



SHREE CEMENT LTD.

Regd. Office:

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SCL/BWR/SE/2017-18/
11th January, 2018

FAX NO. 022 – 26598237 / 26598238

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra – Kurla Complex, Bandra (East)
MUMBAI – 400 051

SCRIP CODE: SHREEC EM EQ

FAX NO. 022-22722041 / 22722061

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
MUMBAI – 400 023

SCRIP CODE 500387

Re:- Disclosure under Regulation 30 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, this is to inform that Board of Directors in its meeting held on 11th January, 2018, have considered and approved the acquisition of majority equity stake in Union Cement Company, UAE. The Company has also today signed the Definitive Agreement in this regard with the sellers.

The Press Release and disclosures required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 are attached herewith.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **SHREE CEMENT LIMITED**

(S.S. KHANDELWAL)
COMPANY SECRETARY

JAIPUR OFFICE : SB-187, Bapu Nagar, Opp. Rajasthan University, JLN Marg, Jaipur-302 015
Phone : 0141 4241200, 4241204, Fax : 0141 4241219

NEW DELHI OFFICE : 122-123, Hans Bhawan, 1, Bahadurshah Zafar Marg, New Delhi 110 002
Phone : 011 23370828, 23379218, 23370776, Fax : 011 23370499

CORP. OFFICE : 21, Strand Road, Kolkata 700 001 Phone : 033-22309601-4 Fax : 033 22434226

Disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Sr. No.	Particulars	Description
1	Name of the target entity, details in brief such as size, turnover etc.;	Name: Union Cement Company (PSC) is a public listed Company in United Arab Emirates listed on the Abu Dhabi Stock Exchange (ADX). Business: Union Cement Company (PSC) is engaged in Cement business. The present Operating Capacity is 3.3 MTPA clinker and 4.0 MTPA cement.
2	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 "arms' length";	No
3	Industry to which the entity being acquired belongs;	Cement Industry
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	- Target Company is operating in UAE for last more than 4 decades and has a well-established cement business. It has consistent track record of stable turnover and profits. - Shree Cement has evaluated the Target Company and found that its acquisition will be value accretive for the stakeholders of Shree Cement. - The acquisition will help Shree Cement establish its first footprint outside India.
5	Brief details of any governmental or regulatory approvals required for the acquisition;	Target entity is currently a Public Joint Stock Company, listed on the Abu Dhabi Stock Exchange (ADX). The target will undertake the process of getting itself converted into a Private Joint Stock Company and delisted from ADX. This will require approvals from relevant Ministry / Committee of UAE Government as well as Shareholders of Target Company etc. Additionally, the approval from Competition Regulatory Authority of UAE may also be required. No regulatory approvals are needed in India.
6	Indicative time period for completion of the acquisition;	The transaction is expected to be completed in approx. 9 months from the date of execution of definitive agreements i.e. today.
7	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash Consideration (through one or more subsidiaries in UAE)

Sr. No.	Particulars	Description																								
8	Cost of acquisition or the price at which the shares are acquired;	The acquisition has been agreed for an Enterprise Value of USD 305.24 Million excluding cash & cash Equivalents and Marketable securities. Sellers have agreed to keep Net Working Capital of USD 59.37 million (subject to adjustment based on actual net working capital) as on the Completion date of the transaction. Additionally, Sellers will leave funds to meet the actual End of Service Liability and Unpaid Dividend as at Completion.																								
9	Percentage of shareholding / control acquired and / or number of shares acquired;	A minimum of 92.83% of beneficial shareholding has been agreed to be acquired. The Enterprise Value of USD 305.24 million is for 100% equity stake. The Payment to Seller shall be made based on the above Enterprise Value in proportion to actual Equity shareholding transferred on Completion.																								
10	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);	Target Company was incorporated in 1972 and is registered in Ras Al Khaimah, UAE as a public joint stock company. It is engaged in the cement business in UAE for more than 4 decades. The Target Company also has a Subsidiary with 60% equity stake dealing exclusively in marketing of Oil Well Cement produced by it. Consolidated revenues and EBITDA (<i>excluding Investment Income and Other income</i>) during three years upto 2016 is as follows: <table><tr><th rowspan="2">Calendar Years</th><th colspan="2">Revenue</th><th colspan="2">EBITDA*</th></tr><tr><th>AED Million</th><th>Eqv. USD Million</th><th>AED Million</th><th>Eqv. USD Million</th></tr><tr><td>2016</td><td>563.45</td><td>153.42</td><td>123.86</td><td>33.73</td></tr><tr><td>2015</td><td>624.26</td><td>174.40</td><td>146.07</td><td>39.77</td></tr><tr><td>2014</td><td>548.32</td><td>149.30</td><td>125.64</td><td>34.21</td></tr></table> <i>*excluding investment income and Other Income.</i>	Calendar Years	Revenue		EBITDA*		AED Million	Eqv. USD Million	AED Million	Eqv. USD Million	2016	563.45	153.42	123.86	33.73	2015	624.26	174.40	146.07	39.77	2014	548.32	149.30	125.64	34.21
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SHREE CEMENT LIMITED

PRESS RELEASE

Dubai, January 11, 2018

Shree Cement Board approves acquisition of majority stake in Union Cement Company (P.S.C.) in Ras Al-Khaimah, UAE

The Board of Directors of Shree Cement Limited, in its meeting held today, considered and approved the acquisition of a majority equity stake (minimum 92.83%) in Union Cement Company (P.S.C.) ("UCC"), a company based in the UAE, for an Enterprise Value of USD 305.24 Million excluding Cash and Cash Equivalent (for a 100% equity stake) subject to closing adjustments

Established in 1972, UCC is one of the leading cement manufacturers in the UAE and is a listed company on the Abu Dhabi Securities Exchange ("ADX"). It has its operations in the Emirate of Ras Al-Khaimah in the UAE with a clinker capacity of 3.30 MTPA and cement capacity of 4.00 MTPA. It deals with a variety of cements like Ordinary Portland Cement, Sulphate Resisting Cement and Oil-Well Cement. The plant is located in close proximity to the Ras Al-Khaimah's Saqr Port which helps it to serve the export markets of Gulf, Middle East and East Africa.

UCC has one subsidiary, UCC Norcem, in which it owns a 60% stake, which is engaged in the marketing of Oil Well Cement.

UCC has a consistent track record of stable performance. For the calendar year 2016, UCC reported consolidated Revenue of USD 153.42 Mn and EBITDA of 33.73 Mn (excluding Investment and other income). For the nine months ended 30th September 2017, the reported consolidated Revenue was USD 120.27 Mn and EBITDA of 25.97 Mn (excluding Investment and other income).

The acquisition is subject to the conversion of UCC from a "public joint stock company" into a "private joint stock company", delisting from ADX (subject to UAE regulatory approval) and other conditions precedent and is expected to be completed in approximately 9 months.

With this acquisition, the aggregate Cement capacity of Shree Cement will increase from present 29.3 MTPA to 33.3 MTPA. The proposed acquisition will help Shree Cement create its first footprint outside India. UAE is one of the major economies in the Middle East which has good long-term prospects in the housing, construction and infrastructure segment.

Baker Tilly DHC, Standard Chartered Bank and Freshfields Bruckhaus Deringer acted as advisers to Shree Cement Limited on the proposed acquisition.