



CONFIDENTIAL

November 05, 2016

The Board of Directors,
Dalmia Bharat Limited
Dalmiapuram
Dist. Tiruchirapalli
Tamil Nadu 621-651

Dear Members of the Board:

I. Engagement Background

We understand that the Boards of Directors of Dalmia Bharat Limited (“DBL”, “Amalgamating Company”), Odisha Cement Limited (“ODCL”, “Amalgamated Company”), Dalmia Cement (Bharat) Limited are considering a Scheme of Amalgamation and Arrangement (“Scheme”) between the companies and their respective shareholders and creditors. The Scheme provides for the amalgamation of DBL into ODCL and transfer by the way of slump exchange of business undertakings of ODCL to DCBL as a going concern. The proposed Amalgamation is to be carried out pursuant to a Scheme of Arrangement and Amalgamation pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 & other relevant provisions made there-under and the Companies Act, 2013.

In consideration of the amalgamation of DBL with ODCL, for every **1 (One)** fully paid equity share of the face value of Rs. 2 each held by the shareholders of DBL, ODCL shall issue and allot **2 (Two)** fully paid equity share of the face value of Rs. 2 each of ODCL (hereinafter referred to as the “Share Exchange Ratio”)

In connection with the aforesaid, DBL has mandated us and requested our Fairness Opinion (“Opinion”) as of the date hereof, as to the fairness of the Share Exchange Ratio to the Equity Shareholders of DBL.

Certified to be true copy:
For OCL INDIA LIMITED

GM (Legal) & Company Secretary

Axis Capital Limited (Erstwhile “Axis Securities and Sales Limited”)

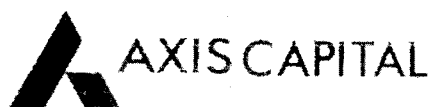
SEBI Merchant Banker Regn No.:MB/INM000012029 Member Of: BSE Ltd. & National Stock Exchange of India Ltd., Mumbai.

CIN No. U51900MH2005PLC157853

Regd. Office: Axis House, 8th Floor, Wadia International Centre, P. B. Marg, Worli, Mumbai – 400 025 &

Corp. Office: Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025.

Tel.: (022) 4325 1199, Fax No. (022) 4325 3000, Website: www.axiscapital.co.in



II. Basis of Opinion

About ODCL

ODCL, an unlisted public limited company, was incorporated on 12th July, 2013 and has its registered office at Dalmiapuram, Lalgudi, Dist. Tiruchirapalli, Tamil Nadu - 621651. The Company is authorised to carry on inter alia, the business of manufacturing and selling cement. As on date, OCL India Limited (“OCL”), along with its nominees, holds the entire equity share capital of ODCL.

We have been given to understand that Board of Director of OCL India Limited (“OCL”), ODCL, Dalmia Cement East Ltd. (“DCEL”), Dalmia Bharat Cement Holdings Ltd. (“DBCHL”) and Shri Rangam Securities Holdings Ltd. (“SRSHL”), in March 2016, had approved a proposal of restructuring including inter-alia, amalgamation of OCL, DCEL, DBCHL and SRSHL with ODCL. (“Scheme 1”). Upon Scheme 1 becoming effective, ODCL shall be renamed as OCL India Ltd. Further, we are also given to understand that Scheme 1 is pending for approval before Odisha High Court & Madras High Court as on the date of this Opinion.

Pursuant to Scheme 1 becoming effective, ODCL shall comprise of business of OCL, DBCHL, SRSHL and DCEL and shares of ODCL shall be listed on BSE Limited & National Stock Exchange of India Limited. Total Revenue of ODCL shall primarily comprise of revenue from Cement & Refractory Business of OCL and DCEL.

About DBL

DBL, a listed public limited company, was incorporated on 10th February, 2006 and has its registered office at Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651. The Company is the flagship company of the seven decades old, Dalmia Bharat Group. The equity shares of DBL are, at present, listed on National Stock Exchange of India Limited & BSE Limited in India.

Effectiveness of Scheme 1

We have also been given to understand that the proposed Scheme shall be effective only after Scheme 1 becomes effective

Rationale of the scheme

In the rationale of the Scheme, it was showcased the Scheme is intended to restructure these companies and consolidate their business in a manner which is expected to enable better realisation of potential of their businesses, yield beneficial results and enhanced value creation for the said companies, their respective shareholders and provide better security and protection for their lenders and employees.

**Certified to be true copy:
For OCL INDIA LIMITED**

GM (Legal) & Company Secretary

The key features of the scheme provided to and relied upon by us for framing an Opinion on the Share Exchange Ratio are as under:

1. Upon the Scheme becoming effective, all the assets and liabilities will stand transferred from the Amalgamating Company to the Amalgamated Company.
2. As consideration for the transfer, equity shares in the Amalgamated Company shall be issued to the equity shareholders of the Amalgamating Company.
3. Reduction by the way of cancellation of the issued, subscribed and paid up equity share capital of ODCL held by DCBL
4. Reduction of the face value of the issued, subscribed and paid up value of the remainder equity shares in the capital of ODCL from Rs. 10 to Rs. 2 each
5. Reduction by the way of cancellation of the issued, subscribed and paid up optionally convertible redeemable preference share capital of ODCL held by DCBL
6. Share Exchange Ratio is based on a Valuation report dtd. 5th November 2016 submitted by M/s Sharp & Tannan
7. The Appointed Date for the amalgamation is January 1, 2015

We have taken the foregoing facts (together with the other facts and assumptions set forth in section III of this Opinion) into account when determining the meaning of "fairness" for purposes of this Opinion.



Certified to be true copy:
For OCL INDIA LIMITED

GM (Legal) & Company Secretary



III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Amalgamating Company and Amalgamated Company including the Valuation Report dtd. 5th November 2016 prepared by M/s Sharp & Tannan and a Draft of the Scheme of Amalgamation and Arrangement.

We have relied upon the accuracy and completeness of all information and documents provided to us, including

1. Provisional/Unaudited Financials Statements of the Amalgamated and Amalgamating Company and their subsidiaries as on Sep 30, 2016 as provided to us
2. Financial projections of the Amalgamated and Amalgamating Company and their operating subsidiaries for the years FY 2017-FY 2021
3. Other information, explanations and representations provided by the management of the companies
4. Valuation report dtd. 5th November 2016 submitted by M/s Sharp & Tannan.

The Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final Opinion.

We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Amalgamated Company and / or its subsidiaries or the Amalgamating Company and / or its subsidiaries. In particular, we do not express any opinion as to the value of any asset of the Amalgamated Company and / or its subsidiaries or the Amalgamating Company and / or its subsidiaries, whether at current prices or in the future.

No investigation of the Companies' claim to title of assets has been made by us for the purpose of this exercise and the 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 account. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be constructed as our opining or certifying the compliance of the proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where shares of the Amalgamated Company are being issued as consideration to the shareholders of Amalgamating



Company, it is not the absolute per share values that are important for framing an opinion but the relative per share value of the Amalgamating Company vis-a-vis the Amalgamated Company.

We do not express any opinion as to the price at which shares of the Amalgamated and Amalgamating Companies may trade at any time, including subsequent to the date of this Opinion. In rendering our Opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Amalgamated Company and / or its subsidiaries, Amalgamating Company and / or its subsidiaries and their respective Shareholders. We express no opinion and have assumed that the amalgamation will not trigger obligations to make open offers under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, or delisting offers under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

Our opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the Scheme other than the fairness, from financial point of view, of the Share Exchange ratio.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Amalgamated Company and / or its subsidiaries, Amalgamating Company and / or its subsidiaries and their respective shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Amalgamating Company has obtained such advice as it deemed necessary from qualified professionals

We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the amalgamation as contemplated in the Scheme provided to us and is not valid for any other purpose. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

We have in the past provided, and may currently or in the future provide, investment banking services to the Amalgamated Company and/or its subsidiaries or their respective affiliates and the Amalgamating Company and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme, for which services we have received or may receive customary fees. In the ordinary course of their respective businesses, affiliates of Axis Capital Ltd. may trade in the securities of the Amalgamating Company and/ or the Amalgamated Company and / or its subsidiaries or group companies as per the SEBI regulations and Insider Trading guidelines. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of the Amalgamating Company



in connection with its consideration of the Scheme and for none other. Neither Axis Capital Ltd., nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.


Our fee for our services will be payable on delivery of this report and is not contingent on the successful completion of the Scheme. In addition, the Amalgamating Company has agreed to reimburse certain of our expenses and indemnify us against certain liabilities arising out of our engagement.

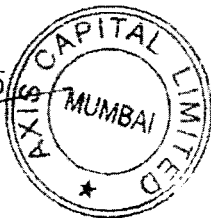
Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter related thereto.

IV. Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, the Share Exchange Ratio is fair for DBL equity shareholders.

For Axis Capital Ltd.


 Lalit Ratadia
 Authorized Signatory



Certified to be true copy:
 For OCL INDIA LIMITED


 GM (Legal) & Company Secretary



www.spacapital.com

82

SPA Capital Advisors Ltd.

(Formerly SPA Merchant Bankers Ltd.)

CIN: U99999DL1999PLC102626

Annexure-4B

25, C-Block Community Centre

Janak Puri, New Delhi-110 058

Tel: 011-25517371, 25515066

Fax: 011-25532644

Email: info@spacapital.com

Submitted to

Odisha Cement Limited

FAIRNESS OPINION

On valuation report provided by

Sharp & Tannan

(Chartered Accountants)

On

Scheme of Amalgamation of

Dalmia Bharat Limited

(TRANSFEROR COMPANY)

Into and With

Odisha Cement Limited

(TRANSFeree COMPANY)

BY

M/s SPA CAPITAL ADVISORS LTD.

25, C-Block, Community Centre,

Janak Puri, New Delhi.

Tel: 011-45675585/011-45675558

Fax: 25572763

Website: www.spacapital.com

"Everything we hear is an opinion, not a fact. Everything we see is a perspective, not the truth."

November 05, 2016

**Certified to be true copy:
For OCL INDIA LIMITED**

GM (Legal) & Company Secretary

**Fairness Opinion on Share Exchange Ratio Valuation report,
By: SPA Capital Advisors Limited**

1 | Page

To,

**The Board of Directors,
Odisha Cement Limited**
Dalmiapuram Lalgudi Taluk,
Dalmiapuram-621651,
Dist. Tiruchirappalli,
Tamil Nadu

RE: Fairness Opinion on Valuation Report provided by Sharp & Tannan (Chartered Accountants) for the purpose of scheme of amalgamation of Dalmia Bharat Limited (DBL) into and with Odisha Cement Limited (ODCL).

PURPOSE

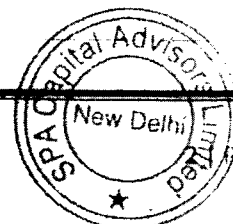
We have been engaged to give fairness opinion on the report provided by **Sharp & Tannan (Chartered Accountants)** for the purpose of proposed amalgamation of DBL, having its registered office at Dalmiapuram Lalgudi Taluk, Dalmiapuram-621651, Dist. Tiruchirappalli, Tamil Nadu (i.e. the "Transferor Company") into and with ODCL, having its registered office at Dalmiapuram Lalgudi Taluk, Dalmiapuram-621651, Dist. Tiruchirappalli, Tamil Nadu u/s 391 to 394 of the Companies Act, 1956 read with Sections 100-103 of the Companies Act, 1956.

The fairness opinion report is required to be submitted to the stock exchanges to facilitate the Companies with Regulation 11, Regulation 37 & Regulation 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015.

Certified to be true copy:
For OCL INDIA LIMITED

GM (Legal) & Company Secretary

Fairness Opinion on Share Exchange Ratio Valuation report,
By: SPA Capital Advisors Limited



BACKGROUND

We have been given to understand that Board of Directors of OCL India Limited ("OCL"), ODCL, Dalmia Cement East Ltd. ("DCEL"), Shri Rangam Securities Holdings Ltd. ("SRSHL") and Dalmia Bharat Cement Holdings Ltd. ("DBCHL"), in March 2016, had approved a scheme of arrangement & amalgamation, including inter-alia, amalgamation of OCL, DCEL, SRSHL & DBCHL with ODCL. ["Scheme 1"]. Upon Scheme 1 becoming effective, ODCL shall be renamed as OCL India Limited, as part of the scheme. Currently, Scheme 1 is pending for approval before Odisha High Court and Madras High Court as on the date of this report.

DBL (Transferor Company):

Founded in 1935 by Jaidayal Dalmia; the cement division of Dalmia Cement Bharat Limited (DCBL) was established in 1939 and enjoys a heritage of 70 years of expertise and experience. They are headquartered in New Delhi with cement, refractory and power operations spread across the country.

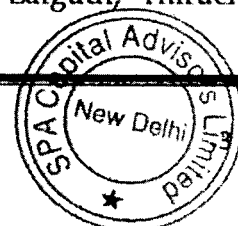
Dalmia Bharat Group is a pioneering and leading player in the cement manufacturing space with an installed capacity of 25 MTPA along with 186 MW of power generation capacity that accounts for its captive requirement. The group grew their cement capacity from 1.2 MTPA in 2005 to 25 MTPA presently, all in less than a decade, possibly one of the fastest capacity additions by any cement Group in India; graduating to fourth largest cement player in India after 'AV Birla', 'Holcim & Lafarge' & 'Shree Cements'.

ODCL (Transferee Company):

Odisha Cement Limited, an unlisted public limited company, was incorporated on 12th July, 2013, and has its registered office at Dalmiapuram, Lalgudi, Thiruchirapalli

Fairness Opinion on Share Exchange Ratio Valuation report,
By: SPA Capital Advisors Limited

Certified to be true copy:
For OCL INDIA LIMITED



Page

GM (Legal) & Company Secretary



SPA

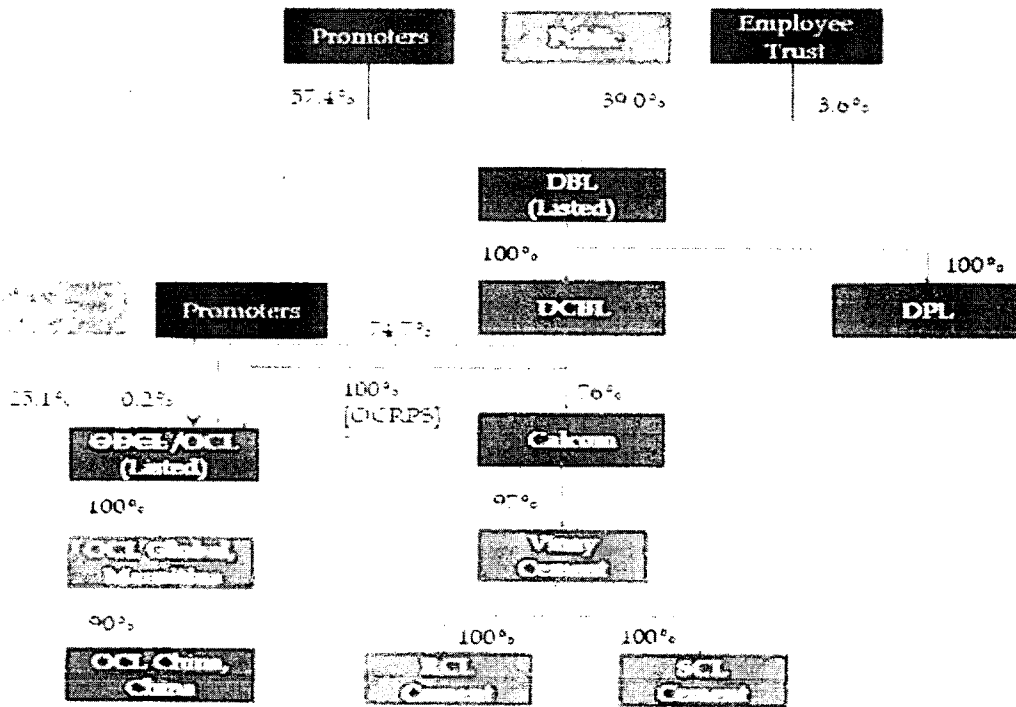
THE FINANCIAL ADVISORS

www.spacapital.com

District, Tamil Nadu- 621651. The company is authorized to carry on inter alia, the business of manufacturing and selling cement.

Pursuant to Scheme 1 becoming effective, ODCL shall comprise of cement and refractory business of OCL, DBCHL, SRSHL & DCEL and ODCL shall be renamed as OCL India Limited, shares of which shall be listed on BSE Limited & National Stock Exchange of India Limited.

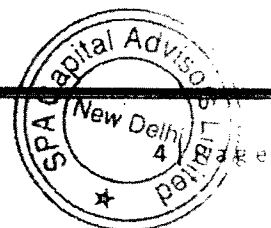
EXISTING GROUP STRUCTURE



Note : the above structure has been prepared assuming Scheme 1, 2 & 3 (On going Schemes) have been given effect to.

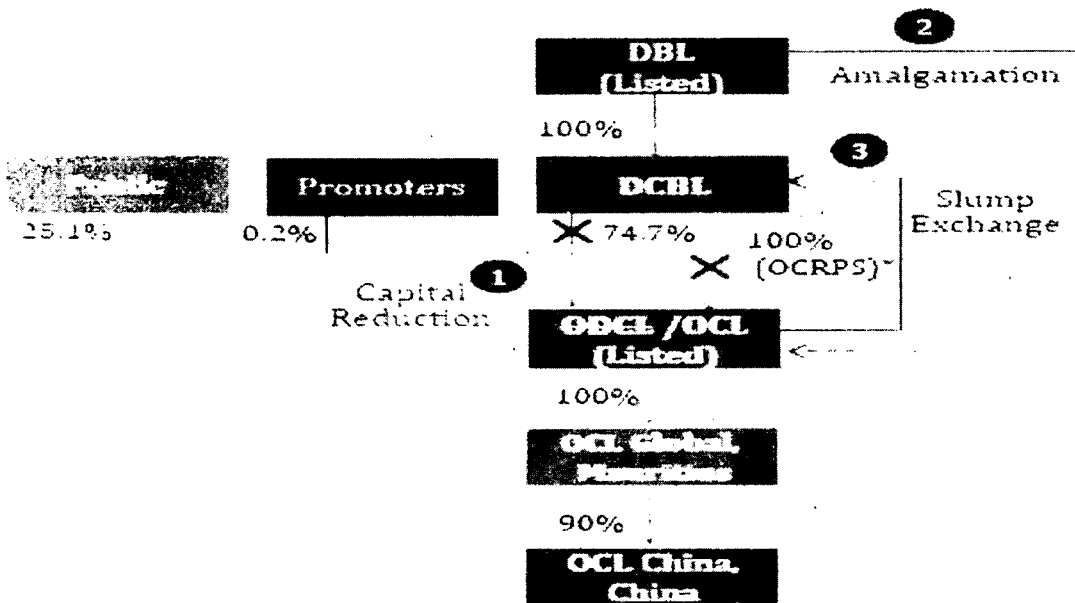
Fairness Opinion on Share Exchange Ratio Valuation report,
By: SPA Capital Advisors Limited

Certified to be true copy:
For OCL INDIA LIMITED



GM (Legal) & Company Secretary

PROPOSED RESTRUCTURING



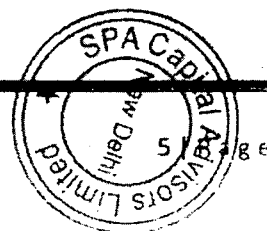
TRANSACTION

We understand that this transaction involves Dalmia group restructuring which includes amalgamation of DBL with ODCL under the Scheme of Amalgamation pursuant to Sections 391 and 394 of the Companies Act, 1956, & other relevant provisions made there-under and the Companies Act, 2013 with effect from 1st January, 2015 (Appointed Date). Pursuant to the Proposed Amalgamation, ODCL shall discharge consideration by issuing its shares to the shareholders of DBL.

Further, as part of the transfer by way of Slump Exchange, all assets and liabilities of ODCL as on the Appointed Date, i.e. 01st January, 2015 shall stand transferred to and vested with DCBL. As consideration of Slump Exchange, DCBL shall discharge its equity shares to ODCL.

Fairness Opinion on Share Exchange Ratio Valuation report,
By: SPA Capital Advisors Limited

Certified to be true copy:
For OCL INDIA LIMITED



GM (Legal) & Company Secretary



SPA

THE FINANCIAL ADVISORS

www.spacapital.com

87

VALUATION APPROACHES USED BY SHARP & TANNAN

The following approaches have been used by Sharp & Tannan (Chartered Accountants) for arriving at the exchange ratio of equity shares for the merger of DBL into and with ODCL:

- (a) DCF Method
- (b) EV/EBDITA Trading
- (c) EV/Ton Trading
- (d) Market price

CONCLUSION

Pursuant to the Scheme of Amalgamation and Valuation Report provided by Sharp & Tannan (Chartered Accountants), The share exchange ratio for the purposes of Scheme of Amalgamation would be as under:

"2 (two) Equity Shares of INR 2¹ each of ODCL for every 1 (One) Equity Share of INR 2 each of Dalmia Bharat Limited".

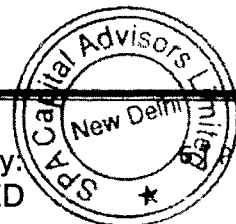
¹ face value of equity shares of ODCL shall be reduced from INR 10 per share to INR 2 per share pursuant to proposed Scheme¹ becoming effective.

On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the swap ratio for amalgamation and consideration for Slump Exchange is fair and reasonable to the shareholders of ODCL.

Fairness Opinion on Share Exchange Ratio Valuation report,
By: SPA Capital Advisors Limited


Certified to be true copy.
For OCL INDIA LIMITED

GM (Legal) & Company Secretary

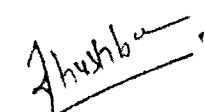


Disclaimer: The Final Report has been prepared for the internal and exclusive use of the Board of Directors of ODCL (the "Board of Directors") in support of the decisions to be taken by them. Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorized in writing by SPA Capital Advisors Limited (SPA). In preparing the Final Report, SPA has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by ODCL. SPA has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies. Therefore the Final Report is based on: (i) our interpretation of the information which ODCL, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of the terms upon which ODCL intends to consummate the Transaction (iii) the assumption that the Transaction will be consummated in accordance with the expected terms and within the expected time periods. The Final Report and the Opinion concern exclusively for the purpose of proposed amalgamation and do not constitute an opinion by SPA as to the absolute value of the shares of ODCL, and it should not be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

For SPA Capital Advisors Limited


(Sourabh Garg)
Vice President




(Khushboo Tanwar)
Manager

Fairness Opinion on Share Exchange Ratio Valuation report,

By: SPA Capital Advisors Limited

Certified to be true copy:
For OCL INDIA LIMITED

7 | Page

GM (Legal) & Company Secretary