



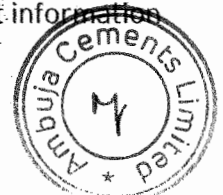
**Independent Auditor's Report on the accounting treatment in the proposed scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013, relevant rules thereunder and SEBI Master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93**

The Board of Directors  
Ambuja Cements Limited  
Adani Corporate House,  
Shantigram, S.G. Highway,  
Khodiyar, Ahmedabad,  
Gujarat - 382421

1. This Report is issued in accordance with the terms of our service scope letter dated August 13, 2024 and master engagement agreement dated May 27, 2022 and addendum to MEA dated October 27, 2023 with Ambuja Cements Limited (hereinafter the "Company") pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange (BSE), National Stock Exchange (NSE), National Company Law Tribunal (NCLT) and other regulatory authorities in connection with the scheme of arrangement as mentioned in paragraph 2 below.
2. We, S R B C & CO LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the management of the Company, to examine the accounting treatment given in para 2.5 of the attached Proposed Scheme of arrangement dated December 17, 2024 (the "Proposed Scheme" or "Proposed Scheme of Arrangement") between the Company and Penna Cement Industries Limited, in terms of the provisions of sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ("the Act") and SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 ('SEBI Master Circular'), for compliance with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013, relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as 'applicable accounting standards'), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 (MCA Circular). The accounting treatment as prescribed in the proposed scheme has been included in Annexure which has been initialed by us for identification purposes only.

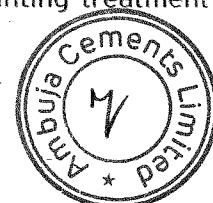
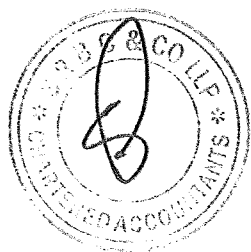
**Management's Responsibility**

3. The preparation of the Proposed Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The proposed Scheme has been approved by the Board of Directors vide resolution dated December 17, 2024.
4. The management of the Company is also responsible for ensuring that the Company complies with the relevant laws and regulations, including the applicable accounting standards as aforesaid and circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also provides relevant information to the NCLT.



Auditors Responsibility

5. Pursuant to the requirements of Section 230 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and SEBI Master Circular, our responsibility is to provide reasonable assurance in the form of an opinion on whether the proposed accounting treatment as contained in the Annexure is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under section 133 of the Act read with relevant rules thereunder and other Generally Accepted Accounting Principles.
6. We audited the financial statements of the Company as of and for the financial year ended March 31, 2024, on which we issued an unmodified audit opinion vide our reports dated May 01, 2024. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Annexure in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this report. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Proposed Scheme and other compliances thereof. Nothing contained in this report, nor anything said or done in the course of, or in connection with the services that are subject to this report, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following in relation to the Annexure:
  - a. Obtained and read the draft Scheme and the proposed accounting treatment specified therein.



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- b. Obtained copy of resolution passed by the Board of Directors of the Company dated December 17, 2024 approving the Proposed Scheme.
- c. Examined whether the proposed accounting treatment as per clause 2.5 of the Proposed Scheme is in compliance with the Applicable Accounting Standards.
- d. Performed necessary inquiries with the management and obtained necessary representations from the management.

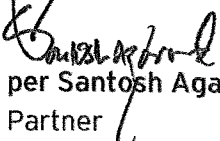
**Opinion**

- 11. Based on our examination and according to the information and explanations given to us, read with paragraph 10 above, in our opinion, the proposed accounting as contained in the Annexure, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable accounting standards notified by the Central Government under section 133 of the Act read with relevant rules thereunder and other Generally Accepted Accounting Principles.

**Restriction on Use**

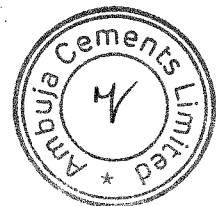
- 12. This report has been issued at the request of the Company and is addressed to and provided to the Board of Directors pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and any other regulatory authority in connection with the Scheme, and should not be used for any other person or purpose or distributed to anyone or referred to in any document without our prior written consent. Our examination relates to the matters specified in this report and does not extend to the Company as a whole. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

  
per **Santosh Agarwal**  
Partner  
Membership Number: 093669

UDIN: 24093669BKFCMC2875

Place of Signature: Ahmedabad  
Date: December 17, 2024



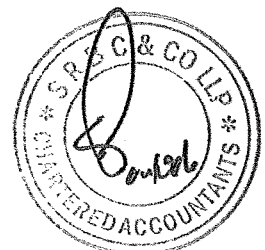
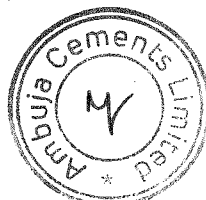
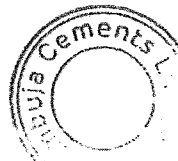
**Annexure: Relevant extract of the Proposed Scheme of arrangement between Penna Cement Industries Limited ("Transferor Company") and Ambuja Cements Limited ("Transferee Company") and their respective Shareholders pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013**

**Accounting Treatment in the books of the Transferee Company in terms of para 2.5 of the Scheme of Arrangement**

Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the amalgamation of Transferor Company in its books of accounts in accordance with Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standards ("Ind AS") 103 (Business Combinations of entities under common control) notified under Section 133 of the Act, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, and the date of such accounting treatment would be in accordance with the applicable Ind AS:

- 2.5.1 The Transferee Company shall record the assets and liabilities of the Transferor Company, vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of the Transferee Company. However, the assets and liabilities pertaining to subsidiary companies of the Transferor Company, which are not merged with the Transferee Company and for which the Transferee Company will hold investment in subsidiaries post-merger of the Transferor Company, will not vest in the Transferee Company and thereby, not recognised in the separate financial statements of the transferee company.
- 2.5.2 The identity of the reserves of the Transferor Company, excluding reserves related to subsidiary companies of the Transferor Company which are not merged with the Transferee Company, shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the carrying amount as appearing in the consolidated financial statements of Transferee Company.
- 2.5.3 The Transferee Company shall recognise investment in the subsidiary companies of the Transferor Company vested in it pursuant to this Scheme at the amount equal to the total of all assets as reduced by total of all liabilities and reserves related to subsidiary companies of the Transferor Company as appearing in the consolidated financial statements of the Transferee Company and determined in accordance with Ind AS and other accounting principles generally accepted in India.
- 2.5.4 Pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and the Transferor Company, if any, appearing in the books of the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.
- 2.5.5 The value of investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation.

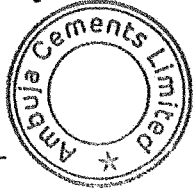
**Registered Office:**  
Adani Corporate House  
Shantigram, S. G. Highway  
Khodiyar, Ahmedabad - 382 421  
Gujarat, India  
Ph +91 79-2656 5555  
www.ambujacement.com  
CIN: L26942GJ1981PLC004717



- 2.5.6 The Transferee Company shall recognise cash consideration as per clause 2.3 of the Scheme to the equity shareholders (other than the Transferee Company) at fair value/ amount paid or payable.
- 2.5.7 The surplus, if any arising after taking the effect of clause 2.5.1 to 2.5.6 shall be transferred to Capital Reserve in the financial statements of the Transferee Company and should be presented separately from other Capital Reserves with disclosure of its nature and purpose in the notes. The deficit, if any, arising after taking the effect of clauses 2.5.1 to 2.5.6 shall be transferred to Retained Earnings in the financial statements of the Transferee Company.
- 2.5.8 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 2.5.9 Comparative financial information in the standalone financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period presented. However, if common control came into existence at a date later than beginning of the comparative period presented, the prior period information shall be restated only from the date on which common control came into existence.
- 2.5.10 For accounting purposes, the Scheme will be given effect when all substantial conditions for the transfer of the Transferor Company are completed.
- 2.5.11 Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS.

**For and on behalf of Ambuja Cements Limited**

*Manish Mistry*



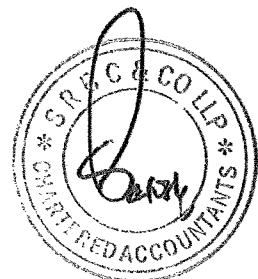
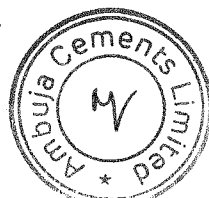
**Manish Mistry**

**(Company Secretary)**

Date : December 17, 2024

Place : Ahmedabad

**Registered Office:**  
Adani Corporate House  
Shantigram, S. G. Highway  
Khodiyar, Ahmedabad - 382 421  
Gujarat, India  
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CIN: L26942GJ1981PLC004717





To,  
The Board of Directors  
**M/s. Penna Cement Industries Limited**  
Regd. Ofc: Plot No 705, 8-2-268/A/1/5/1,  
Sri Nagar Colony, Road No 3, Banjara Hills,  
Hyderabad-500034, Telangana.

**Sub:** Independent Auditor's Certificate on the Proposed Accounting Treatment Contained in the Proposed Scheme of Merger of M/s. Penna Cement Industries Limited with M/s. Ambuja Cement Limited - Reg

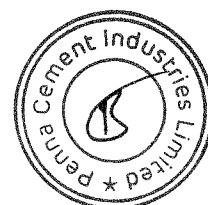
1. We have been requested by M/s. Penna Cement Industries Limited ("the Company/the amalgamating-transferor Company") having its registered office at the above-mentioned address to certify that the proposed accounting treatment contained in Clause 2.5.12 of the Proposed Scheme of Arrangement amongst the Company and M/s. Ambuja Cement Limited ("the amalgamated transferee Company") and their respective Shareholders ("the Proposed Scheme") in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 is in compliance with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and Other Generally Accepted Accounting Principles for the purpose of onward submission to Registrar of Companies (ROC), Regional Director, Official Liquidator, National Company Law Tribunal (NCLT), and other regulatory authority.

#### **Management's Responsibility**

2. The responsibility for the preparation of the Proposed Scheme and ensuring its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved in the Proposed Scheme. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme and applying an appropriate basis of preparation.
3. The Management is also responsible for ensuring that the Company complies with the requirements of Sections 230-232 of the Companies Act, 2013 and provides all relevant information to the Tribunal and to any other regulatory authorities in connection with the Proposed Scheme.

#### **Auditor's Responsibility**

4. Pursuant to the requirements of Section 230 to Section 232 of the Companies Act, 2013, it is our responsibility to provide a reasonable assurance whether the Proposed Scheme is in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, and Other Generally Accepted Accounting Principles.



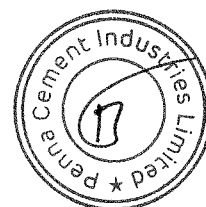
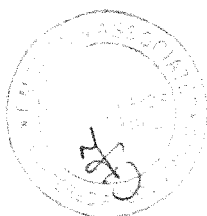
5. We have examined the proposed accounting treatment specified in Clause 2.5.12 of the Proposed Scheme of the Company in terms of the provisions of Sections 230-232 of the Companies Act, 2013, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, and Other Generally Accepted Accounting Principles, to the extent applicable to the Company.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

### **Opinion**

8. Based on our examination, as above, and the information and explanations given to us, we are of the opinion that the proposed accounting treatment specified in Clause 2.5.12 of the Proposed Scheme, to the extent applicable to the Company as on the effective date of the Proposed Scheme, is in compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with rules made thereunder and Other Generally Accepted Accounting Principles, as applicable.
9. In respect of amalgamation/merger of the Company with the amalgamated/transferee company, upon the Proposed Scheme becoming effective, the Company shall stand dissolved without being wound up, and hence no accounting treatment has been specified for the Company in Clause 2.5.12 of the Proposed Scheme. Accordingly, we understand that a certificate confirming whether the accounting treatment stated in Clause 2.5.12 of the Proposed Scheme is in conformity with the applicable accounting standards can only be issued by the statutory auditors of the amalgamated/ transferee company.
10. For ease of reference, the relevant extract pertaining to the Accounting Treatment stated in Clause 2.5.12 of the Proposed Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure I to this certificate and is initialled by us only for the purposes of identification.

### **Restriction on Use**

11. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the provisions of Section 230 to 232 and other applicable provisions of the Act. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as auditors of the Company or otherwise.



12. The certificate is issued solely pursuant to the requirements of the proviso to Section 232(3) of the Companies Act, 2013, for onward filing / submission with the Registrar of Companies (ROC), Regional Director, Official Liquidator, NCLT, and other regulatory authority. This certificate should not be used or referred to by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing and are also not liable to any other concerned party for any claims, liabilities, or expenses relating to this assignment. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

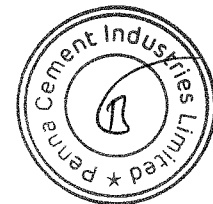
Place: Hyderabad  
Date: 17-12-2024



**For T MOHAN & ASSOCIATES**  
Chartered Accountants  
FRN: 012482S

1.   
**MOHAN REDDY T**

Partner  
Membership No: 239635  
UDIN: 24239635BKGQNM5457



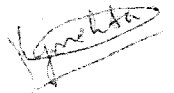


**Annexure 1 - Certified True Copy of Accounting Treatment Related Paragraphs as  
Extracted from the Proposed Scheme**

**2.5.12 - Accounting Treatment Accounting Treatment in the Books of the Transferor  
Company**

As the Transferor Company shall stand dissolved without being wound up, upon the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company.

**For Penna Cement Industries Limited**



**Kaushik Mehta  
Chief Financial Officer**

Date: 17-12-2024

