DCS/AMAL/RD/R37/323/2026-27 **November 05, 2026**

To,
The Company Secretary,
Sagar Cements Limited
Plot No. 111, Road No. 10,
Jubilee Hills , Hyderabad,
Telangana – 500 033.

The Company Secretary
Andhra Cements Limited
Plot No. 111, Road No. 10,
Jubilee Hills, Hyderabad,
Telangana – 500 033.

Dear Sir/Madam,

Sub: **Draft Scheme of Amalgamation of Sagar Cements Limited**

We refer to your application for draft scheme of Amalgamation of Andhra Cements Limited (Transferor Company/ACL) with Sagar Cements Limited (Transferee Company/SCL Steel) under Section 230-232 and other applicable provisions of the Companies Act, 2013 filed with the Exchange under Regulation 37 and 94 (2) of SEBI (LODR) Regulations, 2015 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

In this regard, SEBI vide its Letter dated October 30, 2026, has inter alia given the following comment(s) on the said draft scheme of Arrangement: -

1. **"The entity shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against it, its promoters and directors, before the Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

2. **"The entities are advised to ensure that the captioned Scheme of Arrangement is made expressly subject to receipt of the NOC from the lending scheduled commercial banks/financial institutions in compliance with Para A (2) (k) of Part I of SEBI Master Circular dated June 20, 2023."**

3. **"The entities are advised to ensure that the captioned Scheme of Arrangement is made expressly subject to receipt of the report on complaints, followed by due examination of the same and taking of necessary measures, in compliance with Para A(6) of Part I of the SEBI Master Circular dated June 20, 2023."**

4. **"The entity shall ensure that additional information, if any, submitted by it 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."**

5. **"The entity shall ensure compliance with the SEBI circulars issued from time to time."**

6. **"The entities involved in the Scheme 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."**

Registered Office: BSE Limited, Floor 25, P J Towers, Dalal Street, Mumbai 400001, India. **T:** +91 22 2272 1234/33 | **E:** corp.comm@bseindia.com
www.bseindia.com | Corporate Identity Number : L67120MH2005PLC155188

7. "The entity 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 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."

8. "The entity shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."

9. "The entity is advised 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."

10. "Both the entities 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 -

    a. 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.
    b. 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.
    c. Basis for arriving at the share swap ratio.
    d. 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.
    e. Capital built-up of transferor and transferee companies since incorporation and last 3 years.
    f. Details of Revenue, PAT and EBIDTA of transferor and transferee companies for last 3 years.
    g. Value of Assets and liabilities of transferor company that are being transferred to transferee company and post-merger balance sheet of transferee company.
    h. Details of potential benefits and risks associated with the amalgamation.
    i. 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.
    j. 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.

11. "Disclose all pending actions against the entities involved in the scheme its promoters / directors / KMPs.

12. **"The entity shall ensure that applicable additional information, if any to be submitted to SEBI along with draft scheme of arrangement as advised by email dated November 05, 2026 shall form part of disclosures to the shareholders."**

13. **"The entity is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only."**

14. **"The entity is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."**

15. **"The entity is advised 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_Divl/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."**

16. **"No changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."**

17. **"The entity is advised 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."**

18. **"The entity is advised 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."**

19. **"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."**

20. **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."**

21. **"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."**

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.

RP

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

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 Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

Kindly note that as required under Regulation 37 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 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,

Nitinkumar Pujari
Assistant Vice President

Abhishek Kadlak
Deputy Manager