



30<sup>th</sup> November, 2023

BSE Limited  
Corporate Relationship Department  
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Mumbai 400 001.  
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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.  
**Script Code: ULTRACEMCO**

**ISIN: INE481G01011**

**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: Composite Scheme of Arrangement between Kesoram Industries Limited, UltraTech Cement Limited and their respective shareholders and creditors, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013**

Kesoram Industries Limited (“**Kesoram**” or “**Demerged Company**”) has decided to demerge its ‘Cement Business’ and has approached UltraTech Cement Limited (“**UltraTech**” or “**Company**” or “**Resulting Company**”) in relation to the same.

The Board of Directors (“**Board**”) of UltraTech, after considering the recommendation and report of the Audit Committee and the Committee of Independent Directors, at its meeting held today, considered Kesoram’s proposal and have approved a Composite Scheme of Arrangement between Kesoram, UltraTech and their respective shareholders and creditors, in compliance with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Scheme**”). The Scheme, inter alia, provides for: (a) demerger of the Cement Business of the Demerged Company into the Resulting Company; and (b) the reduction and cancellation of the preference share capital of the Demerged Company, (“**Proposed Transaction**”).

Post effectiveness of the Scheme, fully paid-up equity shares and non-convertible redeemable preference shares of the Resulting Company shall be issued to the eligible shareholders of the Demerged Company. The equity shares issued by the Resulting Company pursuant to the Scheme shall be listed on BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”), respectively, (BSE and NSE collectively, the “**Stock Exchanges**”), having nationwide terminal. Further, since fully paid-up non-convertible redeemable preference shares are being issued by the Resulting Company to the eligible preference shareholders of the Demerged Company, the existing preference share capital of the Demerged Company shall stand cancelled and reduced pursuant to the Scheme.



**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/www.adityabirla.com | CIN : L26940MH2000PLC128420



The Scheme and the Proposed Transaction is, inter alia, subject to receipt of requisite approvals from statutory and regulatory authorities, including from the Stock Exchanges, the Securities and Exchange Board of India, the jurisdictional National Company Law Tribunals, the Competition Commission of India and the shareholders and creditors of the Demerged Company and the Resulting Company.

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

Further, the Board of the Company has also approved the execution of an implementation agreement between the Resulting Company and the Demerged Company ("**Implementation Agreement**"), which inter alia sets out manner of implementation of the Proposed Transaction contemplated under the Scheme, the representations and warranties given by each party and the rights and obligations of the respective parties in relation to the Proposed Transaction.

Further details as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular dated 13<sup>th</sup> July, 2023, are given in **Annexure I** hereto.

Also attached is a Press Release being issued in this regard.

The said Board meeting of the Company commenced at 2:45 pm and concluded at 5:00 pm (with an in-between adjournment from 3:00 pm to 3:30 pm).

The same is for your information and record.

Thanking you,  
Yours faithfully,  
For UltraTech Cement Limited

Sanjeeb Kumar Chatterjee  
Company Secretary

Encl. a/a.

Luxembourg Stock Exchange  
BP 165 / L – 2011 Luxembourg  
Scrip Code:  
US90403E1038 and US90403E2028

Singapore Exchange  
11 North Buona Vista Drive, #06-07  
The Metropolis Tower 2, Singapore 138589  
ISIN Code: US90403YAA73 and  
USY9048BAA18



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Annexure I

**Disclosure of information in relation to the Scheme pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular dated 13<sup>th</sup> July, 2023.**

Sr. No	Particulars	Details
a)	Brief details of the divisions to be demerged	The Cement Business of the Demerged Company means the business of manufacture, production, sale and distribution of grey cement of the Demerged Company, and consists of 2 integrated cement units at Sedam (Karnataka) and Basantnagar (Telangana) with a total installed capacity of 10.75 mtpa and 0.66 mtpa packing plant at Solapur, Maharashtra.
b)	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;	The turnover of the Cement Business of the Demerged Company as on 31 <sup>st</sup> March, 2023, was Rs. 3,517.45 crores and forms 99.54% of the total turnover of the Demerged Company.
c)	Rationale for demerger	<p>The transfer of the Cement Business of the Demerged Company to the Resulting Company pursuant to the Scheme would, inter alia, result in the following benefits for the Demerged Company and the Resulting Company:</p> <p><b>(A) in case of the Demerged Company:</b></p> <ul style="list-style-type: none"> <li>i. unlocking the value of the Cement Business for the shareholders of the Demerged Company;</li> <li>ii. assisting in the de-leveraging of its balance sheet including reduction of debt and outflow of interest as well as creation of value for its shareholders; and</li> <li>iii. focusing on core business areas such as rayon, transparent paper and chemicals.</li> </ul> <p><b>(B) in case of the Resulting Company:</b></p> <ul style="list-style-type: none"> <li>i. expansion in markets where the Resulting Company has no physical presence;</li> <li>ii. creating value for shareholders by acquiring ready to use assets which shall create operational efficiencies and reduce time to markets vis-à-vis greenfield projects which are time consuming on account of acquisition of land and limestone mining leases;</li> <li>iii. good fit for serving existing markets and catering to additional cement volume requirements in new markets;</li> <li>iv. the transaction will provide UltraTech the opportunity to extend its footprint in the highly fragmented, competitive and fast growing Western and Southern markets in the country;</li> </ul>



**UltraTech Cement Limited**



		<p>v. it will help enhance the Resulting Company's geographic reach in Southern markets;</p> <p>vi. 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.</p> <p>The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Demerged Company and the Resulting Company.</p>
d)	Brief details of change in shareholding pattern (if any) of all entities	<p><b>(i) in the case of Demerged Company</b></p> <p>The Demerged Company will not undergo any change in equity shareholding pattern as a consequence of the effectiveness of the Scheme.</p> <p><b>(ii) In the case of Resulting Company</b></p> <p>Upon the Scheme becoming effective, the Resulting Company will issue its fully paid-up equity shares and non-convertible redeemable preference shares to the eligible shareholders of the Demerged Company as mentioned in point e) below, in accordance with the Scheme.</p>
e)	In case of cash consideration - amount or otherwise share exchange ratio	<p>There is no cash consideration discharged under the Scheme.</p> <p>The consideration discharged under the Scheme is as follows:</p> <p>Upon the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, to each shareholder of the Demerged Company as follows:</p> <ul style="list-style-type: none"> <li>▪ 1 (one) fully paid-up equity share of Rs. 10 (rupees ten) each of the Resulting Company for every 52 (fifty-two) fully paid-up equity shares of Rs. 10 (rupees ten) each of the Demerged Company held by equity shareholder, on a proportionate basis, whose name is recorded in the register of members and records of the depository as a member of the Demerged Company as on the Record Date;</li> <li>▪ 54,86,608 (fifty-four lakhs eighty-six thousand six hundred eight) fully paid-up 7.3% non-convertible redeemable preference shares of Rs. 100 (rupees one hundred) each of the Resulting Company for 90,00,000 (ninety lakhs) 5% cumulative non-convertible redeemable preference shares of Rs. 100 (rupees one hundred) each of the Demerged Company held by the preference shareholder in the Demerged Company as on the Effective Date; and</li> </ul>



**UltraTech Cement Limited**



		<ul style="list-style-type: none"> <li>8,64,275 (eight lakhs sixty-four thousand two hundred seventy-five) fully paid-up 7.3% non-convertible redeemable preference shares of Rs. 100 (rupees one hundred) each of the Resulting Company for 19,19,277 (nineteen lakhs nineteen thousand two hundred seventy-seven) zero% optionally convertible redeemable preference shares of Rs. 100 (rupees one hundred) each of the Demerged Company held by the preference shareholder in the Demerged Company as on the Effective Date.</li> </ul> <p>The aforesaid share entitlement ratio has been arrived on the basis of a joint Share Entitlement Ratio Report dated 30<sup>th</sup> November, 2023 issued by Bansi S. Mehta Valuers LLP, Registered Valuer and PwC Business Consulting Services LLP, Registered Valuer.</p> <p>Further, ICICI Securities Limited, an Independent SEBI registered Category – I Merchant Banker, vide its report dated 30<sup>th</sup> November, 2023 has confirmed that consideration arrived by the registered valuers is fair.</p>
f)	Whether listing would be sought for the resulting entity	The equity shares of the Resulting Company are already listed on BSE and NSE. The new equity shares to be issued by the Resulting Company to the equity shareholders of the Demerged Company as consideration under the Scheme, shall be listed and admitted to trading on BSE and NSE (having nationwide terminal), subject to the Resulting Company obtaining the requisite approvals from all the relevant authorities for the same.
g)	Name of the entity(ies) forming part of the amalgamation/merger/demerger	Kesoram Industries Limited (being the Demerged Company) and UltraTech Cement Limited (being the Resulting Company)
h)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”;	The transaction is being undertaken on an arms’ length basis. Further, few entities controlled by the promoters of the Company/ UltraTech Cement Limited are a part of the promoter/ promoter group of Kesoram Industries Limited/ the Demerged Company.



**UltraTech Cement Limited**



Mumbai, 30<sup>th</sup> November, 2023

## Press Release

### **Demerger of Cement Business of Kesoram Industries Limited into UltraTech Cement Limited**

Kesoram Industries Limited ("Kesoram") has decided to demerge its 'Cement Business' and has approached UltraTech Cement Limited ("Company" or "UltraTech") in relation to the same. The Board of Directors of UltraTech, at its meeting held today, considered Kesoram's proposal and approved a Scheme of Arrangement amongst Kesoram, the Company and their respective shareholders and creditors ("Scheme"). In terms of the Scheme, Kesoram will demerge its Cement Business into UltraTech.

The Cement Business of Kesoram consists of 2 integrated cement units at Sedam (Karnataka) and Basantnagar (Telangana) with a total capacity of 10.75 mtpa. Out of this total capacity, 8.50 mtpa is clinker backed and 2.25 mtpa is surplus grinding capacity. The cement business also has a 0.66 mtpa packing plant in Solapur, Maharashtra.

Under the demerger scheme, UltraTech will issue 1 equity share of the face value of Rs.10/- each for every 52 equity shares of Kesoram of face value Rs. 10/- each as recommended by the valuers and accepted by the Board.

For the purpose of this transaction, 59,74,301 new equity shares of the Company will be issued to the shareholders of Kesoram as on the record date as defined in the Scheme. This will increase UltraTech's equity capital to Rs. 294.66 crores consisting of 29.47 crore equity shares of Rs. 10/- each.

The transaction will provide UltraTech with the opportunity to extend its footprint in the highly fragmented, competitive, and fast growing Western and Southern markets in the country. It will help enhance UltraTech's geographic reach in Southern markets such as Telangana where UltraTech currently does not have any cement manufacturing plant. The operations will be bolstered by economies of scale resulting from synergies in procurement, logistics and fixed costs.

The transaction is subject to the approval of shareholders and creditors, stock exchanges, NCLT, CCI and other regulatory authorities as may be required. The transaction is expected to be consummated within 9-12 months subject to above regulatory approvals.

Bansi S. Mehta Valuers LLP and PwC Business Consulting Services LLP, registered valuers are the independent joint valuers, ICICI Securities Limited has provided an opinion on fairness of the valuation; Khaitan & Co, Mumbai are the legal advisors and Trilegal will be advising on Competition Law matters.

Upon consummation of this Scheme of Arrangement, UltraTech's cement capacity will stand augmented to 149.14 mtpa including its overseas operations.

The proposed transaction will accelerate the Company's path to achieving its stated goal of 200 mtpa cement capacity in India, reaffirming its belief in the Country's growth potential.

### **About UltraTech Cement Limited**

UltraTech Cement Limited is the cement flagship company of the Aditya Birla Group. With revenues of USD 7.2 billion, UltraTech is the third largest Cement producer in the world, outside of China, with a total Grey Cement capacity of 137.85 MTPA.

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### **UltraTech Cement Limited**

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