

Media Release

Ambuja Cements Successfully Completes Acquisition of Sanghi Industries, at an Enterprise Value of Rs. 5,185 Cr. Capacity increased from 68.5 to 74.6 MTPA

To increase West Coast capacity to 15 MTPA, cater growing demand and contribute significantly to the nation's infrastructure development.

EDITOR'S SYNOPSIS

- Ambuja Cements Limited (ACL) successfully completes acquisition of Sanghi Industries Limited (SIL), funded entirely through internal accruals.
- SIL has a clinker capacity of 6.6 MTPA, cement capacity of 6.1 MTPA and 1 billion tonnes limestone reserves.
- SIL's Sanghipuram unit is India's largest single-location cement and clinker unit by capacity, potentially the lowest cost cement producer in the country with a captive jetty and power plant.
- Acquisition funded through internal accruals, increases ACL's consolidated capacity to 74.6 MTPA from 68.5 MTPA
- ACL will increase its coastal footprint with this acquisition & by increasing capacity to 15 MTPA across the West Coast markets with states of Gujarat, Maharashtra, Karnataka, Kerala at a very competitive cost based on SIL's strength of low-cost clinker. This additional capacity to be commissioned over next 30 months.

Ahmedabad, 5th December 2023: Ambuja Cements Limited (ACL), the cement and building material company of the diversified Adani Group, is pleased to announce the successful completion of the acquisition of Sanghi Industries Limited (SIL), marking a significant milestone in its growth journey. This strategic acquisition, valued at an Enterprise Value of Rs. 5,185 Crores, enhances Ambuja Cement's market presence underscoring Adani Group's steadfast commitment to India's housing and infrastructure development.

With the acquisition funded entirely through internal accruals, ACL holds a controlling stake of 54.51% in SIL. ACL is committed to leveraging operational synergies resulting from this acquisition to enhance efficiency, reduce costs, and maintain a sustainable approach to cement production.

SIL's Sanghipuram 2,700-hectare integrated manufacturing unit stands out as India's largest single-location cement and clinker production facility. This facility comprises of two kilns with an impressive clinker production capacity of 6.6 MTPA, a cement grinding unit of 6.1 MTPA, a dedicated 13 MW captive power plant and an efficient 13 MW Waste Heat Recovery System. The unit is seamlessly connected to a captive jetty in Sanghipuram.

The acquisition of SIL, with its billion-tonne high quality surface mining limestone reserves, positions ACL to expedite its unique coastal strategy, aiming to increase the cement

capacity to 15 MTPA along the West Coast on the strength of SIL's low-cost clinker. This initiative will leverage the strengths of Ambuja and ACC brands, Adani Group's expertise in ports and shipping, and the cost advantage of the Sanghipuram unit. ACL will invest in expanding the existing captive port at Sanghipuram to accommodate larger vessels, contributing significantly to the nation's infrastructure development by meeting the growing demand for cement across Gujarat, Maharashtra, Karnataka & Kerala at a very competitive cost. This is expected to be commissioned over next 30 months.

Furthermore, SIL provides an immediate opportunity for low-cost debottlenecking, increasing clinker capacity by 0.5 MTPA and cement capacity by 1.5 MTPA. The unit also offers potential for green power generation, reaching up to 45%, incorporating an additional 12 MW WHRS and 30 MW of Solar/Wind power. This multifuel flexibility enables the utilization of locally available lignite and an increase in AFR consumption to up to 20%, positioning Sanghipuram as the largest single-location clinker complex and consistently one of the lowest-cost producers.

Mr. Ajay Kapur, CEO, Cement Business said, "This acquisition represents a significant step forward in our journey solidifying Adani Group's leadership position in India's cement industry. It strengthens our commitment to delivering high-quality products and services to our customers while contributing to India's infrastructure development. We welcome the employees of Sanghi Industries into the Adani family and look forward to capitalizing on the synergies this acquisition offers.

Recognizing the Adani Group's expertise in marine infrastructure, plans are underway to expand the Sanghipuram port's capacity to handle larger vessels, facilitating cost-effective transportation of clinker and cement via sea routes. This strategic expansion aligns with the Company's unwavering commitment to environmental sustainability.

We are now better positioned to cater to diverse customer needs, offering a broader product range and innovative solutions for various construction requirements. We remain steadfast in our mission to build a sustainable future for India through responsible, innovative, and customer-centric solutions. The cost and geographic advantages of the 15 million tons coastal strategy will significantly strengthen the bottom line of ACL. The Company will continue to invest in cutting-edge technologies and best practices to ensure the highest quality standards and environmental stewardship."

About Ambuja Cements Limited

Ambuja Cements Limited, part of the Adani Group, is among India's leading cement companies. Ambuja, with its subsidiary ACC Ltd. and Sanghi Industries Ltd. has a capacity of 74.6 million tonnes with sixteen integrated cement manufacturing plants and sixteen cement grinding units across the country. Ambuja has been recognized as India's Most Trusted Cement Brand by TRA Research in its Brand Trust Report, 2023. Ambuja has provided hassle-free, home-building solutions with its unique sustainable development projects and environment-friendly practices since it started operations. The Company has many firsts to its credit – a captive port with four terminals that has facilitated

timely, cost-effective, cleaner shipments of bulk cement to its customers. To further add value to customers, the Company has launched innovative products like Ambuja Plus, Ambuja Cool Walls, Ambuja Compozem and Ambuja Kawach under the umbrella of Ambuja Certified Technology. These products not only fulfil important customer needs but also help in significantly reducing carbon footprints. Being an employee friendly workplace, Ambuja Cements has been ranked No. 1 in 'Best Companies to Work For' survey in 2022 by Business Today in the Construction and Infrastructure sector.

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