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CHAIRMAN

CONFIDENTIAL

22nd July 2013

The Board of Directors
Ambuja Cements Limited
Elegant Business Park,
MIDC Cross Road 'B',
Off Andheri - Kurla Road,
Andheri (E), Mumbai 400059

Dear Members of the Board:

I. Engagement Background

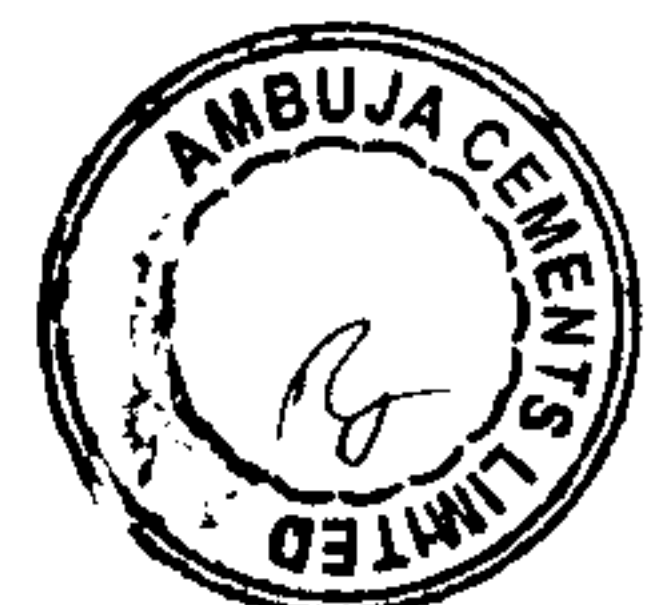
We understand that the Board of Directors of Ambuja Cements Limited ("ACL" or "Company" or "Amalgamated Company") is considering the amalgamation of Holcim (India) Private Limited ("HIPL" or "Amalgamating Company") with the Company through a Scheme of Amalgamation under section 391-394 of the Companies Act, 1956.

The scheme envisages an amalgamation of HIPL with ACL as per the terms and conditions more fully set forth in the Scheme of Amalgamation to be placed before the Board for their approval.

In consideration of the amalgamation of the HIPL into ACL pursuant to the Scheme of Amalgamation, for every 74 equity shares of the face value of Rs. 10 each and fully paid held by the shareholders of the Amalgamating Company, the Amalgamated Company shall issue and allot 10 equity shares of the face value of Rs. 2 each fully paid up (hereinafter referred to as the "Share Exchange Ratio").

In connection with the aforesaid, you requested our Fairness Opinion ("Opinion") as of the date hereof, as to the fairness of the Share Exchange Ratio to the Equity Shareholders of the Amalgamated Company.

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II. Basis of Opinion

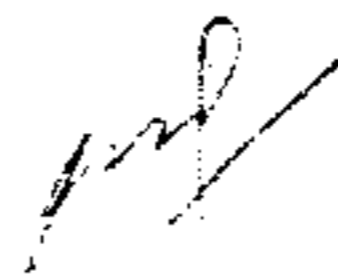
In the Rationale of the Scheme as explained to us by the Management of the Amalgamated Company, given the business opportunities with respect to the Cement Business in India, the Holcim Group is keen to restructure its activities in the Cement Business in India by combining the strengths of ACC Limited ("ACC") and ACL into competitive advantages. The Amalgamating Company currently holds 50.01% equity shares in ACC which consequent upon the proposed amalgamation will vest with the Amalgamated Company. This will thus enable the Amalgamated Company to realize huge potential savings and improve its revenue and margins. Further, the size of the profits and net worth of the consolidated business of the Amalgamated Company is likely to increase from the current levels consequent upon the proposed amalgamation. The proposed amalgamation is likely to enhance significantly the values and synergies for both Amalgamated Company as well as ACC and for all the stakeholders.

A brief history of each of the aforesaid companies is as under –

ACL is a Public Limited Company listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The global depository receipts issued by ACL are listed on the Euro MTF Platform of the Luxemburg Stock Exchange. It was incorporated in 1981 and is registered under the provisions of the Companies Act, 1956 (the "Act", which word shall include any statutory re-enactment or modification thereof, or amendment thereof, from time to time) and has its registered office at Elegant Business Park, MIDC Cross Road 'B', Off Andheri-Kurla Road, Andheri (E), Mumbai 400059. ACL is one of the leading cement manufacturing companies in India, with a capacity of ~28 mn Metric Tons per annum

HIPL is a private company limited by shares incorporated in the year 2002 under the Act (as hereinafter defined), having its registered office at Suite 304, Third Floor, DLF South Court, Plot A-1 Saket District Centre, Saket, Delhi – 110017. It's a wholly owned subsidiary of Holderind Investment Limited, Mauritius (HIL) and was formed to act as an investment company for downstream investment in cement manufacturing ventures in India. It holds 50.01% equity stake in ACC, which is one of the leading cement manufacturing companies India, with a capacity of ~30 mn Metric Tons per annum. It also holds 9.76% equity stake in ACL.

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



1. The Amalgamated Company (ACL) is a listed Public Company. The Amalgamating Company (HIPL) is wholly owned by Holderind Investment Limited, Mauritius. Amalgamation is to be carried out under section 391 to 394 read with section 100 and other applicable provisions of the Companies Act, 1956
2. As consideration for the amalgamation, only shares in the Amalgamated Company shall be issued to all the shareholders of the Amalgamating Company
3. Upon the Scheme becoming effective, the Amalgamated Company shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company) and liabilities of the Amalgamating Company vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14 notified under the Companies Accounting Standards Rules, 2006, as amended
4. All the Shareholders of the Amalgamating Company shall become shareholders of the Amalgamated Company; HIPL's 9.76% stake in ACL to be cancelled under the scheme
5. Every shareholder of Amalgamating Company shall receive 10 equity share of Rupees Two each of Amalgamated Company for every 74 equity shares of Rupees Ten each fully paid held in Amalgamating Company as on the Record date for the implementation of the Scheme
6. There will be no change in the capital structure of either the Amalgamating Company or the Amalgamated Company except in respect of outstanding stock options that may be exercised in terms of the Amalgamated Company's employees stock option scheme(s) or tradeable warrants or outstanding global depository receipts of the Amalgamated Company that may be exercised, or shares which may be issued pursuant to the rights shares kept in abeyance. All corporate actions will be appropriately dealt with as envisaged in the scheme
7. To the extent there are inter-se loans, investments, deposits, receivables, payables or balances, between the Amalgamating Company and Amalgamated Company, the obligations/rights in respect of the same thereof shall come to an end
8. The Equity shares of the Amalgamated Company to be allotted pursuant to the Scheme shall rank for dividend, voting rights and in all respect *pari passu* with the existing shares of the Amalgamated Company subject to the exceptions, if any mentioned in the Scheme



9. Share Exchange Ratio is based on the joint valuation report dated 22nd July 2013 submitted by M/s. BSR and Associates ("BSR") & Price WaterHouse & Co. ("PW&Co.") ("Joint Valuers") appointed by the Board
10. The appointed date for the amalgamation of Holcim India with Ambuja is the opening business hours of April 1, 2013

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.

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 Amalgamated Company including the valuation report prepared by BSR and PW&Co. and a Draft of the Scheme of Amalgamation prepared by M/s. Amarchand & Mangaldas & Suresh A. Shroff & Co.

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

- The unaudited financial statements of the Amalgamating Company as on March 31, 2013 and audited financial statements of the Amalgamating Company and the Amalgamated Company for the period 2010 to 2012
- The financial projections of ACC for the period Calendar Year (CY) 2013 to CY2020 and management information as provided to us by the management of HIPL
- The financial projections of ACL for the period Calendar Year (CY) 2013 to CY2020 and management information as provided to us by the management of ACL
- Other information, explanations and representations provided by the management of the companies.

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 Amalgamating Company and / or its subsidiaries or the Amalgamated Company and / or its subsidiaries. In particular, we do not express any opinion as to the value of any asset of the Amalgamating Company and / or its subsidiaries or the Amalgamated 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 for the purpose of the 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.

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 values of the Amalgamated Company vis-a-vis the Amalgamating Company.

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 Amalgamating Company and / or its subsidiaries, Amalgamated Company and / or its subsidiaries and their respective Shareholders.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Amalgamating Company and / or its subsidiaries, Amalgamated Company and / or its subsidiaries and their respective shareholders, nor does our Opinion address any legal, tax, regulatory including all SEBI regulations or accounting matters, as to which we understand that the Amalgamated 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 of the Amalgamating Company and Amalgamated Company 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.

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, shareholders rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the Scheme of Amalgamation other than the fairness, from financial point of view, of the Share Exchange Ratio.

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 that are unrelated to the proposed Scheme, for which services we have received or may receive customary fees. In addition,

in the ordinary course of their respective businesses, affiliates of Axis Capital Ltd. may invest in securities of the Amalgamated Company and / or its subsidiaries or group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of the Amalgamated 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.

The fee for our services is not contingent upon the results of the proposed amalgamation. This Opinion is subject to the laws of India.

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, Share Exchange Ratio is fair to the Equity shareholders of the Amalgamated Company.

Very truly yours,

For Axis Capital Ltd.



Lalit Ratadia
Managing Director
Investment Banking

