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CIN: U65990MH1993GOI075578

**STRICTLY CONFIDENTIAL**

Ref: Inv. Bk/M&A/GD/24-25/024

June 27, 2024

**The Board of Directors**

**Ambuja Cements Limited**

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

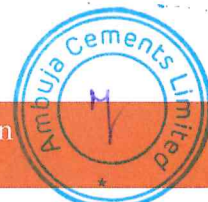
Dear Members on the Board,

**Subject:** Fairness Opinion on the Share Swap Ratio for the Proposed Scheme of Amalgamation of Adani Cementation Limited with Ambuja Cements Limited.

This is with reference to our appointment vide letter dated May 24, 2024 ("**Appointment Letter**") wherein Ambuja Cements Limited (hereinafter referred to as the "**Transferee Company**" or "**Amubja**") had engaged IDBI Capital Markets & Securities Limited ("**IDBI Capital**") to provide Fairness Opinion to the Board of Directors of Ambuja on the Share Swap Ratio determined by GT Valuation Advisors Private Limited (the "**Valuer**") appointed by Ambuja for the proposed scheme of Amalgamation of Adani Cementation Limited with Ambuja Cements Limited under Sections 230 to Sections 232 and other applicable provisions of the Companies Act, 2013 ("**Proposed Scheme**").

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

The Transferor Company (as defined hereinafter) was incorporated on December 6, 2016, as Adani Cementation Limited ("**ACL**"), a public limited company, with the Registrar of Companies, under the provisions of the Act. The Corporate Identification Number of the Transferor Company is U74999GJ2016PLC094589. The registered office of the Transferor Company is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India.



The Transferor Company is engaged in the business of cement manufacturing and marketing various grades of cement. The Transferor Company is the successful bidder for license of limestone mine, with reserves of about 275 million tonnes, at Lakhpat, Gujarat. The Transferor Company is also proposing to set up a grinding unit at Raigad, Maharashtra.

The Transferor Company is a wholly owned subsidiary of Adani Enterprises Limited (“AEL”). AEL alongwith its nominees hold the entire paid-up equity share capital of the Transferor Company. The equity shares of AEL are listed on BSE Limited and National Stock Exchange of India Limited (together to be called as “**Stock Exchanges**”). Adani Cement Industries Limited (“ACIL”) is a wholly owned subsidiary of the Transferor Company. ACIL is also engaged in the business of cement manufacturing and marketing various grades of cement. AEL, the Transferor Company and ACIL are part of Adani Group of companies

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

“**Entities**” collectively means Transferee Company and Transferor Company;

For the purpose of proposed Amalgamation of Transferee Company with Transferor Company, the Transferor Company has appointed the Valuer to determine the Share Swap Ratio (as defined below) 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 Share Swap Ratio (“**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 of Amalgamation.

As per the Valuation Report dated June 27, 2024, the valuers have recommended the Share Swap Ratio of 174 (One Hundred and Seventy Four) equity shares of Ambuja Cements Limited of INR 2/- each fully paid up for every 1 (One) equity shares of Adani Cementation Limited of INR 10/- each fully paid up ("**Share Swap Ratio**").

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

As per proposed Scheme, the Scheme will enable the Transferee Company to absorb the business of the Transferor Company and enhance its manufacturing capacity to carry out the manufacturing operation more effectively and seamlessly.

The business of the Transferor Company will be carried on more efficiently and economically. Further, improved utilisation of the combined resources of both the aforesaid companies would result in lowering the overheads and elimination of duplication of work and reduction in compliance requirements.

The amalgamation will help the Transferee Company to quickly start the construction activity at various sites of the Transferor Company and that of the wholly owned subsidiary of the Transferor Company.

The amalgamation would lead to enhanced value addition for both the aforesaid companies and consequently the value for shareholders will increase.

### 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 June 27, 2024 prepared by GT Valuation Advisory Private Limited;
- b) Draft Scheme of Amalgamation;
- c) Financial Projections of Dahej Grinding Unit of ACIL, Raigadh Grinding Unit and Mudhvay Limestone Mines of ACL and Ambuja;
- d) Historical Audited financial statements as on March 31, 2023 and March 31, 2024 for entities and ACIL;
- e) Estimation of Capital Expenditure plan and timelines to start Mudhvay Limestone Mines, Raigadh Grinding Unit and brownfield expansion at Dahej Grinding Unit.
- f) Estimated working capital cycle at Grinding Units of ACIL and ACL.
- g) Income Tax regime followed by the ACIL and ACL.
- h) Representations from the management of Ambuja Cements Limited;
- i) 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.

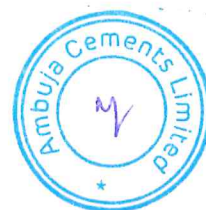
This Fairness Opinion does not constitute an offer or invitation or a solicitation of any offer or invitation for the sale or purchase of securities or of any of the assets, business or undertaking of Ambuja Cements Limited. In addition, it is not intended to form the basis of or act as an inducement 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 Share Swap Ratio as recommended by the Valuer, is fair and reasonable.

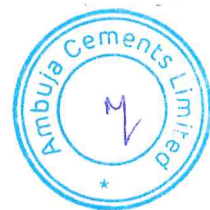
## 6. Distribution of the Fairness Opinion

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