

16th September 2024

BSE Limited,
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001

Stock Code: 513375

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

Stock Code: CARBORUNIV-EQ

Dear Sirs,

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

We wish to inform you that the Company has today entered into a Purchase Agreement with M/s. Silicon Carbide Products Inc. ('SCP Inc'), Mr. Joshua J. Dahlman and Mr. Rick L Cleveland (the existing 'Equity holders' of SCP Inc) for acquiring 100% membership interest in SCP Inc through a Type-F reorganisation as provided under the US Internal Revenue Code (IRC) section 368(a)(1)(F). For the purposes of this acquisition, the Company would be incorporating a wholly owned subsidiary in USA which will be the SPV for the acquisition.

The completion of the acquisition is subject to meeting the closing conditions as per the terms of the Share Purchase Agreement.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September 2015 is enclosed as Annexure. A copy of the press release being made in this regard is also enclosed.

Kindly take the above information on record.

Thanking you
Yours faithfully,
For Carborundum Universal Limited

Rekha Surendhiran
Company Secretary

Encl: As above

Annexure

	Particulars	Information
a.	Name of the target entity details in brief such as size, turnover etc.	<p>Silicon Carbide Products Inc situated in Horseheads, New York, United States of America.</p> <p>(Since the transaction is contemplated by F type re-organisation as permitted under the US Internal Revenue Code, the acquisition would be in the form of acquiring the membership interest of an entity newly formed by the sellers. The new entity would succeed to the assets of SCP Inc. as a result of the merger of the new entity with SCP Inc. The details will be shared at Closing as and when the structural changes are effected pursuant to the Purchase Agreement).</p> <p>For details of turnover -refer J.</p>
b.	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? If yes, nature of interest and details thereof and whether the same is done at "arm's length";	No
c.	Industry to which the entity being acquired belongs;	<p>SCP specialises in producing high quality Nitride Bonded Silicon Carbide (NBSiC) products. NBSiC ceramics have superior wear and thermal shock resistance. SCP has over three decades of experience in providing customised solutions to customers in the USA and globally. Their product range serves industries such as power generation, mining, material handling/processing, non-ferrous molten metal transfer, and petrochemical refineries.</p>
d.	Objects and effects of acquisition	<p>As a part of the Ceramics Business, CUMI - the Company has been operating in the Refractories and Industrial Ceramics manufacturing space for over 5 decades. The products of CUMI and SCP will complement and significantly aid expansion of market share, geographical footprint beyond the Americas. The acquisition of SCP aligns with the strategic expansion plans of the Company.</p> <p>Potential value is expected to be unlocked by utilizing the capabilities that reside across SCP and CUMI</p>

		<p>through technology co-operation between them and can deploy learnings, especially on process, forming, tooling, and application knowledge.</p> <p>The key rationale for acquisition are:</p> <ul style="list-style-type: none"> ○ SCP is internationally recognized as an industry leader offering the highest quality Silicon Nitride Bonded Silicon Carbide (NBSiC) products. Further, SCP is ISO 9001:2015 certified SCP has the capability to manufacture both complex and large monolithic shapes. ○ SCP's superior nitriding furnace design, patterning and tooling capabilities to address the Indian market for critical thermal applications majorly in power, steel and mining sectors. ○ CUMI will get access to SCP's extensive customer network in the US to market its products to industries such as glass, super alloys, petrochemicals, non-ferrous and heat treatment. ○ Additional synergies are expected out of opportunities to supply CUMI's grade of raw materials to SCP and in joint development of products and technologies. ○ SCP can grow its business with an expanded product portfolio and get additional market access. The strengths of CUMI and SCP will help develop newer products and bring synergies in market reach.
e.	Brief details of any governmental or regulatory approvals required for the acquisition;	None
f.	Indicative time period for completion of the acquisition;	By 31 st October 2024
g.	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash consideration
h.	Cost of acquisition or the price at which the shares are acquired;	Enterprise Value of USD 6.665 million (approx. INR 56 crores) which will be subject to an adjustment mechanism agreed between the parties in the PA.

i.	Percentage of shareholding / control acquired and / or number of shares acquired;	100% shareholding
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);	<p>Line of business: Manufacturer offering the highest quality Silicon Nitride Bonded Silicon Carbide (NBSiC) products.</p> <p>Date of incorporation: 3rd November 2017. Originally known as SCP Acquisition Company, Inc.</p> <p>Turnover in USD '000s 2021 – 3,023 2022 – 4,390 2023 - 4,232</p> <p>Silicon Carbide Products Inc has its manufacturing facility and presence in Horseheads, New York.</p>

CUMI TO ACQUIRE 100% STAKE IN SILICON CARBIDE PRODUCTS, INC., NEWYORK

Acquisition to enhance technology and geographical access

Chennai, 16 Sep 2024: Carborundum Universal Limited (CUMI) has entered into a binding Share Purchase Agreement to acquire a 100% stake from existing equity shareholders of Silicon Carbide Products, Inc. USA (SCP) on 16 September 2024 at an Enterprise Value of USD 6.66 million (INR 56 Cr indicative). CUMI will incorporate a wholly owned subsidiary in USA, which will act as the Special purpose vehicle (SPV) for this acquisition. The transaction is expected to be completed by the end of October 2024.

SCP, located in Horseheads, NY, USA, specializes in producing high-quality Nitride Bonded Silicon Carbide (NBSiC) products. NBSiC ceramics have superior wear and thermal shock resistance. SCP has over three decades of experience in providing customized solutions to customers in the USA and globally. Their product range serves industries such as power generation, mining, material handling/processing, non-ferrous molten metal transfer, and petrochemical refineries. Recognized for their technically superior firing and forming processes, SCP is a trusted supplier to leading industry players in these sectors.

Talking about the acquisition, Mr. Sridharan Rangarajan, Managing Director of CUMI said, "Acquisition of SCP aligns with CUMI's strategic expansion plans. SCP concluded 2023 with sales of USD 4.2 million with a healthy profit and return profile. CUMI would leverage SCP's superior nitriding furnace design, patterning and tooling capabilities to address the Indian market for critical thermal applications majorly in power, steel and mining sectors. CUMI would tap into SCP's extensive customer network in Americas to market its products to industries such as glass, super alloys, petrochemicals, non-ferrous and heat treatment. Additional synergies are expected out of opportunities to supply CUMI's grade of raw materials to SCP and in joint development of products and technologies.

We believe that the expertise and solutions offered by CUMI and SCP complement each other well and the acquisition will aid CUMI in its global market expansion. We are delighted to be working with the SCP team to fulfill our global plans."

Joshua Dahlman, President of SCP, and Rick Cleveland, Vice President of SCP, shared, "Joining CUMI strengthens SCP to grow its business with an expanded product portfolio and additional market access. Combining the strengths of CUMI and SCP will help develop newer products and bring synergies in market reach. We are thrilled to become part of CUMI."

About SCP

Founded in 1994, Silicon Carbide Products, Inc. (SCP) stands at the forefront of ceramic manufacturing, specializing in Silicon Carbide solutions. With deep-rooted expertise in the field, SCP offers high-quality ceramic components and expert consultation on application and design for manufacturability.

SCP's product lineup features a range of formulations, including the innovative SCProbond™ series of Silicon Nitride Bonded Silicon Carbide. Products manufactured using these materials are engineered for high-performance applications in mining, power generation, material handling/processing, molten non-ferrous metals, and petrochemical applications.

For more information, please visit www.scpobond.com

About Carborundum Universal Limited

Carborundum Universal Limited (CUMI), established as a tripartite joint venture in 1954, is a leading materials sciences engineering solutions provider. CUMI's consolidated revenue is ₹4628 crores and PAT of ₹461 crores for the financial year 2023-24. CUMI, part of the 120-year-old Murugappa Group, is listed on the NSE and BSE. CUMI is a Mines to Market Company whose integrated operations include mining, power generation, fusion, manufacturing, marketing and distribution. CUMI has over 5,000 employees worldwide who collaborate, innovate and develop high-quality material solutions and world-class services in abrasives, electrominerals, ceramics, refractories and energy storage materials, serving customers in diverse industries including engineering, fabrication, auto and auto components, infrastructure, steel, glass, power generation and distribution, mining and aerospace. CUMI has a wide geographical presence spanning six continents and exports products to over 50 countries.

For more details, visit www.cumi-murugappa.com

About Murugappa Group

A 124-year-old conglomerate with presence across India and the world, the INR 778 billion (77,881 crore) Murugappa Group has diverse businesses in agriculture, engineering, financial services and more.

The Group has 9 listed companies: Carborundum Universal Limited, CG Power & Industrial Solutions Limited, Cholamandalam Financial Holdings Limited, Cholamandalam Investment & Finance Company Limited, Coromandel International Limited, EID Parry (India) Limited, Shanthi Gears Limited, Tube Investments of India Limited and Wendt India Limited. Other major companies include Cholamandalam MS General Insurance Company Limited and Parry Agro Industries Limited. Brands such as Ajax, Hercules, BSA, Montra, Montra Electric, Mach City, Chola, Chola MS, CG Power, Shanthi Gears, CUMI, Gromor, Paramfos, Parry's are part of the Group's illustrious stable.

Abrasives, technical ceramics, electro minerals, electric vehicles, auto components, fans, transformers, signalling equipment for railways, bicycles, fertilisers, sugar, tea and several other products make up the Group's business interests.

Guided by the five lights — integrity, passion, quality, respect and responsibility — and a culture of professionalism, the Group has a workforce of over 83,500 employees.

For more information, see www.murugappa.com

For further information, please contact:

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