

**REPORT OF THE AUDIT COMMITTEE OF ORIENT CEMENT LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF ORIENT CEMENT LIMITED WITH AMBUJA CEMENTS LIMITED AT ITS MEETING HELD ON MONDAY, DECEMBER 22, 2025.**

**Present Members:**

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

**1. Background of the proposed Scheme of Amalgamation**

A meeting of the Audit Committee (hereinafter referred to as the "**Committee**") of Orient Cement Limited was held on Monday, December 22, 2025, to consider and, if thought fit, recommend the proposed Scheme of Amalgamation of Orient Cement Limited (hereinafter referred to as the "**Transferor Company**" or "**OCL**" or the "**Company**") with Ambuja Cements Limited (hereinafter referred to as the "**Ambuja**" or "**Transferee Company**", as the context may admit) (hereinafter referred to as the "**Scheme**") under section 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, which provides for *inter alia* the amalgamation of OCL with Ambuja, with effect from the Appointed Date i.e. May 1, 2025.

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**").

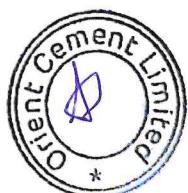
The Registered Office of the Transferee Company is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India. The Regional Director (Eastern Region), Ministry of Corporate Affairs, Kolkata vide its order dated December 18, 2025 (as received on December 19, 2025) approved the shifting of the registered office of the Transferor Company from the State of Odisha to the State of Gujarat. The Transferor Company is in the process of filing necessary forms/returns etc with the Ministry of Corporate Affairs (MCA) / Registrar of Companies (RoC) to effectuate the shifting of registered office to Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India.

Accordingly, the Scheme will be presented before the Hon'ble National Company Law Tribunal, Ahmedabad Bench 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

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applicable laws including SEBI Listing Regulations and SEBI Schemes Master Circular.

In terms of the SEBI Schemes Master Circular, a report from the Audit Committee is required recommending the draft Scheme, taking into consideration *inter-alia*, the valuation report, need for merger, rationale of the Scheme, synergies of business of the entities involved in the Scheme, impact of the Scheme on the shareholders and cost benefit analysis of the Scheme.

The following documents were placed before the Committee for consideration:

- a) A draft of the proposed Scheme.
- b) Fair Equity Share Exchange Ratio Report dated December 22, 2025 jointly issued by M/s GT Valuation Advisors Private Limited, Registered Valuer (IBBI Registration No. IBBI/RV-E/05/2020/134) and M/s 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 OCL with Ambuja.
- c) Fairness Opinion dated December 22, 2025 issued by M/s SBI Capital Markets Limited, SEBI registered Merchant Bankers, to Orient, providing the fairness opinion on Fair Equity Share Exchange Ratio Report jointly issued by M/s GT Valuation Advisors Private Limited and M/s BDO Valuation Advisory LLP, registered valuers, in relation to the amalgamation of OCL 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 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. May 1, 2025, 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 2(b) above and in the draft Scheme*) whose names are recorded in the register of members as a member of the Transferor Company on the Record Date, 33 (Thirty Three), 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 Re. 1/- (Rupee One only) each fully paid-up held by such equity shareholder in the Transferor Company ("Share Exchange Ratio"), as more particularly set out in the draft Scheme.
- 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) The Scheme will be effective subject to approval from the shareholders and creditors of the Transferee Company and the Transferor Company, various authorities such as NCLT, third parties, etc. and No Objection Certificates (NOC) from Stock Exchanges, SEBI, third parties, etc.

### 3. Need for the Scheme

The Committee noted the need for the proposed Scheme as under:

The Transferee Company is among India's leading cement manufacturers, with installed capacity across India. The Transferor Company is also engaged in cement manufacturing, with capacities concentrated in West and South India. The proposed amalgamation will combine the operations of both the companies, driving focused growth, operational efficiencies, and significant business synergies. Furthermore, the resulting corporate structure will enhance agility and strengthen the overall business ecosystem of the merged entity.

### 4. Rationale for the Scheme

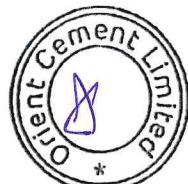
The Committee noted the rationale of the proposed Scheme as under:

1. The Transferee Company is among India's leading cement manufacturers, with installed capacity across India. The Transferor Company is also engaged in cement manufacturing, with capacities concentrated in West and South India. The Transferee Company is the promoter of the Transferor Company and holds 72.66% of the paid-up equity share capital of the Transferor Company. As both the companies are under the same line of business, the amalgamation will enable the Transferee Company to assume complete ownership and direction of the Transferor Company's business for long-term strategic alignment. The proposed amalgamation will combine the operations of both companies, driving focused growth, operational efficiencies, and significant business synergies. Furthermore, the resulting corporate structure will enhance agility and strengthen the overall business ecosystem of the merged entity.

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2. The amalgamation will unify manufacturing and commercial functions, optimize resource allocation, and streamline the group's structure by reducing multiple entities in the same line of business. This integration will enable faster decision-making, smoother execution of production plans, and stronger operational discipline enhancing agility and efficiency across the combined network.
3. By pooling financial, operational, and logistical resources, the merged entity will unlock economies of scale. Coupled with a unified market approach and efficient capital deployment, these synergies will boost profitability, strengthen competitiveness, and deliver superior long-term value and benefits to shareholders and other stakeholders.

#### 5. Fair Equity Share Exchange Ratio involved in Scheme

33 (Thirty Three) equity shares having face value of Rs. 2/- (Rupees Two) each of the Transferee Company credited as fully paid-up, for every 100 (One Hundred) equity shares of the face value of Re. 1/- (Rupee One) 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.

#### 6. Synergies of business of the entities involved in the Scheme:

The proposed Scheme would, *inter-alia*, result in the following synergies:

- a. **Unified Cement Platform** – Creating a consolidated cement platform supports Transferee Company's strategy, enabling category leadership and efficient resource use.
- b. **Governance Simplification** - A unified entity structure will enable focused governance, streamlined compliance and operations, transparency, reducing legal and other statutory requirements, comprehensive business management and more effective Board oversight.
- c. **Operational Optimization** - Optimizing clinker and cement movement, logistics, and plant-to-market mapping which in turn boosts cost efficiency and eliminates coordination issues.
- d. **Investor Value Creation** - Enhancing stakeholder value by way of a simplified group structure.

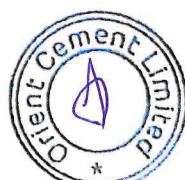
#### 7. Impact of the Scheme on the shareholders

For the shareholders of the Transferee Company, the proposed Scheme will result in economies of scale and consolidation of opportunities will improve profitability and enhance overall shareholder value. This is particularly marked in the improved synergies

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that will arise pursuant to the Scheme. Based on the Share Exchange Ratio as set out in the Valuation Report, there will be no detrimental impact of the proposed Scheme on the shareholders and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

For the shareholders of the Transferor Company, the proposed Scheme will provide an opportunity to improve the economic value for the shareholders. This is particularly marked in the improved synergies that will arise pursuant to the Scheme. The proposed Scheme will result in deriving benefits for future capacity expansion and efficiency improvement measures. Thus, upon the Scheme becoming effective, the shareholders of the Transferor Company will be able to participate in the growth of the Transferee Company, which is the leading cement manufacturing company in India as on date.

#### **8. Cost benefit analysis of the Scheme**

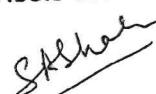
The Audit Committee took note that the implementation of the Scheme would entail certain costs including administrative cost, statutory dues, legal costs, etc. However, after evaluation of the proposed Scheme, the Audit Committee is of the view that the long-term benefits are expected to outweigh costs towards implementation of the Scheme, and the Scheme will be beneficial for the Transferee Company and Transferor Company.

#### **9. Recommendation of the Committee**

In light of the aforesaid, the Committee recommends the proposed Scheme, taking into consideration, *inter-alia*, the fair equity share exchange ratio forming part of the joint valuation report, fairness opinion, rationale of the Scheme, impact of the Scheme on the shareholders / stakeholders and cost benefit analysis of the Scheme, the Committee after due deliberation unanimously recommends the draft Scheme to the Board of Directors of the Company.

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**  
**Audit Committee of Orient Cement Limited**



**Shruti Shah**  
**Chairperson of the Committee**  
**DIN: 08337714**



Date : December 22, 2025  
Place: Mumbai

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