

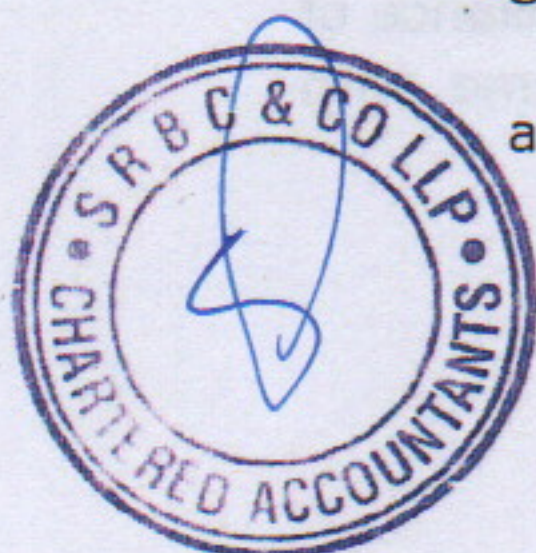
Independent Auditor's Report on the accounting treatment in the Proposed Scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013, relevant rules thereunder and SEBI Master circular SEBI/HO/CFD/ POD-2/P/CIR/2023/93

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 May 30, 2024 and master engagement agreement dated May 27, 2022 and amendments thereto with Ambuja Cements Limited (hereinafter the "Company") read with Para 3 below, 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 Amalgamation dated June 27, 2024, between the Company and Adani Cementation Limited read with Company's Finance Committee representations / clarifications thereon to Securities and Exchange Board of India (SEBI) dated November 21, 2024 and December 25, 2024, as reproduced in para 3 b and c below (the "Proposed Scheme").
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 2.4 of the Proposed Scheme (included in Annexure 1) 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, dated June 20, 2023 ('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 clause 2.4 of the Proposed Scheme has been included in Annexure 1, which should be read with Company's representations / clarifications reproduced in para 3 b below, has been initialed by us for identification purposes only.
3. We had issued our original report dated July 08, 2024 having UDIN 24093669BKFCIN4959 and superseded report dated August 02, 2024 having UDIN 20493669BKFCJB9970 basis query received from NSE for inclusion of reference to 'SEBI (Listing Obligations and Disclosure Requirements) Regulations' in the Opinion paragraph, for the purpose mentioned in para 2 above, in respect of the accounting treatment included in a draft scheme of amalgamation between the Company and Adani Cementation Limited, provided to us by management at those dates.

Subsequently, as informed and represented to us by the management:

- a. the Company had inadvertently concluded and filed the Proposed Scheme with stock exchange(s) and SEBI which included the different version of the accounting treatment in the relevant section of proposed Scheme (Para 2.4), which was at variance from the management certified accounting treatment in



the annexure(s), which were subject of our reports dated July 08, 2024 and August 02, 2024 referred to above.

- b. the Company, on identifying the error, discussed the matter at the Company's Finance Committee (which is authorized by the Company's Board of Directors), in their meeting dated November 21, 2024, pursuant to which, the following representations / clarifications to the Scheme have been provided by the Company to Securities and Exchange Board of India (SEBI):

- i) *For the purpose of accounting, the Scheme will be given effect on the date when all substantial conditions are completed i.e. date of passing of order of NCLT. The same is also specifically included in para 2.4.4 of the Scheme.*
- ii) *Transferee Company will account for all the identifiable assets acquired including intangible assets and liabilities assumed of the transferor Company at the amount such that fair value of consideration issued as per the Scheme is allocated to all these assets and liabilities in an appropriate manner as per the applicable Ind AS requirements.*
- iii) *Overall Ind AS principles will be applied while accounting for the said amalgamation.*
- iv) *The equity shares to be issued by the transferee Company to the shareholders of the transferor Company will be recorded at fair value such that their face value shall be credited to the share capital account and excess of fair value of equity shares over their face value shall be recognized as the securities premium account.*

- c. The Finance Committee thereafter approved, on November 21, 2024, the management assessment that the deviation of the accounting treatment of the proposed Scheme filed with Stock Exchange(s) and SEBI, along with the its assessment of variance in the language of accounting treatment language as per annexure(s) to auditor's reports as referred above, does not affect the accounting treatment conclusion as "Asset Acquisition" and the applicable accounting treatment will be followed consistently in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act, under the Companies (Indian Accounting Standard) Rules, 2015, and the date of giving effect of such accounting treatment would be in accordance with the applicable Ind AS.

- d. SEBI vide its email dated December 13, 2024 to the Company, has requested the Company to obtain a revised report from us, to confirm the compliance of the accounting treatment in paragraph 2.4 of the Proposed Scheme with applicable accounting standards.



Accordingly, and pursuant to the requirement of SEBI as above, we are issuing this further revised report along with Annexure 1, on the accounting treatment as prescribed in clause 2.4 of the Proposed Scheme concluded and filed with Stock Exchange(s), read with Company's representations / clarifications in para 3b above, which has been initialled by us for identification purposes only, and which supersedes our reports dated July 08, 2024 and August 02, 2024. Further, the management has given an undertaking that the fact of supersession of the above-mentioned reports shall be brought to the attention of all recipients of such above-mentioned reports which shall be replaced with this new Revised Report.

Management's Responsibility

4. 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 Proposed Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Proposed Scheme and representations / clarifications in paragraph 3 b and c above have been approved by the Board of Directors and Finance Committee, respectively.
5. 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, as amended, and also provides relevant information to the NCLT.

Auditor's Responsibility

6. 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 accounting treatment in Annexure 1 (as contained in clause 2.4 of the Proposed Scheme, and read with the Company's representations / clarifications reproduced in para 3 b above), 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.
7. 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 ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

We conducted our examination of the Annexure 1 in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.



9. 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.
10. 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.
11. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 6 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our we have performed following procedures in relation to the Annexure 1:
- Obtained and read the Proposed Scheme and the proposed accounting treatment specified therein under clause 2.4 (as per Annexure 1 hereto), and the representations / clarifications provided by the Finance Committee (refer paragraph 3b above).
 - Obtained copy of resolution passed by the Board of Directors of the Company dated June 27, 2024 approving the Proposed Scheme, read with Company's Finance Committee representations / clarifications thereon to Securities and Exchange Board of India (SEBI) dated November 21, 2024 and obtained copy of the extract of the minutes of the Finance Committee approving the representations / clarifications referred in para 3b above.
 - Obtained management letter dated November 21, 2024 comparing and summarising the accounting treatment language along with the representations / clarifications in paragraph 3 b above, with regards to change in drafting of the language between (a) the accounting treatment language included in the annexure(s) to auditor reports dated July 08, 2024 and August 02, 2024, and (b) as reported in the Proposed Scheme.
 - Examined whether the accounting treatment as per clause 2.4 of the Proposed Scheme (in Annexure 1), read with Company's representations / clarifications reproduced in para 3 b above, is in compliance with the Applicable Accounting Standards.
 - Performed necessary inquiries with the management and obtained necessary representations from the management.



Opinion

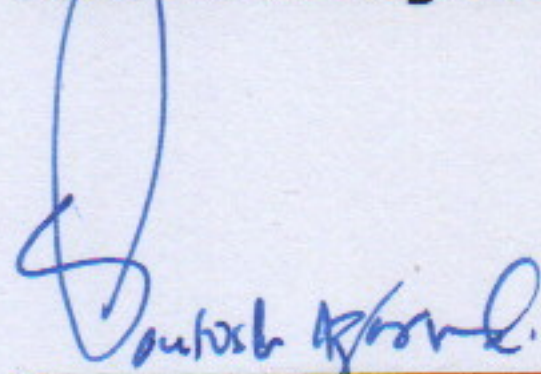
12. Based on our examination and according to the information and explanations given to us, read with paragraph 11 above, in our opinion, the accounting treatment as contained in clause 2.4 of the Proposed Scheme (as per Annexure 1), read with Company's representations / clarifications reproduced in para 3b above and referred to in paragraph 1 above), 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

13. This report has been issued at the request of the Company and is addressed to and provided to the Board of Directors of the Company solely for the purpose mentioned in paragraph 2 and 3 above 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: 24093669BKFCMN9039

Place of Signature: Mumbai

Date: December 26, 2024



Annexure 1: Relevant extract of the Proposed Scheme of Amalgamation of Adani Cementation Limited ("Transferor Company") with Ambuja Cements Limited ("Transferee Company") pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013

2.4 Accounting Treatment

Accounting Treatment in the books of the Transferee Company

2.4.1 The assets acquired and liabilities assumed would be measured using an allocation of the fair value of consideration transferred based upon relative fair values in the books of the Transferee company. As a result, no goodwill, or capital reserves.

2.4.2 To the extent that there are inter-company balances, advances, and other obligations as between the Transferor Company and the Transferee Company the same shall come to an end and corresponding effect shall be given in the books of accounts of the Transferee Company.

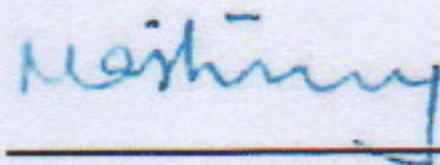
2.4.3 The Transferee company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to this Scheme as per clause 2.3 above and any amount over and above face value will be credited to share premium account of the Transferee Company.

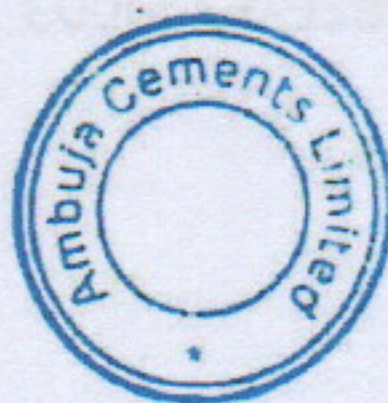
2.4.4 For accounting purpose, the Scheme will be given effect from the date when all substantial conditions are completed.

2.4.5 Any matter not dealt with in this Scheme or herein above shall be dealt with in accordance with the applicable accounting standards prescribed.

2.4.6 Upon the Scheme becoming effective, the Transferee Company shall account for amalgamation in accordance with the principles laid down in Accounting Standards (IND AS) as prescribed under The Companies (Indian Accounting Standards) Rules, 2015.

For and on behalf of Ambuja Cements Limited


Manish Mistry
Company Secretary



Date : December 26, 2024

Place : Ahmedabad

