

**FOR THE ATTENTION OF SHAREHOLDERS OF  
KESORAM INDUSTRIES LIMITED**

The Hon'ble National Company Law Tribunal, Kolkata Bench and Mumbai Bench ("NCLTs") vide their Orders dated 14<sup>th</sup> November, 2024 and 26<sup>th</sup> November, 2024 respectively ("the Orders") have approved the Composite Scheme of Arrangement between Kesoram Industries Limited ("KIL" or "the Demerged Company" or "the Company") and UltraTech Cement Limited ("UTCL" or "the Resulting Company") and their respective shareholders and creditors ("the Scheme").

In terms of para 7(a) and para 13 of the Orders respectively, NCLTs have approved the Appointed Date as 1<sup>st</sup> April, 2024. The Board of Directors of KIL and UTCL have declared the Scheme to be effective from 1<sup>st</sup> March, 2025 and accordingly, the cement division ("demerged undertaking") of KIL has been demerged and stands transferred and vested in UTCL, on a going concern basis w.e.f. 1<sup>st</sup> April, 2024, being the Appointed Date.

Pursuant to the Orders, UTCL has allotted 1 (one) fully paid up equity share of Rs.10/- (Rupees Ten) each for every 52 (fifty two) fully paid up equity shares of Rs. 10/- (Rupees Ten) each held by the Shareholders of the Company, whose name are recorded in the register of members and records of the depository as members of KIL, on the Record Date i.e. 10<sup>th</sup> March, 2025.

This Communication is being issued for general guidance of the shareholders of KIL in relation to the method of calculation and apportionment of the cost of acquisition of Company's shares between the shares of KIL and UTCL as per the provisions of section 49(2C) and 49(2D) of the Income Tax Act, 1961.

As per section 49(2C), the cost of acquisition of shares in UTCL is to be worked out as under:

- The cost of acquisition of shares in UTCL shall be the amount which bears to the cost of acquisition of the shares held by the assessee in KIL in the same proportion as the net book value of the assets transferred in a demerger bears to the net worth of the demerged company immediately before such demerger
- The Net Book Value of the Assets transferred of cement division of KIL before the demerger is (-) Rs.472.43 crore;
- The net worth of KIL immediately before demerger on 31<sup>st</sup> March, 2024 is Rs.314.19 crore.
- The apportionment ratio contemplated u/s 49(2C) works out to be a negative figure [i.e. (-) 472.43 / 314.19]. Consequently, the cost of acquisition of KIL share required to be apportioned over the new UTCL shares is Rs. Nil.

...1..



...2..

Correspondingly, as per the provisions of section 49(2D), the cost of acquisition of the KIL shares post demerger will continue to be the same as the cost of acquisition prior to demerger.

To summarise, the ratio of apportionment cost in terms of section 49(2C) and section 49(2D) of the Act is as under:

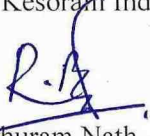
Name of the Company	Cost of Acquisition of Equity Shares
KIL	100%
UTCL	0.00%
<b>Total</b>	<b>100.00%</b>

Further, as per clause (g) of Explanation 1 to section 2(42A) read with section 47(vii) of the Income Tax Act, 1961, the issue of shares by UTCL pursuant to the Scheme to the equity shareholders of KIL in consideration of the demerger of the cement business of KIL in terms of Part II of the Scheme will not be regarded as transfer and the period of holding of shares of KIL will be deemed to be the period of holding of equity shares of UTCL too.

*The communication is merely for the general guidance of the shareholders, and should not be considered as a substitute for any independent opinion that the shareholders may obtain. Determination of cost of acquisition is otherwise an involved exercise requiring application of section 55(2)(ac) r.w. section 112A of the Income Tax Act, 1961. Shareholders are advised to take necessary professional advice in the matter. The concerned regulatory, statutory or judicial authority, including any assessing officer / appropriate appellate authority, could take a different view. The Company takes no express or implied liability, in relation to this guidance.*

Thanking You,

For Kesoram Industries Limited

  
Raghuram Nath  
Company Secretary



Place: Kolkata  
Date: 21/03/2025