Ref: NSE/LIST/44459 April 02, 2025

The Company Secretary
JK Tyre & Industries Limited

Kind Attn.: Mr. Kamal Manik

Dear Sir,

Sub: Observation Letter for draft scheme of arrangement between Cavendish Industries Limited ("CIL/Transferor Company") and JK Tyre & Industries Limited ("JKTIL/Transferee Company") and their respective shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

We are in receipt for captioned draft composite scheme of arrangement filed by JK Tyre & Industries Limited.

Based on our letter reference no. NSE/LIST/44459 dated December 31, 2024, submitted to SEBI pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 37 and Regulation 94(2) of SEBI (LODR) Regulations, 2015 for comments on the Draft Scheme of Arrangement. SEBI vide its letter dated April 01, 2025, has inter alia given the following comment(s) on the draft scheme of arrangement:

a) *The Company shall ensure that the proposed composite scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

b) *The Company shall ensure to disclose 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.*

c) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed company and the Stock Exchanges.*

d) *The company shall ensure that the entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by regulators/authorities/tribunal.*

e) *The Company shall ensure compliance with the SEBI Circular issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular dated June 20, 2023, and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*

f) *The Company shall ensure that information pertaining to all the Unlisted Companies, if any, involved 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.*

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

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h) *The Companies shall ensure that the following disclosure 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, so that public shareholders can make an informed decision in the matter.*

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. *Clarification letter dated January 17, 2025 issued by Statutory Auditor with respect to method of accounting to be followed for accounting amalgamation in Transferee Company post-merger.*
iii. *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.*
iv. *Revised shareholding pattern submitted by JKTIL vide email dated March 21, 2025.*
v. *Pre and Post scheme shareholding of CIL and JKTIL 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.*
vi. *Capital built-up of CIL since incorporation and last 3 years shareholding pattern filed by CIL with ROC.*
vii. *Details of Revenue, PAT and EBIDTA of CIL and JKTIL for last 3 years.*
viii. *Projections considered for valuation of CIL and JKTIL.*
ix. *Justification for growth rate considered for valuation of CIL and JKTIL.*
x. *Value of Assets and liabilities of CIL that are being transferred to Transferee Company and post-merger balance sheet of JKTIL.*
xi. *Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties.*
xii. *Financial implication of merger on Promoters, Public Shareholders and the companies involved.*
xiii. *Conditions imposed by lending scheduled commercial banks/financial institutions, if any, while issuing its NOC to the Scheme.*
xiv. *Disclose all pending actions against the entities involved including its promoters and directors in the scheme and possible impact of the same on the Transferee Company to the shareholders.*

i) *The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchanges shall be prominently disclosed in the notice sent to the shareholders.*

j) *The Company shall ensure that the proposed equity shares, if any, to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*

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

l) *The Company 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.*

m) *The Company 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.*

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

o) *The Company 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.*

p) *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. Hence, the Company 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.*

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. 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.

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.

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 April 02, 2025, 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.

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 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

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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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