

Report of Audit Committee of UltraTech Cement Limited

Present:

1. Mr. R. C. Bhargava, Chairman
2. Mr. G. M. Dave, Member
3. Mrs. Renuka Ramnath, Member
4. Mr. D. D. Rathi, Director and Permanent Invitee
5. Mr. Atul Daga, Wholetime Director and Chief Financial Officer
6. Mr. S. K. Chatterjee, Company Secretary

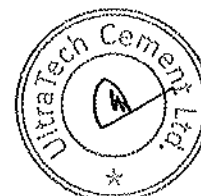
1. Background:

- 1.1 A meeting of the Audit Committee was held on 4th July, 2016 to consider the proposed Scheme of Arrangement between Jaiprakash Associates Limited ("JAL"), Jaypee Cement Corporation Limited ("JCCL"), the Company and their respective shareholders and creditors ("the Scheme of Arrangement").
- 1.2 This report of the Audit Committee is made in order to comply with Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI").
- 1.3 The Committee considered the:
 - (i) Draft Scheme of Arrangement;
 - (ii) Valuation Report dated 4th July, 2016 issued by the independent valuers viz. Bansi S. Mehta & Co., Chartered Accountants;
 - (iii) Fairness Opinion dated 4th July, 2016, issued by J. M. Financial Institutional Securities Limited, Merchant Banker.

2. Proposed Scheme:

- 2.1 The Audit Committee discussed the draft Scheme of Arrangement, valuation report and fairness opinion and noted the salient features of the proposed Scheme of Arrangement:
 - (i) The proposed Scheme of Arrangement provides for the acquisition of identified cement plants of JAL and JCCL on a slump exchange basis, in the States of Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Uttarakhand and Andhra Pradesh, having a capacity of 21.20 mtpa.

R. C. Bhargava



- (ii) The proposed Scheme of Arrangement provides for issuance of non-convertible cumulative redeemable preference shares and unsecured redeemable non-convertible debentures of the Company to JAL and JCCL.

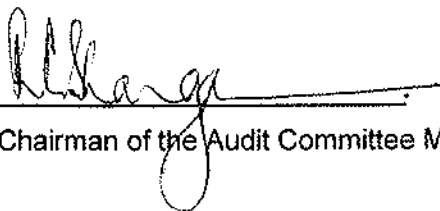
2.2 The Audit Committee noted that:

The acquisition is essentially a "geographic market expansion" which will lead to the Company's entry into growing markets of India, such as the Satna cluster [in Uttar Pradesh (East) and Madhya Pradesh (East)], Himachal Pradesh, Uttarakhand and coastal Andhra Pradesh. The operations will be strengthened by the consequent technological upgradation and enhancement in capacity utilization on a year-on-year basis, creating synergies in manufacturing, distribution and logistics leading to economies of scale and creation of efficiencies by reducing lead time to markets, enhancing competitiveness and thereby benefiting consumers; and creating value for its shareholders by acquiring ready-to-use assets.

3. Recommendation of the Audit Committee:

The Audit Committee concluded that the proposed Scheme of Arrangement would be to the benefit of the Company and also its shareholders and recommends the proposed Scheme of Arrangement to the Board of Directors of the Company.

For and on behalf of the Audit Committee
of UltraTech Cement Limited



Chairman of the Audit Committee Meeting

Date: 4th July, 2016

Place: Mumbai

