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SEBI REGN. NO. INM000010825

SPA Capital Advisors Ltd.

(Formerly SPA Merchant Bankers Ltd.)

25, C-Block, Connaught Place
Janak Puri, New Delhi-110 058
Tel: 25912071, 25912085
Fax: 25932914

Date: December 05, 2013

STRICTLY PRIVATE & CONFIDENTIAL

To,
The Company Secretary,
Ashok Leyland Limited,
No.1, Sardar Patel Road,
Guindy,
Chennai 600 032

Dear Sirs,

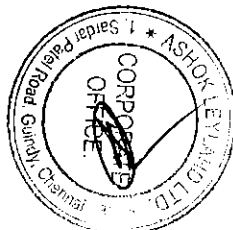
Sub: Fairness opinion certificate on the Joint valuation report issued by M/s. M.S. Krishnaswami & Rajan, Chartered Accountants & M/s. Deloitte Haskins and sells LLP, Chartered Accountants of Ashok Leyland Limited

Ref: Proposed scheme of Amalgamation of Ashley Services Limited (ASL) with Ashok Leyland Limited (AL).

This has reference to the request made by the management of Ashok Leyland Limited, to issue "Fairness Opinion" based on the Joint Valuation Report provided by M/s. M.S. Krishnaswami & Rajan, Chartered Accountants & M/s. Deloitte Haskins and sells LLP, Chartered Accountants on Ashok Leyland Limited with regard to amalgamation of Ashley Services Limited (ASL) with Ashok Leyland Limited (AL) under a scheme of Amalgamation.

1. BACKGROUND, SCOPE AND PURPOSE OF THE REPORT

- 1.1 We understand that Ashok Leyland Limited is a subsidiary of Hinduja Automotive Limited, U.K, Company, having its Registered Office at No.1, Sardar Patel Road, Guindy, Chennai 600 032 and is engaged in the business of Manufacture and sale of Commercial Vehicles etc.;
- 1.2 We also understand that Ashley Services Limited is a wholly owned subsidiary of Ashok Leyland Limited, having its Registered Office at No.1, Sardar Patel Road, Guindy, Chennai 600 032 and is engaged in consulting/ recruitment support activities etc.
- 1.3 We have been informed that the Board of Directors of the Company at their meeting held on November 19, 2013, had approved the proposal for amalgamation of ASL into AL with effect from the Appointed Date of July 1, 2013 along with the draft Scheme of Amalgamation.





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- 1.4 As per the draft Scheme of Amalgamation we understand that no shares are proposed to be issued by AL in consideration of amalgamation of ASL with itself, as ASL is wholly owned subsidiary of AL as on date.
- 1.5 The shareholders of AL will continue to remain beneficial owners of ASL in the same proportion as they held it prior to the amalgamation.
- 1.6 As per SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 Valuation Report from an Independent Chartered Accountant need not be required in cases where there is no change in the shareholding pattern of the listed company / resultant company. However, we have been requested to provide a Fairness Opinion to comply with the requirements of Clause 24(f) of the Listing Agreement
- 1.7 Accordingly, AL has appointed us to give a Fairness Opinion based on the Joint Valuation Report provided by M/s. M.S. Krishnaswami & Rajan, Chartered Accountants & M/s. Deloitte Haskins and sells LLP, Chartered Accountants.
- 1.8 The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

2. SOURCE OF INFORMATION:

For the purpose of this exercise, we have relied upon the following sources of information:

- i. Draft Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956.
- ii. Audited Financial Statement of ASL for the Financial Year 2012-13.
- iii. Joint Valuation Report dated December 04, 2013 issued by M/s. M.S. Krishnaswami & Rajan, Chartered Accountants & M/s. Deloitte Haskins and sells LLP, Chartered Accountants
- iv. Such other information and explanations as we required and which have been provided by the management of AL and ASL.

3. EXCLUSION AND LIMITATIONS

- 3.1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.
- 3.2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies.





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- 3.3 Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this opinion as per our engagement with AL.
- 3.6 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.7 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- 3.8 We do not express any opinion as to the price at which shares of the resulting company may trade at any time, including subsequent to the date of this opinion.

4. CONCLUSION

On the basis of the foregoing, in our opinion the Joint valuation report issued by M/s. M.S. Krishnaswami & Rajan, Chartered Accountants & M/s. Deloitte Haskins and sells LLP, Chartered Accountants DATED December 04, 2013 on proposed Scheme of amalgamation of Ashley Services Limited (ASL) with Ashok Leyland Limited (AL) is fair and reasonable

Thanking you,

For SPA Capital Advisors Limited.

Chandi

(Sudhir Chandi)

Sr. Vice President



Bakshi

(Leepika Bakshi Nathani)

Manager

CERTIFIED TRUE COPY.

FOR ASHOK LEYLAND LIMITED

N. Ramathan
N. RAMANATHAN
Company Secretary