



20<sup>th</sup> May, 2018

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai 400 001.  
Tel.: 2272 1233/34  
Fax: 22721919  
**Scrip Code: 532538**

The Manager  
Listing Department  
The National Stock Exchange of India Limited  
"Exchange Plaza", Bandra - Kurla Complex, Bandra  
(East), Mumbai 400 051.  
Tel.: 26598236  
Fax: 2659 8237 / 38.  
**Scrip Code: ULTRACEMCO**

Dear Sirs

**SUB:** Outcome of Board Meeting: Disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations")

**REF:** Scheme of Arrangement amongst Century Textiles and Industries Limited ("Demerged Company"), UltraTech Cement Limited ("Resulting Company") and their respective shareholders and creditors, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")

The Board of Directors, at its meeting held today, have approved a Scheme of Arrangement amongst Century Textiles and Industries Limited ("Demerged Company"), UltraTech Cement Limited ("Resulting Company") and their respective shareholders and creditors for the acquisition of the Cement Business (*as defined in the Scheme*) of the Demerged Company. Post effectiveness of the Scheme, equity shares of the Resulting Company shall be issued to the eligible shareholders of the Demerged Company.

The Scheme as approved by the Board would be available on the website of the Company at [www.ultratechcement.com](http://www.ultratechcement.com) post submitting the same to the stock exchanges.

In terms of the Listing Regulations read with SEBI Circular No.CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September 2015, we are furnishing herewith the details of the Scheme as Annexure I.

Also attached is a Press Release and an Investor Presentation in this regard.

The same is for your information and record.

Thanking you,  
Yours faithfully  
For UltraTech Cement Limited

A handwritten signature in blue ink, appearing to read "S. K. Chatterjee".

S. K. Chatterjee  
Company Secretary

Encl. a/a.



UltraTech Cement Limited

Registered Office: Ahura Centre, B - Wing, 2<sup>nd</sup> Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India

T : +91 22 6691 7800 / 2926 7800 | F : +91 22 6692 8109 | W : [www.ultratechcement.com](http://www.ultratechcement.com) / [www.adityabirla.com](http://www.adityabirla.com) | CIN : L26940MH2000PLC128420

**Disclosure of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular no. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015.**

a. **Details of the Demerged Company**

The Demerged Company is engaged, *inter alia*, in the business of manufacture, production, sale and distribution of cement. It is not a related party of the Resulting Company and the transaction is not a related party transaction.

b. **Details of the Demerger**

Pursuant to the demerger, Cement Division of the Demerged Company *inter alia* consisting of 3 integrated cement units with a total capacity of 11.4 mtpa (excludes 1.2 mtpa for which statutory approval is pending) and 1 grinding unit of 2 mtpa shall be vested and transferred to the Resulting Company

The turnover of the Cement Division, as on 31<sup>st</sup> March, 2018, was Rs. 4,306 crores and forms 53.2% of the total turnover of the Demerged Company.

c. **Rationale for the Demerger**

- (i) expansion in markets having good potential demand for cement;
- (ii) creating value for its shareholders by acquiring ready to use assets which shall create operational efficiencies, reduce time to markets vis-à-vis greenfield projects which are time consuming due to challenges in acquisition of land and limestone mining leases;
- (iii) a strategic fit for serving existing markets and catering to additional volume requirements in new markets; and
- (iv) synergies in manufacture and distribution process and logistics alignment leading to economies of scale and creation of efficiency by reducing time to market and benefiting customers.

d. **Details of approvals required, indicative time period for completion of transaction etc.**

The transaction is subject to the approval of the stock exchanges, Securities and Exchange Board of India, shareholders and creditors, National Company Law Tribunal (Mumbai Bench), Competition Commission of India and all other statutory approvals and is expected to take around 6 to 9 months to be consummated.

e. **Details of change in shareholding pattern**

Considering the shareholding pattern of the Resulting Company as on 31<sup>st</sup> March, 2018, the pre and post shareholding pattern of the Resulting Company and the Demerged Company are as under:



The pre and post shareholding pattern of the Resulting Company:

Particulars	Pre-demerger		Post-demerger	
	No of shares	%	No of shares	%
Promoter & promoter group	167,459,599	60.98	176,654,892	61.22
Public	102,650,173	37.38	107,416,840	37.22
GDRs*	4,504,213	1.64	4,504,213	1.56
<b>Total</b>	<b>274,613,985</b>	<b>100.00</b>	<b>288,575,945</b>	<b>100.00</b>

\*2744168 GDRs held by promoter group

The pre and post shareholding pattern of the Demerged Company:

Particulars	Pre-demerger		Post-demerger	
	No of shares	%	No of shares	%
Promoter & promoter group	56,077,970	50.21	56,077,970	50.21
Public	55,617,710	49.79	55,617,710	49.79
<b>Total</b>	<b>111,695,680</b>	<b>100.00</b>	<b>111,695,680</b>	<b>100.00</b>

f. **Nature of consideration**

In terms of the share entitlement ratio enshrined in the Scheme, in consideration, the Resulting Company shall issue and allot to each shareholder of the Demerged Company, whose name is recorded in the register of members on the Record Date (*as defined in the Scheme*), equity shares in the following ratio:

For every 8 (eight) fully paid-up equity shares of INR 10/- each held in the Demerged Company 1 (one) fully paid-up equity share of INR 10/- each of the Resulting Company.

g. **Whether listing would be sought for the resulting entity**

Both, the Resulting Company and the Demerged Company are existing listed entities and hence, not applicable.







Mumbai, 20 May 2018

Media Release

**Demerger of Cement Business of Century Textiles and Industries Limited  
into UltraTech Cement Limited**

The Board of Directors of UltraTech Cement Limited ("Company" or "UltraTech"), at its meeting held today, approved a Scheme of Arrangement amongst Century Textiles and Industries Limited ("Century"), the Company and their respective shareholders and creditors ("Scheme"). In terms of the Scheme, Century will demerge the 'Cement Business' into UltraTech.

The Cement Business consists of 3 integrated cement units in Madhya Pradesh, Chhattisgarh and Maharashtra with a total capacity of 11.4 mtpa\* and a grinding unit in West Bengal of 2.0 mtpa. For the year ended 31<sup>st</sup> March, 2018, it had reported revenue of Rs. 4,306 crores and EBITDA of Rs. 492 crores (excluding non-recurring items).

The transaction provides UltraTech the opportunity for further strengthening its presence in the highly fragmented, competitive and fast growing East and Central markets and extending its footprint in the Western and Southern markets in the country. The operations will be bolstered by economies of scale arising out of synergies in procurement and logistics costs; creation of efficiencies by reducing time to market, enhancing competitiveness as well as customer service. Other advantages stem from ready to use assets with a strong distribution network, availability of land, railway and other infrastructure. The acquisition is expected to lead to greater shareholder value creation.

The consideration for the demerger will be by way of issuance of equity shares to the shareholders of Century as on the Record Date (defined in the Scheme), in the ratio as recommended by the valuers and approved by the Board. It entails issuing 1 (one) equity share of UltraTech of face value Rs.10/- each for every 8 (eight) equity shares of Century of face value Rs. 10/- each. UltraTech will issue 1.4 crore new equity shares to the shareholders of Century, which will increase its equity capital to Rs. 288.58 crores, divided into 28.86 crores equity shares of Rs. 10/- each. The acquisition will contribute positively to the Company's earnings.

The transaction is subject to the approval of shareholders and creditors, stock exchanges, NCLT, CCI and all other regulatory approvals as may be required. The transaction is expected to be consummated within 6-9 months.

Walker Chandiook & Co LLP and Bansi S Mehta & Co were the independent joint valuers, Axis Capital provided the fairness opinion and Khaitan & Co and Trilegal (Competition Law aspects) were the legal advisors.

Upon consummation, the Company's cement capacity will stand augmented to 109.9 mtpa including its overseas operations. This will position UltraTech as the 3<sup>rd</sup> largest Cement player globally (excluding China).

\*\*\*\*\*

**UltraTech Cement Limited**

Regd. Office: Ahura Centre, B-Wing, 2<sup>nd</sup> Floor, Mahakali Caves Road, Andheri (East), Mumbai 400093

Tel.: 022 66917800 Fax: 022 66928109

Website : [www.ultratechcement.com](http://www.ultratechcement.com) / [www.adityabirla.com](http://www.adityabirla.com) CIN: L26940MH2000PLC128420



*\*It excludes capacity of 1.2 mtpa which is pending statutory clearance*

**ADITYA BIRLA**



**UltraTech**

UltraTech Cement Limited

# UltraTech Marches On....

Stock code: BSE: **532538** | NSE: **ULTRACEMCO**  
Reuters: **UTCL.NS** | Bloomberg: **UTCEM IS/UTCEM LX**

# Step towards another consolidation in Industry

UltraTech: The next phase of growth – 13.4\* mtpa inorganic capacity addition

## Market Leadership



- Strengthening the presence in fast growing Eastern & Central Markets
- Extending footprint in Western & Southern Markets

## Creating Value



- Ready to use assets
- Operational synergies with economies of scale
- Creation of efficiencies by reducing time to market

## Reaching new milestone



- Crossing 100 mtpa capacity milestone
- Becoming 3<sup>rd</sup> largest cement player globally (Excl. China)

\* Excludes 1.2 mtpa, pending statutory clearances

## Assets to be acquired

### Capacity

- Clinker: 8.5\* mtpa
- Cement: 13.4\* mtpa
- TPP: 117 MW

### Location & Plants

- 3 Integrated units
- 1 Grinding unit
- 4 States: Madhya Pradesh, West Bengal, Maharashtra, and Chhattisgarh

### Infrastructure

- Limestone Reserves: > 35 Years
- TPP adequate to meet > 80% of total power requirements
- Rail infrastructure at all units

Acquiring 3 integrated units - 11.4 mtpa and 1 grinding unit - 2.0 mtpa

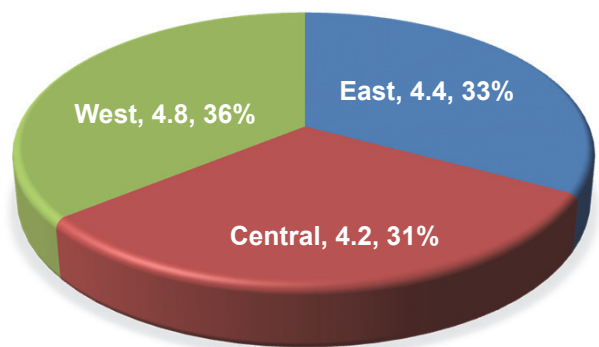
Operations running at ~75% capacity utilisation

\* Excludes 0.7 mtpa clinker & 1.2 mtpa cement, pending statutory clearances

# Assets to be acquired – Market spread

Capacity spread in attractive markets..... to create value under “UltraTech” brand

## ACQUISITION



Zone	Existing	Acquisition	Post - Acquisition
East	11.7	4.4	16.1
Central	21.1*	4.2	25.3*
West	21.7	4.8	26.5
North	17.6	-	17.6
South	20.5	-	20.5
<b>All India</b>	<b>92.5</b>	<b>13.4**</b>	<b>105.9</b>

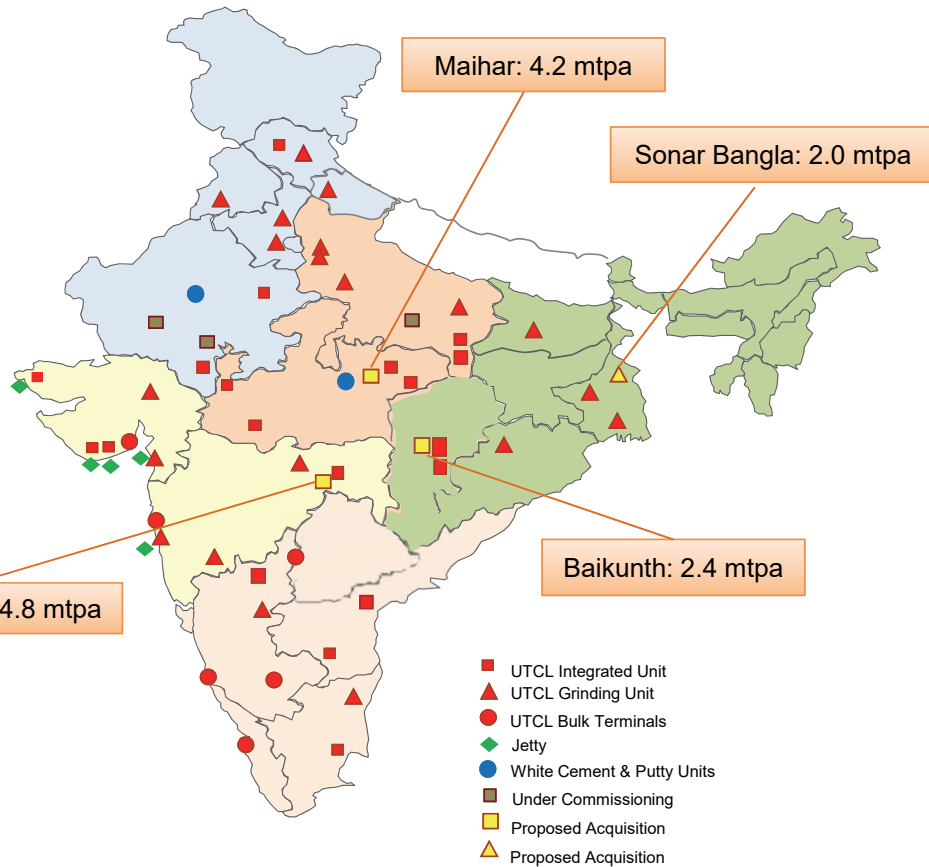
\*Including 5.7 mtpa under commissioning by Mar'19

\*\* Excludes 1.2 mtpa, pending statutory clearances

Achieving Growth with a wider network



# UltraTech Network – Post Acquisition



Map is used only for representation purpose

To become a competitive and vigorous player in the Eastern market

Deepen the presence in existing markets

~ 6000 strong dealer network

UTCL total capacity in India to increase to 105.9\* mtpa

*\*Including 5.7 mtpa under commissioning by Mar'19*

# Strategic Rationale



## Expansion in growth markets

- ▶ Attain stronger presence in Eastern market
- ▶ Increase presence in Central and Western markets

## Cost efficiencies and synergies

- ▶ Synergies in procurement, logistics costs and reduction in time to market
- ▶ Operational efficiencies improvement with UltraTech experience
- ▶ Access to sufficient limestone reserves

## Tapping growth opportunities

- ▶ Ready to use assets v/s longer gestation time for greenfield capacity
- ▶ Will help to serve the improving demand

## Value creation for shareholders

- ▶ Profit accretive acquisition from year one

Balance sheet strength to support for inorganic growth

# Valuation



## Discharge of Consideration

▶ To issue 1 equity share of UltraTech for 8 equity shares of Century Textiles and Industries Limited

▶ Total shares to be issued ~ 1.40 crores

▶ Equity share capital increase by 5.08%\*\*

Particulars	Rs Crs
Equity Value basis 30 days VWAP of ~Rs. 4,026 / share	~ 5,621
Likely debt to be taken over	~ 3,000
<b>Total Enterprise Value (EV)</b>	<b>~ 8,621</b>
Less: Assumed EV for Grinding capacity of 2.0 mtpa <sup>1</sup>	~ 536
Implied EV for Integrated Capacity of 11.4 mtpa <sup>2</sup>	~ 8,085
<b>EV – US\$/t for Integrated Capacity<sup>3</sup></b>	<b>~\$106/t</b>

1. Assuming replacement cost for Grinding Unit of \$40/t
2. Excludes 1.2 mtpa, pending statutory clearances
3. Exchange Rate: INR 67 = 1 USD

Another step to enhance value for all stakeholders

\* Excludes 1.2 mtpa, pending statutory clearances

\*\* On existing equity share capital base

# Transaction Advisors



## Lawyers

- ▶ Khaitan & Co.
- ▶ Trilegal (Competition Law aspects)

## Independent Joint Valuers

- ▶ Walker Chandiook & Co. LLP
- ▶ Bansi S Mehta & Co

## Fairness Opinion

- ▶ Axis Capital

Transaction will be consummated in 6-9 months after all approvals



## UltraTech Consolidated Position : Post Acquisition



Particulars	Existing	Post Acquisition
<b>Cement Capacity (mtpa)</b>	<b>96.5*</b>	<b>109.9*</b>
<b>No of Locations</b>	<b>54</b>	<b>58</b>
<b>Captive Power Capacity - MW</b>	<b>982</b>	<b>1099</b>
<b>Key Ratio**</b>		
<b>EPS (Rs.)</b>	<b>80.94</b>	<b>81.32</b>
<b>Net Debt : Equity</b>	<b>0.53</b>	<b>0.64</b>
<b>Net Debt / EBITDA</b>	<b>2.09</b>	<b>2.35</b>

Foundation for a BIG Leap

\*Including 5.7 mtpa under commissioning by Mar'19

\*\* Based on 31.03.18

**UltraTech**

**One step ahead... >**



# Disclaimer



*No statement in this presentation (including any statement of estimated synergies) is intended as a profit forecast or estimate for any period and no statement in this presentation should be interpreted to mean that cash flow from operations, free cash flow, earnings, earnings per share basis for any of parties, as appropriate, for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, free cash flow, earnings, earnings per share or income on a clean current cost of supplies basis for any of the parties, as appropriate.*

*This presentation includes statements that are, or may be deemed to be "forward-looking statements" and other estimates and projections with respect to management's subjective views of the anticipated future performance, financial condition, results of operations and business of the Company. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. No assurance can be given that the forward-looking statements in this presentation will be realised. Forward-looking statements include, among other things, statements concerning the potential exposure of the Company, to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions including as to future potential cost savings, synergies, earnings, cash flow, return on average capital employed, production and prospects.*

## **UltraTech Cement Limited**

**Regd. Office: 2<sup>nd</sup> Floor, 'B' Wing, Ahura Centre, MIDC, Andheri (E), Mumbai – 400 093**

**[Corporate Identity Number L26940MH2000PLC128420]**

**☎ 91-22 66917800    🌐 [www.ultratechcement.com](http://www.ultratechcement.com) or [www.adityabirla.com](http://www.adityabirla.com)    ✉ [investorrelations.utcl@adityabirla.com](mailto:investorrelations.utcl@adityabirla.com)**