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Ambuja Cement

Ref: ACL:SEC: 3835

July 24, 2013

To,

<p>1. National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra – Kurla Complex Bandra (East) Mumbai – 400 051 NSE Scrip Code: AMBUJACEM</p>	<p>2. BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai – 400 001 BSE Scrip Code: 500425</p>
<p>3. Societe de la Bourse de Luxembourg, Avenue de la Porte Neuve L-2011 Luxembourg, B.P 165 FAX NO.00352 473298 "Luxembourg Stock Ex-Group ID " <ost@bourse.lu</p>	<p>4. Deutsche Bank Trust Company Americas Winchester House 1 Great Winchester Street London EC2N 2DB, Fax No.+44207547 6073 Ctas Documents <ctas.documents@db.com</p>

Dear Sir,

Re: **Meeting of the Board of Directors of Ambuja Cements Limited held on July 24, 2013 at 4.00 p.m.**

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Re: **Notice pursuant to Clause 22 and 36(7) of the Listing Agreement**

- We wish to inform you that, at the meeting of the Board of Directors ("Board") of Ambuja Cements Limited ("Company") just concluded, the Board has considered, and unanimously approved a proposal to amalgamate Holcim (India) Private Limited ("HIPL") with the Company pursuant to a Scheme of Amalgamation between HIPL and the Company under Sections 391-394, read with Section 100 and other applicable provisions, if any, of the Companies Act, 1956 ("Scheme"), a draft of which was tabled before the Board and approved by it at the meeting. The Board of Directors of HIPL has also, in their meeting held earlier today, unanimously approved the said Amalgamation.
- In terms of the Scheme, in consideration of the amalgamation of HIPL with the Company, the Company shall issue and allot 584,417,928 (Fifty Eight Crore Forty Four Lacs Seventeen Thousand Nine Hundred and Twenty Eight) of its equity shares of face value of Rs. 2 (Rupees Two Only) as fully paid up for 4,324,692,672 (Four Hundred Thirty Two Crore Forty Six Lacs Ninety Two Thousand Six Hundred and Seventy Two) shares of face value of Rs. 10 (Rupees Ten Only) of HIPL held by such member (other than the Company) on the Record Date to be fixed by the Board of Directors of the Company and HIPL at a later date, as contemplated in the approved draft Scheme ("Share Exchange Ratio"). In case any shareholder's holding in HIPL is such that the shareholder becomes entitled to a fraction of an equity share of the Company, the Company shall not issue fractional share certificates to such shareholder and such fractional holding shall stand cancelled.



AMBUJA CEMENTS LIMITED

Elegant Business Park, MIDC Cross Road 'B', Off Andheri - Kurla Road, Andheri (E), Mumbai - 400 059

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Regd. Off. : P. O. Ambuja Nagar, Taluka - Kodinar, Dist. - Junagadh, Gujarat

Ambuja Cement

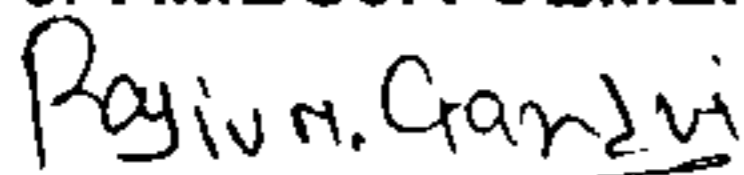
3. The Share Exchange Ratio has been arrived at based on the joint Valuation Report prepared by BSR and Associates and Price Waterhouse & Co., both independent Chartered Accountants, and confirmed by a Fairness Opinion prepared by Axis Capital Limited, an independent merchant banker, submitted to the Audit Committee and presented to the Board at its meeting.
4. The draft Scheme has been recommended by the Audit Committee of the Company to the Board, at its meeting held today i.e. July 24, 2013, taking into consideration, *inter alia*, the aforesaid joint Valuation Report and Fairness Opinion.
5. The effectiveness of the Scheme is subject to, *inter alia*, receipt of necessary approvals under applicable laws, including the approval of the shareholders and creditors of the Company and of HIPL, as well as the sanction of the Hon'ble High Court of Gujarat, Hon'ble High Court of Judicature at New Delhi and other concerned authorities. The Appointed Date under the Scheme is April 1, 2013 (which may be subsequently modified as contemplated in the Scheme).
6. Pursuant to the Scheme, the Company will acquire 50.01% shareholding in ACC Limited.
7. Pursuant to the Scheme, the shares of the Company held by HIPL shall stand cancelled automatically. Post the issuance of shares by the Company pursuant to the Scheme, the expanded capital base of the Company (post cancellation of shares held by HIPL and issuance of new shares as aforesaid) will increase by 28% and comprise of 197.75 crore shares.
8. At this meeting, the Board also discussed and unanimously approved the purchase of 1,365,692,423 (One Hundred Thirty Six Crores Fifty Six Lacs Ninty Two Thousand Four Hundred Twenty Three) shares constituting 24% of HIPL's share capital with face value of Rs.10/- (Rupees Ten Only) per share from Holderind Investments Limited for a consideration of Rs.25.63/- (Rupees Twenty Five and Sixty Three Paise Only) per share aggregating to Rs.35,002,696,801.49/- (Rupees Three Thousand Five Hundred Crore Twenty Six Lacs Ninty Six Thousand Eight Hundred and One and Paise Forty Nine Only), subject to terms to be mutually agreed (including conditions precedent) under the acquisition agreement proposed to be executed shortly by the Company with HIPL and Holderind Investments Limited. The purchase shall be undertaken post satisfaction of all other conditions precedent to the Scheme but prior to the effectiveness of the Scheme as contemplated under the acquisition agreement proposed to be executed by the Company with HIPL and Holderind Investments Limited.

A press release by the Company in relation to the Scheme is enclosed herewith.

This is for your information and record.

Yours faithfully,

For **AMBUJA CEMENTS LIMITED**



Rajiv Gandhi
Company Secretary



Attached: a/a

Ambuja Cement

Date: July 24, 2013 Mumbai, India

PRESS RELEASE

Unlocking Synergies:

The Board of Directors of Ambuja Cements Limited ("Ambuja"), in its meeting today, has unanimously approved a proposal, wherein Ambuja will first acquire from Holderind Investments Ltd., Mauritius ("Holcim"), a 24% stake in Holcim India for a cash consideration of INR 3,500 crores, followed by a merger of Holcim India into Ambuja. These intra-group transactions will result in Ambuja holding 50.01% stake in ACC.

The merger swap ratio proposed by two independent accounting firms and validated through a fairness opinion from an independent merchant banker, and approved by the Ambuja's Board on recommendation of the Audit Committee, is one Ambuja share for 7.4 Holcim India shares, translating into an implied swap ratio of 6.6 Ambuja shares for every ACC share. Based on the approved merger swap ratio, Ambuja will issue 58.4 crores new equity shares of Ambuja to Holcim, as consideration for the merger. Post the merger, the expanded capital base of Ambuja (post cancellation of the shares held by Holcim India in Ambuja and the issuance of new shares as aforesaid) will increase by 28% and comprise of 197.75 crore shares. Holcim will then own 61.39% of Ambuja and Ambuja will in turn own 50.01% of ACC. The transaction is subject to shareholder and regulatory approvals.

In addition, the Board has also provided its approval for Ambuja to make commercially reasonable efforts to invest upto INR 3,000 crores to acquire an economic ownership in ACC of up to 10% without triggering a mandatory open offer, subject to shareholders and regulatory approvals as applicable.

Mr. Narotam Sekhsaria, Non-Executive Chairman, Ambuja and ACC, said "This transaction allows us to capitalise on the prevailing Holcim Group platform, promotes greater co-operation between the group companies, and unlocks significant synergies over time. Investment in the expansion project at Marwar Mundwa is a positive and big next step forward and shows Holcim's commitment."

Mr. Onne Van Der Weijde, Managing Director, Ambuja, said "This transaction is a natural and an important next step towards further strengthening Holcim Group's India platform to increase profitability and facilitate more flexible use of capital. ACC has a strong heritage and its brands have great value in the market – both companies will significantly benefit from a closer collaboration to be ready to embark on the next phase of growth and optimization."

Value creation opportunities

- Improve financial structure by re-investing into the business
 - More efficient capital structure
 - Expected to be EPS accretive from Year 1 post completion of the transaction
 - Re-investment of cash – lowers dilution for minority shareholders of Ambuja
 - 'India Management Committee' structure to drive increased collaboration and realisation of synergy potential between Ambuja and ACC

- Unlock synergy potential



- Synergy potential of approximately INR 900 crores (USD 150 million) through supply chain and fixed cost optimization to be realised in a phased manner over two years post completion of the transaction
 - Combine Ambuja and ACC best practices into competitive advantages and synergies
 - Equally beneficial for Ambuja and ACC
- **Get capacity, scale and diversification**
 - Consolidated and more balanced pan-India footprint with 58 million tpa capacity
 - Confirmed expansion of >10 million tpa capacity underway in both companies, additional projects in the pipeline (e.g. ACC Ametha / Tikaria)
 - Strong and debt free combined financial position ensures flexibility for growth
- **Maintain front-end presence**
 - Well-established, complementary premium brands will continue to exist
 - Independent go-to-market strategy with strong dealer networks / distribution in respective markets
- **Long-term commitment to India**
 - Investment in Marwar Mundwa project with an overall capacity of 4.5 mio tpa in North-Central India
 - Intent to invest upto INR 3,000 crores to acquire an economic ownership in ACC of up to 10%

Transaction Steps

- Ambuja will first acquire a 24% stake in Holcim India for a cash consideration of INR 3,500 crores
- Holcim India will then be merged into Ambuja through an all stock merger under a High Court Scheme of Amalgamation
- Both transactions will close upon receipt of all relevant approvals

Highlights of the Scheme

- Ambuja will issue 58.4 crores equity shares of Ambuja to Holcim
- Holcim India's 9.76% shareholding in Ambuja will stand cancelled
- Post completion, Ambuja will own a 50.01% stake in ACC, and Holcim will own a 61.39% stake in Ambuja
- Appointed date of April 01, 2013

Transaction Approvals and Expected Timeline

The proposed scheme of Amalgamation will be subject to the following approvals:

- Shareholders and creditors of Ambuja and Holcim India
- BSE Limited and National Stock Exchange of India Limited
- Securities and Exchange Board of India (SEBI)
- Foreign Investment Promotion Board (FIPB), India
- Jurisdictional High Courts at Delhi and Gujarat
- Regulatory and other approvals as may be required.



Ambuja expects to hold an EGM to approve the transaction in Q4 CY 2013 and to complete the process of merger by Q2 / Q3 CY 2014, subject to shareholder and regulatory approval process.

The transaction will allow Ambuja to capitalise on the existing Holcim Group's India platform, unlock significant synergies and benefits of ~INR 900 crores (USD 150 million) per annum to be realised in a phased manner over two years for both ACC and Ambuja and prepares ground for further optimisation of the group structure.

About Ambuja Cements Limited

Ambuja Cements Ltd. (ACL) is one of the leading cement manufacturing companies in India and commenced cement production in 1986. Initially called Gujarat Ambuja Cements Ltd, the Company later became Ambuja Cements Ltd. In 2006, global cement major Holcim, acquired management control of the Company. Today, Holcim holds a little over 50% equity in ACL.

ACL has grown manifold over the past decade. Its current cement capacity is 27.25 million tonnes. The Company has 5 integrated cement manufacturing plants and 8 cement grinding units across the country. ACL enjoys a reputation of being one of the most efficient cement manufacturers in the world. Its environment protection measures are considered to be on par with the finest in the country. It is also one of the most profitable and innovative cement companies in India.

About Holcim India

Holcim India Private Limited was incorporated in the year 2002 under the Companies Act 1956, which is a wholly owned subsidiary of Holderind Investments Limited, Mauritius, formed to act as an investment company for downstream investment in cement manufacturing ventures in India. Holcim India holds equity stakes of 50.01% in ACC and 9.76% in Ambuja.

The investor presentation will be shortly available online for download at:

https://www.ambujacement.com/investor_relations.php

For any further information, send your queries at corporate.communications@ambujacement.com



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