



# Investment Banking

July 2, 2013

**Tata Chemicals Limited**  
Bombay House  
24, Homi Mody Street,  
Fort – Mumbai – 400 001

Dear Sirs,

**Sub: Proposed amalgamation of Homefield International Private Limited ('HIPL') with Tata Chemicals Limited ("TCL") ("Proposed Transaction")**

TCL has requested us to issue a fairness opinion ("Opinion") from a financial point of view in relation to the Proposed Transaction.

In arriving at our Opinion, we have reviewed historical financial and business information and certain publicly available information, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions. We have reviewed the report issued to TCL by Deloitte Haskins & Sells, Chartered Accountants dated June 26, 2013.

In addition to above, we have received a management representation letter from TCL and HIPL dated June 28, 2013 ("Management Representation Letters").

Based on our examination and according to the information and explanation provided to us, we note that the Proposed Transaction entails amalgamation of HIPL, a wholly owned subsidiary of TCL, with TCL, with consequent dissolution without winding up of HIPL.

We further note that, as a result of the amalgamation, the shares of HIPL held by TCL will stand cancelled, with no issuance or payment of other consideration by TCL. Accordingly, no valuation process is applicable to the Proposed Transaction and hence the valuation report dated June 26, 2013 of issued by Deloitte Haskins & Sells, Chartered Accountants does not provide any share entitlement ratio.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns.

In giving our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been given to understand that all information that was relevant for the purpose of our exercise was disclosed to us. We have not conducted any evaluation or appraisal of any assets or liabilities of TCL or HIPL nor have we evaluated the solvency or fair value of TCL or HIPL, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of TCL or HIPL.

Our Opinion does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on the businesses of HIPL and TCL in arriving at our final Opinion.

We express no view as to, and our Opinion does not address, the underlying business decision of HIPL and TCL to effect the Proposed Transaction or the merits of the Proposed Transaction. Our Opinion does not constitute a recommendation to any shareholder or creditor of TCL or HIPL as to



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how such shareholder or creditor should vote on the Proposed Transaction or any matter related thereto. In addition, this Opinion does not address the fairness to, or any other consideration, to the creditors or other constituencies of HIPL and TCL. We are not expressing any opinion herein as to the prices at which the shares of the TCL or HIPL will trade following the announcement or consummation of the proposed transaction or as to the prices at which the shares of TCL or HIPL may be transacted.

Our Opinion is necessarily based on financial, economic, market and other conditions as in effect on the date of this issuing the Opinion, and the information made available to us as of, the date hereof, including the capital structure of TCL and HIPL.

We will receive a fee for our services in connection with the delivery of this Opinion from TCL. In addition, TCL has agreed to indemnify us for certain potential liabilities arising out of our engagement.

We and our affiliates in the past have provided, and currently provide, services to TCL and HIPL and their affiliates unrelated to the Proposed Transaction for which services we and such affiliates have received and expect to receive compensation, including, without limitation as lenders and creditors and as financial advisors for the purchase/sale of assets/businesses by/to TCL and HIPL (as the case may be) and as lead managers / underwriters in securities offerings of TCL.

In the ordinary course of business, we and our affiliates may actively trade or hold securities companies that may be the subject matter of this transaction for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities. In addition, we and our affiliates maintain relationships with TCL and HIPL and their respective affiliates.

This Opinion is provided solely for the benefit of the Board of Directors of TCL, and shall not confer rights or remedies upon, any shareholder of TCL, or any other person other than the members of the Board of Directors of TCL, or be used for any other purpose, except to the extent required by law or by the request or requirement of any, judicial, statutory, regulatory, legislative, administrative or other governmental body. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed as may be required under any applicable law in India and may be kept open for inspection by shareholders of TCL, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Letter may be shown or who may acquire a copy of this Letter.

The laws of India govern all matters arising out of or relating to this Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Opinion the courts of competent jurisdiction at India shall have exclusive jurisdiction.

On the basis of and subject to the foregoing, it is our view that, as of the date hereof, the proposed valuation in the Proposed Transaction is fair and reasonable from a financial point of view.

Yours faithfully,  
For **Kotak Mahindra Capital Company Limited**



**Authorised Signatory**