

DCS/AMAL/JP/R37/3461/2024-25

January 01, 2025

The Company Secretary,
Ambuja Cements Limited
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S G Highway,
Khodiyar, Ahmedabad, Gujarat,
382421

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation of Adani Cementation Limited with Ambuja Cements Limited and their respective shareholders and creditors.

We are in receipt of the Draft Scheme of Amalgamation of Adani Cementation Limited (ACL/Transferor Company) with Ambuja Cements Limited (Ambuja/Transferee Company) and their respective shareholders and creditors under Section 230 to 232 of the Companies Act, 2013 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 & 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS Divl/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated December 31, 2024 has inter alia given the following comment(s) on the draft scheme of Amalgamation:

- a) "The proposed composite scheme of amalgamation and arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligation 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) "The 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) "The entities involved in the proposed scheme shall ensure not to make changes in the draft scheme subsequent to filing of draft scheme with SEBI by the Company, except those mandated by the regulators/ authorities / tribunal."
- e) "The Company shall ensure compliance with the 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 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 explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."



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- 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 Company is 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, to enable them to make an informed decision in the matter:
- i. Need for merger, rationale of the scheme, synergies of the business of the Companies involved in the scheme, impact on the scheme on the shareholders and cost benefit analysis of the scheme.
 - ii. Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods.
 - iii. Pre and Post scheme shareholding of ACL and Ambuja as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.
 - iv. Capital built-up of ACL since incorporation and last 3 years shareholding pattern filed by ACL with ROC.
 - v. Details of Revenue, PAT and EBIDTA of ACL, Mudhway Mines, Raigad grinding unit, ACIL and Transferee Company for last 3 years.
 - vi. Projections considered for valuation of Ambuja, Mudhway Mines, Raigad grinding unit and ACIL.
 - vii. Justification for growth rate considered for valuation of Ambuja, Mudhway Mines, Raigad grinding unit and ACIL.
 - viii. Value of Assets and liabilities of ACL that are being transferred to Transferee Company and post-merger balance sheet of Ambuja.
 - ix. Rationale for showing shareholders of ACL as promoters in the Transferee company and its compliance with SEBI ICDR Regulations, 2018 and Companies Act, 2013.
 - x. Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties.
 - xi. Financial implication of merger on Promoters, Public Shareholders and the companies involved.
 - xii. Details of present capacity of Mudhway Mines, Raigad grinding unit and ACIL and their utilization.
 - xiii. Disclose all pending actions against the entities involved in the scheme and possible impact of the same on the Transferee Company to the shareholders.
- 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 is advised that proposed equity shares proposed to be issued as part of the "Scheme" shall mandatorily be in demat form only."
- k) "Company shall ensure that the "Scheme" shall be acted upon subject to the complying with the relevant clauses mentioned in the scheme document."
- l) "No changes to the draft scheme except those mandated by the Regulators/ authorities/ tribunals shall be made without specific written consent of SEBI."

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- 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 that applicable additional information, if any, to be submitted to SEBI along with the draft scheme of arrangement as advised by BSE email dated January 01, 2025 shall form part of the disclosures to the shareholders."
- o) "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."
- p) "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."

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, Byelaws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations do 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,



Ashok Kumar Singh
Deputy General Manager



Jayanti Pradhan
Assistant Manager