

July, 17, 2013

To,

The Board of Directors,
JK Paper Limited,
Nehru House, 4,
Bahadur Shah Zafar Marg,
New Delhi – 110 002,
India

Dear Sirs,

Sub: Fairness opinion on the transaction price suggested by the Independent Valuer for the purpose of transfer of Lime Kiln Undertaking of JK Enviro-Tech Limited ("JKETL") in Gujarat & Odisha including all its assets & liabilities to JK Paper Limited ("JKPL" or the "Company") through slump sale

This has reference to our engagement letter and the discussions that we have had with the management of JKPL and Independent Valuer (S.S. Kothari Mehta & Company, Chartered Accountants) appointed by the Board of Directors of JKPL from time to time in the above matter.

BACKGROUND

We understand that, JKETL is planning to sell its Lime Kiln Undertaking ("Undertaking") in Gujarat & Odisha including all its assets & liabilities to JKPL through slump sale as on April 1, 2013 (hereinafter referred to as "Transfer Date") through a Scheme of Arrangement. Therefore, the management of JKPL has appointed S.S. Kothari Mehta & Company ("SSKM"), Chartered Accountants, the independent firm, to advise its Board of Directors on an appropriate transaction price, i.e. the value of Lime Kiln Undertaking of JKETL. JKPL and JKETL have been collectively referred to as the Companies.

In this connection we have been requested by the Company to render our professional services by way of a fairness opinion from a financial point of view to the Board of Directors of the Company as to whether the transaction price of the Undertaking, as recommended by SSKM, which forms the basis for the Proposed slump sale as per the aforesaid Scheme is fair and reasonable.

SOURCES OF INFORMATION

In arriving at the opinion set forth below, we have:

- (a) Advisory Report on valuation of Lime Kiln Undertaking in Gujarat & Odisha of JK Enviro-Tech Limited by S.S. Kothari Mehta & Company
- (b) Memorandum & Articles of Association of JKPL and JKETL
- (c) Audited annual reports of JKETL & JKPL for the financial years 2010-11, 2011-12 and 2012-13.

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ICICI Securities Limited

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- (d) Financial projections of next five financial years from 2013-14 to 2017-18 of JKETL
- (e) Shareholding Pattern of JKETL & JKPL as on March 31st, 2013.
- (f) Certified copies of Resolution of Board of Directors of JKTEL and JKPL to explore options of consolidation of the operations of JK Enviro-tech Limited with the JK Paper Limited.
- (g) Details of Contingent Liabilities of the Company and;
- (h) Reports by SR Jain & Associates on valuation of fixed assets of the Lime Kiln Undertaking in Odisha & Gujarat.

SCOPE LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the Companies or their businesses referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the transaction price of the Undertaking, as recommended by SSKM, for the proposed slump sale. It may not be valid for any other purpose or if done on behalf of any other entity.

Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion on the transaction price of the Undertaking, as recommended by SSKM, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Transfer Date. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the present exercise, we were provided with written information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Company without detailed inquiry. With respect to the financial forecasts relating to the Companies we have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of each of the Companies as to the future financial performance of each of the Companies. Also, we have been given to understand by the management of the Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Company and their impact on the present exercise.

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We express no opinion whatever and make no recommendation at all to the Companies' underlying decision to effect the proposed slump sale or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Companies will be affected in connection with the proposed slump sale. We do not express and should not be deemed to have expressed any views on any other term of the proposed slump sale. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of JKPL will trade following the announcement of the proposed slump sale or as to the financial performance of JKPL following the consummation of the proposed slump sale.

No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be construed as our opining or certifying the compliance of the proposed slump sale with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed slump sale.

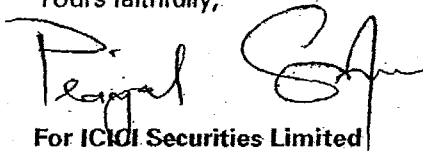
We have not conducted or prepared a model for any asset valuation or provided an analysis of due diligence or appraisal of the assets and liabilities of the Companies and have wholly relied on information provided by the Companies in that regard.

In the ordinary course of business, ICICI Securities Limited and its affiliates 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 ICICI Securities Limited 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 Scheme.

It is understood that this letter is for the benefit of and confidential use by the Board of Directors of JKPL for the purpose of the proposed slump sale and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent.

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the transaction price of the Undertaking, as recommended by SSKM is fair and reasonable, from a financial point of view, to JKPL.

Yours faithfully,



For ICICI Securities Limited

