

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF AMBUJA CEMENTS LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF ADANI CEMENTATION LIMITED WITH AMBUJA CEMENTS LIMITED, AT ITS MEETING HELD ON THURSDAY, JUNE 27, 2024.

Present Members:

Mr. Rajnish Kumar : Chairman
Mr. Maheswar Sahu : Member
Mr. Ameet Desai : Member

1. Background of the proposed scheme of arrangement

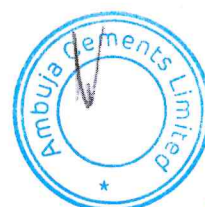
A meeting of the Committee of Independent Directors (hereinafter referred to as the "**Committee**") of Ambuja Cements Limited was held on Thursday, June 27, 2024, to consider and recommend the proposed scheme of amalgamation of Adani Cementation Limited (hereinafter referred to as the "**ACL**") with Ambuja Cements Limited (hereinafter referred to as the "**Ambuja**" or the "**Company**", as the context may admit) (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 ACL 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 "**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 Circular**").

The Scheme will be presented before the Hon'ble National Company Law Tribunal, Ahmedabad under Sections 230 to 232 and other applicable provisions of the Act, the rules and regulations made thereunder, and in accordance with Section 2(1B) of the Income Tax Act, 1961, and other

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CIN: L26942GJ1981PLC004717



applicable laws including Listing Regulations and SEBI Circular.

In terms of the SEBI 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:

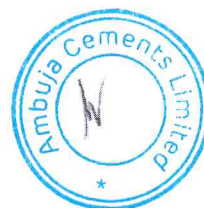
- a) A draft of the proposed Scheme.
- b) Fair Equity Share Swap Ratio Report dated June 27, 2024 issued by GT Valuation Advisors Private Limited, Registered Valuer, (IBBI Registration No. IBBI/RV-E/05/2020/134) (pursuant to the provisions of Section 247 of the Act), stipulating *inter alia* the methodology adopted and the valuation arrived at in relation to the amalgamation of ACL with Ambuja.
- c) Fairness opinion dated June 27, 2024 issued by IDBI Capital Markets and Securities Limited, SEBI registered Merchant Bankers, to the Ambuja, providing the fairness opinion on Fair Equity Share Swap Ratio Report of GT Valuation Advisors Private Limited, registered valuer, in relation to the amalgamation of ACL 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 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 provides the following:

- (a) amalgamation of ACL with Ambuja, with effect from the Appointed Date i.e. April 1, 2024, pursuant to the provisions of Sections 230-232 and/or

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other applicable provisions of the Act and in accordance with Section 2(1B) of the Income Tax Act, 1961; and

- (b) various other matters consequential or otherwise integrally connected with the Scheme.

3. Rationale for the Scheme:

The Committee noted the below rationale of the proposed Scheme:

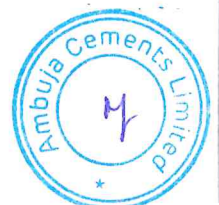
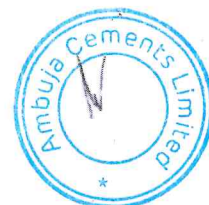
1. The Scheme will enable Ambuja to absorb the business of ACL and enhance its manufacturing capacity to carry out the manufacturing operation more effectively and seamlessly.
2. The business of ACL will be carried on more efficiently and economically. Further, improved utilisation of the combined resources of both the aforesaid companies would result in lowering the overheads and elimination of duplication of work and reduction in compliance requirements.
3. The amalgamation will help Ambuja to quickly start the construction activity at various sites of ACL and that of the wholly owned subsidiary of ACL.
4. The amalgamation would lead to enhanced value addition for both the aforesaid companies and consequently the value for shareholders will increase.

4. Fair Equity Share Swap Ratio/ Consideration of cash involved in Scheme

174 equity shares having face value of Rs. 2/- (Rupees two) each of Ambuja credited as fully paid-up, for every 1 equity share of the face value of Rs. 10/- (Rupees ten) each fully paid-up held by member in ACL. Ambuja Shares to be issued by Ambuja to the shareholders of ACL.

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



Swap 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.

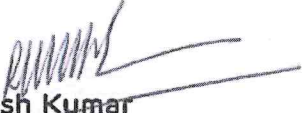
6. Recommendation of the Committee

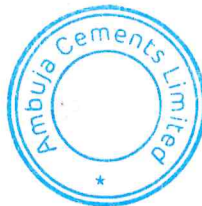
In light of the aforesaid, the Committee noted that taking into consideration the proposed Scheme, *inter-alia*, fair equity shares swap ratio forming part of fair valuation report, fairness opinion, rationale of the Scheme, it is of view that the Scheme is not detrimental to the shareholders of the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

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

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


Rajnish Kumar
Chairman of the Committee
DIN : 05328267



Date : June 27, 2024
Place: Gurgaon

