

**Demerger of Cement Business to Unlock Value to its Shareholders and Deleverage the Balance Sheet**

The Board of Directors of Kesoram Industries Limited ("KIL / Company"), at its meeting held today, approved a Composite Scheme of Arrangement amongst the Company, and UltraTech Cement Limited ("UltraTech") and their respective shareholders and creditors ("Scheme") for demerger of its cement division into UltraTech and reduction and cancellation of the preference share capital of the Company.

The Board of Directors approved below share exchange ratios as suggested by independent valuers

- 1 (one) equity share of UltraTech of INR 10/- each fully paid up for every 52 (fifty two) equity shares of KIL of INR 10/- each fully paid up
- 54,86,608 (Fifty Four Lakhs Eighty Six Thousand Six Hundred and Eight) RPS 1 shares of UltraTech of INR 100/- each fully paid up for 90,00,000 (Ninety Lakhs) 5% cumulative non-convertible redeemable preference shares of KIL of INR 100/- each fully paid up
- 8,64,275 (Eight Lakhs Sixty Four Thousand Two Hundred and Seventy Five) RPS 2 shares of UltraTech of INR 100/- each fully paid up for 19,19,277 (Nineteen Lakhs Nineteen Thousand Two Hundred and Seventy Seven) zero% optionally convertible redeemable preference shares of KIL of INR 100/- each fully paid up

The proposed transaction will unlock value of the Cement Business for the shareholders of the Company and also substantially deleverage the balance sheet including reduction of debt and outflow of interest. Pursuant to the proposed transaction, the shareholders of the Company will receive the shares of UltraTech, the largest cement producer in India and thus continue to participate in the value creation from the cement business.

The transaction is subject to the approval of shareholders and creditors, stock exchanges, NCLT, CCI and all other regulatory authorities as may be required. The transaction is expected to be consummated within 9-12 months subject to above regulatory approvals.

JM Financial Limited is the exclusive financial advisor to the Company. PwC Business Consulting Services LLP and Bansi S. Mehta & Co. are the independent joint valuers. DAM Capital Advisors Limited has provided an opinion on fairness of the share exchange ratios. Khaitan & Co, Kolkata are the legal advisors to the Company.

**Brief about the Cement Division of the Company:**

The Company established its first cement plant in 1969 in Basantnagar in the state of Telangana, currently having a clinker capacity of c. 1.20 MTPA. Further it added capacities from 1983 onwards at Sedam in the state of Karnataka currently having a clinker capacity of c. 5.10 MTPA. The aggregate cement capacity of the Company is 10.75 MTPA, out of the same 8.50 MTPA is backed by existing clinker capacity at 60% blended cement produce. The Company also has a packing plant in Solapur, Maharashtra with a storage capacity of 1,000 MT. The Company has integrated all its cement brands under one umbrella brand - Birla Shakti Cement.