

Date: October 22, 2024

To,
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.

Dear Sir / Madam,

Sub: Outcome of Board meeting held on today i.e. on October 22, 2024 – Acquisition of Business Undertaking – Wire Division from Ratlam Wires Private Limited

Ref: Kataria Industries Limited (Symbol: KATARIA, ISIN: INE0SVY01018)

This is to inform you that the Board of Directors of the Company has, in their Board Meeting held on today, i.e. on Tuesday, October 22, 2024, at the Registered Office of the Company, inter alia, approved the proposal to acquire the business undertaking pertaining to the **Wire Division (“Undertaking”)** owned by Ratlam Wires Private Limited (the **“Seller”**), situated at Ratlam in the State of Madhya Pradesh, on a ‘slump sale’ basis (within the meaning of such term under Section 2(42C) of the Income-tax Act, 1961) (**“Slump Sale”**) as a ‘going concern’ basis for an aggregate lump-sum purchase consideration of Rs. 306.00 Million (Rupees Three Hundred Six Million only), inclusive of all the assets (including Lease Hold Land) and liabilities pertaining to Undertaking, as specified in the **Agreement for Sale of Undertaking under Slump Sale**, with effect from October 22, 2024, in such manner and on such terms and conditions as specified under the Agreement for Sale of undertaking under Slump Sale executed / to be executed in relation to the aforesaid transactions (collectively, the **“Transaction”**).

Enclosed as **Annexure - 1** is the information required to be furnished pursuant to Regulation 30 of the SEBI Listing Regulations read with the SEBI Circular SEBI/ HO/ CFD/ CFD-PoD-1/ P/CIR/ 2023/123 dated July 13, 2023.

The meeting was commenced at 01.30 P.M. and concluded at 2.20 P.M.

Thanking You,

For Kataria Industries Limited

Arun Kataria
Managing Director
DIN: 00088999

Place: Ratlam

Encl: Annexure 1

Annexure-1

Details as per Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023

Particulars	Details								
Name of the entity from whom undertaking is acquired	<p>Kataria Industries Limited ("Kataria") will acquire the business undertaking related to the Wire Division ("Undertaking") owned by Ratlam Wires Private Limited ("Seller") through the execution of an Agreement for the Sale of Undertaking under a slump sale. The acquisition will be conducted on a going concern basis, on an "as is, where is" basis.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Turnover of Wire Division of Ratlam Wires (₹ in Million)</th> </tr> </thead> <tbody> <tr> <td>01.04.24 to 21.10.24</td> <td>893.84</td> </tr> <tr> <td>2023-24</td> <td>1,519.87</td> </tr> <tr> <td>2022-23</td> <td>1,364.18</td> </tr> </tbody> </table>	Year	Turnover of Wire Division of Ratlam Wires (₹ in Million)	01.04.24 to 21.10.24	893.84	2023-24	1,519.87	2022-23	1,364.18
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01.04.24 to 21.10.24	893.84								
2023-24	1,519.87								
2022-23	1,364.18								
Industry to which the Division being acquired belongs;	Products of Undertaking belongs to Steel Wire Industry – i.e. same Industry in which the Company operates but caters to different segments such as Automobile, Railway & Infrastructure.								
Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target division, if its business is outside the main line of business of the listed entity);	<p>This acquisition will enable the Company to increase its steel wire production capacity by 30,000 MT per annum.</p> <p>Historically, KATARIA has concentrated on the infrastructure sector, supplying LRPC strands and other steel wire products for High Rise Building, Malls, Metro, Bullet Train Projects, bridges and flyovers, as well as serving the power sector through aluminium conductors.</p> <p>With the acquisition of the Wire Division, KATARIA will expand its market presence by entering the automobile and railway sectors, allowing for broader industry engagement.</p> <p>The acquisition of the Wire Division presents a significant opportunity for KATARIA to strengthen its market position and overall value in the steel wire industry. This strategic move brings multiple benefits, including the diversification of its product range to include spring steel wires, PC wires, strands, and both galvanized and ungalvanized wires. The expanded portfolio will enable KATARIA to serve a broader spectrum of industries, including the automobile, railway, power, and infrastructure sectors, enhancing its competitive edge.</p>								
Brief details of any governmental or regulatory approvals required for the acquisition;	No specific/special governmental or regulatory approvals are required for this acquisition.								

Particulars	Details
Consideration - whether cash consideration or share swap or any other form and details of the same;	<p>Cash Consideration</p> <p>The consideration is proposed to be paid in the following manner:</p> <ul style="list-style-type: none"> (i) an initial amount of ₹ 80.00 Million to be paid by Company to Seller in cash on Signing of Agreement; (ii) a maximum of up to ₹ 80.00 Million to be paid to Seller on expiry of 15 days from the date of Signing of Agreement; (iii) Balance amount on or before 30 days from the date of Signing of Agreement.
Cost of acquisition;	Kataria Industries Limited will acquire the Wire Division for a total consideration of ₹ 306.00 million, compared to the Net Asset Value (Net Worth) of ₹ 302.70 million, as per the unaudited financials dated October 21, 2024.
Percentage of shareholding / control acquired and / or number of shares acquired;	<p>Not applicable as no acquisition of control/ shares/voting rights is being contemplated.</p> <p>Not applicable as no entity acquisition is envisaged</p>
Brief background about the Division acquired in terms of products/line of business;	<p>Established in 1986, the Wire Division of Ratlam Wires Pvt. Ltd. is a prominent manufacturer of high-quality steel wire, with an installed capacity of 30,000 MT per annum. Operating from a 198,848 sq. ft. facility in the Ratlam Industrial Area, the division caters to key sectors such as automotive, railways, and infrastructure.</p> <p>Known for its precision, durability, and exceptional quality, Ratlam Wires offers an extensive range of products, including spring steel wires, PC wires and strands, galvanized wires, and other specialized wire products. With a strong commitment to innovation and customer satisfaction, the company upholds stringent quality standards and continually expands its product portfolio to meet the evolving demands of the market, reinforcing its reputation as a trusted industry leader.</p>
Date on which the agreement for sale has been entered into;	October 22, 2024
The expected date of completion of Purchase / Acquisition;	This acquisition is expected to be completed on or before November 21, 2024 (or such later date the parties may mutually agree upon) and is subject to fulfillment of condition precedents as agreed between the parties and receipt of requisite general approvals / consents.

Particulars	Details
<p>Brief details of Seller and whether any of the Seller belong to the promoter/ promoter group/group companies. If yes, details thereof;</p>	<p>Established in 1986, Ratlam Wires Pvt. Ltd. is a leading manufacturer of high-quality steel wires, with an annual production capacity of 30,000 MT. The company operates from a 198,848 sq. ft. facility in the Industrial Area of Ratlam.</p> <p>Equipped with advanced machinery, including:</p> <ul style="list-style-type: none"> - Wire Drawing Machines, - Stranding Machines - Straight Line Machine - Heat Treatment Furnace - Testing Machine & Material Handling Equipments - Laboratory Equipment's <p><i>The facility is powered by a 33 KVA (HT) and 11 KVA (LT) power connection, along with an 800 KVA wind energy converter for captive consumption. Supported by over 170 skilled employees, Ratlam Wires has been a significant player in the steel wire manufacturing industry, serving various sectors with precision and quality.</i></p> <p>The Seller, Ratlam Wires Pvt. Ltd., is part of the Promoters' Group of the Company's Promoters.</p> <p>The transaction falls within the scope of related party transactions, and it is being executed at arm's length terms.</p>