



BK BIRLA GROUP OF COMPANIES

MANGALAM CEMENT LTD.



MANGALAM CEMENT LTD.

MC/SEC
21st June, 2019

The Corporate Relations Department
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051
Security Code : MANGLMCEM

The Corporate Relations Department
Department of Corporate Services
~~BSE~~ Limited
25th Floor
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Scrip Code: 502157

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and outcome of the Board Meeting.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, please take note that Board of Directors ("**Board**") of the Company at its meeting held on 21st June, 2019, *inter alia*, have considered and accepted the recommendations of the Audit Committee for the Scheme of Amalgamation ("**Scheme**") pursuant to sections 230-232 and other applicable provisions of the Companies Act, 2013, providing for the amalgamation of Mangalam Timber Products Limited ("**MTPL**" or "**Transferor Company**") with Mangalam Cement Limited ("**MCL**" or "**Transferee Company**").


The Scheme would be subject to the requisite statutory/ regulatory approvals.

We enclose herewith the details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular NO. CIR/CFD/CMD/4/2015 dated 09, September, 2015 as given in **Annexure-A** to this letter.

Please take the information on record.

Thanking you,

Yours Faithfully,
For Mangalam Cement Limited


Manoj Kumar
Company Secretary

Encl.: as above

Regd. Office & Works : P.O. Aditya Nagar-326520, Morak, Distt. Kota (Raj.) CIN : L26943RJ1976PLC001705, Telefax : 07459 - 232156
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Annexure-A

Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr. No.	Particulars	Descriptions
a)	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;	<p>i. Transferor Company: Mangalam Timber Products Limited (MTPL)</p> <p>ii. Transferee Company: Mangalam Cement Limited (MCL)</p> <p>iii. MCL holds 6,50,000 number of equity shares of face value Rs. 10/- each of MTPL representing 3.55% of the paid up share capital of MTPL.</p> <p>iv. Revenue from operations for Financial Year ended 31st March, 2019: MTPL: INR 1127.51 Lakhs MCL: INR 119506.50 Lakhs</p> <p>Appointed Date: 1st April, 2019</p>
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	Yes, the transaction would fall within related party transactions and is done at 'arm's length'. Further it may be noted that the provisions of Section 188 of the Companies Act, 2013, as exemption in MCA circular No. 30/2014 dated July 17, 2014 shall not be applicable.
c)	Area of business of the entity(ies);	<p>Transferor Company: MTPL is primarily engaged in manufacture of Medium Density Fibre Board (MDF) from its factory located at Kusumi, Nabarangpur, in the State of Odisha. The Transferor Company sells its products under the brand name "DURATUFF". MDF is used in making furniture, Particle Boards, Doors and all kinds of carpentry work.</p> <p>Transferee Company: MCL is a well-established cement manufacturing Company having two cement manufacturing plants located at Morak in the State of Rajasthan with a consolidated installed capacity of 4.0 MTPA and one cement grinding plant located at Aligarh, in the State of</p>

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		<p>Uttar Pradesh. At present, the Transferee Company produces Ordinary Portland Cement (OPC) and Portland Pozzolana Cement (PPC) using the dry process. The cements are marketed under the brand name of "Birla Uttam". The Transferee Company has also set up two Captive Thermal Power Plants of 17.5 MW each. Apart from this, the Transferee Company also owns 13 (Thirteen) Wind Mills at Jaisalmer, Rajasthan with an aggregate capacity of 13.65 MW generation per day. Recently, the Transferee Company has invested approximately Rs.100 Crores in a Waste Heat Recovery unit (WHR) with a capacity of 11 MW at Morak plant in the State of Rajasthan which is scheduled to be commissioned in September 2019.</p>
d)	Rationale for amalgamation/ merger;	<p>The Scheme is expected to achieve the following benefits:</p> <ol style="list-style-type: none"> The Transferor Company and the Transferee Company are under common management and control. The said Companies have been looking at suitable proposals for consolidation for improving their financial and operating parameters and strengthening their position to grow and develop their business more effectively. With the view to integrate the business activities undertaken by both, the Transferor Company and the Transferee Company, under a single entity, it is proposed to amalgamate the said Companies under the terms and conditions of this Scheme. The proposed amalgamation of the two companies will streamline group structure reducing the multiplicity of legal and regulatory compliances required at present and accordingly this amalgamation is proposed. In the circumstances, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation. The amalgamation will increase the asset base and the net worth of the Transferee Company which in turn will enable it to conduct operations in the most cost effective and efficient manner to enhance the profitability of the Transferee Company.

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- iv. The amalgamation will enable appropriate consolidation and integration of the activities of the Transferor Company and the Transferee Company with pooling and more efficient utilization of their resources, reduction in overheads and other expenses and improvement in other parameters. The amalgamation will result in formation of a larger and stronger entity having greater capacity for conducting its operations more efficiently, economically and competitively.
- v. The existing operating business and activities of the Transferee Company will continue to constitute the main business and activity of the merged entity with the greater share of the assets and turnover of the merged entity being contributed by such operating business and activities. The business of the Transferor Company would, inter alia, benefit greatly from the larger infrastructure, easier access to finance and better outreach of the Transferee Company. The amalgamation will enable the merged entity to have a more rational asset holding structure. As such the undertakings of the two companies can be combined, run and managed together more conveniently and advantageously. The amalgamation will enable the amalgamated entity to pursue and grow its business and other opportunities in each of its business segment more effectively.
- vi. The amalgamation will enable the Transferor Company and the Transferee Company to pool their financial, managerial, technical and other resources in order to meet the global challenges and competitive market conditions. In particular, it would be prudent and beneficial that the financial resources be pooled together, as the magnitude of the capital and marketing investments contemplated will be better met by two companies merged together and considerable synergy of operations will be achieved. The Financial strength and marketing capability of the Transferee Company can further accelerate the scaling up of the operations of the Transferor Company and the aim to create a position of leadership in the products manufactured by the Transferor Company. The amalgamation will create a better and amore competitive market for the productsmanufactured by the Transferor Company. Their combination will result in strong financial

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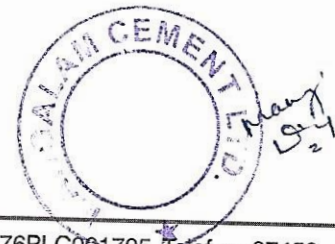
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structure and will facilitate resource mobilization, financial consolidation, lowering the cost of borrowing, increased operational efficiency and integrated management functioning. As such the amalgamation of the Transferor Company with the Transferee Company will enable greater realization of the potential of the businesses of the Transferor Company and the Transferee Company in the merged entity. The consolidation of undertakings of the companies will also result in the formation of a larger and a more broad based and diversified company having greater capacity to raise and access funds for growth and expansion of its business, marketing and selling its products and services and conducting trade on more favourable terms.

vii. All Equity Shares held by the Transferee Company in the Share Capital of the Transferor Company shall stand cancelled, without any further act or deed from the Appointed Date and, without any further obligation in this regard. All preference shares held by the Transferee Company in the Transferor Company shall be cancelled without issue and allotment of any new shares in lieu thereof to any person whatsoever. Such cancellation will rationalise and adjust the relationship between capital and assets suitably. The same will also enable the Transferee Company to have a more appropriate capital base and increase shareholders value.

viii. The Scheme is proposed accordingly and will have beneficial results for the said Companies, their shareholders, employees and all concerned.

e)	In case of cash consideration - amount or otherwise share exchange ratio;	1 (one) fully paid up equity share of Rs. 10 /- each of MCL to the Equity Shareholders of MTPL as on Record Date, for every 22 (Twenty-Two) fully paid up equity shares of Rs. 10/- each held by them in MTPL.
f)	brief details of change in shareholding pattern (if any) of listed entity.	The Shareholders of MTPL (except MCL) as on the Record Date shall become the Shareholders of MCL in accordance with the Scheme and MTPL shall be dissolved without being wound up.



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