Annexure-2

Grant Thornton

#GTBharat
SHAPING A VIBRANT INDIA

GT Valuation Advisors Private Limited
16th Floor, Tower III
One International Centre,
S B Marg Prabhadevi (W)
Mumbai - 400013

T +91 22 6626 2600
F +91 22 6626 2601

Strictly Private and Confidential

To,

The Board of Directors

Ambuja Cements Limited

Adani Corporate House, Shantigram,

Near Vaishnav Devi Circle, S.G. Highway,

Khodiyar, Ahmedabad, Gujarat 382421

Date: 27 June 2024

Sub: Recommendation of Share Exchange Ratio pursuant to the Scheme of Amalgamation of Adani Cementation Limited with Ambuja Cements Limited

Dear Sir / Madam,

We refer to our Engagement Letter dated 13 May 2024 whereby the Management of Ambuja Cements Limited ("Ambuja" or the "Client") (referred to as the "Management"), have requested GT Valuation Advisors Private Limited ("GTVAPL" or the "Firm") to determine a Share Exchange Ratio for the proposed merger of Adani Cementation Limited ("ACL" or the "Company") into Ambuja Cements Limited as on 26 June 2024 ("Valuation Date") pursuant to a Scheme of Amalgamation as per the provisions of Sections 230 to 232 and other applicable clauses of the Companies Act, 2013 ("Scheme" or "Scheme of Amalgamation"), consideration for which may be discharged by share exchange ("Proposed Transaction").

Ambuja and ACL are together referred to as the "Specified Companies".

GTVAPL has been hereafter referred to as 'Valuer' or 'we' in this Share Exchange Ratio report ('Report').

In the following paragraphs, we have summarized our valuation analysis together with the description of the methodologies used and limitations on our scope of work.

1. CONTEXT AND PURPOSE OF THIS REPORT

1.1 Background Information

1.1.1 Ambuja Cements Limited

Ambuja is among the leading cement companies in India. It is a part of the Adani Group. Currently, Ambuja Cement has a cement capacity of ~78 million tonnes spread across 42 cement manufacturing and bulk terminal facilities, including 18 integrated plants across the country. The equity shares of Ambuja are listed on Bombay Stock Exchange and National Stock Exchange of India.

1.1.2 Adani Cementation Limited

ACL is a wholly owned subsidiary of Adani Enterprises Limited. ACL is engaged in the business of cement manufacturing and marketing various grades of cement. ACL is the successful bidder for license of limestone mine, with extractable reserves of about 175 Mn tonnes, at Lakhpat, Gujarat. Further, ACL is also proposing to set up a grinding unit at Raigad in Maharashtra. The wholly owned subsidiary of ACL, Adani Cement Industries Limited ("ACIL") is also engaged in cement manufacturing. ACIL has a grinding unit in Dahej, Gujarat.

Ambuja Cements Limited

Grant Thornton

#GTBharat
SHAPING A VIBRANT INDIA

1.2 Proposed Transaction

1.2.1 We have been informed that the Management of Ambuja is contemplating merger of ACL with Ambuja, consideration of which would be discharged by way of issue of fully paid-up equity shares of Ambuja to the shareholders of ACL as per the Share Exchange Ratio recommended in this Report.

1.2.2 So far as the issue of equity shares of Ambuja to the shareholders of ACL is concerned, it shall be issued on preferential allotment basis in accordance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) ("SEBI ICDR") Regulations, 2018, as amended from time to time and other applicable SEBI Regulations, if any.

1.2.3 For the aforesaid purpose, the Management of Ambuja have appointed GTVAPL, Registered Valuer – Securities and Financial Assets, to submit a report recommending Share Exchange Ratio for the Proposed Transaction as required under the relevant provisions of the Companies Act, 2013.

1.2.4 We would like to emphasize that certain terms of the Proposed Transaction are stated in our Report, however, the detailed terms of the Proposed Transaction would be more fully described and explained in the Scheme document between the Specified Companies. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the relevant Scheme documents.

1.3 Scope of Work and Purpose of Valuation

1.3.1 We are given to understand that the Management of Ambuja is contemplating merger of ACL with Ambuja pursuant to a Scheme of Amalgamation under the provisions of Sections 230 to 232 and other applicable clauses of the Companies Act, 2013.

1.3.2 GTVAPL has been requested to submit an independent report recommending the Share Exchange Ratio for the proposed merger of ACL into Ambuja for the consideration of the Board of Directors of Ambuja. This report will be placed before the Board of Ambuja, and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Transaction.

1.3.3 The scope of our services is to conduct a fair valuation of the equity shares of the Specified Companies and report on the Share Exchange Ratio for the Proposed Transaction in accordance with generally accepted professional standards.

1.3.4 For the aforesaid purpose, the valuation analysis is carried out by giving cognizance to the ICAI Valuation Standards, 2018 and as part of valuation process by assigning appropriate weights to the applicable internationally accepted methodologies.

1.3.5 This Report is our deliverable for the above engagement.

1.3.6 This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

2. SOURCE of INFORMATION

2.1. In connection with this exercise, we have used the following information received from the Management and/or gathered from public domain while arriving at the Share Exchange Ratio for the Proposed Transaction:

2.1.1. <u>With respect to Ambuja</u>

a) Annual Report of Ambuja from Financial Year ended 31 December 2019 to Financial Year ended 31 March 2024;
b) Financial Projections from FY2025 to FY2028;
c) Latest available Shareholding Pattern, from BSE filings;
d) Management view on materiality of contingent liabilities;
e) Audited financial statements of subsidiaries, associates and joint ventures for FY2024.

Ambuja Cements Limited

2.1.2. With respect to ACL

a) Audited financial statements of ACL for FY2023 and FY2024;
b) Audited financial statements of ACIL for FY 2023 and FY 2024;
c) Financial Projections of ACIL from FY 2025 to FY 2029;
d) Financial Projections of Raigad grinding unit, which is under ACL, from FY 2025 to FY 2030;
e) Details of Mudhway Mine, mining rights of which are with ACL;
f) Financial projections of mining operations at Mudhway, from FY 2025 till FY 2050;
g) Shareholding Pattern of ACL and ACIL as on the valuation date;
h) Management view on materiality of contingent liabilities;

2.1.3. Other Information

a) Draft Scheme of Amalgamation;
b) International Databases such as Capital IQ, World Wide Web;
c) Correspondence with the Management of Specified Companies including Management Representation Letter.

2.2. During the discussions with the Management, we have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Management of Ambuja has been provided with the opportunity to review the draft Report (excluding the recommended Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.

2.3. The management has informed us over telephonic calls, representation letter or otherwise that:

a) There would not be any capital variation in the Specified Companies (except changes in the capital structure outlined in the Scheme) till the Proposed Transaction becomes effective, without the approval of the shareholders and other relevant authorities.
b) Till the Proposed Transaction becomes effective, neither of the Specified Companies would declare any dividend which are materially different than those declared in the past few years.
c) There are no unusual / abnormal events in the Specified Companies other than those represented to us by the Management of the Specified Companies till the date of this report ("Report Date") materially impacting their operating / financial performance. Further, the Management has informed us that all material information impacting the Specified Companies has been disclosed to us.
d) The Management of Specified Companies has confirmed that the valuation of all the surplus or non-operating assets in the Specified Companies can be considered as per the audited Balance Sheets as on 31 March 2024.

2.4. We have taken into consideration market parameters as on the Valuation Date, in our analysis and made adjustments for information made known to us by the Management till the Report Date which will have a bearing on the valuation analysis.

3. About the Valuer

3.1. GT Valuation Advisors Private Limited is a Registered Valuer entity under Insolvency and Bankruptcy Board of India (IBBI) having Registration No IBBI/RV-E/05/2020/134. GTVAPL holds certificate of practice with RVO ICMAI to value Securities and Financial Assets and Plant and Machinery.

3.2. Darshana Kadakia is a Director in GTVAPL and is a registered valuer with IBBI. The valuer registered with Insolvency and Bankruptcy Board of India (IBBI) to undertake valuation under asset class Securities and Financial Assets and holds certificate of practice as a valuer.

4. Disclosure of the Registered Valuer's Interest or Conflict, if any and other affirmative statements

4.1. We do not have any financial interest in the Client or the Company, nor do we have any conflict of interest in carrying out this valuation, as of the date of the engagement letter till the Report Date. We further state that we are not related to the Client / Company / their promoters.

5. VALUATION PROCEDURES ADOPTED

5.1. Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not limited to the following:

5.1.1. Discussion with the Management to:
a) Understand the business and various business segments of the Specified Companies.
b) Enquire about the historical financial performance, current state of affairs of the Specified Companies
c) Enquire about business plans and future performance estimates.

5.1.2. Undertook Industry Analysis:
a) Research on publicly available market data on Cement Industry that may impact the valuation.
b) Analysis of key trends and valuation multiples of comparable companies using:
   i. Valuer internal transactions database
   ii. Proprietary databases subscribed by the Valuer
c) Other publicly available information.

5.1.3. Analysis of information
5.1.4. Selection of appropriate internationally accepted valuation methodology / (ies) after deliberations
5.1.5. Determination of fair values of the Specified Companies
5.1.6. Arriving at the Share Exchange Ratio for the Proposed Transaction.

6. SHAREHOLDING PATTERN OF SPECIFIED COMPANIES

6.1. Ambuja

6.1.1. The issued and subscribed share capital of Ambuja as on the Valuation Date was INR 4,926.2 million consisting of 2,463.1 million equity shares of face value of INR 2 each.

6.1.2. The summary of shares outstanding as on the Valuation Date are presented in the table below:

Sr. No.	Particulars	No of Shares
1.	Promoter and Promoter Group	1,73,13,37,052
2.	Public	73,04,46,585
3.	Non-Promoter Non-Public	13,39,841
	Total Shares	**2,463,123,478**

**Source: Management*

6.2. ACL

6.2.1. The issued and subscribed equity share capital of ACL as on the Valuation Date was INR 0.5 million consisting of 50,000 equity shares of face value of INR 10 each.

6.2.2. The summary of shares outstanding as on the Valuation Date are presented in the table below:

Sr. No.	Particulars	No of Shares
1.	Adani Enterprises Limited along with its nominees	50,000
	Total Shares	**50,000**

**Source: Management*

<this space has been intentionally left blank>>

Ambuja Cements Limited

7. VALUATION APPROACH & METHODOLOGY

7.1. Valuation Procedures

Arriving at the Share Exchange Ratio for the Proposed Transaction would require determining the fair value of equity shares of ACL and equity shares of Ambuja. These values are to be determined independently without considering the effect of the Proposed Transaction.

In connection with this exercise, we have adopted the following procedures to carry out the equity valuation of the Specified Companies:

7.1.1. Data Collection and Planning:

a) Collected financial data and key performance indicators for the historical period.
b) Held discussions with the Management pertaining to the business and the expected performance indicators during the projected period.
c) Any details needed for industry data, market share, surplus assets, assets and liabilities classified as held for sale, contingent liabilities and other data required based on further understanding.

7.1.2. Data Analysis and Management Discussions:

a) Sought discussions with the Management to understand the business and fundamental factors that affect the earning-generating capability including its strengths, weaknesses, opportunity and threats analysis and historical financial performance.
b) Where needed, analyzed publicly available information whether or not provided by Management.

7.1.3. Undertook Industry Analysis:

a) Research publicly available market data including economic factors and industry trends that may impact the valuation.
b) Analysis of the market to identify comparable companies and comparable transactions.
c) Other publicly available information.

7.1.4. Performing Valuation Analysis:

a) Selected appropriate Internationally acceptable valuation methodologies to be used based on the information received, understanding gathered through interviews with the Management, publicly available information and prior experience.
b) Understood key drivers of valuation and supporting assumptions.
c) Identified key assumptions and arrived at fair value of equity shares of the Specified Companies in order to determine the Share Exchange Ratio for the Proposed Transaction.

7.2. Valuation Parameters

7.2.1. **Valuation Base:** Valuation base means the indication of the type of value being used in an engagement. Different valuation bases may lead to different conclusions of value. The standard of value used in our analysis is "Fair Value" which is often understood as the price, that would be received to sell an asset in an orderly transaction between market participants at the valuation date. Fair value is the price in an orderly transaction in the principal (or most advantageous) market at the valuation date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

7.2.2. **Premise of Value:** A premise of value or assumed use describes the conditions and circumstances of how an asset is deployed. We have considered the "going concern value" as Premise of Value.

7.2.3. **Intended Users:** This Report is intended for consumption of the Client, its advisors supporting the Proposed Transaction as well as relevant regulatory and statutory authorities.

7.2.4. **Valuation Date:** The Valuation Date considered for this engagement is 26 June 2024.

Ambuja Cements Limited

7.2.5. **Valuation Standards:** The report is being prepared in accordance with the relevant ICAI Valuation Standards, 2018 such as ICAI Valuation Standard 102 – Valuation Bases, ICAI Valuation Standard 103 – Valuation Approaches and Methods, ICAI Valuation Standard 301 – Business Valuation.

7.3. Valuation Approach & Methodology

7.3.1. Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

a) Specific nature of the business
b) Whether the entity is listed on a stock exchange
c) Industry to which the company belongs.
d) Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated.
e) Extent to which industry and comparable company information is available.

7.3.2. The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. Certain valuation techniques have evolved over time and are commonly in vogue.

7.3.3. It should be understood that the valuation of any business/ company or its assets/ equity shares is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. Valuation results could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions, financial and otherwise, and other factors which generally influence the valuation of companies.

7.3.4. The application of any method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. The choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guidelines, and our reasonable judgement, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

7.3.5. The Management is contemplating merger of ACL and Ambuja in accordance with the provisions of section 230 to 232 of the Companies Act 2013.

7.3.6. We have evaluated the following valuation methodologies as per any internationally accepted pricing methodology on arm's length basis. The valuation techniques can be broadly categorized as follows:

a) Market Approach
   i. Market Price Method
   ii. Comparable Companies Multiple ("CCM") Method
   iii. Comparable Transaction Multiple ("CTM") Method
b) Income Approach – Discounted Cash Flow Method
c) Asset / Cost Approach – Net Asset Value Method

<<this space has been intentionally left blank>>

Ambuja Cements Limited

7.4. Valuation Methods

7.4.1. Market Price Method

The market price of an equity shares as quoted on stock exchanges is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

The equity shares of Ambuja are listed on NSE and BSE and there are regular transactions in its equity shares with adequate volumes. Thus, the share prices observed on NSE over a reasonable period, considering the volume traded was higher on NSE than BSE, have been considered for arriving at the value per equity share of Ambuja under the Market Price method.

As mentioned above, since as part of the Proposed Transaction, shares of Ambuja, i.e., a listed company, will be made to the shareholders of ACL, i.e., an unlisted company, it is required to follow the pricing conditions that apply to preferential issue under ICDR regulations. Thus, the market price is arrived as per the pricing formula provided under regulation 164(1) under Chapter V – Preferential Issue of SEBI ICDR regulations.

As per the said regulation *"If the equity shares of the issuer have been listed on a recognized stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:*

a) the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

b) the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date. "

Therefore, we have considered the higher of 90 days or 10 days volume weighted average price as Market Price for computation.

Since the equity shares of ACL are not listed on any recognized stock exchanges, we have not considered the Market price method to estimate the fair value of equity shares of ACL.

7.4.2. CCM Method

Under this methodology, appropriate valuation multiples of comparable listed companies are computed and applied to the financials of the company being valued in order to arrive at a multiple based valuation. This is based on the premise that the market multiples of comparable listed companies are good benchmarks to derive valuation.

In the present valuation analysis, based on research from international databases and discussions with the Management, we were able to identify companies listed on recognized stock exchanges which can be considered as comparable to Ambuja. In identifying the comparable companies' certain parameters like similarity in business activity, financial performance, size of operations etc. were considered. Based on this analysis, we have considered the Comparable Companies Multiple Method to estimate the fair value of equity shares of Ambuja.

While we have screened for publicly listed companies comparable to ACL, given the current status, size, scale of operations and the expected revenue growth rates and expected profitability of ACL, we did not find publicly listed companies comparable to ACL. We have therefore not considered this method to estimate the fair value of equity shares of ACL.

7.4.3. Comparable Transactions method

This method is similar to the above CCM method, with the exception that the companies used as guidelines are those that have been recently acquired. Under the CTM Method, acquisitions or divestitures involving similar companies are identified, and the multiples implied by their purchase prices are used to assess the subject company's value. There is no rule of thumb for the appropriate age of a reasonable transaction; however, it is important to be aware of the competitive market at the time of the transaction and factor any changes in the marketplace environment into the analysis. All other things being equal, the more recent the transaction, the more reliable the value arrived at using this technique.

Ambuja Cements Limited

We were unable to use this method for our valuation analysis of the Specified Companies due to lack of credible and sufficient information available in the public domain relating to comparable transactions of companies at similar stage, size and scale of operations in the recent past.

7.4.4. Discounted Cash Flow ("DCF") Method

Under the DCF method the projected free cash flows to the firm/ equity are discounted at the weighted average cost of capital/ cost of equity. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors),
- The cost of capital to discount the projected cash flows.

Considering the above, we have used this method to estimate the fair value of equity shares of Ambuja, since it captures Ambuja's growth and cash generating potential. Similarly, we have used this method to value some of the assets of ACL including investment in ACIL, the mining rights in Gujarat and the grinding unit being set up in Raigad.

We have used the free cash flows to firm (the "FCFF") approach under the DCF method to estimate the value of equity shares of Ambuja and some of the assets of ACL as mentioned above, based on the financial projections provided to us by the Management.

Please note that we have relied on explanations, financial projections and information provided by the Management. Projections and assumptions for the projected period are only the best estimates of the Management for the Company's growth and sustainability of profitability margins. Although, we have reviewed the data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.

7.4.5. Net Asset Value ("NAV") Method

The value arrived at under this approach is based on the latest available audited/ unaudited/ provisional financial statements of the business and may be defined as the Shareholder's Funds or Net Asset Value of the company.

Under this method, the net assets as per the financial statements are adjusted for market value of surplus/ non-operating assets, potential and contingent liabilities, if any. The NAV is generally used as the minimum break-up value for any business since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern.

In the present case, we have considered Sum of the Parts ("SOTP") approach under this method to value ACL as a whole since ACL is an investment holding company with investments in equity shares of ACIL, proposed grinding unit in Raigad, mining rights in Gujarat and investments in other projects.

Based on our discussions with the Management, and analysis of the historical and projected profit and loss statements of Ambuja, we understand that the current NAV only reflects the historical costs and accumulated profits of Ambuja which do not reflect the fair value of the assets and liabilities as of the Valuation Date.

Since, the current NAV is not reflective of Ambuja's future cash generation and performance, keeping in mind the context and purpose of the Report, we have not used this method to estimate the fair value of equity shares of Ambuja.

Ambuja Cements Limited

Grant Thornton

#GTBharat
SHAPING A VIBRANT INDIA

8. BASIS OF SHARE EXCHANGE RATIO

8.1. The equity share exchange ratio has been arrived at on the basis of the fair value of equity shares of the Specified Companies based on the various approaches / methods explained in this Report and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Specified Companies, having regard to information base, key underlying assumptions and limitations.

8.2. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio. The final responsibility for the determination of the exchange ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the respective companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

8.3. The Share Exchange Ratio is based on the methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Specified Companies, having regard to available information base, key underlying assumptions and limitations.

9. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

9.1. Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. These services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

9.2. The recommendation contained herein is not intended to represent value at any time other than the date of the Report. Also, it may not be valid if done on behalf of any other entity.

9.3. This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the information made available to us, the prevailing stock market, financial, economic and other conditions in general and industry trends in particular, as of the Valuation Date. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

9.4. The recommendation rendered in this Report only represents our recommendation based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

9.5. It should be understood that the valuation of any entity or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we have relied on explanations provided by the Management and have made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Specified Companies. This valuation could fluctuate with lapse of time, changes in prevailing market conditions and prospects, foreign exchange rates, industry performance and general business and economic conditions, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

9.6. The recommendation of a Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Exchange Ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the recommendation of the Share Exchange Ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the Specified Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

Ambuja Cements Limited

9.7. In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. In accordance with the terms of our engagement, we have assumed and relied upon, (i) the accuracy of the information that was publicly available and formed a basis for this Report and (ii) the accuracy of information made available to us by the Management. As per our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited or otherwise investigated the historical/projected financial information provided to us. Although, we have made the necessary enquiries regarding the key assumptions considered in the business model in the context of the Specified companies, their industry or their economy and reviewed such data for consistency and reasonableness, we have not independently investigated the data provided by the Management. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by Management that they have not omitted any relevant and material factors. Our conclusions are based on the assumptions and information given by/on behalf of the Specified Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for financial/technical information furnished by Management.

9.8. Accordingly, we assume no responsibility for any errors in the information furnished by the Management or obtained from public domain and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

9.9. We have relied on data from external sources. These sources, although considered to be reliable, are external and hence, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/ internal occurrences.

9.10. The Management has represented that the business activities have been carried out in the normal and ordinary course between 31 March 2024 and the Report Date for the Specified Companies and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

9.11. The Report assumes that the Specified Companies, their subsidiaries, associates and Joint Ventures ("JVs") comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that all the companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of regulatory nature, tax nature (including domestic and international tax etc.) and legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Specified Companies, their subsidiaries and JVs. Our conclusion of value assumes that the assets and liabilities of the Specified Companies, their subsidiaries, associates and JVs, reflected in their respective latest balance sheets remain intact as of the Report Date.

9.12. This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alterative business transaction or other alternatives or whether such alternatives could be achieved or are available. In addition, we express no opinion or recommendation as to how the shareholders of the Company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction.

9.13. No investigation / inspection of the Specified Companies' claim to title of assets has been made for the purpose of this Report and the Specified Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

9.14. We have no present or planned future interest in Ambuja and the fee for this report is not contingent upon the values or results reported herein.

9.15. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Specified Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Specified Companies, their directors, employees or agents.

Ambuja Cements Limited

9.16. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Exchange Ratio. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. Our report is not, nor should it be construed as our opining or certifying the compliance of the Proposed Transaction with the provisions of any law including companies, taxation or as regards any legal implications or issues arising thereon.

9.17. This Report is subject to the laws of India.

9.18. The information provided by the Management have been appropriately reviewed in carrying out the valuation. Sufficient time and information were provided to us to carry out the valuation.

9.19. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, without our prior written consent except for disclosures to be made to relevant regulatory authorities including National Company Law Tribunal, recognized stock exchanges or as required under applicable law.

9.20. This Report and the information contained in it is absolutely confidential and intended only for the sole use and information of the Board of Ambuja and only in connection with the Proposed Transaction. Without limiting the foregoing, we understand that Ambuja may be required to share this Report with regulatory or judicial authorities in connection with the Proposed Transaction. We hereby give consent to such disclosure of this Report, on the basis that the Valuer owes responsibility only to Ambuja that has engaged us, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, the Valuer accepts no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and / or filing with any recipient, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person / party other than Ambuja.

9.21. The scope of work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this report, which might be relevant in the context of the Proposed Transaction and which a wider scope might uncover. Our assistance/ this report should not be considered any advice for financial reporting purposes. The Report is for regulatory compliance only and may not be used for any other purpose other than that stated herein and in our Engagement Letter, in particular for accounting or financial reporting purposes. Management is solely responsible for determining any amounts it records in its books and records and financial statements and footnotes thereto.

9.22. Our report can be used by Ambuja only for the purpose, as indicated in this report, for which we have been appointed. The results of our valuation analysis and our report cannot be used or relied by Ambuja for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person / party for any decision of such person / party based on this report. Any person / party intending to provide finance / invest in the shares / business of the Specified Companies / their holding companies / subsidiaries / associates / investee companies / other group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person / party (other than Ambuja) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to the Valuer. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.

9.23. Any discrepancies in any table / annexure between the total and the sums of the amounts listed are due to rounding-off.

Ambuja Cements Limited

Grant Thornton

#GTBharat
SHAPING A VIBRANT INDIA

10. CONCLUSION

Based on the forgoing, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, pursuant to the merger of ACL into Ambuja, we recommend the following Share Exchange Ratio:

174 (One Hundred seventy-four) Equity Shares of Ambuja of INR 2 each fully paid up, for every 1 (One) Equity Share of ACL of INR 10 each fully paid up,

It should be noted that we have not examined any other matter including economic rationale for the Proposed Transaction per se or accounting, legal or tax matters involved in the Proposed Transaction.

Respectfully submitted,

For GT Valuation Advisors Private Limited
Registered Valuer Entity – Securities and Financial Assets
IBBI Registration Number: IBBI/RV-E/05/2020/134

eSigned using Aadhaar
(Leegality.com - Gh4HlaD)
Darshana Kadakia
Date: Thu Jun 27 08:10:54 IST 2024

Ambuja Cements Limited

Director
Darshana Kadakia

Register Valuer – Securities and Financial Assets
IBBI Registration Number: IBBI/RV/05/2022/14711

Date: 27 June 2024

Annexure 1

The Computation of Share Exchange Ratio for the Proposed Transaction as derived by us, is given below:

Valuation Approach	ACL (A)		Ambuja (B)	
	Weights	Value per Share (INR)	Weights	Value per Share (INR)
Market Approach				
Market Price Method	NA	NA	100%	666.8
Comparable Companies Multiple method	NA	NA	0%	625.8
Comparable Transactions Method	NA	NA	NA	NA
Income Approach- Discounted Cash Flow Method	NA	NA	0%	535.5
Cost Approach – Net Asset Value Method	100%	115,883.0	NA	NA
Concluded Value Per share		**115,883.0**		**666.8**
Fair Share Exchange Ratio (A/B) (Rounded)	**1:174**			

*NA= Not Applicable/Not Adopted

1. Comparable Transactions Method is not adopted due to lack of credible and sufficient information available in public domain relating to comparable transactions.
2. Comparable Companies Multiple Method is not adopted for ACL since there are no closely comparable listed companies.
3. Income approach is adopted as we have been provided with financial forecast for the business of the Specified Companies from the Management, and this methodology captures the future cash flows.
4. The Cost approach is not used for Ambuja as in the present case, it is a going concern and hence an actual realization of their operating assets is not contemplated.

Share Exchange Ratio
174 (One Hundred Seventy-four) Equity Shares of Ambuja of INR 2 each fully paid up, for every 1 (One) Equity Share of ACL of INR 10 each fully paid up

Ambuja Cements Limited

Ambuja Cement

adani Cement

To,
National Stock Exchange of India Limited
'Exchange Plaza'. C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Adani Cementation Limited ("Transferor Company") and Ambuja Cements Limited ("Transferee Company").

In connection with the above application, we, Ambuja Cements Limited (Transferee Company) hereby confirm that no material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

For, Ambuja Cements Limited

Manish Mistry
Company Secretary & Compliance Officer

Ambuja Cements Limited

Date: 8th July, 2024
Place: Ahmedabad

Ambuja Cements Limited
Registered Office:
Adani Corporate House
Shantigram, S. G. Highway, Khodiyar,
Ahmedabad – 382 421, Gujarat, India
Ph +91 79-2656 5555
www.ambujacement.com
CIN: L26942GJ1981PLC004717

ROSHAN NILESH VAISHNAV
CHARTERED ACCOUNTANT

REGISTERED VALUER
SECURITIES OR FINANCIAL ASSETS
Reg. No. IBBI/RV/06/2019/11653

Date: June 27, 2024

Private & Confidential

To,
The Board of Directors,
Adani Enterprises Limited
Adani Corporate House,
Shantigram,
Ahmedabad, Gujarat.

Dear Sir(s) / Madam(s)

Subject: Fair Equity Share Exchange Ratio Report for the proposed Scheme of Amalgamation of Adani Cementation Limited with Ambuja Cements Limited

Adani Cementation Limited (**'ACL', 'Transferor Company'**) is engaged in manufacturing all types of cement and allied products as well as mining operations. Adani Enterprises Limited **('AEL', 'you', 'your')**, is engaged in the business of integrated resources management, mining services and other trading activities. ACL is a wholly owned subsidiary ('**WOS**') of AEL. The equity shares of AEL are listed on BSE Limited **('BSE')** and National Stock Exchange of India Limited **('NSE')** ('BSE' and 'NSE' are together known as, **'the Stock Exchanges'**).

Ambuja Cements Limited ('**Ambuja', 'Transferee Company**'), is one of the leading cement companies in India. The equity shares of Ambuja are listed on the Stock Exchanges. AEL, ACL and Ambuja are together referred to as '**the Companies**'.

A scheme of amalgamation has been proposed by the Board of Directors of the Companies for the amalgamation of the Transferor Company into and with the Transferee Company in accordance with the provisions of sections 230-232 and other applicable provisions of the Companies Act, 2013 (**'the Scheme'**). The terms not defined herein would carry meaning as per the Scheme.

AEL has, through an engagement letter dated May 31, 2024 (**'Engagement letter'**), appointed Roshan Nilesh Vaishnav, Chartered Accountant bearing IBBI Registration Number – IBBI/RV/06/2019/11653 and ICAI RVO Membership Number – ICAIRVO/06/RV-P00014/2019-2020, registered under the Insolvency Bankruptcy Board of India read with the Companies (Registered Valuers & Valuation) Rules, 2017 (**'the Valuer', 'the Registered Valuer', 'I', 'me', 'my'**) to assist in determining the Fair Equity Share Exchange Ratio for the Scheme, on the basis of the fair valuation of the equity shares of the Transferee Company and Transferor Company on a consolidated basis as on June 26, 2024 (**'Valuation Date'**).

My Valuation Report **('Fair Equity Share Exchange Report', 'Report')** is to be read in conjunction with the scope and purpose of the Report, the sources of information and the assumptions, exclusions, limitations, and the disclaimers, as detailed hereinafter.

Vivro House, 11 Shashi Colony, Opp. Suvidha Shopping Center, Paldi, Ahmedabad - 380007
roshan.vaishnav@ncvaishnav.com | Ph. No. - (079) 4040 4242

This letter should be read in conjunction with the Report.

Should you require any further information or explanations, please contact the undersigned.

Thanking you,

Roshan Nilesh Vaishnav

Digitally signed by Roshan Nilesh Vaishnav
Date: 2024.06.27 10:22:21 +05'30'

CA Roshan Nilesh Vaishnav
Registered Valuer – Securities or Financial Assets
ICAI RVO Membership Number – ICAIRVO/06/RV-P00014/2019-2020
IBBI Reg Number - IBBI/RV/06/2019/11653
UDIN: 24136335BKBHIS3732

CONTENTS

1. ABBREVIATIONS....4
2. EXECUTIVE SUMMARY....5
3. SOURCES OF INFORMATION....6
4. SCOPE, USAGE AND PURPOSE OF THE REPORT....7
5. OVERVIEW OF THE COMPANIES....7
6. RATIONALE OF THE SCHEME....10
7. PROCEDURE FOR THE VALUATION....11
8. METHODOLOGY OF THE VALUATION....11
9. BASIS FOR THE DETERMINATION OF THE FAIR VALUE....16
10. ASSUMPTIONS, DISCLAIMERS, EXCLUSIONS, LIMITATIONS AND QUALIFICATIONS....16
11. CONCLUSION....19

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV
SECURITIES OR FINANCIAL ASSETS
Reg. No. IBBI/RV/06 2019 11653
REGISTERED VALUER

1. ABBREVIATIONS

Abbreviations	Meaning
ACIL	Adani Cement Industries Limited
ACL, Transferor Company	Adani Cementation Limited
AEL	Adani Enterprises Limited
Ambuja, Transferee Company	Ambuja Cements Limited
BSE	BSE Limited
CCM	Comparable Company Multiple
CSRP	Company Specific Risk Premium
DCF	Discounted Cash Flow
EV	Enterprise Value
FCFE	Free Cash Flow to the Equity
FCFF	Free Cash Flow to the Firm
GDR	Global Depository Receipts
Ha	Hectares
ICAI	Institute of Chartered Accountants of India
INR	Indian Rupee
IVS	Indian Valuation Standards
LuxSE	Luxembourg Stock Exchange
MMTPA	Million Metric Tons Per Annum
MTF	Multilateral Trading Facility
NSE	National Stock Exchange of India Limited
SEBI (ICDR)	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
WACC	Weighted Average Cost of Capital
WOS	Wholly Owned Subsidiary

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV
SECURITIES OR FINANCIAL ASSETS
Reg. No. IBBI/RV/ 06 2019 11653
REGISTERED VALUER

2. EXECUTIVE SUMMARY

2.1. Details of the Scheme

2.1.1. A scheme of amalgamation has been proposed by the Board of Directors of the Companies for the amalgamation of the Transferor Company into and with the Transferee Company in accordance with the provisions of sections 230-232 and other applicable provisions of the Companies Act, 2013, from the Appointed date upon the Scheme coming into effect. The Appointed Date as per the Scheme is April 01, 2024.

2.2. Scope, Usage and Purpose of Valuation

2.2.1. The scope of my services as per my Engagement Letter, is to carry out the valuation of the equity shares of ACL and Ambuja on a consolidated basis as on the Valuation Date, using the methodology prescribed under the Indian Valuation Standards (**'IVS'**) issued by the Institute of Chartered Accountants of India (**'ICAI'**), to arrive at Fair Equity Share Exchange Ratio for the Scheme, and issue a Report to be used by the Board of Directors of the Companies for representing to the regulatory authorities for compliance under the Companies Act, 2013.

2.3. Summary of the Valuation

Particulars	Equity shares of ACL	Equity shares of Ambuja
Income Approach	✓	✓
Market Approach	×	✓
Cost Approach	×	×

Source: Valuer's Analysis

2.3.1. I have considered the valuation base as 'Fair Value' and the premise of value as 'Going Concern'. Any change in the valuation base or premise could have a significant impact on the valuation analysis, and consequently, this Report.

2.3.2. I have considered it appropriate to adopt the Discounted Cash Flow (**'DCF'**) Method under the Income Approach, Market Price Method and the Comparable Company Multiple (**'CCM'**) Method under the Market Approach with suitable weightage for the valuation of the equity shares of Ambuja. Please refer paragraph 8.2 for my reasoning on the use of the approaches and methodologies of valuation.

2.3.3. I have considered it appropriate to adopt the Reproduction Cost Method under the Cost Approach, for the valuation of the equity shares of ACL. Please refer paragraph 8.3 and 8.4 for my reasoning on the use of the approaches and methodologies of valuation.

2.3.4. On the basis of my valuation analysis and methodologies adopted, I estimate the fair Value of the equity shares of Adani Cementation Limited, on a consolidated basis as on the Valuation Date, to be **INR 116,278.24 per equity share**. and the fair Value of equity shares of Ambuja Cements Limited as on as on the Valuation Date, to be **INR 666.78 per equity share.**

2.3.5. Based on the fair valuation of the ACL and Ambuja, I recommend a Fair Equity Share Exchange Ratio as under:

"174 equity shares of Ambuja Cements Limited of INR 2.00 each fully paid up for every 1 equity shares of Adani Cementation Limited of INR 10.00 each fully paid-up'.

3. SOURCES OF INFORMATION

I have relied on the following information provided by AEL for the preparation of this Report:

3.1 Draft scheme of amalgamation proposed between the Transferee Company and Transferor Company;

3.2 Shareholding pattern of the Companies as on the Valuation Date, 2024;

3.3 Audited financials of the Companies as on March 31, 2022 , March 31, 2023, and March 31, 2024;

3.4 Projected financial statements of Ambuja from FY 2025 to FY 2028, ACIL from FY 2025 to FY 2029, Raigad Grinding Unit from FY 2025 to FY 2030 and Mudhvay Mines from FY 2025 to FY 2050;

3.5 E-Auction submission and grant for Mudhvay Mines - Sub Block C dated May 25, 2017 in favor of ACL;

3.6 Approved Mining Plan dated April 16, 2024 in favor for ACL for extraction of limestone mineral from Mudhvay Limestone Sub Block C 238 Dot 0807 Ha over an area of 238.0807 Ha;

3.7 Mining lease dated January 11, 2023 between Government of Gujarat and ACL;

3.8 Database prowessIQ by CMIE and other publicly available data on the Web;

3.9 Written Representations received from the management dated June 26, 2024;

3.10 Such other information, explanations and representations as required and as provided by the management of the Companies and considered relevant for purpose of preparing this Report.

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

4. SCOPE, USAGE AND PURPOSE OF THE REPORT

4.1 My scope of work involves determining the fair value of the equity shares of the Transferee Company and Transferor Company, on a consolidated basis as on the Valuation Date, and issue a Report to be used by the Board of Directors of the Companies as well as to represent to the regulatory authorities for compliance under the Companies Act, 2013.

4.2 The valuation presented in this Report is specific to this Valuation Date and the facts and circumstances mentioned in this Report.

4.3 This Report is my deliverable to this engagement.

4.4 The Companies shall not disclose the contents or use this Report for any other purpose whatsoever. This Report or any name reference or any part thereof of this Report shall not be utilized for any other purpose whatsoever and shall not form part of any public domain information or be shared with any third party unless it is expressly required by any regulatory authorities.

5. OVERVIEW OF THE COMPANIES

Ambuja Cements Limited

5.1 The Transferee Company (**'CIN: L26942GJ1981PLC004717', formerly known as Ambuja Cements Private Limited and Gujarat Ambuja Cements Limited**) is a public limited company incorporated on October 20, 1981, engaged in the business of manufacturing and marketing of cement and cement related products. The equity shares of the Transferee Company are listed on the Stock Exchanges and the Global Depository Receipts (**'GDRs'**) are listed under the EURO Multilateral Trading Facility (**'MTF'**) platform of Luxembourg Stock Exchange (**'LuxSE'**).

5.2 The share holding pattern of the Transferee Company as on the Valuation Date, is as follows:

Equity Shares with a face value of INR 2.00 each

Shareholder Name	Equity Shares	Shareholding (%)
Promoter and Promoter Group	1,73,13,37,052	70.29
Public	73,17,86,426*	29.70
Total	**2,46,31,23,478**	**100.00**

Source: www.bseindia.com accessed on June 26, 2024

**Includes 13,39,841 equity shares represented by 13,39,841 GDRs*

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

Adani Cementation Limited

5.3 The Transferor Company (**'CIN: U74999GJ2016PLC094589'**) is a public limited company incorporated on December 6, 2016, engaged in the business of manufacturing and marketing of various grades of cement. The Transferor Company is the successful bidder for license of limestone mine, at Lakhpat, Gujarat (**'Mudhvay Mines'**). The Transferor Company is also proposing to set up a grinding unit at Raigad, Maharashtra (**'Raigad Grinding Unit'**). The Transferor Company is a WOS of AEL.

5.4 Adani Cement Industries Limited (**'CIN: U26999GJ2021PLC123226', 'ACIL'**) is a WOS of the Transferor Company as on the date of this Report. ACIL is also engaged in the business of cement manufacturing and marketing various grades of cement.

5.5 The share holding pattern of ACL as on the Valuation Date, 2024, is as follows:

Equity Shares with a face value of INR 10.00 each

Shareholder Name	Equity Shares	Shareholding (%)
Adani Enterprises Limited along with its nominees	50,000	100.00
Total	**50,000**	**100.00**

Sources: Management Representation

5.6 A brief summary of the financial profile of ACL for the period ended March 31, 2024, and March 31, 2023, is as under:

Balance Sheet of ACL:

(INR In Cr.)

Particulars	March 31, 2023	March 31, 2024
Net Block (Ref point 5.7)	25.83	25.83
Capital Work-In-Progress (Ref point 5.8)	153.59	175.79
Capital Advances	5.86	5.86
Advance for goods and services	77.19	77.19
Balance with government authorities	6.71	6.86
Total Non-Current Assets	**269.18**	**291.52**
Cash & Cash Equivalents	0.03	0.59
Other Financial Assets	0.02	0.01
Total Current Assets	**0.04**	**0.60**
Total Assets	**269.23**	**292.12**
Equity Share Capital	0.05	0.05
Other Equity	(0.21)	(0.23)
Total Shareholders' Funds	**(0.16)**	**(0.18)**
Short Term Borrowings (from Holding Company)	267.27	291.18

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

Particulars	March 31, 2023	March 31, 2024
Trade Payables	1.46	0.59
Other Financial liabilities	0.02	-
Other Current Liabilities	0.64	0.53
Total Current Liabilities	**269.39**	**292.30**
Total Equity and Liabilities	**269.23**	**292.12**

Source: Audited financials of ACL

Profit and Loss of ACL:

(INR In Cr.)

Particulars	March 31, 2023	March 31, 2024
Revenue from Operations	-	-
Total Revenue	**-**	**-**
Finance Cost	-	0.00
Other Expenses	0.01	0.01
Total Expense	**0.01**	**0.01**
Profit/(Loss) Before Tax	**(0.01)**	**(0.01)**
Tax Expense	0.00	-
Profit/(Loss) After Tax	**(0.01)**	**(0.01)**

Source: Audited financials of ACL

5.7 ACL has the following parcels of land as on March 31, 2024;

Land Location	Land size (in HA)	Book value (INR In Cr.)
Raigad	9.70	22.61
Mudhvay	20.83	2.40
Dypasandra	0.81	0.80
Total	**31.34**	**25.81**

Source: Management Representation

5.8 ACL has incurred the following Capital Work-in-Progress as on March 31, 2024;

Particulars	Book value (INR In Cr.)
Lakhpat Cement Works (incl. Mudhvay Mines)	104.60
Mangalore Bulk Terminal	7.25
Mundra Grinding Unit	4.79
Raigad Grinding Unit	37.75
Other Projects	21.40
Total	**175.79**

Source: Management Representation

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

5.9 Based on the discussion with the management and the information received, I understand that ACL has acquired certain land parcels and incurred capital expenditure towards Mudhvay Mines and Raigad Grinding Unit. A description for which is as under:

Raigad Grinding Unit

5.10 ACL has acquired the 9.70 hectares of land at a cost of 22.61 Cr at Raigad for setting up a Raigad Grinding Unit which is a cement grinding unit with cement production capacity of 2.5 Million Metric Tons Per Annum ('**MMTPA**'). ACL has incurred a capital expense of 37.75 Cr till March 31, 2024 and expects to start operations by January 1, 2026.

Mudhvay Mines

5.11 ACL was selected as the preferred bidder for tender number 20170425211633 for extraction of mineral i.e limestone from Mudhvay Sub- Block C in the district of Kutch in Gujarat. ACL has acquired 20.83 hectares of land at a cost of 2.40 Cr to support the mineral extraction over 238 hectares of land. Further, ACL has incurred a capital expense of 104.60 Cr and expects to start the mining operations from FY 2025.

5.12 Apart from the capital expenses at Raigad Grinding Unit and Mudhvay Mines, ACL has acquired a land parcel at Dypasandra and incurred some expenditure which are not capitalized. Based on the discussion with the management of the Companies, I understand that these projects are not finalized and are halted as on the date of this Report.

6. RATIONALE OF THE SCHEME

As per the Scheme the proposed amalgamation will be beneficial to the Transferor Company, the Transferee Company, their respective shareholders and creditors, employees and other stakeholders and will have following benefits:

6.1 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.

6.2 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.

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

6.3 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.

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

7. PROCEDURE FOR THE VALUATION

I have performed the following procedures to carry out this valuation analysis:

7.1 I had requested and was provided with the data as per the detailed requisition list;

7.2 Discussed with the representatives of the Companies regarding the proposed Scheme and analyzed the business projections of the Ambuja, Mudhvay Mines, Raigad Grinding Unit and ACIL;

7.3 Selected valuation methodology as considered appropriate for the purpose of my valuation;

7.4 Obtained necessary data from the public domain, as considered relevant for my valuation analysis;

7.5 Determined the fair value of equity shares of the Transferee Company and Transferor Company on a consolidated basis and determined the Fair Equity Share Exchange Ratio;

7.6 Prepared a draft report and shared it with the Companies (excluding the recommended Fair Equity Share Exchange Ratio) for confirming the facts stated in the Report;

7.7 Issued the final Fair Equity Share Exchange Ratio Report.

8. METHODOLOGY OF THE VALUATION

8.1 In order to arrive at the fair value of a company, there are three traditional approaches which can be considered:

8.1.1. Market approach:

The Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business. The market approach should be applied and afforded significant weight if the subject asset or substantially similar assets are actively publicly traded, or there are frequent and / or recent observable transactions in similar assets.

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

8.1.2. Income approach:

The Income approach is a valuation approach that converts maintainable or future amounts such as cash flows or income and expenses, to a single current (discounted or capitalized) amount. The fair value measurement is determined based on the value indicated by current market expectations about those future amounts. The income approach should be applied and afforded significant weight if the income-producing ability of the asset is the critical element affecting value and / or reasonable projections of the amount and timing of future income are available for the subject asset.

8.1.3. Cost approach:

The Cost approach seeks to determine the business value based on the value of its assets. The Cost approach should be applied and afforded significant weight if the asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, or the asset can be recreated with substantially the same utility as the subject asset.

Ambuja

8.2 The equity shares of Ambuja are listed on the Stock Exchanges and are frequently traded, hence I have determined the value of the equity shares as per Market Price Method under the Market Approach. CCM under the Market Approach is also used for determining and arriving at the fair value of Ambuja, since there are comparable companies operating in similar businesses in India. The Cost Approach is a historical approach of valuation and does not capture the income generating potential of Ambuja, and hence has not been used in my valuation. Further, I have considered it appropriate to use the DCF Method under the Income Approach, as the DCF Method takes into consideration the earning potential as well as the future prospects of the business.

ACL

8.3 ACL derives its value from the underlying projects i.e. Mudhvay Mines and Raigad Grinding Unit. As on the date of this report, ACIL is a WOS of ACL. I have considered it appropriate to determine the fair value of ACL using the Reproduction Cost Method under the Cost Approach by summing up the fair value of the underlying projects as well as ACIL.

8.4 The fair value of Mudhvay Mines, Raigad Grinding Unit and ACIL has been determined using the DCF Method under the Income Approach, as the DCF Method takes into consideration the earning potential as well as the future prospects of the business. The Cost Approach is a historical approach of valuation and does not capture the income generating potential of Mudhvay Mines, Raigad

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

Grinding Unit and ACIL, and hence has not been used in my valuation. Further, I have not considered it appropriate to use the Market Approach as there are no comparable listed companies with characteristics and parameters like that of Mudhvay Mines, Raigad Grinding Unit and ACIL.

8.5 Discounted Cash Flows Method

8.5.1 Under this method, the fair value of the equity shares of the company is arrived at by discounting the projected free cash flows to the firm or the equity holders including perpetual or terminal values using an appropriate discounting factor.

8.5.2 There are two fundamental approaches under this method: (i) Free Cash Flow to the Firm ('**FCFF**') or (ii) Free Cash Flow to the Equity ('**FCFE**'). Under the FCFF approach the free cash flows arrived at using the DCF methodology represent cash flows available to the equity owners of a business as well as its creditors. Such free cash flows in the explicit period and perpetuity / terminal value are discounted using the Weighted Average Cost of Capital ('**WACC**'), which is based on the cost of equity and the cost of debt adjusted for the capital structure applicable to the business. Under the FCFE approach the increase and decrease in debt is considered a part of the free cash flow computations and hence the free cash flow arrived at is the free cash flow available to the equity owners of the business. Such free cash flow in the explicit period and perpetuity / terminal value are discounted using the Cost of Equity applicable to the business.

8.5.3 I have thought it appropriate to adopt the Free Cash Flow to Fund approach in my valuation analysis as the business uses both debt and equity for funding their operations and FCFF appropriately represents the amount of free cash available for distribution to equity investors and debt holders.

8.5.4 The discount rate reflects the time value of money and the risk associated with the projected future cash flows. WACC is the discount rate used to discount the FCFF.

8.5.5 In order to estimate the cost of equity, I have applied the Capital Asset Pricing Model ('**CAPM**'). According to CAPM, the cost of equity consists of a risk-free rate and risk premium. The risk premium is calculated by multiplying the market risk premium by the beta factor, a measure of the systematic risk of an equity investment adjusted with the leverage in the company. An appropriate percentage of Company Specific Risk Premium ('**CSRP**') is further added to account for the risks not captured.

8.5.6 Terminal value is the present value of all future cash flows expected to yield to a business at the end of the explicit period considering a mature phase of the business. The Terminal Value may be arrived at using the Gordon Growth Model, H-model, Exit Multiple, Salvage Value or Capitalization of Profit Method at the end of the explicit period.

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

8.5.7 As Mudhvay Mines has a finite contractual life, the residual value of such assets is not factored in the value. The release of the net working capital has been considered as the residual value.

8.5.8 The Terminal value of Ambuja, Raigad Grinding Unit and ACIL has been determined using the Gordon Growth Model.

8.5.9 The present value of the residual value/terminal value is added to the respective present value of the explicit period cash flow to arrive at the equity value. The equity value arrived at is adjusted for the fair value of investments and non-operating surplus assets to determine the fair value of the equity shares.

8.6 MARKET PRICE METHOD

8.6.1 Under this method, the value of shares of a company is determined by taking the average of the market capitalization of the equity shares of such company as quoted on a recognized stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price.

8.6.2 This method is important as the secondary equity market is not only a reflection of the fair value of the company, but also of the other market information to know the perception of the market prevailing during the span of time for which the price of the share is evaluated.

8.6.3 The equity shares of Ambuja are listed on the Stock Exchanges and are frequently traded. As per my evaluation, the traded turnover is higher at NSE in comparison to BSE. Subject to the implementation and acceptance of the proposed Scheme, Ambuja will be required to issue its equity shares to the Transferor Company. Accordingly, I have determined the fair value of the equity shares of Ambuja as per the pricing guideline for frequently traded shares under regulation 164(1) under Chapter V – Preferential Issue of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**'SEBI (ICDR)'**).

8.6.4 As per regulation 164(1) of SEBI(ICDR) –

If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

a. the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
b. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date

ROSHAN NILESH VAISHNAV
SECURITIES OR FINANCIAL ASSETS
Reg. No. IBBI/RV/ 06 2019 11653
REGISTERED VALUER

ADANI CEMENTATION LIMITED

8.6.5 The fair value for the equity shares of Ambuja has been determined as per regulation 164(1) of the SEBI (ICDR) as on the Valuation Date, i.e. the last working day immediately prior to the date of the board meeting for approval of the proposed Scheme.

8.7 COMPARABLE COMPANY MULTIPLE ('CCM') METHOD

P / E Multiple:

8.7.1 This ratio is used to compare the market value of the equity with the amount of earnings after tax it earns on an annual basis.

8.7.2 The market value of the comparable set of companies is arrived at by calculating the market capitalization based on the pricing as per regulation 164(1) of SEBI(ICDR) of the comparable set of companies as on the date of the valuation.

8.7.3 The average multiple so arrived at for the comparable set of companies is applied to the annualized PAT in order to arrive at its implied equity value in relation to the valuation received by the comparable set of companies.

8.7.4 I have performed a search for comparable companies for Ambuja and arrived at an appropriate multiple from recently valued assets, from public sources.

8.8 REPRODUCTION METHOD

8.8.1 Under the Reproduction method, the fair value is the cost that a market participant shall have to incur to reproduce an asset with substantially the same utility (comparable utility) of the asset to be valued, adjusted for obsolescence.

8.8.2 I have considered it appropriate to use the Reproduction Method under the Cost Approach to determine the fair value of the equity shares of ACL. The fair value of Mudhvay Mines, Raigad Grinding Unit and ACIL is determined using the DCF Method and added to the surplus assets of ACL as reduced by the liabilities to determine the fair value of the equity shares of ACL.

9. BASIS FOR THE DETERMINATION OF THE FAIR VALUE

9.1 The valuation of the Transferee Company and Transferor Company has been arrived at based on the methodology explained hereinabove, various qualitative factors relevant to the business, business dynamics and growth potential of the business and taking into consideration the information, key underlying assumptions and limitations as articulated hereinabove.

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

9.2 In the ultimate analysis, the Fair Equity Share Exchange Ratio will have to be arrived at by the exercise of judicious discretion and judgments taking into account all the relevant factors. There will always be several factors, such as the quality of management, present and prospective competition, market sentiment and other factors, which are not evident from financial information, but which influence the worth of a business. This concept is also recognized in judicial decisions.

10. ASSUMPTIONS, DISCLAIMERS, EXCLUSIONS, LIMITATIONS AND QUALIFICATIONS

10.1 This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Report is restricted for the purposes as indicated in the Report but does not preclude the management of the Companies to provide a copy of this Report to the relevant regulatory authorities whose review would be consistent with the intended use. I do not take any responsibility for any unauthorized use of this Report.

10.2 This Report is presented to facilitate the Board of Directors of the Companies to ascertain the fair value of the equity shares of the Transferee Company and Transferor Company, as mentioned hereinabove.

10.3 The financial statements for ACL and Ambuja as on the Valuation Date have not been shared with me. Based on the discussion with the management of the Companies, and representation received, I understand that no material change has happened between the date of the audited financials and the Valuation Date.

10.4 I will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall I be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the management of the Companies or its directors, employees, or agents of the Companies.

10.5 In the course of the determination of the Fair Equity Share Exchange Ratio, I was provided with both written and verbal information, which I have evaluated through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose. I have also relied on data from external sources also to conclude the Fair Equity Share Exchange Ratio. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. I have not been provided with the Registered Valuer reports for the fair valuation of the immovable assets. Accordingly, I have considered the book value of the assets and the liabilities as their fair value.

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

10.6 The valuation of the Transferee Company and Transferor Company has been performed based on the last available financial statements, as shared by the management of the Companies. As implied by the financial statements, the Transferee Company and Transferor Company are assumed to have those legal rights to the assets and be subject to those claims represented by the liabilities presented in the financial statements. As informed by the management of the Companies, there are no contingents liabilities which are expected to devolve or contingent assets with the Transferee Company and Transferor Company and there are no surplus assets in the Transferee Company and Transferor Company as of the date of this Report beyond those as are captured in this Report. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Companies.

10.7 Forward-looking statements and financial projections certified and provided by the management of the Companies have been considered for this Report. I do not provide any assurance on the achievability of the financial projections by the management of the Companies. I express no opinion as to how closely the actual results will correspond to the projected financials as the achievement of the financial projections is dependent on actions, plans and assumptions. As the events and the circumstances may not occur as are expected, the differences between the actual results and the financial projections might be material.

10.8 This Report and the results herein are specific to the purpose of valuation, are specific to the date of this Report and are necessarily based on the prevailing financial and economic conditions as well as the written and oral information, as made available by the management of the Companies as on date of this Report. Events occurring after this date may affect this Report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.

10.9 I have not carried out a revaluation of any assets of the Transferee Company and Transferor Company, nor physically verified any assets of the Transferee Company and Transferor Company.

10.10 This report is for the consumption of the Board of Directors of the Companies to assist in the recommendation and approval of a fair exchange ratio for the Scheme. Under no circumstances does this report opine on the legal, tax and accounting validity of the Scheme and nor should it be construed as so. The final responsibility for the recommendation of the Share Exchange Ratio at which the proposed Scheme shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the proposed Scheme.

10.11 This Report does not constitute a fairness opinion, solvency opinion, or an investment recommendation and is not to be construed as giving an opinion on making or divesting investments.

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV
SECURITIES OR FINANCIAL ASSETS
Reg. No. IBBI/RV/ 06 2019 11653
REGISTERED VALUER

10.12 I am independent of the Companies and hold no specific interest in the Companies or any of the assets of the Companies, nor do I have any conflict of interest with the Companies.

10.13 The fee for this Report is not contingent upon the result of the valuation arrived therein.

10.14 I am aware that based on the opinion of the value expressed in this Report, I may be required to give testimony or attend judicial proceedings with regard to the valuation, although it is out of scope of the assignment. In such an event, the party seeking the evidence in the proceedings shall bear the full cost and the fees of the judicial proceedings, and the tendering of evidence before such authority, if any, will be as per the applicable laws.

<<This space is intentionally left blank>>

ADANI CEMENTATION LIMITED

ROSHAN NILESH VAISHNAV
SECURITIES OR FINANCIAL ASSETS
Reg. No. IBBI/RV/ 06 2019 11653
REGISTERED VALUER

11. CONCLUSION

The computation of Fair Equity Share Exchange Ratio for the proposed Scheme of Amalgamation of Adani Cementation Limited with Ambuja Cements Limited is as under:

Valuation Approach	Adani Cementation Limited (A)		Ambuja Cements Limited (B)	
	Value per equity share of ACL	Weight	Value per equity share of Ambuj	Weight
Cost Approach	116,278.24	100.00%	168.30	0.00%
Income Approach	NA	NA	595.26	0.00%
Market Approach - Comparable Company Method	NA	NA	589.50	0.00%
Market Approach - Market Price Method	NA	NA	666.78	100.00%
Relative Value per equity share (Weighted Average)	**116,278.24**		**666.78**	
Fair Equity Share Exchange Ratio (A/B) (Rounded)	**174**			

Based on the fair valuation of the ACL and Ambuja, I recommend a Fair Equity Share Exchange Ratio as under:

"174 equity shares of Ambuja Cements Limited of INR 2.00 each fully paid up for every 1 equity shares of Adani Cementation Limited of INR 10.00 each fully paid-up'.

Thanking you,

Roshan Nilesh Vaishnav — Digitally signed by Roshan Nilesh Vaishnav Date: 2024.06.27 10:22:59 +05'30'

ROSHAN NILESH VAISHNAV SECURITIES OR FINANCIAL ASSETS Reg. No. IBBI/RV/ 06 2019 11653 REGISTERED VALUER

CA Roshan Nilesh Vaishnav
Registered Valuer – Securities or Financial Assets
ICAI RVO Membership Number – ICAIRVO/06/RV-P00014/2019-2020
IBBI Reg Number - IBBI/RV/06/2019/11653

UDIN: 24136335BKBHIS3732
Date: June 27, 2024
Place: Ahmedabad

ADANI CEMENTATION LIMITED