

Ref: B/GSCL/SE/VRM/67/2021-22

February 05, 2022

Corporate Relationship Manager,
BSE Limited,
1st Floor, New Trading Ring, Rotunda Bldg,
P.J. Tower, Dalal Street,
Mumbai - 400001.
Stock Code No: 518029

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra East,
Mumbai – 400051
Stock Symbol: GSCLCEMENT

Dear Sir / Madam,

SUB: Intimation of the outcome of the meeting of the Board of Directors of Gujarat Sidhee Cement Limited ("Company") held on 5th February 2022 and disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations") read with sub para 1.5 of Para A.1. of Annexure I of Circular bearing number CIR/CFD/CMD/4/2015 dated 9 September 2015 issued by Securities and Exchange Board of India

REF: Scheme of Amalgamation of Gujarat Sidhee Cement Limited with Saurashtra Cement Limited and their respective members under Sections 230 to 232 of the Companies Act, 2013

This is to inform that the Board of Directors of Gujarat Sidhee Cement Limited ("the Company") at its meeting held today, i.e. February 05, 2022, based on the recommendation of Audit Committee and Independent Directors Committee and subject to necessary regulatory and statutory approvals has approved a Scheme of Amalgamation of the Company with Saurashtra Cement Limited ("Transferee Company") their respective Shareholders in compliance with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") which *inter alia*, provides for amalgamation of the Transferor Company with the Company, in the manner set out in the said Scheme.

Upon effecting the scheme of Amalgamation, the entire undertaking of the Transferor Company together with all property, rights, powers and all debts, liabilities, duties and obligations relating thereto is proposed to be transferred to and vested in the Transferee Company on the terms and conditions fully stated in the said Scheme of Amalgamation.

On the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand discharged.

Subject to necessary regulatory and statutory approvals, the equity shares issued pursuant to the Scheme of the Company shall be listed on BSE Limited, post effectiveness of the Scheme.

The Scheme as approved by the Board would be available on the website of the Company at www.gujaratsidheecementlimited.com post filing the same with the stock exchanges.



Regd. Office & Works
Sidheegram, Veraval 362 276
Gujarat, India

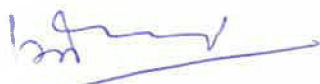
The detailed disclosure as required under Regulation 30 of the SEBI Listing Regulations, read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015, as amended from time to time, is enclosed as **Annexure-1** to this outcome.

You are requested to take the information on record.

Thanking you,

Yours faithfully

For **Gujarat Sidhee Cement Limited**



V.R. Mohnot

CFO & Company Secretary



Regulation 30 read with Schedule III to the Listing Regulations and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, as amended from time to time.

Sr. No.	Particulars	Details
1.	Name of the entity(ies) forming part of the amalgamation, details in brief such as, size, turnover etc.	1. Saurashtra Cement limited ("Transferee Company" or "Company") Total assets – INR [806.45] crore Net worth – INR [531.07] crore Turnover – INR [534.79] crore as on [31st December 2021] 2. Gujarat Sidhee Cement Limited ("Transferor Company") Total assets – INR [750.65] crore Net worth – INR [483.62] crore Turnover – INR [500.45] crore as on [31st December 2021]
2.	Whether the transaction would fall within. related party transactions? If yes, whether the same is done at "arm's length"	In terms of General Circular No. 30/2014 dated July 17, 2014 issued by Ministry of Corporate Affairs ("MCA Circular"), the transactions arising out of compromises, arrangements and amalgamations under the Companies Act, 2013 ("Act"), will not attract the requirements of Section 188 of the Act. However, the transaction shall be considered a 'related party transaction' under the Listing Regulations. The consideration for the Scheme will be discharged on an "arm's length" basis. The consideration of the amalgamation of the Transferor Company to shareholders of the Transferor Company, has been arrived based on joint share entitlement report issued by SSPA & Co, Chartered Accountants, (Registration No. IBBI/RV-E/06/2020/126) and Ernst & Young Merchant Banking Services LLP, Chartered Accountants, (Registration No. IBBI/RV-E/05/2021/155), both Registered Valuers.
3.	Area of business of the entity(ies);	The Transferee Company is engaged in the business of manufacture and sale of cement and clinker and markets cement under the renowned brand name "HATHI". The Transferee Company acquired "Snowcem" Paint business through slump sale with effect from 1 May 2021 and the said business is now part of the Paint Division of the Transferee Company.



		The Transferor Company is engaged in the business of manufacture and sale of cement and clinker and markets cement under the brand name "Sidhee".
4.	Rationale for Amalgamation	i. The Transferor Company and the Transferee Company have similar businesses of cement and clinker and operating under their respective brand names in the State of Gujarat. Further, the Transferee Company has recently ventured into the paint business including cement paints which complements the existing business of the Transferee Company. As such the businesses of the Transferor Company and the Transferee Company can be combined conveniently and carried on in conjunction more advantageously and no useful purpose is being served in continuing with two separate legal entities. Amalgamation of the two companies is proposed accordingly. ii. In such circumstances, for the optimum running, cost optimising, growth and development of the restructured businesses and undertakings of the Transferor Company and the Transferee Company with their combined resources and a larger capital and asset base, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and the terms and conditions stated in this Scheme of Amalgamation. iii. The proposed amalgamation will help pooling of resources of the Transferor Company and the Transferee Company, streamlining the corporate structure and consolidation of investments within the Transferee Company and act as a gateway for growth and expansion of business operations and presence in India and abroad. iv. The infrastructure resources of the Companies complement each other and as such the proposed amalgamation will enable appropriate consolidation and integration of operations and activities of the Transferor Company and the Transferee Company thereby ensuring better management and enable the merged entity to offer a comprehensive package of solutions from one entity as opposed to multiple entities. v. The business of the amalgamated entity will be carried on more efficiently and economically as a result, inter alia, of pooling and usage of common resources in manufacturing, engineering, manpower and other infrastructure, thus leading to optimum utilisation and elimination of duplication of administrative expenses and responsibilities which will be facilitated by and follow the amalgamation.



		vi. The proposed amalgamation will create better opportunities and improvement in competitive position of the Transferee Company as a combined entity and achieving economies of scale including enhanced access to marketing resources/networks/ customers. The amalgamated Transferee Company will have increased capability for offering products and services by virtue of its enhanced resource base and deeper client relationship, resulting in better and greater realisation of the potential of the business and prospects of the Transferor Company and the Transferee Company in the merged entity. vii. The consolidation of business would lead to development of long term internal and core competencies, augment the manufacturing footprint and capabilities of the amalgamated entity by increasing the scale of manufacturing operations, thereby helping in rationalising the number of vendors, aggregating the purchases and managing the supply chain more effectively and efficiently. viii. The proposed amalgamation will enable the merged entity to compete and bid for new projects more competitively and effectively with the combined credentials, experience and track record of both the Companies. ix. As such the amalgamation of the Transferor Company with the Transferee Company will also enhance the financial profile with higher growth, margin expansion and increased cash flows which will provide further headroom for inorganic growth opportunities and result in the formation of a larger and more profitable and broad based company having greater capacity to raise and access funds for growth and expansion of its business. x. Additionally, the amalgamated entity will provide greater impetus to the paint business which has been recently acquired by the Transferee Company and result in unlocking greater value to the shareholders of the Transferor Company with access to the paint business. The Scheme shall not in any manner be prejudicial to the interests of the concerned shareholders, creditors or general public at large
5.	In case of cash consideration amount or otherwise share exchange ratio;	The proposed Scheme involves amalgamation of the Transferor Company with the Transferee Company. In terms of the consideration enshrined in the Scheme, the Transferee Company shall issue and allot to shareholders of the



		Transferor Company, as on the Effective Date, in proportion of their shareholding in the Transferor Company, as follows: <i>“62 (Sixty Two) fully paid up equity shares of INR 10 (Rupees Ten only) each of the Transferee Company, credited as fully paid up, for every 100 (One Hundred) equity shares fully paid up of INR 10 (Rupees Ten only) each of the Transferor Company held by such shareholder”</i> No shares shall be issued by the Transferee Company in respect of the shares held by the Transferor Company and the Transferee Company <i>inter-se</i>, and all such shares shall stand cancelled.																																			
6.	Brief details of change in shareholding pattern of Listed Entity	Gujarat Sidhee Cement Limited <table><tr><th>Particulars</th><th colspan="2">Pre-amalgamation</th><th colspan="2">Post-amalgamation</th></tr><tr><td></td><td>No of shares</td><td>%</td><td>No of shares</td><td>%</td></tr><tr><td>Promoters</td><td>51,492,504</td><td>57.77</td><td>NIL</td><td>NIL</td></tr><tr><td>GIIC</td><td>82,52,697</td><td>9.26</td><td>NIL</td><td>NIL</td></tr><tr><td>Saurashtra Cement Limited</td><td>22,85,912</td><td>2.57</td><td>NIL</td><td>NIL</td></tr><tr><td>Public</td><td>27,096,200</td><td>30.40</td><td>NIL</td><td>NIL</td></tr><tr><td>TOTAL</td><td>8,91,27,313</td><td>100.00</td><td>NIL</td><td>NIL</td></tr></table>	Particulars	Pre-amalgamation		Post-amalgamation			No of shares	%	No of shares	%	Promoters	51,492,504	57.77	NIL	NIL	GIIC	82,52,697	9.26	NIL	NIL	Saurashtra Cement Limited	22,85,912	2.57	NIL	NIL	Public	27,096,200	30.40	NIL	NIL	TOTAL	8,91,27,313	100.00	NIL	NIL
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