Annexure-2

SHARP & TANNAN
Chartered Accountants

28th March, 2016

Strictly Privileged & Confidential

The Board of Directors
OCL India Ltd.
P.O. Rajgangpur, Dist. Sundargarh, Odisha - 770 017.

The Board of Directors
Odisha Cement Ltd.
P.O. Rajgangpur, Dist. Sundargarh, Odisha - 770 017.

The Board of Directors
Dalmia Bharat Cements Holdings Ltd.
Dalmiapuram Lalgudi Taluk, Dalmiapuram, Tamil Nadu - 621 651

The Board of Directors
Shri Rangam Securities & Holdings Ltd.
Dalmiapuram Lalgudi Taluk, Dalmiapuram, Tamil Nadu - 621 651.

The Board of Directors
Dalmia Cement East Ltd.
11th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi – 110 001

Dear Sir/Madam,

Re: **Recommendation of (i) Fair Share Entitlement Ratio for the proposed amalgamation of OCL India Ltd. into and with Odisha Cement Ltd. & (ii) Issuance of consideration for the proposed amalgamation of Dalmia Bharat Cements Holdings Ltd., Shri Rangam Securities & Holdings Ltd. & Dalmia Cement East Ltd. into and with Odisha Cement Ltd.**

This is with reference to the engagement letter dated 1st February, 2016 and discussions held on the proposed restructuring. We have been given to understand that the Management is contemplating a restructuring through scheme of arrangement and amalgamation amongst OCL India Ltd ("**OCL**"), Odisha Cement Limited ("**ODCL**"), Dalmia Cement East Limited ("**DCEL**"), Shri Rangam Securities & Holdings Limited ("**SRSHL**") and Dalmia Bharat Cements Holdings Limited ("**DBCHL**") and their respective shareholders and creditors in terms of Sections 391-394 of the Companies Act, 1956 ("**Scheme**"). OCL, ODCL, DBCHL, SRSHL & DCEL collectively referred to as "Companies".

Towards the above, M/s Sharp & Tannan (referred to as "Valuer" or "we" or "us"), have been appointed to determine & recommend (i) Fair Share Entitlement Ratio ("**Entitlement Ratio**") for OCL Restructuring (*as defined here-in-after*) & (ii) consideration to be issued to the shareholders of DBCHL for DCEL DBCHL SRSHL Restructuring (*as defined here-in-after*). Valuation Date for OCL

SHARP & TANNAN RAVINDRA ANNEXE, MUMBAI-20.

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Also at Pune. Associate Offices : Bangalore, Chennai, Goa & New Delhi

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For OCL INDIA LIMITED

GM (Legal) & Company Secretary

Restructuring & DCEL DBCHL SRSHL Restructuring is 31st Dec, 2015 ("Valuation Date"). Appointed Date for OCL Restructuring & DCEL DBCHL SRSHL Restructuring is 1st Jan, 2015 ("Appointed Date")

1. **BRIEF BACK GROUND**

1.1 **OCL India Limited**

1.1.1 OCL, a listed public limited company, was incorporated on 11th October, 1949 and has its registered office at Rajgangpur, Dist. Sundargarh, Odisha. The company is engaged in the manufacture and sale of cement and refractory. Further, it also generates power, maintains and operates rail systems and solid waste management system, which provide services to the cement & refractory business. We have been given to understand that Management is contemplating shifting of its registered office from Odhisa to Tamil Nadu.

1.1.2 The equity shares of OCL are, at present, listed on National Stock Exchange & Bombay Stock Exchange in India.

1.1.3 OCL has a total installed cement capacity of 6.7 MTPA with manufacturing facilities located at Rajgangpur [4.0 MTPA] & Kapilas [1.35 MTPA] in Odisha and Medinipur [1.35 MTPA] in West Bengal. As given to understand by the management, OCL caters to the markets in East and Central India in Odisha, West Bengal and Chhattisgarh under the brand names of 'Konark' and 'Konark DSP'.

1.1.4 OCL has a total installed refractory capacity of 131.4 KMT with manufacturing facilities located at Rajgangpur [106.4 KMT] & Liaoning, China [25 KMT] (through step down subsidiary, OCL China Ltd.). As given to understand, OCL is one of the few manufacturers of coke over silica bricks (used in steel manufacturing process) in India, apart from other refractory products.

1.1.5 OCL has Rail system, two 27 Mega Watt thermal power plants and one 2.5 Mega Watt solar power plant. Further, OCL also has Solid Waste Management System.

1.1.6 The issued & paid-up equity share capital of OCL as at 31st December, 2015 is INR 11.38 Crs divided into 5,69,00,220 equity shares of INR 2/- each (face value) and its shareholding pattern as on 31st December, 2015 as follows :-

Sl. No.	Category	No. of shares	% holding
a.	Promoter & Promoter Group	4,26,10,522	74.89%
b.	Public	1,42,89,698	25.11%
Total		5,69,00,220	100.00%

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The Management of OCL represented that OCL does not have any outstanding warrants /options/convertible securities, as at the valuation date hereof.

1.2 **Odisha Cement Limited**

1.2.1 ODCL, a limited unlisted company, was incorporated on 12th July, 2013 and has its registered office at Rajgangpur, Dist. Sundargarh, Odisha. We have been given to understand that management is contemplating transfer of registered office of ODCL from Odhisa to Tamil Nadu.

1.2.2 ODCL, a wholly owned subsidiary of OCL, is authorised to carry on, inter alia, the business of manufacturing and selling cement.

1.2.3 The issued & paid-up equity share capital of ODCL as at 31st December 2015 was INR 5,00,000 divided into 50,000 equity shares of INR 10/- each (face value). The management represented that ODCL does not have any outstanding warrants /options/convertible securities, as at the date hereof.

1.3 **Dalmia Bharat Cement Holdings Limited**

1.3.1 DBCHL, an unlisted public limited company, was incorporated on 20th March, 2014 and has its registered office at Dist. - Dalmiapuram, Tamil Nadu.

1.3.2 DBCHL, a wholly owned subsidiary of Dalmia Cement (Bharat) Ltd. ("DCBL"), is engaged in the business of, inter alia, providing management services.

1.3.3 The issued & paid-up equity share capital of DBCHL as at 31st December, 2015 is INR 83.16 Crs divided into 8,31,60,000 equity shares of INR 10/- each (face value). The management of DBCHL represented that DBCHL does not have any outstanding warrants /options /convertible securities, as at the valuation date hereof.

1.4 **Shri Rangam Securities & Holdings Limited**

1.4.1 SRSHL, an unlisted public limited company, was incorporated on 25th March, 2014 and has its registered office at Dist. - Dalmiapuram, Tamil Nadu.

1.4.2 SRSHL, a wholly owned subsidiary of DBCHL, is engaged in the business of, inter alia, providing consultancy services

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1.4.3 The issued & paid-up equity share capital of SRSHL as at 31st December, 2015 is INR 90.85 Crs divided into 9,08,50,000 equity shares of INR 10/- each (face value). The management of SRSHL represented that SRSHL does not have any outstanding warrants /options/ convertible securities, as at the valuation date hereof.

1.5 **Dalmia Cement East Limited**

1.5.1 DCEL, an unlisted public limited company, was incorporated on 13th March, 2008 & has its registered office at New Delhi. We have been given to understand that the company is in the process of shifting of its registered office from Delhi to Tamil Nadu.

1.5.2 The company is a wholly owned subsidiary of SRSHL.

1.5.3 DCEL is engaged in the manufacture & sales of cement. Further it also has rail systems and solid waste management system, which provides services to its cement business. Currently, the company has a cement grinding plant at Bokaro, Jharkhand having a capacity of 2.6 MTPA. Further, DCEL also has long-term contract for supply of clinker & slag with Jaiprakash Associates Limited and Steel Authority of India Limited respectively.

1.5.4 As given to understand by the management, DCEL caters to the markets of Jharkhand, Bihar and West Bengal under the brand name of "Dalmia Cement".

1.5.5 The issued & paid-up equity share capital of DCEL as at 31st December, 2015 is INR 133.65 Crs divided into 13,36,50,000 equity shares of INR 10/- each (face value). The management of DCEL represented that DCEL does not have any outstanding warrants /options/convertible securities, as at the valuation date hereof.

2. SCOPE & PURPOSE OF FAIR ENTITLEMENT RATIO

2.1 We are given to understand that the Board of Directors of the Companies propose to undertake the following with effect from the Appointed Date (viz., 1st Jan 2015):

(a) Transfer and vesting of certain undertakings of OCL to ODCL by way of slump sale on a going concern basis and subsequent amalgamation of residual OCL with ODCL (collectively referred to as "**OCL Restructuring**");

(b) Transfer and vesting of certain undertakings of DCEL to ODCL by way of slump sale on a going concern basis, and subsequent amalgamation of residual DCEL, DBCHL and SRSHL with ODCL (collectively referred to as "**DCEL DBCHL SRSHL Restructuring**");

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This is proposed to be achieved by way of a Scheme of Arrangement and Amalgamation pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 & other applicable provisions made there-under and the Companies Act, 2013 ("Scheme").

2.2 For this purpose, as requested, we have carried out valuation of equity shares of OCL, DBCHL, SRSHL and DCEL as on 31st December, 2015 with a view to recommend (i) Fair Entitlement Ratio for OCL Restructuring & (ii) Consideration to be issued to the shareholders of DBCHL upon DCEL DBCHL SRSHL Restructuring. This Fair Entitlement Ratio Report ("**Valuation Report**") may be placed before the Audit Committee, as per SEBI Circular CIR/CFD/CMD/16/2015 dated 30th November, 2015 and to the extent mandatorily required under the applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Scheme.

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

3. SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received & relied upon the following sources of information from the management:

- Draft Scheme of Arrangement and Amalgamation;
- Audited annual accounts of OCL & DCEL from FY 2012-13 to FY 2014-15;
- Management Certified Unaudited financial results of the OCL, DCEL, SRSHL & DBCHL for 9 month ended 31st December, 2015;
- Management certified Financial Projections of OCL & DCEL with key final assumptions from Q4 of FY 2015-16 to FY 2020-21 as made available to us;
- Income Tax Return & Tax Audit Report of OCL & DCEL for AY 2015-16;
- Shareholding pattern of the Companies as on 31st December 2015;
- Management Representation Letter dated 25th March, 2016 containing various data, documents and information relating to OCL & DCEL;
- Various agreements, documents or information related with the Companies;
- Published and secondary source of data, whether or not made available by the companies; &

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- Such other analysis, reviews and inquiries as we considered necessary.

4. SCOPE LIMITATIONS, ASSUMPTIONS, EXCLUSIONS AND DISCLAIMERS

4.1 This Valuation Report, its contents and the results herein are (i) specific to the purpose mentioned in this report; (ii) specific to the date of this Valuation Report and (iii) are based on the balance sheet of the Companies as at 31st December 2015. The management has represented that the business activities of the Companies have been carried out in the normal and ordinary course since 1st January 2016 and date hereof and that no material adverse change has occurred in their respective operations and financial position from 1st January 2016 and date hereof.

4.2 In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the Companies and (ii) the accuracy of the information that was publicly available, and formed substantial basis for this Valuation Report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. We do not express any opinion or offer any form of assurance that the explanations, financial information or other information as prepared and provided by the Companies is accurate and complete. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

4.3 Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The respective management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or mis-statements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies & their impact on the Valuation Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

4.4 During the course of work, we have relied upon the financial projections of OCL & DCEL provided to us by the management. The assumptions underlying the projections have not been reviewed or independently verified by us and accordingly there can be no assurance that these assumptions are accurate. We must emphasize that realizations of the free cash flow forecast used in the analysis will be dependent on the continuing validity of the assumptions on which they are

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based. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both the most likely set of future business events and circumstances and the management's course of action related to them. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.

4.5 Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable value, although certain formulae are helpful in assessing reasonableness. There is, therefore, no indisputable single entitlement ratio.

4.6 While we have provided our recommendation of the Entitlement 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 Entitlement Ratio. Companies acknowledge and agree that they have the final responsibility for the determination of the Entitlement Ratio at which the proposed restructuring shall take place and factors other than this Valuation Report will need to be taken into account in determining the Entitlement Ratio; these will include Companies' own assessment of the proposed restructuring and may include the input of other professional advisors.

4.7 This report and its contents is prepared for the Companies and to be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or discussion with any person. The report is confidential to the Companies and it is given on the express undertaking that will not be communicated, in whole or in part, to any third party without prior written consent of the Valuer. Neither this report nor its contents may be used for any other purpose other than in connection with this proposed restructuring without prior written consent of the Valuer.

4.8 Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair, neither ourselves, nor any of our partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We owe responsibility only to the Board of Directors of the Companies and nobody else. We are not liable to any third party in relation to the issue of this

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report. In no event we shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or wilful default on the part of the Companies, their management, directors, employees or agents.

4.9 A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof, may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report. However, we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us.

4.10 The Valuation Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a 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 balance sheet of the Companies. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.

4.11 This Valuation Report does not look into the business / commercial reasons behind the proposed restructuring nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed restructuring as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

4.12 This Valuation 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. In addition, this Valuation Report does not in any manner address the price at which equity shares will trade following approval of the Scheme of Arrangement and Amalgamation and we express no opinion or recommendation as to how the shareholders or creditors of Companies should vote at their respective meeting(s) to be held in connection with the proposed Restructuring.

4.13 The fee for this engagement is not contingent upon the results of this report.

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5. VALUATION APPROACH

5.1 Approaches for Valuation

There are three generally accepted approaches to valuation:

a. "Cost" Approach
b. "Market " Approach
c. "Income" Approach

a. Cost Approach

The "Cost" approach focuses on the net worth or net assets of a company. The Cost Approach to valuation includes two methods - Break Value ("BV") Method and Net Asset Value ("NAV") Method.

BV Method:

- Under the BV Method, the assets and liabilities are considered at their realizable/market value including intangible assets & contingent liabilities, if any, which are not stated in the balance sheet. From the realizable value of the assets, the potential liabilities, which would have to be paid, would be deducted and resultant figure would be the BV of the company.

- This valuation approach is mainly used in case where the asset base dominate earnings capability or in case where the valuing entity is a Holding Company deriving significant value from its Assets & investments.

NAV Method:

- Under this method, total value of the business is based on sum of the Net Assets Value as recorded in the balance sheet.

- NAV methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business.

b. Income Approach

The "Income" approach focuses on the profit/earnings potential of the business being valued. The Income Approach to valuation includes two methods – Profit Earning Capacity Value ("PECV") Method and Discounted Cash Flow ("DCF") Method. The "Income" approach focuses on the income generated by the company as well as its future earning capability.

PECV Method:

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- The PECV method focuses on the past income generated by the company as well as the future earning capability of the business enterprise. The PECV method requires the determination parameters, which are relevant to the company whose shares are being valued. These are (i) the 'future maintainable profits', (ii) the 'appropriate income tax rate' and (iii) the 'expected rate of return'. The value is determined by capitalizing the future maintainable profits (net of tax) by the expected rate of return.

DCF Method:

- The DCF Method seeks to arrive at a value of a business based on the strength of its future cash flows. This method also captures the risk involved with these cash flows.
- Under this method, the business is valued by discounting its free cash flows for an explicit forecast period and the perpetuity value thereafter. The free cash flows to the firm ("**FCFF**") represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by Weighted Average Cost of Capital ("**WACC**"). WACC is an appropriate rate of discount to calculate the present value of the future free cash flows as it considers debt-equity risk and also debt-equity ratio of the company/industry.
- To the present value of the cash flows so arrived, adjustments are made for the value of debt, surplus/non-operating assets including investments, surplus cash & bank balance and contingent assets/liabilities and other liabilities, if any, in order to arrive at the value for the equity shareholders. The total value for the equity shareholders so arrived has to be then divided by the number of equity shares in order to work out the value per equity share of the company.

c. **Market Approach**

Market Price Method:

Under this method, the market price of an equity share as quoted on a recognized Stock Exchange is normally considered as the value of the equity shares of that company. The market value generally reflects the investors' perception about the true worth of the company.

Market Multiple Method:

- Under Market Multiple Method, the value is determined on the basis of multiples derived from valuations of companies in the same industry, as manifested through stock market valuations of listed companies.

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- This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- **Market Transactions Method:**

With regard to the multiples applied in an earnings based valuation, they are generally based on data from the recent transactions in a comparable sector, but with appropriate adjustment after due consideration has been given to the specific characteristics of the business being valued.

5.2 **Valuation Methodologies Applied**

5.2.1 It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

5.2.2 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

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5.2.3 The application of any particular method of valuation depends on the purpose for which the valuation is done. In arriving at the equity value of the companies, from amongst the generally accepted valuation methodologies, we have applied methodologies most relevant, applicable and appropriate to the circumstances.

6. VALUATION AND RECOMMENDATION OF FAIR ENTITLEMENT RATIO

6.1 For equity valuation of DBCHL & SRSHL, we have considered Break Value Method under Cost approach.

6.2 For determining equity value of DCEL, we have considered (i) DCF Method under Income Approach, & (ii) Market Multiple Method & Market Transactions Method under the Market Approach.

6.3 Valuation Summary – DCEL, SRSHL & DBCHL

6.3.1 Valuation Summary – DCEL

INR in Crs.

Sl. No.	Particulars	Enterprise Value	Weightage (%)	Wgt. Avg. Enterprise Value
i.	DCF Method	1,290	40%	516
ii.	Market Multiple Method			
	- EV/Ton Trading Multiple	1,229	30%	369
iii.	Market Transactions Method	1,347	30%	404
Enterprise Value of DCEL				1,289
(-) Net Debt				243
(+) Non-operating assets				46
Equity Value of DCEL				1,092

6.3.2 Valuation Summary – SRSHL

INR in Crs.

Particulars	Value
Net Assets Value of SRSHL as on 31st Dec 2015	907
(-) Book Value of Investment in DCEL (100%)	984
(+) Value of Investment in DCEL (100%)	1,092
Equity Value of SRSHL	1,015

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6.3.3 Valuation Summary – DBCHL

INR in Crs.

Particulars	Value
Net Assets Value of DBCHL as on 31st Dec 2015	236
(-) Book Value of Investment in SRSHL [100%]	908
(+) Value of Investment in SRSHL [100%]	1,015
Equity Value of DBCHL	343

6.4 For equity valuation of OCL, we have considered (i) DCF Method under Income approach, & (ii) Market Price Method, Market Multiple Method & Market Transactions Method under the Market Approach.

6.5 Equity Value of OCL comprises of:

(i) Cement & refractory business of OCL (including Rail, Power & Solid waste management system).

(ii) Value of investment of OCL in shares of OCL Global Ltd. which further holds 90% equity stake in OCL China Ltd., a company engaged into refractory business.

(iii) Value of investment of OCL in ODCL and other entities & securities.

6.6 Prior to the proposed Scheme, OCL holds 100% of the paid up equity capital of ODCL. Upon the amalgamation of OCL into & with ODCL being effective (i) the equity shares held by OCL in ODCL shall get cancelled and stand extinguished, (ii) OCL shall stand dissolved & (iii) ODCL will have the following components of value:

(i) Cement & refractory business of OCL (including Rail, Power & Solid waste management system).

(ii) Value of 100% equity shares of OCL Global Ltd. which further holds 90% equity stake in OCL China Ltd., a company engaged into refractory business.

(iii) Value of investments of OCL in other entities & securities.

Thus, intrinsic value of one share of OCL shall be the same as the post amalgamated intrinsic value of one share of the combined entity i.e. ODCL. Pursuant to the amalgamation of OCL into & with ODCL and issuance of shares by ODCL to the shareholders of OCL, the shareholding of ODCL shall be the mirror image of OCL's shareholding pattern.

6.7 In light of the above and on consideration of all the relevant factors and circumstances as discussed & outlined here-in-above, we believe that value of each of the share issued by ODCL to

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the shareholders of OCL shall be equivalent to value of each of the shares of OCL. For OCL Restructuring, we recommend that the fair Entitlement Ratio should be:

"1 (one) fully paid Equity Share of face value of INR 10/- each of Odisha Cement Ltd., for every 1 (one) fully paid Equity Share of face value of INR 2/- each held in OCL India Ltd."
&

For DCEL DBCHL SRSHL Restructuring, we recommend issuance of:

3,43,00,000 (Three Crores Forty Three Lakhs) fully paid Optionally Convertible Redeemable Preference Share ('OCRPS') of INR 10 each of ODCL at a premium of INR 90 per share to the shareholders of DBCHL.

Key terms of OCRPS are as under:

- Term: upto 10 years;
- Conversion option: before 18 months from the date of allotment at the then prevailing SEBI preferential issue guidelines price;
- Coupon: 0.1% per annum;
- Redemption period: after 18 months but before 10 years at the option of the holder;
- Redemption premium: on a 6% p.a. yield-to-maturity basis.

Thanking You,
Yours faithfully,

For Sharp &Tannan
Chartered Accountants
Firm Registration No. – 109982W

Augustine

Edwin Augustine
(Partner)
Membership No. - 043385
Date: 28th March, 2016
Place: Mumbai

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