

January 23, 2015

Board of Directors
Jaiprakash Associates Limited
Sector 128, Noida
Uttar Pradesh- 201304

Dear Sirs,

Subject: Fairness Opinion on the Accountants' Report on fair valuation of Bela and Sidhi Cement Plants (hereinafter referred to as the "Undertaking") of Jaiprakash Associates Limited (hereinafter referred to as the "Transferor Company" or "JAL") for the purpose of their transfer on slump exchange basis to Ultratech Cement Limited (hereinafter referred to as the "Transferee Company" or "Ultratech"), the Transferor Company and the Transferee Company are collectively referred to as the "Companies" in terms of the proposed Scheme of Arrangement between the Companies and their Shareholders and Creditors.

We, M/s Sobhagya Capital Options Limited, a SEBI registered Merchant Banker, having registration no. MB/INM000008571 have been appointed by Jaiprakash Associates Limited having its registered office at Sector 128, Noida, Uttar Pradesh- 201304 to provide a fairness opinion on the valuation done by M/s Bansi S. Mehta & Co., Chartered Accountants, having their office at Merchant Chamber, 3rd Floor, 41 New Marine Lines, Mumbai- 400 020 (hereinafter referred to as the "Valuer"), who were the appointed Valuer for the carrying out a fair valuation of the Bela and Sidhi Cement Plants of Jaiprakash Associates Limited for the purpose of their transfer on slump exchange basis to Ultratech Cement Limited, under a proposed Scheme of Arrangement under section 391-394 of the Companies Act, 1956 between Ultratech Cement Limited and Jaiprakash Associates Limited and their Shareholders and Creditors (hereinafter referred to as the "Scheme").

Scope and Purpose of the Opinion

Pursuant to requirement set forth under clause 24 of the Listing Agreement, a fairness opinion has to be obtained from an independent merchant banker on the valuation of assets/shares done by the Valuer for the listed as well as unlisted companies.

The purpose of the opinion is to safeguard the interest of the shareholders of the Companies and this opinion shall be made available to the Board of Directors/Shareholders/Stakeholders

of the Companies to facilitate their approval to the proposed Scheme of Arrangement and to any other relevant authority, as may be required.

THIS OPINION IS RESTRICTED TO MEET THE REQUIREMENT OF THE CLAUSE 24(h) OF THE LISTING AGREEMENT ONLY AND MAY NOT BE USED FOR ANY OTHER PURPOSE WHATSOEVER OR TO MEET THE REQUIREMENT OF ANY OTHER LAWS, RULES, REGULATIONS AND STATUTES.

Sources of the Information

We have received the following information from the management of JAL for the purpose of our opinion:

1. Proposed Scheme of Arrangement under section 391-394 of the Companies Act, 1956 between Ultratech Cement Limited and Jaiprakash Associates Limited, and their respective Shareholders and Creditors.
2. Draft Valuation Report (along with supporting working papers) issued by M/s. Bansi S. Mehta & Co., Chartered Accountants.
3. Final Valuation Report dated January 23, 2015, issued by M/s. Bansi S. Mehta & Co., Chartered Accountants.

Approach followed by the Valuer for valuation

The business valuation of the Undertaking has been done by the Valuer, M/s. Bansi S. Mehta & Co., Chartered Accountants by using following methods of valuation:

1. Discounted Cash Flow (DCF) Method.
2. Replacement cost or cost of setting up a greenfield plant
3. Benchmark multiple per tonne of cement production capacity

Fairness Opinion

Based on the foregoing, we, in the capacity of SEBI registered Merchant Bankers do hereby certify that in our opinion:

the consideration for the Undertakings aggregating to Rs. 5,325 crores constituting of:



a) i) 1,00,000 (One Lakh) 10% 5 year un-listed non-convertible cumulative redeemable preference shares of UltraTech having a face value and paid up value of Rs. 10 each aggregating to Rs. 10 Lakhs; and

ii) 90,758 unsecured non-convertible redeemable debentures of UltraTech of face and paid up value Rs. 5,00,000 each ("with coupon based on prevailing yield for a similar issuer and instrument of same tenor and rating arrived at on the basis of quotes available from select banks taken on the day prior to Closing Date") aggregating to Rs. 4,537.9 Crores that are proposed to be allotted to JAL for the proposed transfer;

and

b) i) takeover of existing debt at Rs. 626.5 Crores; and

ii) net working capital at Rs. (160.5 Crores) of the transferred Undertaking expected on Closing Date of the Transferor Company which is attributable to the Transferred Undertakings;

using the aforesaid methods of valuation is fair and reasonable.

Disclaimer:

Our scope of work did not include the following:-

- An audit of the financial statements of JAL.
- Carrying out a market survey / financial feasibility for the Business of JAL.
- Financial and Legal due diligence of JAL.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of JAL.

We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents other than those stated above.


We understand that the management of JAL during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our opinion. In this opinion we have included all such information and matters as was received by us from management of JAL.

This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified as above, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

In no event, will SCOL, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Thanking You

For Sobhagya Capital Options Limited


(HEEMADRI MUKERJIA)
Senior Vice President
Place: New Delhi

