders of the Demerged Company considering the Scheme would merely involve transfer and vesting of Trading Business by way of an arrangement from the Demerged Company to Resulting Company.

vi) Demerger is expected to improve corporate governance within the separated entities, ensuring that the board and management are aligned with the specific interests and goals of their businesses.





4.	Brief details of change in shareholding pattern (if any) of all entities	<p>Demerged Company: There should not be any change in shareholding pattern of the Company pursuant to the Scheme.</p> <p>Resulting Company: Currently, the entire share capital of the Resulting Company is held by the Demerged Company ("Pre-scheme share capital").</p> <p>Upon the Scheme becoming effective, the Resulting Company shall be issuing new equity shares to all the equity shareholders of the Demerged Company on a proportionate basis based on the share entitlement ratio. Accordingly, the entire pre-scheme share capital of the Resulting Company shall be cancelled in accordance with the order of the National Company Law Tribunal sanctioning of the Scheme.</p> <p>Further, pursuant to the issue of equity shares to the shareholders of Demerged Company, the shareholding pattern of the Resulting Company shall be the same as that of the Demerged Company.</p>
5.	In case of cash consideration - amount or otherwise share exchange ratio	1:1
6.	Whether listing would be sought for the resulting entity	Yes. All the shares of the Resulting Company will be listed and/or admitted to trading on the BSE and NSE, which have nation-wide trading terminals. The Resulting Company shall apply for listing of its shares on the BSE and NSE and enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable Law for the Resulting Company, including for seeking exemption from Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957.

