CK BIRLA GROUP

ORIENT CEMENT

Investor Presentation

October 2016

Group & Company background

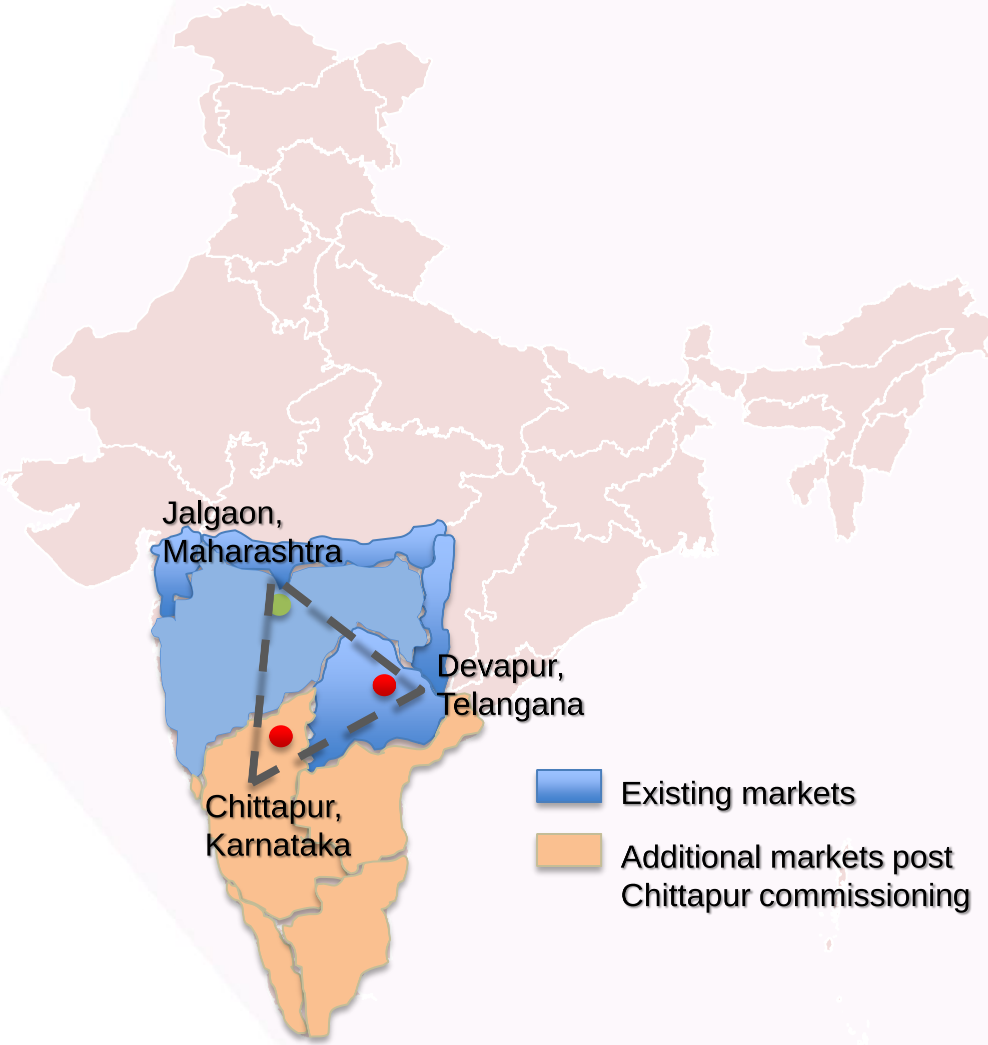
CK BIRLA GROUP

- Reputed and respected multi-industry conglomerate
- Present across three industry clusters – technology & automotive, home & building products and healthcare & education
- Businesses present across five continents with over 20,000 employees, 24 manufacturing facilities and numerous patents and awards

ORIENT CEMENT

- Spun off from Orient Paper and Industries Limited and listed in 2013 to create pure play cement company with a view to grow quickly in cement space
- Vision: Grow to be a relevant national player, driven by execution excellence and be the 'employer of choice' and 'neighbour of choice'
- Current mission: Capacity growth from 8 to 15 million tons by 2020 along with geographic diversification to mitigate market risks
- Production capacity – 8 million tonnes per annum currently (after Chittapur plant commissioning)
- New greenfield capacity at Chittapur commissioned at a very competitive capital cost of c.$100/ton, inclusive of captive power and other infrastructure.
- Present serviced markets are Maharashtra, AP/Telangana and Karnataka
- Execution Excellence: Amongst the most efficient producer and seller of cement in India today

Current installed capacity of 8 million tonnes per annum and primarily sold to the markets of Southern and Western India

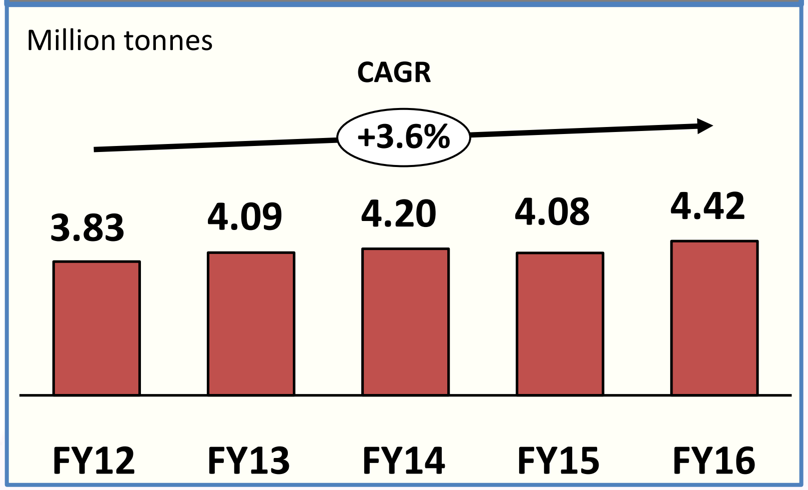


- Total current capacity: 8mtpa
- 3 mtpa integrated cement plant located at Devapur in Adilabad district of Telangana
- 2 mtpa grinding unit located at Jalgaon district of Maharashtra
- Greenfield 3 mtpa integrated unit commissioned in Karnataka in Sep 2015

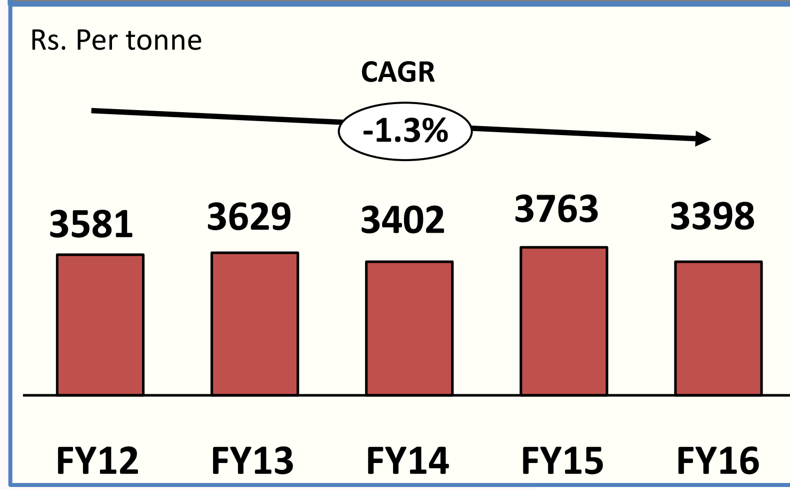
- With a network of > 2700 dealers, our product is sold in Telangana & Maharashtra, which are our primary markets; we also sell in parts of AP, Gujarat, Madhya Pradesh, Chattisgarh & Karnataka
- With the commissioning of the Chittapur plant, we have been able to expand our reach to entire Karnataka, AP, Kerala and parts of Tamil Nadu

Summary financials

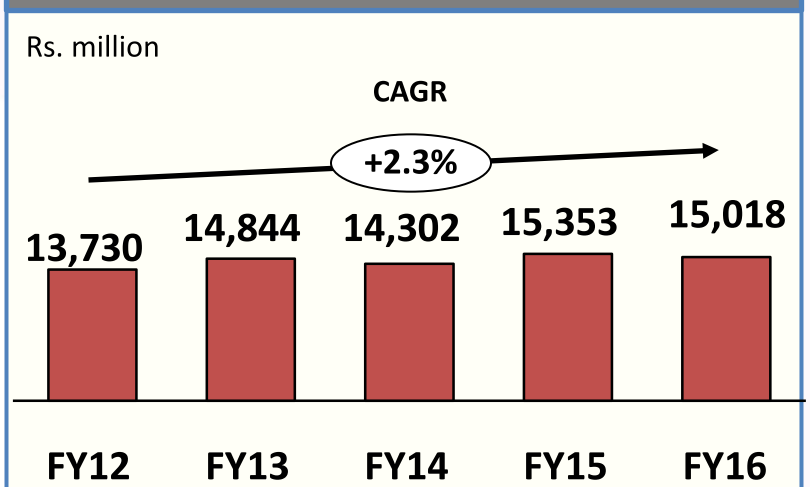
Last 5 year's volumes



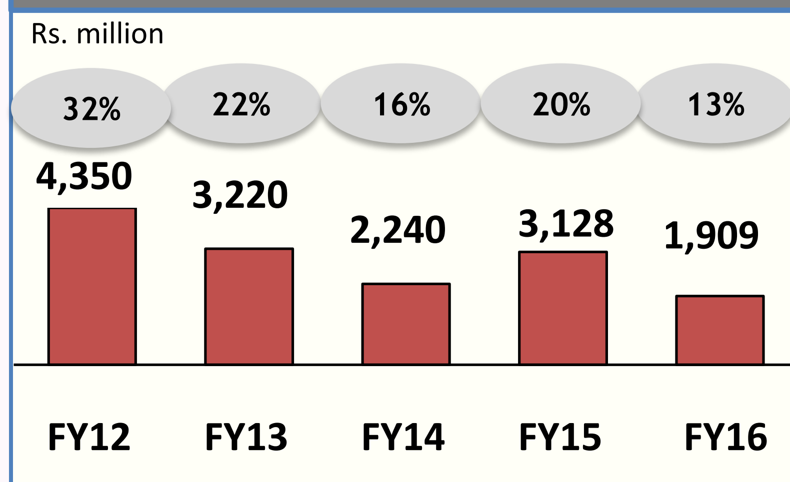
Last 5 year's net sales / ton



Last 5 year's revenue

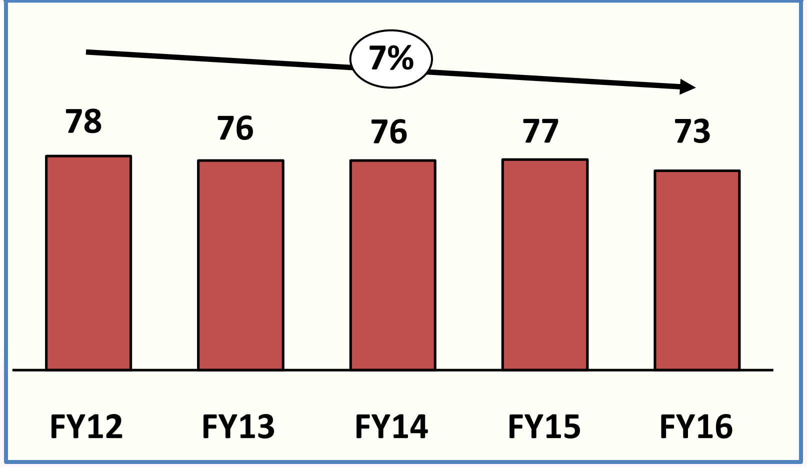


Last 5 year's EBITDA

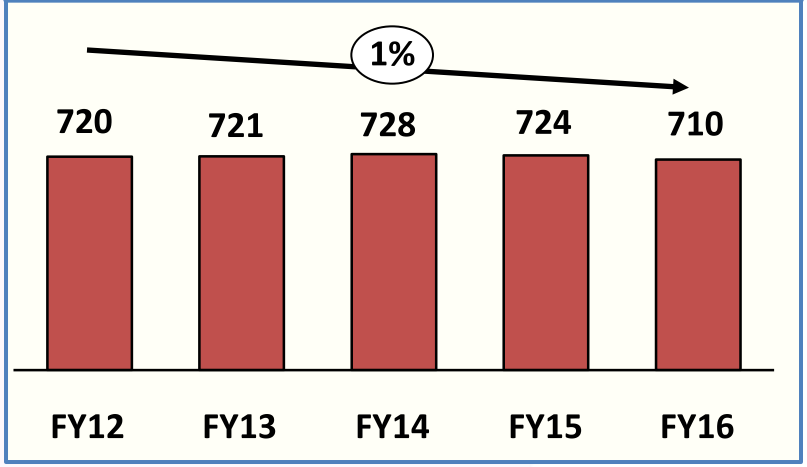


Consistently improving energy consumption, high capacity utilisation despite markets and favourable product mix

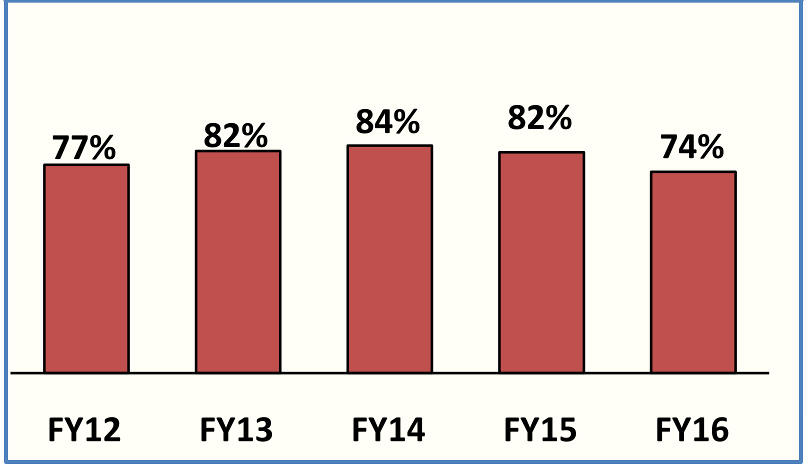
Power consumption (kwh/t)



Fuel consumption (kcal/kg clinker)

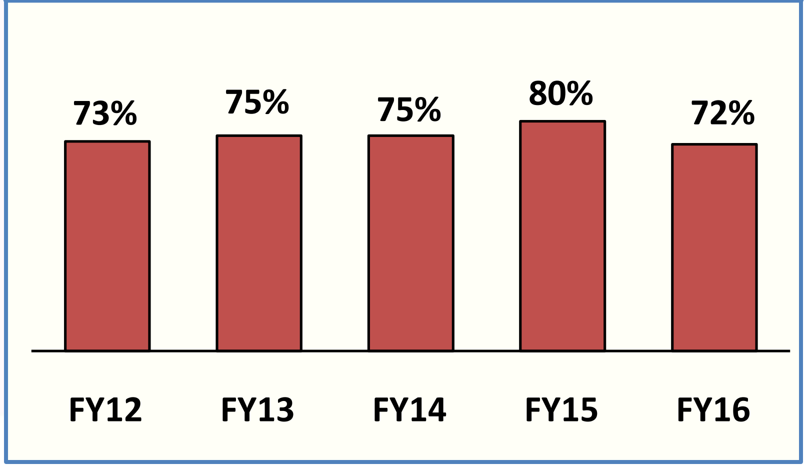


Capacity Utilization



Values for FY16 include Chittapur

Product mix - % sales of PPC cement



Values for FY16 include Chittapur

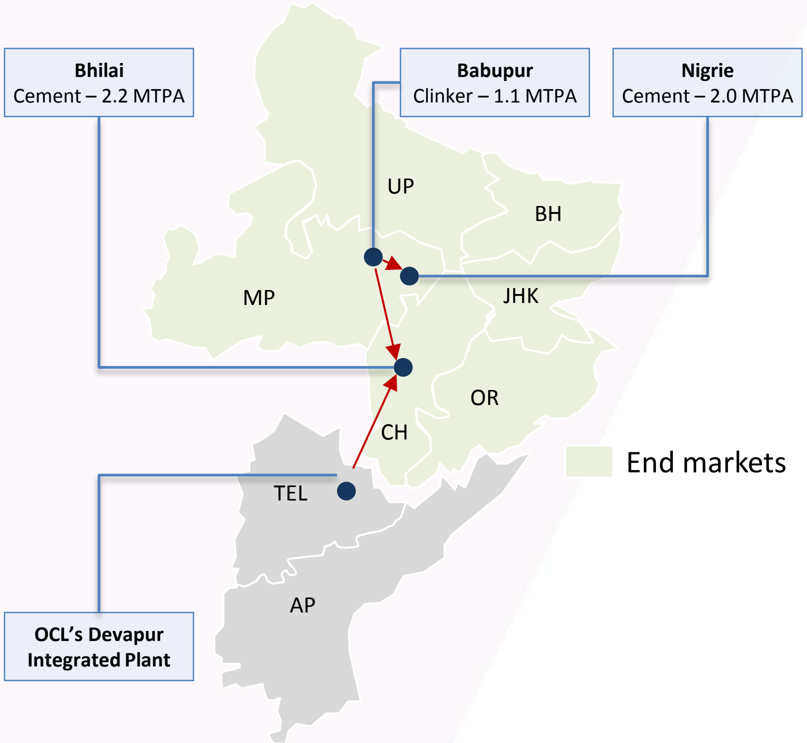
Proposed Transaction

- On 6th October 2016, Orient Cement agreed to acquire select assets from the Jaypee Group
- The transaction includes –
  - Acquisition of 74% stake in Bhilai Jaypee Cement Limited (“BJCL”)
    - BJCL is a Joint Venture between Jaiprakash Associates Limited (“JAL”) and Steel Authority of India Limited (‘SAIL’) and has a PSC cement capacity of 2.2mtpa consisting of a clinkerisation unit in Satna area in Madhya Pradesh and a grinding unit in Bhilai, Chhattisgarh
  - Acquisition of Nigrie Cement Grinding unit (“Nigrie unit”) from Jaiprakash Power Ventures Limited (“JPVL”)
    - Nigrie unit in Singrauli area, Madhya Pradesh, housed within JPVL, is a cement grinding unit with a capacity of 2.0mtpa
- The acquisition of BJCL and Nigrie unit provides Orient Cement with a high quality asset at a strategically well located region with ready to market capacity. The assets also provide a strong complementarity to Orient Cement’s asset portfolio
- The acquisition is subject to satisfactory negotiation and execution of definitive agreements, requisite approvals from SAIL (in case of BJCL), the Competition Commission of India and other relevant regulatory and third party approvals
- Transaction is likely to close in the first half of 2017

BJCL and Nigrie - asset overview

Plants Overview

	BJCL	Nigrie
Location	Clinker – Babupur, MP Grinding – Bhilai, Chhattisgarh	Nigrie, MP
Shareholding	JAL – 74% SAIL – 26%	Housed within JPVL
Commissioning	Clinker – Dec'09 Grinding – Aug'10	Jun'15
Clinker Capacity	1.1 mtpa	-
Cement Capacity	2.2 mtpa	2.0 mtpa
Key Products	PSC (100%)	PPC (100%)



Benefits to Orient Cement

- BJCL offers Orient Cement the opportunity to move into Eastern and Central India markets, with slag availability ensured through the JV with SAIL
- OCL sees potential in improving the viability of BJCL operations by optimising it with its existing assets and operations.
- Clinker from Babupur (Satna) unit can be potentially supplied to the Nigrie facility also being acquired from JPVL
- There is further scope to enhance clinker capacity through brownfield expansion and expand through another grinding unit in due course

Strategic Rationale for the Transaction

1 Good quality assets

- Sizeable and quality assets with all critical infrastructure in place
- Access to limestone and raw material security through availability of slag and fly-ash
- Strategically located with close proximity to railways/ roads network
- Expansion potential with sufficient land available for capacity expansion

2 Strategically located assets

- Access to the supply deficit markets of East India and Uttar Pradesh and a presence in Central India as well
- East India is the most attractive cement market in India - demand expected to grow at a CAGR of ~9.0% over the medium term and enjoys attractive pricing over all India market
- Cement demand in the East has historically been more than the local supply, the region imports ~10-15% from Central and Southern regions
- Per capita consumption in the UP has been high historically and expected to show a healthy rate of growth going forward

3 Highly complementary to the current portfolio

- Currently, OCL primarily caters to Maharashtra, AP/Telangana & Karnataka with more than ~80% of sales coming from these markets
- This acquisition will help OCL expand its footprint by catering to the markets of Chhattisgarh, Madhya Pradesh, Odisha, Bihar, Jharkhand and Uttar Pradesh, thereby reducing market specific risk
- Also optimizes clinker utilisation at existing assets and operations with BJCL’s operations

4 Opportunity to leverage strong macro trends and the expected recovery cycle

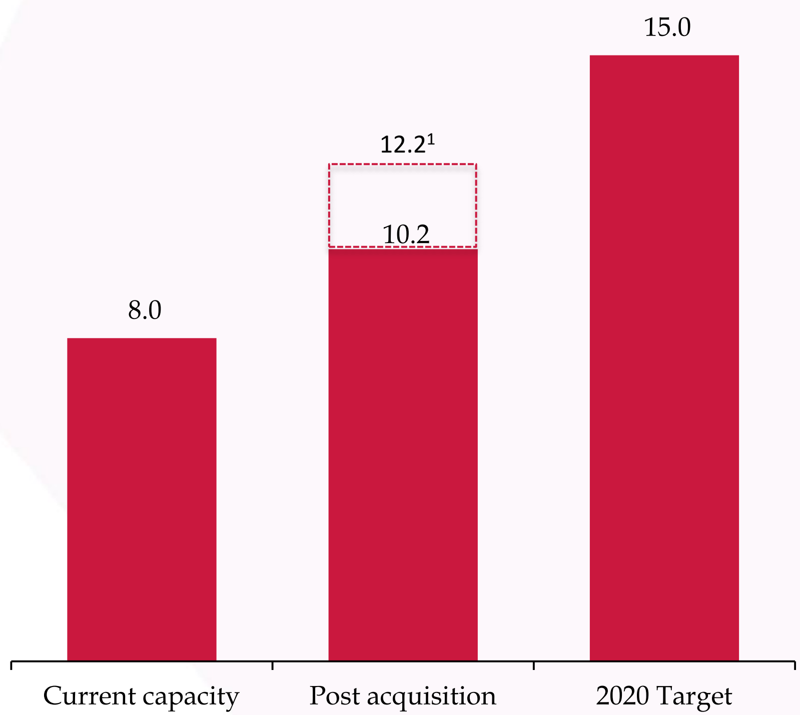
- Sector poised for growth; positive signs for recovery cycle
  - India’s GDP is expected to grow at 7-8% in the medium term,
  - Average GDP multiplier for cement demand growth is higher during upcycles, hence cement demand is expected to grow at a higher rate than GDP growth
- Opportunities to gain market share with strong operating margins

Strategic Rationale for the Transaction (cont'd.)

Overall cement grinding capacity increased

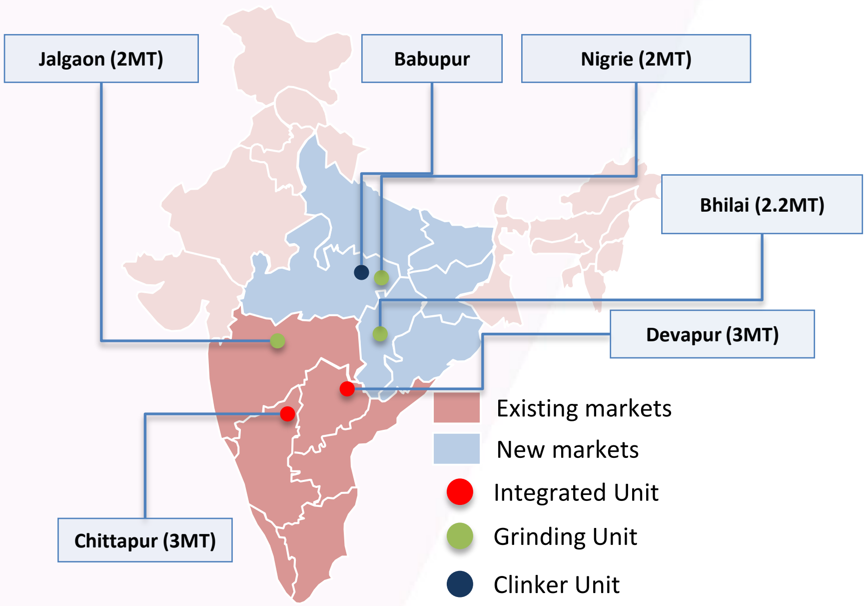
- Reiterates the Group's commitment to the cement business
- Helps diversify the Group's presence of operational capacity in the states of Chhattisgarh and Madhya Pradesh
- Provides an opportunity of geographic diversification of sales volume

Orient Cement grinding capacity (mtpa)



Provides entry into new markets

- Widens the end market to include Chhattisgarh, Madhya Pradesh, Odisha, Bihar, Jharkhand and Uttar Pradesh



Note: 1. Additional grinding capacity of 2.0mtpa at Nigrie

Orient Cement's Strategy for the Acquired Assets

1 Revival of the Acquired Portfolio of Assets

- Given the current state of operations due to working capital constraints, the near term focus will be to ensure revival of operations to steady state

2 Optimization of the assets with the existing Orient Cement asset portfolio

- Optimize the current clinker supply arrangement by i) leveraging the available capacity at Devapur and ii) re-directing the clinker production at Babupur

3 Leverage Orient Cement's legacy of execution excellence

- Rationalize the operational costs through economies of scale and implementation of best practices

4 Optimized utilization

- Leverage Orient Cement's Birla A1 brand and expand the distribution network to achieve optimum utilization levels for the plants over the next few quarters

5 Potential Capacity Expansion

- Opportunistically assess brownfield expansion at the acquired asset locations and/or expand through another grinding unit in due course

Broad Terms of the Transaction

OVERVIEW	▪ Acquisition of JAL's 74% stake in BJCL and Nigrie Grinding Unit from JPVL
STRUCTURE	▪ OCL will acquire shares of BJCL held by JAL through execution of a Share Purchase Agreement (SPA) ▪ Will acquire Nigrie Grinding Unit from JPVL through a Business Transfer Agreement
VALUATION	▪ Enterprise Value of BJCL – INR 1,450cr ($219mn – EV/t of $99) ▪ Enterprise Value of Nigrie – INR 500cr ($75mn – EV/t of $38) ▪ Sale consideration to be adjusted for net debt and working capital at closing
TRANSACTION FUNDING	▪ The transaction will be funded through a mix of internal accruals, debt and equity funding in order to target a prudent Debt/Equity ratio level
NEXT STEPS	▪ Negotiation and execution of definitive agreements ▪ Requisite approvals from SAIL (in case of BJCL), CCI and other relevant approvals ▪ Expected closing in first half of 2017

- Advisors to the transaction
  - Moelis & Company is the financial advisor, while Cyril Amarchand Mangaldas is the legal counsel to Orient Cement for this transaction. KPMG and Holtec conducted the financial and technical due diligence respectively

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Thank you!