

National Stock Exchange Of India Limited

Ref: NSE/LIST/39009/39004

Date: May 13, 2024

The Company Secretary
UltraTech Cement Limited
Ahura Centre, B-Wing, 2nd Floor,
Mahakali Caves Road,
Andheri (East), Mumbai – 400093.

The Company Secretary
Kesoram Industries Limited
9/1, R.N. Mukherjee Road,
Kolkata – 700001.

Kind Attn.: Mr. Sanjeeb Kumar Chatterjee**Kind Attn.: Mr. Gautam Ganguli**

Dear Sir,

Sub: Observation Letter for draft composite scheme of arrangement between Kesoram Industries Limited ("Demerged Company") and, Ultratech Cement Limited ("Resulting Company") and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

We are in receipt of draft composite scheme of arrangement between Kesoram Industries Limited ("Demerged Company") and Ultratech Cement Limited ("Resulting Company") and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 vide applications dated December 19, 2023.

Based on our letter reference no. NSE/LIST/39004 / 39009 dated March 11, 2024, submitted to SEBI pursuant to SEBI Master Circulars dated June 20, 2023 and June 30, 2023 read with Regulation 37, 59A, 94(2) & 94A(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), SEBI vide its letter dated May 10, 2024, has inter alia given the following comment(s) on the draft scheme of arrangement:

SEBI Comments in accordance with Regulation 37(1) of SEBI LODR Regulations, 2015 read with SEBI master Circular dated June 20, 2023 –


- a) *The Company shall ensure that the proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- b) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

- c) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Companies and the Stock Exchanges.*
- d) *The entities involved in the proposed scheme shall ensure that no changes are made in the draft scheme subsequent to filing the draft scheme with SEBI, except those mandated by the regulators/ authorities/ tribunal.*
- e) *The entities involved in the Scheme shall duly comply with the various provisions of the SEBI Master Circular dated June 20, 2023, and also ensure that all the liabilities of Demerged Undertaking are transferred to the Transferee Company.*
- f) *The Company shall ensure that information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- g) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- h) *The Company shall disclose the following as a part of the explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013, so that public shareholders can make an informed decision in the matter:*
- i. Need and rationale for demerger of Cement business of KIL into UCL along with impact of the scheme on shareholders of KIL and UCL and cost-benefit analysis of the scheme.*
 - ii. Need and rationale for reduction of preference share capital of KIL and the impact of the same on the reserves of the KIL.*
 - iii. Pre and Post Scheme Promoter shareholding of UCL along with rationale for addition of new promoters.*
 - iv. Rationale for arriving at terms of Preference shares being issued by UCL to preference shareholders of KIL as consideration in the scheme and impact of the same on the reserves of the UCL.*
 - v. Reason for showing promoters of KIL in Public category of UCL.*
 - vi. Value of Assets and liabilities of KIL that are being transferred to UCL and Post- Merger Balance sheet of UCL.*
 - vii. Impact of scheme on revenue generating capacity of KIL and UCL*
- i) *The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchanges shall be prominently disclosed in the notice sent to the shareholders.*



- j) The Company shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.*
- k) The Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*
- l) The Company shall ensure that no changes to the draft scheme shall be made without specific written consent of SEBI, except those mandated by the regulators/authorities/ tribunals.*
- m) The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- n) The Company shall ensure that all the applicable provisions under the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme, are complied.*
- o) It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*

SEBI comments in accordance with Regulation 59A of SEBI LODR Regulations read with SEBI Circular dated June 30, 2023 -

- p) The entities involved in the proposed scheme shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular dated July 29, 2022.*
 - q) The listed entity involved in the proposed scheme shall include information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part B of Schedule I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered merchant banker after following the due diligence process.*
 - r) The entities involved in the proposed scheme shall ensure that they have complied with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars.*
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It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 and 59A of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from May 13, 2024, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Dipti Chinchkhede
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

