Ref: NSE/LIST/ 55832/55833 November 06, 2026

The Company Secretary Sagar Cement Limited	The Company Secretary Andhra Cements Limited

Dear Sir /Madam,

Sub: Observation Letter for draft Scheme of Amalgamation between Andhra Cements Limited ("ACL/ Transferor Company") with and into Sagar Cements Limited ("SAGCEM/ Transferee 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 the captioned draft scheme filed by Andhra Cements Limited and Sagar Cements Limited.

Based on our letter reference no. NSE/LIST/55832/55833 dated August 24, 2026, submitted to SEBI pursuant to SEBI Master Circular No - SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, read with Regulation 94(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI vide its letter dated October 30, 2026, has inter alia given the following comment(s) on the draft scheme of arrangement:

a) *The Companies shall ensure that it discloses 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.*

b) *The Companies 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.*

c) *The Companies shall ensure compliance with the SEBI circulars issued from time to time.*

d) *The Companies shall duly comply with various provisions of the Circular and ensure that all the liabilities of the transferor Company shall stand transferred to and vested in and be deemed to be transferred to and vested in the transferee company.*

e) *The Companies shall ensure 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 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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f) The Companies shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.

g) The Companies shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.

h) The Companies shall ensure 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 -

i. Need for the merger, rationale of the scheme, synergies of business of the entities involved in the scheme, impact of 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. Basis for arriving at the share swap ratio.

iv. Pre and Post scheme shareholding of transferor and transferee companies 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.

v. Capital built-up of transferor and transferee companies since incorporation and last 3 years.

vi. Details of Revenue, PAT and EBIDTA of transferor and transferee companies for last 3 years.

vii. Value of Assets and liabilities of transferor company that are being transferred to transferee company and post-merger balance sheet of transferee company.

viii. Details of potential benefits and risks associated with the amalgamation.

ix. Financial implication of the amalgamation on Promoters, Public Shareholders and the companies involved in the scheme along with future growth prospects of transferee company pursuant to merger.

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x. *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.*

i) *The Companies shall ensure to disclose all pending actions against the entities involved in the scheme its promoters/directors/KMPs.*

j) *The Companies shall ensure that all the applicable additional information, if any, shall form part of disclosures to shareholders, which was submitted by the Company to the Stock Exchange as per Annexure L of Exchange checklist.*

k) *The Companies shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*

l) *The Companies shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*

m) *The Companies shall ensure that 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 reference number SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 (as amended from time to time), for listing obligations and disclosure requirements for Non-Convertible Securities, Securitized Debt Instruments and/or Commercial Paper.*

n) *The Companies 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.*

o) *The Companies 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.*

p) *The Companies shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*

q) *It is to be noted that the petitions are filed by the Companies before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the Companies 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.*

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r) The Companies shall ensure that the listed entity involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

s) Please note that the submission of documents/information, in accordance with the Circular to SEBI, should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI 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.

It is to be noted that the petitions are filed by the Companies 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 Limited (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 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 November 06, 2026, 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.

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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 37/59A of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Saili Kamble
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

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