

DCS/AMAL/AK/R37/3169/2024-25

May 13, 2024

**The Company Secretary,
ULTRATECH CEMENT LTD**
B Wing, Ahura Centre, 2nd Floor, Mahakali
Caves Road, Andheri East,
Mumbai, Maharashtra, 400093

**The Company Secretary,
KESORAM INDUSTRIES LTD**
Birla Building 9/1,
8th Floor, R N Mukherjee Road,
Kolkata, West Bengal, 700001

Dear Sir,

Sub: Observation letter regarding the Composite Scheme of Arrangement between Kesoram Industries Limited and Ultratech Cement Limited and their respective Shareholders and Creditors

We are in receipt of the composite Scheme of Arrangement between Kesoram Industries Limited and Ultratech Cement Limited and their respective Shareholders and Creditors filed Kesoram Industries Limited and Ultratech Cement Limited as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 37, 59A, 94(2) & 94A(2) of SEBI LODR 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:

- a. "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 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. "Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- d. "Entities involved in the proposed scheme shall not make any changes to the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchanges(s), except those mandated by the regulators/ authorities / tribunals."
- e. "Company shall ensure compliance with SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular dated June 20, 2023 and also ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."
- f. "Company is advised that the information pertaining to all the unlisted companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations 2018, in the

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explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.”

- g. “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 Companies are advised to disclose the following as a part of 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 the public shareholders can make an informed trading decision.
- (i) Need and Rationale for Demerger of Cement Business of KIL into UCL along with the impact of the scheme on the 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 scheme on the reserves of 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 scheme on reserves of 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 & UCL.
- i. “Company shall ensure that the details of the proposed scheme under consideration as provided to the stock exchange shall be prominently disclosed in the notice sent to shareholders.”
- j. “Company shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.”
- k. “Company is advised that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.”
- l. “Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”
- m. “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon’ble NCLT and the Company is obliged to bring the observations to the notice of Hon’ble NCLT.”
- n. “Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.”
- o. “It is to be noted that the petitions are filed by the company before Hon’ble 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.”
- p. The entities involved in the proposed scheme shall not provide any misstatements or furnish false information with regards 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 provision as provided in the Part B of Schedule I of 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 it has complied with all the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trustee Deeds entered with the Debenture Trustee(s), any other regulations and circulars.

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

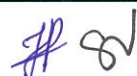
Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' 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 Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

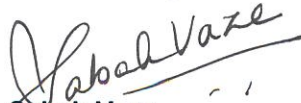
In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**



Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the**

Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Sabah Vaze
Senior Manager



Jayanti Pradhan
Assistant Manager