

STRICTLY CONFIDENTIAL

May 20, 2018

The Board of Directors,
Century Textiles and Industries Limited,
 Century Bhavan,
 Dr Annie Besant Road,
 Worli,
 Mumbai 400030,
 Maharashtra,
 India.

Ladies / Gentlemen:

We refer to the engagement letter dated May 16, 2018 ("**Engagement Letter**") whereby Century Textiles and Industries Limited ("**CTIL**" or "**Company**") has engaged JM Financial Limited ("**JM Financial**"), *inter alia*, to provide a fairness opinion to the Company on the share entitlement ratio (as defined hereinafter) based on perusal of the valuation report dated May 20, 2018 ("**Valuation Report**") issued by Bansi S. Mehta and Co, Chartered Accountants and Walker Chandiok & Co LLP (jointly the "**Valuers**" and individually the "**Valuer**") for the proposed demerger of the cement business undertaking of the Company into Ultratech Cement Limited ("**UCL**") vide a composite scheme of arrangement under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder ("**Proposed Scheme**") and Securities and Exchange Board of India ("**SEBI**") circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018 (together referred to as "**SEBI Circular**").

Company Background and Purpose

CTIL is a public limited company incorporated under the Act No.VI of 1882 of the Legislative Council of India and now deemed to be incorporated under the Companies Act, 2013. The Company is engaged in the business of : (a) manufacture, production, sale and distribution of cement ("**Cement Business**") (b) production and sale of cotton fabrics ("**Textile Business**") (c) production of all types of paper products like writing and printing paper ("**Pulp and Paper Business**"); (d) dealing in commercial and residential property ("**Real Estate Business**"). The equity shares of Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" and together with the BSE, the "**Stock Exchanges**").

UCL is a public limited company incorporated under the Companies Act, 1956. It is engaged in the business of manufacture and sale various grades and types of cement, ready mix concrete and other cement related products. The equity shares of UCL are listed on the Stock Exchanges.

The Valuers as part of their Valuation Report have arrived at a share entitlement ratio of 1 (One) equity share of face value Rs 10 (Rupees ten) per equity share of UCL for every 8 (Eight) equity shares of face value of Rs 10 (Rupees ten) per equity share of the Company held by persons whose

CERTIFIED TRUE COPY
For CENTURY TEXTILES AND INDUSTRIES LTD.


 Company Secretary

JM Financial Limited

Corporate Identity Number : L67120MH1986PLC038784

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names are recorded in the register of members as a member of the Company on the Record Date ("Share Entitlement Ratio"). The Company in terms of the Engagement Letter requested us to examine the Valuation Report issued by the Valuers and other related information provided by the Company and issue our independent opinion as to the fairness of the Share Entitlement Ratio ("Fairness Opinion") to the Board of Directors of the Company as per the requirements of the SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018 (together referred to as "SEBI Circular").

All terms not specifically defined in this Fairness Opinion shall carry the same meaning as in the Proposed Scheme.

Brief Background of the Proposed Scheme

As per the Proposed Scheme, the proposed transaction shall, amongst others, result into following benefits:

- (a) in case of CTIL:
 - i. unlocking the value of the Cement Business for the shareholders of CTIL; and
 - ii. assisting in the de-leveraging of its balance sheet including reduction of debt and outflow of interest
- (b) in case of the UCL:
 - i. expansion in markets having potential demand for cement;
 - ii. acquiring ready to use assets which shall create operational efficiencies, reduce time to markets vis-à-vis greenfield projects which are time consuming due to challenges in acquisition of land and limestone mining leases;
 - iii. strategic fit for serving existing markets and catering to additional volume requirements in new markets; and
 - iv. synergies in manufacture and distribution process and logistics alignment leading to economies of scale and creation of efficiency by reducing time to market and benefiting customers.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Valuation Report issued by the Valuers;
2. Draft of the Proposed Scheme; and
3. Certain explanations and information from the representatives of the Company.

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the




Company for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Company or UCL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have simply accepted the title verification of the properties provided to us on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end. We have not made any independent valuation or appraisal of the assets or liabilities of the Company or UCL, nor have we been furnished with any such appraisals. We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by the Company or UCL on an "as is" basis for the purposes of this Fairness Opinion except for the information explicitly provided to us. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims. In addition, we have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Company or UCL.

We understand that the management of the Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Company or any of its assets, nor did we negotiate with any other party in this regard.

In the ordinary course of business, the JM Financial group is engaged in securities trading, securities brokerage and investment activities, as well as, providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or




secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of the Company or UCL will trade following the announcement of the Proposed Scheme or as to the financial performance of the Company or UCL following the consummation of the Proposed Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in the Company or any of its related parties (holding company / subsidiary / associates etc).

Conclusion

Based on our examination of the Valuation Report, such other information / undertakings / representations provided to us by the Company and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the Share Entitlement Ratio is fair for the shareholders of the Company.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of the Company solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuers and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the petition for the Proposed Scheme and such other applicable regulatory authorities under SEBI Circular and/ or the Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian law in which case you would provide us a prior written intimation and take our prior written consent for it. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same. In no circumstances however, will JM Financial or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Yours truly,

For JM Financial Limited



Authorized Signatory

