CENTURY
Textiles and Industries Limited

REGD. OFFICE : "CENTURY BHAVAN", DR. ANNIE BESANT ROAD, WORLI, MUMBAI-400 030. INDIA.
TEL.: +91-22-2495 7000 FAX : +91-22-2430 9491, +91-22-2436 1980
E-Mail: centextho@centurytext.com Website: www.centurytextind.com
CIN-L17120MH1897PLC000163

OUR REF. : SH/XII/ 87 /2018 20.05.2018

BSE Ltd., Corporate Relationship Department Phiroze Jeejebhoy Towers Dalal Street Mumbai-400 001 Fax : 91-22-22723121/ 2037/2039/2041/2061/3719 Scrip Code : 500040	The Manager Listing Department National Stock Exchange of India Ltd. "Exchange Plaza" 5th floor, Bandra Kurla Complex Bandra (East), Mumbai-400 051. Fax: 022-26598237/38 Scrip Code : CENTURYTEX

Dear Sir,

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

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

Pursuant to Regulation 30 read with Schedule III of the Listing Regulations, we wish to inform the stock exchanges that the Board of Directors of the Company ("**Board**") at its meeting held on 20th May 2018 have, *inter alia*, approved the draft Scheme.

The Scheme, *inter alia*, provides for the demerger of the Cement Business (*as defined in the Scheme*) of the Company into UltraTech Cement Limited. Post effectiveness of the Scheme, the equity shares of UltraTech Cement Limited shall be issued to the eligible shareholders of the Company.

The Scheme as aforesaid is subject to necessary approvals by the stock exchanges, Securities and Exchange Board of India, Competition Commission of India, shareholders and creditors of the company(ies), Mumbai Bench of National Company Law Tribunal and such other statutory and regulatory approvals as may be required.

The Scheme as approved by the Board would be available on the website of the Company at www.centurytextind.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 September 2015, we are furnishing herewith the details of the Scheme as Annexure I. Also attached is a Press Release in this regard.

The above is for your information and record.

Thanking you,

Yours faithfully,
For Century Textiles and Industries Limited

Atul K Kedia
Company Secretary

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Encl : as above

Annexure I – Demerger

a)	**Brief details of the division to be demerged**	Cement Business Cement Division consists of 3 integrated cement units with a total capacity of 11.4 MTPA (excludes 1.2 MTPA for which statutory clearance is pending) and 1 grinding unit of 2 MTPA
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**	Turnover of the Cement Business as on 31st March, 2018 was INR 4306 crores. The turnover of the Cement Business constituted 53.2 % of the total turnover of the Company in the financial year ending 31st March 2018
c)	**Rationale for demerger**	The Company is undertaking the demerger for: (i) unlocking the value of the Cement Business for the shareholders of the Company; and (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
d)	**Brief details of change in shareholding pattern (if any) of all entities**	Considering the shareholding pattern of the Company and UltraTech Cement Limited as on 31st March 2018, the pre and post demerger shareholding pattern of the Company and UltraTech Cement Limited is as under:

Company:

Particulars	Pre-demerger		Post-demerger	
	No of shares	%	No of shares	%
Promoters	56,077,970	50.21	56,077,970	50.21
Public	55,617,710	49.79	55,617,710	49.79
Total	**111,695,680**	**100.00**	**111,695,680**	**100.00**

UltraTech Cement Limited

Particulars	Pre-demerger		Post-demerger	
	No of shares	%	No of shares	%
Promoters	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
Total	**274,613,985**	**100.00**	**288,575,945**	**100.00**

*2,744,168 GDRs held by promoter group

e)	**In case of cash consideration – amount or otherwise share exchange ratio**	In terms of the share entitlement ratio enshrined in the Scheme, in consideration, UltraTech Cement Limited shall issue and allot to each shareholder of the 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 Company; 1(one) fully paid-up equity share of INR 10 each of UltraTech Cement Limited
f)	**Whether listing would be sought for the resulting entity**	The resulting entity (i.e UltraTech Cement Limited) is an existing listed entity and hence, not applicable

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Press Release

May 20, 2018

Demerger of Cement Division

Century Textiles & Industries to unlock the value of Cement division for the shareholders through demerger to UltraTech

The Board of Directors of Century Textiles And Industries Limited ("CTIL/ Company"), at its meeting held today, approved a Scheme of Arrangement between the Company, UltraTech Cement Limited ("UltraTech"), and their shareholders and creditors ("Scheme") for the demerger of its cement division into UltraTech.

The Board has approved the swap ratio, as recommended by the independent valuers, of 1(one) new equity share of UltraTech for every 8(eight) equity shares held in CTIL.

CTIL currently has four divisions i.e. Cement, Textiles, Pulp & Paper and Real Estate. The Company requires significant capital to upgrade, modernise and grow these businesses. The current leverage and cash flow profile constrains this growth. Hence, the Cement division will be demerged along with associated liabilities, including debt likely to be around INR 3,000 Cr, bringing down the leverage in CTIL by a meaningful amount from Net Debt/EBITDA of 3.1x to 1.6x (pro-forma FY18 adjusting for denim business).

CTIL's Cement division constitutes 3 integrated cement units with a total capacity of 11.4 mtpa[1] and 1 grinding unit of 2.0 mtpa. For the year ended March 31, 2018, it had reported revenue of INR 4,306 Cr and EBITDA of INR 544 Cr which includes net one-time gain of INR 51 Cr[2]. CTIL has EBITDA/ton of ~INR 367/ ton basis capacity (after adjusting one-time items), despite running at ~74% capacity utilisation, primarily due to high cost and market constraints.

Some of the cement plants of CTIL are old and require significant capex to modernise and enhance product quality. Besides, it would also require high maintenance capex for its upkeep. The existing mines at Raipur plant had limited limestone reserves. Therefore, additional mines have been acquired under auction for which land is required at an additional cost of ~INR 150 Cr to be now paid by UltraTech.

Furthermore, in the real estate business, a strong brand like *Birla Estates* is very favourably poised to capitalise on the immense opportunities given the rapid urbanisation, rising household incomes and the growing economy. The sector is witnessing a series of fundamental reforms on the regulatory

[1] It excludes capacity of 1.2 mtpa which is pending statutory clearance
[2] On account of NPV gain on fiscal incentive, reversal of provisions in district mineral fund, RPO obligation and provision for gratuity

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front such as implementation of the Real Estate (Regulation and Development) Act and Goods and Services Tax, which provides added advantage to large organised corporate players like Century.

The existing land parcels which the Company holds in Mumbai, Kalyan and near Pune, present an immediate opportunity for us to unlock value for CTIL shareholders while creating a mark in this space. The Company has land parcels in prime locations in Worli – 30 acres, Kalyan – 132 acres and Pune – 45 acres, where the Company is rolling out its development plans for premium and mid-income housing and commercial use. In addition to owned land, *Birla Estates* has already signed a MoU to develop 1 million sq. ft. of residential project in Gurgaon. Further, the business has plans to enter into similar MoUs to develop a residential, commercial and retail portfolio to achieve this plan, it will require significant funding over the next 5 years.

Pulp & Paper business has its locational advantage and has performed well in the last 3 years. The Company plans to modernise the facility and expand the tissue capacity whilst optimising the product mix, with the objective of further enhancing its profitability.

Hence, this transaction aims at deleveraging CTIL's balance sheet and creating an opportunity for its next phase of growth in the remaining businesses with a primary focus on Real Estate. It also achieves unlocking of the value of the Cement division to its shareholders through the issuance of equity shares of UltraTech directly to the shareholders of CTIL. UltraTech is the largest and one of the most valuable cement players in India and the shareholders of CTIL will continue to have exposure to cement through their highly liquid equity shareholding in UltraTech.

The transaction is subject to the necessary statutory and regulatory approvals including approvals of the NCLT, the Stock Exchanges, SEBI, Competition Commission of India (CCI), the respective Shareholders and lenders / creditors of each of the companies. The transaction is expected to be completed in the next 6 to 9 months.

Advisors to CTIL

Independent Joint Valuers: Bansi S. Mehta & Co. and Walker Chandiok & Co. LLP

Independent Fairness Opinion: JM Financial Limited

Legal Advisors: Vaish Associates Advocates

Century Textiles And Industries Ltd. ★