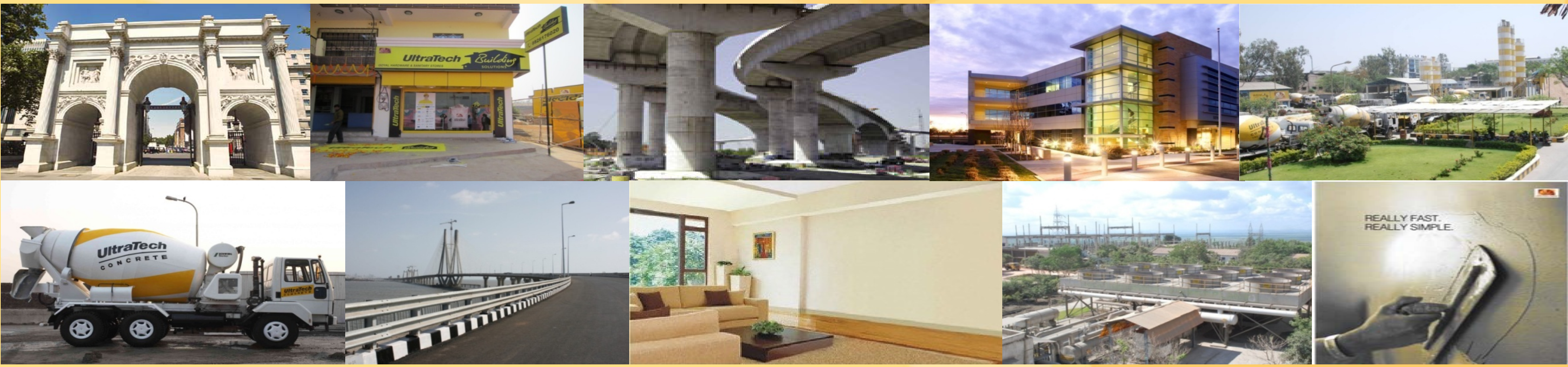


Acquisition of Gujarat Cement Unit *of* **Jaypee Cement Corporation Limited** *through a demerger*

Mumbai, 11th September, 2013

The Context….

- **UltraTech is the largest cement company in India**
  - Current cement capacity ~54mtpa (~51 mtpa in India & 3 mtpa overseas).
- **Significant capacity addition during the last decade:**
  - Added ~ 21 mtpa capacity since 2005;
  - Additional ~ 10 mtpa underway - likely commissioning by FY15;
  - Capacities build-up in all zones……..except **Gujarat region.**
- **Need for capacity addition in Gujarat :**
  - Our Gujarat plants presently operating at ~ 95%;
  - Lost volume in Gujarat post disposal of SDCCL;
  - Required additional volume to support costal movements – Mumbai, Kochi, Mangalore and Sri Lanka markets.
- **Total capacity post the projects underway and acquisition - ~70mtpa**

Opted for acquisition of Gujarat Assets of JCCL

Benefits of the transaction

- Meet UltraTech's (UTCL) need to enhance capacity in Gujarat – to serve local, coastal & export markets;
- High quality operational assets with immediate cash generation potential
- Sizable land and mining reserve – supports doubling of the capacity.
- Manufacturing, marketing and supply chain synergies.
- Tax advantage on carried forward business losses and unabsorbed depreciation of the Unit.
- Fly ash available near the grinding unit.
- Captive power plant.

Value accretive in the medium term

Structure and Plant Locations

Jaiprakash Associates Limited (JAL) – Parent

Jaypee Cement Corporation Ltd (JCCL) - Wholly owned subsidiary

AP Cement Unit & Other Businesses

Gujarat Cement Unit

To be vested in UTCL under Sec. 391-394 of the Companies Act

Plants

Integrated Unit (IU): Sewagram – Kutch, Gujarat

- Clinker Capacity - 3.6 mtpa (2x5500 TPD)
- Cement Capacity - 2.4mtpa

Grinding Unit (GU) : Wanakbori (Near Ahmedabad), Gujarat

- Cement Capacity - 2.4mtpa

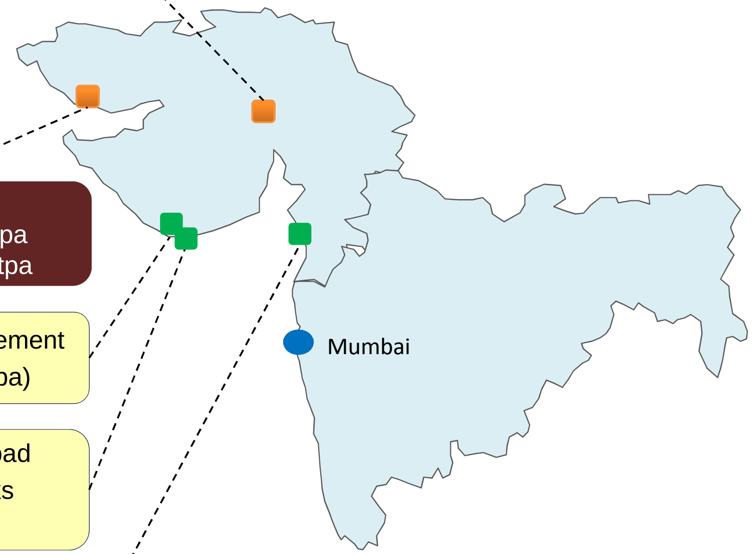
GU Wanakbori
Cement: 2.4 mtpa

IU Kutch
Clinker: 3.6 mtpa
Cement: 2.4 mtpa

UTCL - Gujarat Cement Works (6.4 mtpa)

UTCL - Jafarabad Cement Works (0.5 mtpa)

UTCL - Magdalla GU (0.7 mtpa) & BT

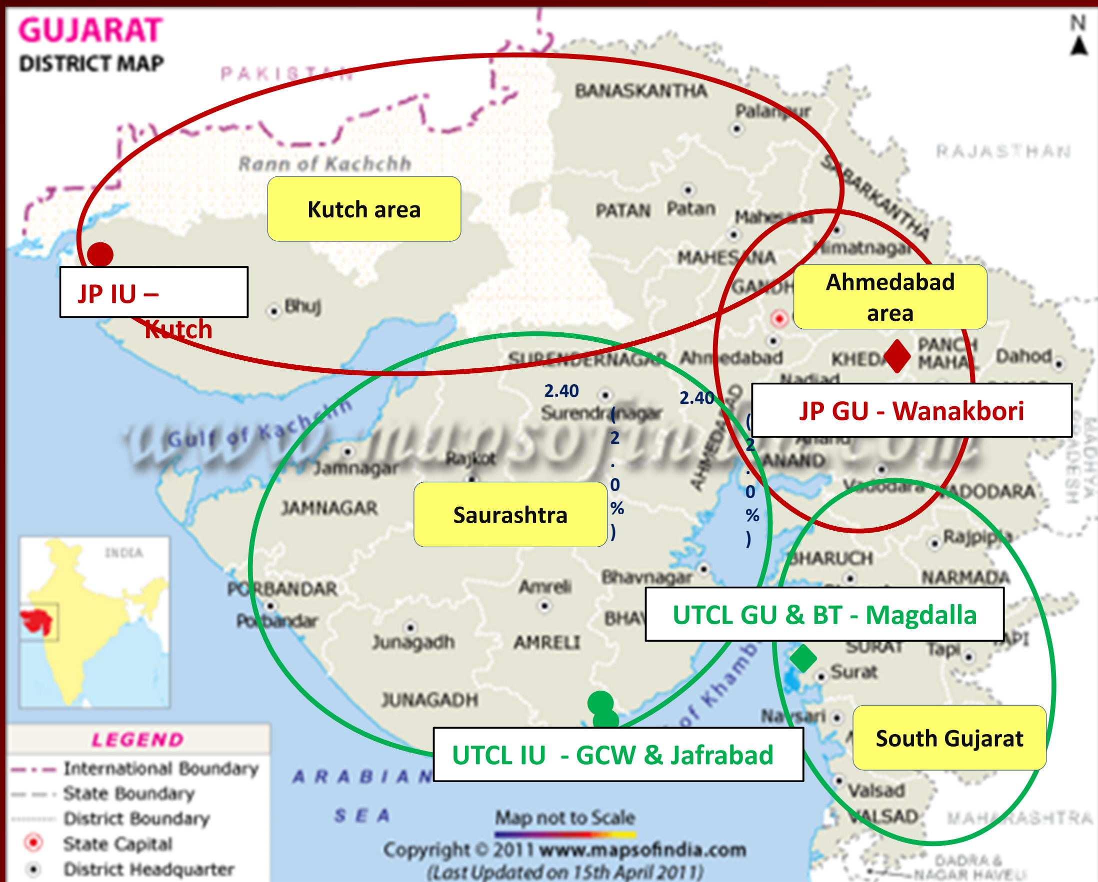


Assets to be Acquired

- **Recently commissioned plant with latest technology and split grinding unit.**
- **Scope to double the capacity:**
  - Land Area – 5479 Ha,
  - Limestone Reserve ~ 500 MnT – sufficient for 90 years.
- **Strong infrastructure assets:**
  - CPP - 57.5 MW,
  - DG - 30 MW,
  - Jetty – 2500 DWT barges: for clinker and coal movement
  - Desalination plant – meeting water requirement.
- **Cement bag manufacturing unit - Capacity : 3 lacs bag per day.**

Synergies

Plant locations and Market Distribution



- Multiple plants across Gujarat with grinding units closer to the consumers
- Market realignment:
  - Synergy gain: approx. Rs.30-40 crs p.a.
- Further Potential Gain:
  - To increase costal movements;
  - Realignment of clinker movement with UTCL existing Plants.

Valuation & Consideration

- Enterprise value ("EV") – Rs.3,800 Crores +/- Net working capital at actuals at Closing.
- Will take over all the assets and liabilities of the demerged undertaking.
- Consideration is equal to EV less liabilities taken over.. Such Consideration to be discharged by issue of equity shares of UTCL:
  - Current estimate of consideration is approx Rs.147Crores;
  - Consideration to be adjusted at Closing for movements in working capital, liabilities, assets and the share price of UTCL;
  - Consideration Capped at Rs.150 Crores – Maximum dilution as per agreed formula at current prices ~ 0.32%.
- Demerged undertaking valued in line with replacement cost, with additional strategic assets.

Balance sheet will continue to remain strong

		Pre- Acquisition	Post Acquisition
Debt : Equity	Gross	0.31 : 1	0.54 :1
	Net	0.03 :1	0.26 :1
Debt / EBIDTA		1.0x	1.7x

Transaction Advisers

Transaction Advisor	Standard Chartered Bank
Independent Fairness Opinion	Axis Capital Limited
Legal Advisor	Amarchand & Mangaldas & Suresh A. Shroff & Co.
Valuation Expert	Bansi S Mehta & Co.

UltraTech Cement, the Engineers choice is the preferred cement for all types of projects-be it large infrastructure projects, buildings, complexes or individual homes. UltraTech Cement stands by its promise of providing consistent quality cement, on time, everytime. The product is backed by all round technical assistance and guidance provided by the in-house network of qualified and experienced Engineers. UltraTech cement reinforces the confidence of an Engineer to build bigger and better.

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