



**IDBI Capital Markets & Securities Ltd.**  
 Regd. Office :  
 6th Floor, IDBI Tower, WTC Complex,  
 Cuffe Parade, Mumbai - 400 005.  
 Tel.: +91-22-2217 1700, 6836 1299  
 Fax: +91-22-2215 1787  
 Email: info@idbicapital.com  
 CIN : U65990MH1993GOI075578

**STRICTLY CONFIDENTIAL**

Ref: Inv. Bk/M&A/GD/24-25/063

December 17, 2024

**The Board of Directors**

**Ambuja Cements Limited**

Adani Corporate House,  
 Shantigram, Near Vaishnav Devi Circle,  
 S. G. Highway, Khodiyar,  
 Ahmedabad, Gujarat 382421.

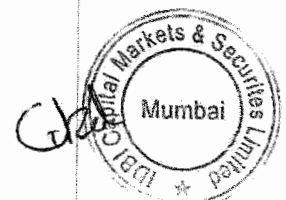
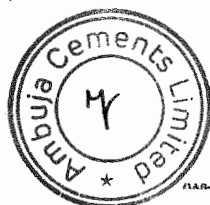
Dear Members on the Board,

**Subject:** Fairness Opinion on the Value of Equity Shares of Penna Cement Industries Limited in context of the Proposed Scheme of Arrangement between Penna Cement Industries Limited and Ambuja Cements Limited and their respective shareholders.

This is with reference to our appointment vide letter dated December 9, 2024 ("**Appointment Letter**") wherein Ambuja Cements Limited (hereinafter referred to as the "**Transferee Company**" or "**Ambuja**") had engaged IDBI Capital Markets & Securities Limited ("**IDBI Capital**") to provide Fairness Opinion to the Board of Directors of Ambuja on the Value of Equity Shares of Penna Cement Industries Limited in accordance with the valuation report by GT Valuation Advisors Private Limited (the "**Valuer**"), appointed by Ambuja for the proposed Scheme of Arrangement between Penna Cement Industries Limited (hereinafter referred to as the "**Transferor Company**" or "**PCIL**") and Ambuja Cements Limited and their respective shareholders under Sections 230 to Sections 232 and other applicable provisions of the Companies Act, 2013 ("**Proposed Scheme**").

**1. Company Background and Scope of Engagement:**

- (i) The Transferor Company (as defined hereinafter) was incorporated on October 24, 1991, as Penna Cement Industries Limited, a public limited company, with the Registrar of Companies, Andhra Pradesh, under the provisions



of the Companies Act, 1956. Its name was changed to: (a) Penna Cement Industries Limited on September 28, 2010; and (b) Penna Cement Industries Limited on July 26, 2012. The Corporate Identification Number of the Transferor Company is U26942AP1991PLC013359. The registered office of the Transferor Company is presently situated at 8 - 3 - 975, Plot No. 128, Srinagar Colony, Khairatabad, Telangana, India - 500 073. The equity shareholders of the Transferor Company in the extraordinary general meeting held on November 15, 2024, approved shifting of the registered office of the Transferor Company from the State of Telangana to the State of Gujarat. An application for shifting of the registered office of the Transferor Company from the State of Telangana to the State of Gujarat has been filed by the Transferor Company with the Regional Director, South East Region, Hyderabad, Telangana on December 11, 2024.

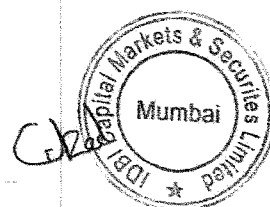
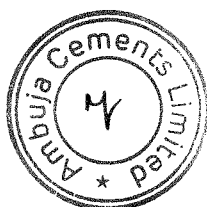
The Transferor Company is engaged in the business of manufacturing and selling of cement and cement related products.

The Transferee Company (as defined hereinafter) on August 16, 2024, acquired 99.92% of the paid-up equity share capital of the Transferor Company from the erstwhile promoters/promoter affiliates of the Transferor Company. As on November 30, 2024, the Transferee Company holds 99.94% of the paid-up equity share capital of the Transferor Company. The Transferor Company is a subsidiary of the Transferee Company.

- (ii) The Transferee Company was incorporated on October 20, 1981, as Ambuja Cements Private Limited, a private limited company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956. Its name was changed to (a) Ambuja Cements Limited on March 19, 1983; (b) Gujarat Ambuja Cements Limited on May 19, 1983; and (c) Ambuja Cements Limited on April 5, 2007. The Corporate Identification Number of the Transferee Company is L26942GJ1981PLC004717. The registered office of the Transferee Company is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat – 382 421, India.

The Transferee Company is among the leading cement companies in India, renowned for its hassle-free, home-building solutions with its unique sustainable development projects and environment-friendly practises since it started its operations.

The Transferee Company is part of Adani Group of companies. The equity shares of the Transferee Company are listed on the Stock Exchanges (as defined hereinafter). The global depository receipts issued by the Transferee Company are listed on the Luxembourg Stock Exchange.



By way of separate schemes of amalgamation, it is proposed (a) to merge Adani Cementation Limited (a wholly owned subsidiary of Adani Enterprises Limited) with the Transferee Company ("Adani Cementation Merger Scheme"); and (b) to merge Sanghi Industries Limited (a subsidiary of the Transferee Company) with the Transferee Company ("Sanghi Merger Scheme").

"Entities" collectively means Transferee Company and Transferor Company;

For the purpose of Proposed Scheme, the Transferee Company has appointed the Valuer to determine the Value of Equity Shares of Panna Cement Industries Limited and has, in terms of the Appointment Letter requested IDBI Capital to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Value of Equity Shares ("Fairness Opinion") as per the requirements of the relevant SEBI circulars ("SEBI Circular"). This fairness opinion is being provided solely to the Board of Directors of Ambuja Cements Limited and strictly within this context and is not intended to represent the valuation at which such a transaction is carried out, and does not address Ambuja (or any other party's) underlying business decision to proceed with or effect any commercial decisions relating to the Proposed Scheme.

As per the Valuation Report dated December 17, 2024, the valuers have recommended the Value of Equity Shares of Panna Cement Industries Limited equal to INR 41373.6 million at INR 309.2 per 1 equity share of Panna Cement Industries Limited of INR 10/- each fully paid up.

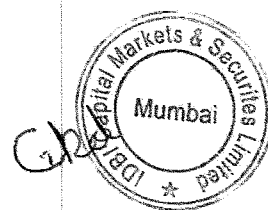
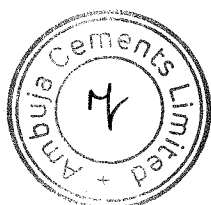
All terms not specifically defined in this Fairness Opinion Report shall carry the same meaning as in the Proposed Scheme.

For the avoidance of doubt, this Fairness Opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in Ambuja Cements Limited to any person.

## 2. Proposed Scheme

### Rationale of the Scheme

The Transferee Company with effect from August 16, 2024 has become the promoter of the Transferor Company. As both the companies are under the same line of business, the amalgamation will enable the Transferee Company to absorb the business of the Transferor Company completely for carrying on more effectively and beneficially.



The Scheme will enable the Transferee Company to integrate the Transferor Company's operations, leading to more efficient and economical business management. This includes better resource utilization, reduced overheads, cost savings, economies of scale, elimination of duplicated efforts, and streamlined compliance requirements through amalgamation.

The amalgamation will enhance business potential of the Transferor Company, add value to both the companies, and ultimately increase the shareholders' value.

The amalgamation will lead to reduction and rationalisation of multiple entities in the group.

### **Parts of the Proposed Scheme**

*The Scheme is divided into the following parts:*

*Part I deals with the definitions, interpretation, date of taking effect and share capital of the Transferor Company and the Transferee Company;*

*Part II deals with the amalgamation of the Transferor Company into and with the Transferee Company in accordance with the provisions of Sections 230 – 232 of the Act; and*

*Part III deals with the general terms and conditions that would be applicable to the Scheme.*

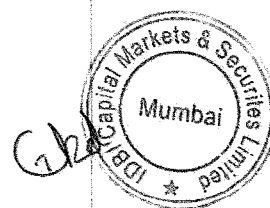
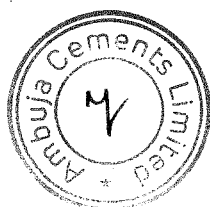
### **3. Source of Information:**

In arriving at the opinion set forth below, we have relied on the following:

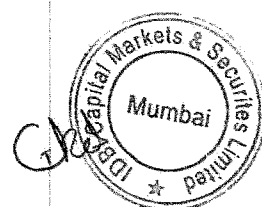
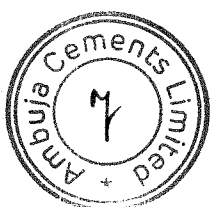
- a) Valuation Report dated December 17, 2024 prepared by GT Valuation Advisors Private Limited;
- b) Draft Scheme of Arrangement;
- c) Financial Projections of Ambuja and SIL;
- d) Historical Audited financial statements;
- e) Representations from the management of Ambuja Cements Limited;
- f) Additional information provided through email. Information including but not limited to those mentioned hereinabove.

### **4. Scope Limitations and Disclaimers:**

- This Fairness Opinion is being provided solely to and from the perspective of Board of Directors of Ambuja Cements Limited and only in connection with the Proposed Scheme.



- This Fairness Opinion is confidential and is provided pursuant to and subject to the terms of our appointment and terms of business.
- It is being made available for information purposes only and on a confidential basis.
- This Fairness Opinion is for the exclusive use of Board of Directors of Ambuja Cements Limited and it may be disclosed to such persons and authorities as may be required under Law.
- This Fairness Opinion must not be copied, reproduced, distributed or passed, in whole or in part, to any other person at any time without our prior written consent.
- Each recipient acknowledges that some or all of the information contained in the Fairness Opinion is or may be inside information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each recipient undertakes not to use any information contained in the opinion for any unlawful purpose.
- This Fairness Opinion does not constitute an offer or invitation or a solicitation of any offer or invitation for the sale or purchase of securities or of any of the assets, business or undertaking of Ambuja Cements Limited. In addition, it is not intended to form the basis of or act as an inducement to enter into any contract or investment activity, and should not be considered as a recommendation by us, Ambuja Cements Limited or any other person in relation to Ambuja Cements Limited.
- The information used for this opinion, which does not purport to be comprehensive, has been provided to us by Ambuja Cements Limited and its advisors and/or obtained from publicly available sources. We have assumed the accuracy of the information so received and this has not been verified by us. No representation or warranty, express or implied, is or will be given by us or our respective directors, officers, employees or advisers or any other person as to the accuracy or completeness of this opinion and, so far as permitted by law, no responsibility or liability is accepted for the accuracy or sufficiency thereof, or for any errors, omissions or misstatements, negligent or otherwise, relating thereto.
- In particular, but without limitation, (subject as aforesaid) no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts and nothing in this opinion is or should be relied on as a promise or representation as to the future. Accordingly, (subject as aforesaid) neither us, nor any of our respective directors, officers, employees or advisers, nor any other person, shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this opinion or any other written or oral communication with the recipient or its advisors in connection with its evaluation of Entities and (save in the case of fraudulent misrepresentation or wilful non-disclosure) any such liability is expressly disclaimed.



The receipt of this opinion by any person is not to be taken as constituting the giving of investment opinion by us to any such person, nor to constitute such person our client.

For avoidance of any doubts, it is clarified that fees payable to IDBI Capital by Ambuja Cements Limited is not in any way contingent upon nature of opinion provided to Ambuja Cements Limited.

## 5. Conclusion:

In our opinion, in the given circumstances, based on all relevant factors, information and subject to the scope limitations & disclaimers on the date hereof, and to the best of our knowledge and belief, we are of the opinion that the Value of Equity Shares of Penna Cement Industries Limited as recommended by the Valuer, is fair and reasonable.


## 6. Distribution of the Fairness Opinion

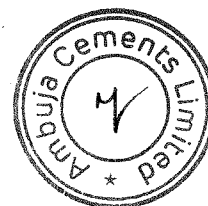
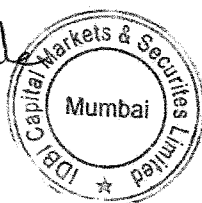
The Fairness Opinion is addressed only to the Board of Directors of Ambuja Cements Limited. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to other third party without IDBI Capital's prior written consent. However, Ambuja Cements Limited may provide a copy of the Fairness Opinion if required / called upon by any regulatory authorities of India subject to Ambuja Cements Limited promptly intimating IDBI Capital in written about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality & not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than to whom it is addressed or for any purpose than the purpose stated hereinabove, then, we will not be liable for any consequences thereof & shall not take any responsibility for the same. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement documents given to third parties. In no circumstances however, will IDBI Capital or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of IDBI Capital accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours Faithfully,

For and on behalf of

**IDBI Capital Markets & Securities Limited**

  
**Authorised Signatory**



December 17, 2024

*Private and Confidential*

To,  
The Board of Directors  
Penna Cement Industries Limited  
H. No. 8-2-268/A/1/S & S1,  
Plot No. 705, Road No. 3,  
Banjara Hills,  
Hyderabad - 500034

Dear Sir(s) / Madam(s),

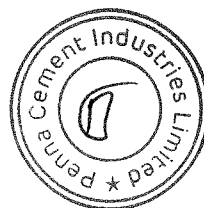
**Subject: Fairness Opinion on the recommendation of the Fair Valuation Report for the proposed amalgamation of Penna Cement Industries Limited into and with Ambuja Cements Limited**

Penna Cement Industries Limited ('PCIL', 'the Transferor Company') is engaged in the manufacturing and selling of cement and cement products. Ambuja Cements Limited ('ACL', 'the Transferee Company') is one of the leading companies in India engaged in the manufacturing and selling of cement and cement products. The equity shares of ACL are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') (BSE and NSE are together known as 'the Stock Exchanges'). ACL holds 99.94% of the equity shares of PCIL. ACL and PCIL are together referred to as 'the Companies'.

A scheme of arrangement has been proposed by the Board of Directors of the Companies for the amalgamation of PCIL with and into ACL, in accordance with the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013 ('the Scheme'). The terms not defined herein would carry meaning as per the Scheme.

Accordingly, PCIL intends to obtain a Fairness Opinion Report on the recommendation of the Fair Valuation Report for the proposed amalgamation of Penna Cement Industries Limited into and with Ambuja Cements Limited.

PCIL has appointed Vivro Financial Services Private Limited, a Merchant Banker registered with SEBI having Registration Number INM000010122 ('Vivro', 'Merchant Banker', 'we', 'us', 'our'), through an Engagement Letter dated December 2, 2024, to issue a Fairness Opinion Report on the recommendation of the Fair Valuation Report dated December 17, 2024, issued by BDO Valuation Advisory LLP ('Fair Valuation Report'), registered with the Insolvency and Bankruptcy Board of India ('IBBI') with registration number IBBI/RV-E/02/2019/103 and enrolled with IOV Registered Valuers Foundation ('the Registered Valuer'), as on December 16, 2024 ('the Valuation Date').



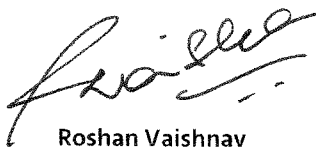
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The attached Fairness Opinion Report ('**Fairness Opinion Report**') has been issued to facilitate PCIL in complying with the extant provisions of the regulations as mentioned above and shall not be valid for any other purpose.

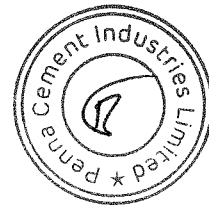
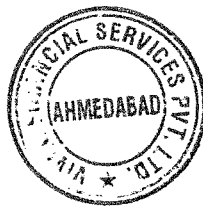
Our Fairness Opinion Report is to be read in conjunction with the scope and purpose, sources of information and the assumptions, exclusions, limitations, and the disclaimers, as have been detailed hereinafter. This letter should be read in conjunction with the Fairness Opinion Report.

Should you require any further information or explanations, please contact the undersigned.

**For, Vivro Financial Services Private Limited**



**Roshan Vaishnav**  
Director





## 1. SOURCES OF INFORMATION

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We have relied on the following information made available to us by the management of PCIL for the purpose of this Fairness Opinion Report:

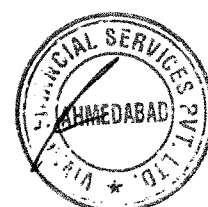
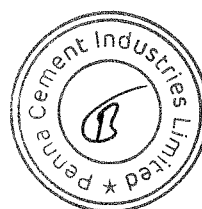
- 1.1 Draft Scheme of Arrangement between ACL, PCIL and their respective shareholders and creditors as may be submitted to the Stock Exchanges;
- 1.2 Audited financials of PCIL for the year ended March 31, 2024;
- 1.3 Audited financials of PCIL for the period April 1, 2024 to August 15, 2024;
- 1.4 Fair Valuation Report of the Registered Valuer dated December 17, 2024;
- 1.5 Management certified financial projections of PCIL from FY2025 to FY2030;
- 1.6 Master Supply Agreement between ACL and PCIL;
- 1.7 Shareholding pattern of PCIL as on the Valuation Date;
- 1.8 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of this Fairness Opinion Report.

The Companies have been provided with the opportunity to review the draft Fairness Opinion Report (excluding our opinion on recommendation of the Fair Valuation of the equity shares) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.

## 2. SCOPE, PURPOSE AND USAGE OF THIS FAIRNESS OPINION REPORT

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- 2.1 The Board of Directors of the Companies are planning to enter into a scheme of arrangement in accordance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended, rules framed thereunder as well as other applicable laws, regulations and applicable circulars. The Scheme provides for provides for the amalgamation of PCIL with and into ACL.
- 2.2 The scope of our services is to issue a Fairness Opinion Report on the Fair Valuation Report of the Registered Valuer for the proposed Scheme as required. The scope of our services does not involve opining on the fairness or economic rationale of the Scheme per se.



- 2.3 This Fairness Opinion Report is our deliverable on this engagement. The Fairness Opinion Report has been issued to facilitate PCIL in complying with the extant provisions of the regulations, as mentioned above, and shall not be valid for any other purpose.
- 2.4 The distribution of this Fairness Opinion Report shall be restricted to the Companies, Shareholders, SEBI, the Stock Exchanges and such other regulatory bodies required to give effect to the Scheme, including but not limited to the Registrar of Companies and the National Company Law Tribunal.
- 2.5 This Fairness Opinion Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

### 3. OVERVIEW AND UNDERSTANDING OF THE PROPOSED SCHEME

- 3.1 ACL ('CIN: L26942GJ1981PLC004717' formerly known as Ambuja Cements Private Limited and Gujarat Ambuja Cements Limited) is a public limited company incorporated on October 20, 1981, engaged in the business of manufacturing and marketing of cement and cement related products. The equity shares of ACL are listed on the Stock Exchanges and the Global Depository Receipts ('GDRs') are listed under the EURO Multilateral Trading Facility ('MTF') platform of Luxembourg Stock Exchange ('LuxSE').

- 3.2 The share holding pattern of ACL as on the Valuation Date, is as follows:

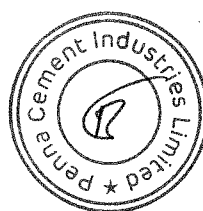
Equity Shares with a face value of INR 2.00 each

Shareholder Category	No. of shares held
Promoter and Promoter Group	1,663,381,052
Public	798,402,585
Non-Promoter Non-Public*	1,339,841
<b>Total</b>	<b>2,463,123,478</b>

Source: [www.bseindia.com](http://www.bseindia.com) accessed on the Valuation Date

\*Includes 13,39,841 equity shares represented by 13,39,841 GDRs

- 3.3 PCIL ('CIN: U26942AP1991PLC013359'), is a company incorporated on October 24, 1991 engaged in the business of manufacturing and marketing of cement and cement products in domestic and export market.
- 3.4 ACL holds 99.94% of the equity shares of PCIL.



#### 4. BASIS OF OPINION ON THE REGISTERED VALUER'S REPORT

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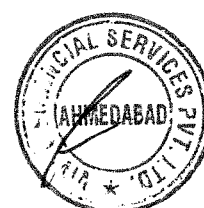
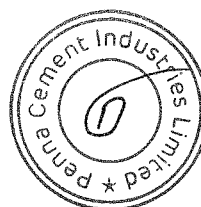
- 4.1 The Registered Valuer has assessed the value of PCIL, under the going concern premise using the International Valuation Standards 2022 ('IVS') issued by International Valuation Standards Council ('IVSC'). The Registered Valuer has considered the valuation base as 'Fair Value' and the premise of value is 'current use/existing use' for estimating the value of PCIL.
- 4.2 On the basis of all the relevant factors and circumstances as discussed and outlined in the Fair Valuation Report dated December 17, 2024, the Registered Valuer has concluded that:

*'Cash Consideration of INR 315.20 (Rupees Three Hundred Fifteen and Twenty Paise) for every 1 (one) fully paid-up equity share of Penna Cement Industries Limited of INR 10/- each, fully paid-up.'*

#### 5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

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- 5.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.
- 5.2 In the course of the Fairness Opinion Report, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.
- 5.3 This Fairness Opinion Report, its contents, and the results herein (i) are specific to the purpose agreed as per the terms of our engagement; (ii) are specific to the date of this Fairness Opinion Report and other conditions in general and the written and oral information made available to us by the management of the Company as on date of this Fairness Opinion Report. The events occurring after this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.
- 5.4 We have not provided any accounting, tax, or legal advice to the Companies neither are we required to in terms of the Engagement Letter.

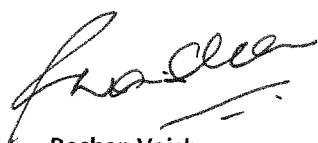


- 5.5 We have not examined the tax implication of the present transaction neither are we required to in terms of the Engagement Letter.
- 5.6 We have not revalued any asset, nor physically verified any assets of the Companies neither are we required to in terms of the Engagement Letter.
- 5.7 We have not opined on the legality of the scheme neither are we required to in terms of the Engagement Letter.
- 5.8 This Fairness Opinion Report assumes that the Companies are fully compliant with relevant laws and regulations applicable in their area of operations. Further, this Fairness Opinion Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded / reflected in the financials provided to us and not relevant or applicable to the subject matter of our analysis.
- 5.9 We are independent of the Companies and hold no specific interest in the Companies or its assets, nor do we have any conflict of interest with the Companies.
- 5.10 The fee for this engagement is not contingent upon the results reported and the conclusion arrived at by us.
- 5.11 This Fairness Opinion Report is furnished on a strictly confidential basis. Neither this Fairness Opinion Report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above.

## 6. CONCLUSION

Pursuant to the facts and circumstances as detailed above, we are of the opinion that the conclusion drawn in the Fair Valuation Report issued by the Registered Valuer, is fair.

**For, Vivro Financial Services Private Limited**



**Roshan Vaishnav**  
**Director**

**Date: December 17, 2024**

**Place: Ahmedabad**

