

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF AMBUJA CEMENTS LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN SANGHI INDUSTRIES LIMITED AND AMBUJA CEMENTS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS, AT ITS MEETING HELD ON TUESDAY, DECEMBER 17, 2024.

Present Members

Mr. Rajnish Kumar	:	Chairman
Mr. Maheswar Sahu	:	Member
Mr. Ameet Desai	:	Member
Ms. Purvi Sheth	:	Member

1. Background of the proposed scheme of arrangement

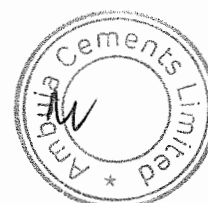
A meeting of the Committee of Independent Directors (hereinafter referred to as the "**Committee**") of Ambuja Cements Limited was held on Tuesday, December 17, 2024, to consider and recommend the proposed scheme of arrangement between Sanghi Industries Limited (hereinafter referred to as the "**SIL**" or "**Transferor Company**") and Ambuja Cements Limited (hereinafter referred to as the "**Ambuja**" or the "**Company**" or "**Transferee Company**", as the context may admit) and their respective shareholders (hereinafter referred to as the "**Scheme**") under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 (hereinafter referred to as the "**Act**") and rules and regulations made thereunder and in accordance with Section 2(1B) of the Income Tax Act, 1961, for amalgamation of Sanghi with Ambuja, with effect from the Appointed Date i.e. April 1, 2024.

The Scheme is proposed to be effective from the Appointed Date and operative from the Effective Date.

This report of the Committee is made in order to comply with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "**SEBI Listing Regulations**") and Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") Master Circular bearing number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (hereinafter referred to as the "**SEBI Schemes Master Circular**").

The Transferor Company has applied to the Regional Director, South East Region, Hyderabad, Telangana to shift its registered office from the State of Telangana to the State of Gujarat. The order from the Regional Director is expected soon. Upon receiving it and completing necessary formalities with the Registrar of Companies/Ministry of Corporate Affairs, including filing of requisite forms, the Transferor Company will move its registered office to "Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India."

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Accordingly, the Scheme will be presented before the jurisdictional Hon'ble National Company Law Tribunal where the Registered Office of SIL is situated at the time of filing, under Sections 230 to 232 and other applicable provisions of the Act and in accordance with Section 2(1B) of the Income Tax Act, 1961, and other applicable laws including SEBI Listing Regulations and SEBI Schemes Master Circular.

In terms of the SEBI Schemes Master Circular, a report from the Committee is required recommending the draft Scheme, taking into consideration, *inter-alia*, that the Scheme is not detrimental to the shareholders of the listed entity.

The following documents were placed before the Committee for its consideration:

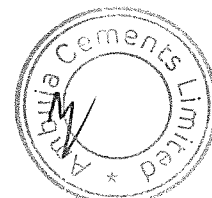
- a) A draft of the proposed Scheme.
- b) Fair Equity Share Exchange Ratio Report dated December 17, 2024 issued by M/s GT Valuation Advisors Private Limited, Registered Valuer (IBBI Registration No. IBBI/RV-E/05/2020/134), pursuant to the provisions of Section 247 of the Act, stipulating *inter alia* the methodology adopted and the valuation arrived at in relation to the amalgamation of SIL with Ambuja.
- c) Fairness Opinion dated December 17, 2024 issued by M/s IDBI Capital Markets and Securities Limited, SEBI registered Merchant Bankers, to Ambuja, providing the fairness opinion on Fair Equity Share Exchange Ratio Report of M/s GT Valuation Advisors Private Limited, registered valuer, in relation to the amalgamation of SIL with Ambuja.
- d) Draft Auditors' Certificate issued by the Statutory Auditors of the Company, to the effect that the accounting treatment prescribed in the Scheme is in compliance with SEBI Listing Regulations and applicable Accounting Standards specified by the Central Government under Section 133 of the Act, read with applicable rules and/or the accounting standards and principles.
- e) Other presentations, documents and information made to / furnished before the Committee pertaining to the draft Scheme.

2. Salient features of the Scheme

The Committee considered and observed that the draft Scheme, *inter-alia*, provides the following:

- (a) amalgamation of Transferor Company with Transferee Company, with effect from the Appointed Date, i.e. April 1, 2024, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(1B) of the Income Tax Act, 1961;
- (b) the equity shares of the Transferor Company and held by the Transferee Company shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of any equity shares in the Transferee Company;

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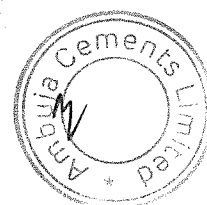
- (c) the Transferee Company shall, without any further application, act or deed, issue and allot to the equity shareholder(s) of the Transferor Company (other than the equity shareholder mentioned in sub-clause (b) above) whose names are recorded in the register of members as a member of the Transferor Company on the Record Date, 12 (Twelve), Transferee Company Shares of the face value of Rs. 2/- (Rupees Two only) each credited as fully paid-up, for every 100 (One Hundred) equity shares of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up held by such equity shareholder in the Transferor Company ("**Share Exchange Ratio**").
- (d) The equity shares issued by the Transferee Company to the equity shareholders of the Transferor Company, pursuant to the Scheme would be listed on BSE Limited and National Stock Exchange of India Limited (collectively, "**Stock Exchanges**").
- (e) Upon Scheme becoming effective, certain shareholders belonging to 'promoter and promoter group' of the Transferor Company are proposed to be reclassified to the 'public' category of the Transferee Company.
- (f) The Scheme will be effective subject to approval from various authorities such as NCLT, NOC Certificates from Stock Exchanges, SEBI etc.

3. Rationale for the Scheme

The Committee noted the rationale below of the proposed Scheme:

1. The Transferee Company is the promoter of the Transferor Company and holds 58.08% of the paid-up equity share capital and 100% of the 8% - non-convertible cumulative redeemable preference shares of the Transferor Company. As both the companies are under the same line of business, this amalgamation will enable the Transferee Company to absorb the business of Transferor Company completely for carrying on more effectively and beneficially.
2. 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.
3. The amalgamation will enhance the business potential of the Transferor Company, add value to both the companies, and ultimately increase the shareholders' value.
4. The amalgamation will lead to reduction and rationalisation of multiple entities in the group.

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5. Upon the Scheme becoming effective, certain shareholders belonging to 'promoter and promoter group' of the Transferor Company (a) would not hold more than ten percent of the total voting rights in the Transferee Company; (b) do not exercise control over the affairs of the Transferor Company and the Transferee Company either directly or indirectly; (c) do not have any special rights with respect to the Transferor Company and the Transferee Company through any formal or informal arrangements including through any shareholder agreements; (d) do not represent on the board of directors of the Transferor Company and the Transferee Company including a nominee director; (e) do not act as a key managerial personnel in the Transferor Company and the Transferee Company. Further, the Promoters/Persons belonging to the Promoter Group/Persons related to the Promoters Seeking Reclassification, (a) have not been declared 'wilful defaulter' as per the guidelines issued by the Reserve Bank of India; and (b) are not fugitive economic offenders. Accordingly, such shareholders are proposed to be reclassified to the 'public' category of the Transferee Company upon the coming into effect of the Scheme, in accordance with the requirements of Regulation 31A of the SEBI Listing Regulations.

4. Fair Equity Share Exchange Ratio involved in Scheme

12 (Twelve) equity shares having face value of Rs. 2/- (Rupees Two Only) each of the Transferee Company credited as fully paid-up, for every 100 (One Hundred) equity shares of the face value of Rs. 10/- (Rupees Ten Only) each fully paid-up held by members in the Transferor Company.

The equity shares of the Transferor Company held by the Transferee Company shall stand cancelled and extinguished.

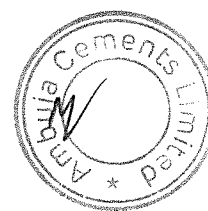
5. Scheme not Detrimental to the Shareholders of the Company

The Committee members discussed and deliberated upon the rationale and salient features of the Scheme. In light of the same and the Fair Equity Share Exchange Ratio forming part of the valuation report, fairness opinion and other documents presented before the Committee, the Committee was of the informed opinion that the proposed Scheme is fair and in the best interest of the Shareholders of the Company, as the proposed Scheme will result into economies of scale and consolidation of opportunities will improve profitability and enhance overall shareholders value.

6. Recommendation of the Committee

In light of the aforesaid, the Committee noted that taking into consideration the proposed Scheme, *inter-alia*, share exchange ratio forming part of valuation report, fairness opinion, rationale of the Scheme, it is of view that the Scheme is not detrimental to the shareholders of the Company.


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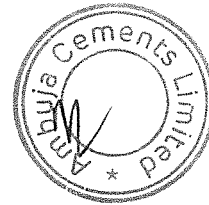
The Committee, after due deliberations and due considerations of all terms of the Scheme, in particular the fact that the Scheme is not detrimental to the shareholders of the Company, recommends the Scheme for favorable consideration and approval by the Board of Directors, Stock Exchanges, SEBI and other appropriate authorities.

This report of the Committee is made in order to comply with the requirement of the SEBI Schemes Master Circular after considering the necessary documents.

**For and on behalf of Committee of
Independent Directors of Ambuja Cements Limited**


Rainish Kumar
Chairman of the Committee
DIN : 05328267

Date : December 17, 2024
Place: Gurgaon



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Present Members:

Mr. Ravi Kapoor : Chairman
Mr. Sudhir Nanavati : Member
Ms. Shruti Shah : Member

1. Background of the proposed scheme of Arrangement

A meeting of the Committee of Independent Directors (hereinafter referred to as the "**Committee**") of Sanghi Industries Limited was held on **December 17, 2024**, to consider and recommend the proposed scheme of arrangement between Sanghi Industries Limited (hereinafter referred to as the "**SIL**" or the "**Company**" or the "**Transferor Company**", as the context may admit) and Ambuja Cements Limited (hereinafter referred to as the "**Ambuja**" or the "**Transferee Company**") and their respective shareholders (hereinafter referred to as the "**Scheme**") under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 (hereinafter referred to as the "**Act**") and rules and regulations made thereunder and in accordance with Section 2(1B) of the Income Tax Act, 1961, for amalgamation of SIL with Ambuja, with effect from the Appointed Date i.e. April 1, 2024.

The Scheme is proposed to be effective from the Appointed Date and operative from the Effective Date (as defined in the Scheme).

This report of the Committee is made in order to comply with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "**SEBI Listing Regulations**") and Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") Master Circular bearing number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (hereinafter referred to as the "**SEBI Schemes Master Circular**").

The Company has applied to the Regional Director, South East Region, Hyderabad, Telangana to shift its registered office from the State of Telangana to the State of Gujarat. The order from the Regional Director is expected soon. Upon receiving it and completing necessary formalities with Registrar of Companies/Ministry of Corporate Affairs, including filing of requisite forms, the Company will move its registered office to "Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India."

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Ravi Kapoor

CIN: L18209TG1985PLC005581





Accordingly, the Scheme will be presented before the jurisdictional Hon'ble National Company Law Tribunal where the Registered Office of SIL is situated at the time of filing, under Sections 230 to 232 and other applicable provisions of the Act and in accordance with Section 2(1B) of the Income Tax Act, 1961, and other applicable laws including SEBI Listing Regulations and SEBI Schemes Master Circular.

In terms of the SEBI Schemes Master Circular, a report from the Committee is required recommending the draft Scheme, taking into consideration, *inter-alia*, that the Scheme is not detrimental to the shareholders of the listed entity.

The following documents were placed before the Committee for its consideration:

- a) A draft of the proposed Scheme.
- b) Fair Equity Share Exchange Ratio Report dated December 17, 2024 issued by BDO Valuation Advisory LLP, Registered Valuer (IBBI Registration No. IBBI/RV-E/02/2019/103), pursuant to the provisions of Section 247 of the Act, stipulating *inter alia* the methodology adopted and the valuation arrived at in relation to the amalgamation of SIL with Ambuja.
- c) Fairness Opinion dated December 17, 2024 issued by Vivro Financial Services Private Limited, SEBI Registered Merchant Banker, to SIL, providing the fairness opinion on Fair Equity Share Exchange Ratio Report of BDO Valuation Advisory LLP, registered valuer, in relation to the amalgamation of SIL with Ambuja.
- d) Draft Auditors' Certificate issued by the Statutory Auditors of the Company, to the effect that the Company is a Transferor Company in the proposed scheme and upon the scheme becoming effective, the Company shall cease to exist. Accordingly, report confirming the accounting treatment in the books of Transferor Company in respect of its amalgamation with the Transferee company is not required.
- e) Other presentations, documents and information made to / furnished before the Committee pertaining to the draft Scheme.

2. Salient features of the Scheme

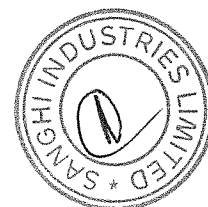
The Committee considered and observed that the draft Scheme provides the following:

- (a) amalgamation of SIL with Ambuja, with effect from the Appointed Date i.e. April 1, 2024, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(1B) of the Income Tax Act, 1961.

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- (b) Eligible equity shareholders of SIL will receive 12 Equity Shares of Ambuja for every 100 Equity Shares of SIL held by them as on the record date. Consequently, the Equity Shares of SIL will be cancelled and the same shall be deemed to be delisted.
- (c) Various other matters consequential or otherwise integrally connected with the scheme;
- (d) Upon Scheme becoming effective, certain shareholders belonging to 'promoter and promoter group' of the Company are proposed to be reclassified to the 'public' category of the Transferee Company.
- (e) The scheme of merger will be effective subject to approval from various authorities such as NCLT, Stock Exchanges, SEBI etc..

3. Rationale for the Scheme

The Committee noted the below rationale of the proposed Scheme:

1. The Transferee Company is the promoter of the Transferor Company and holds 58.08% of the paid-up equity share capital and 100% of the 8% - non-convertible cumulative redeemable preference shares of the Transferor Company. As both the companies are under the same line of business, this amalgamation will enable the Transferee Company to absorb the business of Transferor Company completely for carrying on more effectively and beneficially.
2. 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.
3. The amalgamation will enhance the business potential of the Transferor Company, add value to both the companies, and ultimately increase the shareholders' value.
4. The amalgamation will lead to reduction and rationalization of multiple entities in the group.
5. Upon the Scheme becoming effective, certain shareholders belonging to 'promoter and promoter group' of the Company (a) would not hold more than ten percent of the total voting rights in the Transferee Company; (b) do not exercise control over the affairs of the Transferor Company and the Transferee Company either directly or indirectly; (c) do not have any special rights with respect to the Transferor Company and the Transferee Company through any formal or informal

Registered Office

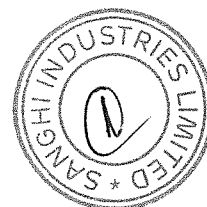
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arrangements including through any shareholder agreements; (d) do not represent on the board of directors of the Transferor Company and the Transferee Company including a nominee director; (e) do not act as a key managerial personnel in the Transferor Company and the Transferee Company. Further, the Promoters/Persons belonging to the Promoter Group/Persons related to the Promoters Seeking Reclassification, (a) have not been declared 'wilful defaulter' as per the guidelines issued by the Reserve Bank of India; and (b) are not fugitive economic offenders. Accordingly, such shareholders are proposed to be reclassified to the 'public' category of the Transferee Company upon the coming into effect of the Scheme, in accordance with the requirements of Regulation 31A of the SEBI Listing Regulations.

4. Fair Equity Share Exchange Ratio involved in Scheme

12 (Twelve) Equity Shares having face value of Rs.2/- (Rupees Two Only) each of Ambuja credited as fully paid-up, for every 100 (One Hundred) Equity Shares of the face value of Rs. 10/- (Rupees Ten Only) each fully paid-up held by members in SIL. The equity shares of SIL held by Ambuja shall stand cancelled.

5. Scheme not Detrimental to the Shareholders of the Company.

The Committee members discussed and deliberated upon the rationale and salient features of the Scheme. In light of the same and the Fair Equity Share Exchange Ratio forming part of fair valuation report, fairness opinion and other documents presented before the Committee, the Committee was of the informed opinion that the proposed Scheme is in the best interest of the Shareholders of the Company.

6. Recommendation of the Committee

In light of the aforesaid, the Committee noted that taking into consideration the proposed Scheme, *inter-alia*, fair equity share exchange ratio forming part of fair valuation report, fairness opinion, rationale of the Scheme, it is of view that the Scheme is not detrimental to the shareholders of the Company.

The Committee, after due deliberations and due considerations of all terms of the Scheme, in particular the fact that the Scheme is not detrimental to the shareholders of the Company, recommends the Scheme for favorable consideration and approval by the Board of Directors, Stock Exchanges, SEBI and other appropriate authorities.

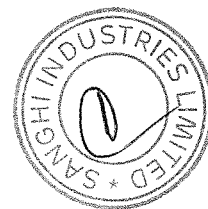
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This report of the Committee is made in order to comply with the requirement of the SEBI Schemes Master Circular after considering the necessary documents.

For and on behalf of Committee of
Independent Directors of
Sanghi Industries Limited


Ravi Kapoor
Chairman of the Committee
DIN : 00003847



Date : December 17, 2024
Place: Ahmedabad

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