



SAGAR CEMENTS LIMITED

SCL:NSE:2021-22

15th February, 2022

The National Stock Exchange of India Ltd.,
"Exchange Plaza", 5th Floor,
Bandra - Kurla Complex
Bandra (East)
Mumbai - 400 051.

Dear Sir,

Our Letter dated 29th January, 2022 intimating merger proposal

With reference to your email dated 1st February, 2022, we give below our clarification regarding Rationale for Amalgamation/merger of our wholly-owned subsidiary viz., M/s.Jajpur Cements Private Limited with us.

1. Reduction in the cost of overheads and improvement in professional management.
2. Reduction in multiplicity of legal and regulatory compliances and simplification of group structure.
3. Enhancement in the scale of operations in due course thereby providing significant impetus to the growth of the Companies, since they are engaged in line of business that could draw upon synergies between the Transferor Company and the Transferee Company.
4. Consolidation of Transferor Company with the Transferee Company by way of amalgamation would lead to a more efficient utilization of capital and improved financial structure.
5. The benefit of consolidation of financial resources, managerial and technical expertise of the Transferor Company and the Transferee Company shall be available to the Transferee entity leading to the overall optimization of operational and administration costs.
6. The amalgamation will rationalize and optimize the group legal entity structure to ensure greater alignment of the businesses by reducing number of legal entities and also statutory compliances.
7. Will achieve synergies in business activity, consolidation, focused attention, centralized administration, economy of operation, integrated business approach and greater efficiency.

We hope that we have clarified the matter to your satisfaction and should you require any further clarification, we shall be pleased to furnish you with the same on hearing from you.

We are extremely sorry for the belated submission of the clarification.

Thanking you

Yours faithfully

For Sagar Cements Limited


R. Soundararajan
Company Secretary



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CIN : L26942TG1981PLC002887 GSTIN : 36AACCS8680H1ZZ