



CIL securities Ltd

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Ref: CILS/SEC/MB/2013/06

Date: 29th June, 2013.

To,
The Board of Directors,
Jyothi Infraventures Limited,
2nd Floor, Varsun Building,
Plot No. 13, Guttala Begumpet,
Kavuri Hills, Madhapur,
Hyderabad - 500 081.

Dear Sir/Madam,

Sub: Fairness Opinion - Valuation of Equity Share of M/s Jyothi Infraventures Limited
- Reg.

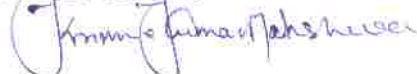
Ref: Proposed Scheme of Arrangement for Capital Reduction and Fresh Issue of
Equity Shares to Promoters and Strategic Investors.

In accordance with your assignment to give "Fairness Opinion" on the Independent Valuation done by M/s Chanamolu & Co., Chartered Accountants, vide their Report dated 27.06.2013 for the purpose of proposed Scheme of Arrangement, opinion has been formed that the Value per share derived is **FAIR and JUSTIFIED**.

This Fairness Report is intended solely for the use by the Management of the Company. Our recommendation should be understood in the context of our assumptions and the statements made by us in this report under the head statement of limiting conditions.

A detailed report is appended herewith.

Yours faithfully,
For CIL SECURITIES LTD
INM000009694


K. K. MAHESHWARI
MANAGING DIRECTOR

Encl: as above



Terms of Reference

CIL Securities Ltd, a SEBI Registered Category I Merchant Banker having Registration Number INM000009694, has been appointed by M/s Jyothi Infraventures Limited (here in after referred to as the Company) having Registered Office at 2nd Floor, Varsun Building, Plot No. 13, Guttala Begumpet, Kavuri Hills, Madhapur, Hyderabad – 500 081 to give a “Fairness Opinion” Pursuant to Clause 24(h) of the Listing Agreement vide SEBI Circular CIR/CFD/DIL/5/2013 dated 04/02/2013 on the Valuation issued by M/s Chanamolu & Co., Chartered Accountants vide their Report dated 27.06.2013 on the Proposed Scheme of Arrangement of the Company.

The “Fairness Opinion” given by us is intended solely for the use by the Management of the Company only. This Report is not meant for any third party usage.

Objective of the “Fairness Opinion” Report

The Objective of this report is to provide a fairness opinion on the Report dated 27th June, 2013 consisting of 12 pages, given by M/s Chanamolu & Co., Chartered Accountants, represented by CA Sri Ram Patcha, Membership No. 227395 having office at G-8, Amrutha Ville Apts., Right Wing, Opp. Yashoda Hospital, Rajbhavan Road, Somajiguda, Hyderabad – 500 082 pursuant to the provisions of Listing Agreement.

Corporate Profile

M/s Jyothi Infraventures Limited – a Brief Profile

M/s Jyothi Infraventures Limited, a Company incorporated under the Companies Act, 1956 vide CIN: L45203AP1995PLC019867 on 29.03.1995 as M/s Boss Securities Limited with the Registrar of Companies, Andhra Pradesh and the name of the Company has been changed to M/s Jyothi Infraventures Limited on 15/12/2009 and the Registered Office of the Company is situated at 2nd Floor, Varsun Building, Plot No. 13, Guttala Begumpet, Kavuri Hills, Madhapur, Hyderabad – 500 081. The Authorized Equity Capital of the Company is Rs. 625 Lac and Paid-up Equity Capital of the Company is Rs. 515.96 Lac as on 31.03.2012. Face Value of the Equity Share is Rs.10/- each.

This Company is into business of promoting and developing Infrastructure Projects.

The Board of Directors of the Company is represented by:-

DIN/PAN	Full Name	Designation
00127831	Tammineedi Sailaja	Managing Director
02810450	Challagulla Sujana	Director
03142004	Challagulla Krishnaiah	Director
03610689	Rachala Meghanath Goud	Director
05299313	E. Sambasiva Prasad	Director

Scope of Work

Our Analysis and Recommendations are based on financial data and information provided to us by M/s Jyothi Infraventures Limited and Equity Shares Valuation Report done by M/s Chanamolu & Co., Chartered Accountants vide their Report dated 27.06.2013.

Sources of Information

For Recommendation of "Fairness Opinion on Value of Equity Share" we have relied upon the following data and documents for information:-

- Audited Profit and Loss Account and Balance Sheets of M/s Jyothi Infraventures Limited for the years ending March 31st, 2010, 2011 and 2012.
- Discussions with the Management of M/s Jyothi Infraventures Limited.
- Certified True Copy of the Valuation Report dated 27.06.2012 consisting of 12 pages by M/s Chanamolu & Co., Chartered Accountants submitted to us.
- Scheme of Arrangement.
- Industry databases

Some of the website from where data has been used is: -

- www.bseindia.com
- Capital Line Plus Database
- www.moneycontrol.com
- Various references sites through www.google.co.in

Besides, we have also used various other industry data sources.



Summary and Recommendation:

Our review was performed to recommend the fairness of the Allotment of Shares arrived at, subject to the sanction and approval of the Scheme of Arrangement consisting of 24 paragraphs in eleven pages of M/s Jyothi Infraventures Limited by the Jurisdictional Court, Shareholders and other relevant authorities.

In the event the aforementioned Arrangement being approved by the Shareholders and confirmed by the Hon'ble Court the Equity Share Capital of the Company will be reduced by cancelling a sum of Rs. 3,61,17,170/- which will result in reduction of shareholding in such a manner that a shareholder holding 100 shares of Rs.10 each will have only 30 shares of Rs. 10 each.

After reduction, 24,52,117 Equity Shares will be allotted on preferential basis to promoters, their associates and other strategic investors @ Rs.10 each.

We hereby opine that the Value per Share for the proposed Arrangement is fair and reasonable.

On the basis of the documents verified and information sought from the management of Jyothi Infraventures Limited, we have arrived at the Conclusion that the Value per Share recommended by M/s Chanamolu & Co., Chartered Accountants, vide their Report dated 27th June, 2013 appears to be Fair and Justified.

Statement of Limiting Conditions

Our expression of the Fairness Opinion on the Value per Share for the Proposed Scheme of Arrangement of M/s Jyothi Infraventures Limited, do not express an opinion or offer any form of assurance regarding its reliability, accuracy or completeness and is based on the financial statements and working done on the basis of financial results.

1. Nothing has come to our attention to cause us to believe that the facts and data set forth in this report are not correct.
2. Neither CIL Securities Ltd nor any of its employees has a financial interest in the Subject Company and/or asset(s). Additionally, the fee for this report is not contingent upon the value reported therein.
3. No investigation of the title to the subject asset(s) has been made and the owner's claims to the subject asset(s) are assumed to be valid. No responsibility is assumed for matters of legal nature, including liens or encumbrances, which may be against the subject asset(s), except as specifically stated in the report.
4. Our work does not constitute an audit or certification of historical statements including the working results of the Companies referred in this report. Accordingly, we are unable to and do not express opinion of accuracy of any financial information referred to in this report.



5. The Report is issued on the understanding that the Company has given all disclosures related to all material information, which it is aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion, on the fair value of the equity shares of the Company, including any significant changes that have taken place or are likely to take place in the financial position of the Company, subsequent to the last audited balance sheet date.
6. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
7. We take no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements.
8. This report has been prepared solely for the purpose stated and should not be used for any other purpose. Neither this report nor any portion(s) thereof shall be copied or disseminated through advertising, public relation, news, sales, or any other public (or private) media without the express written approval of CIL Securities Ltd.
9. No responsibility is assumed for information furnished by others (including management), and such information is believed to be reliable.
10. On the basis of our professional skill, our understanding of the business, related to the industry, market survey, we have arrived at the Fairness opinion.
11. Neither CIL Securities Ltd nor any individual signing or associated with this report shall be required by reason of this report to give testimony or appear in court or other legal proceedings, unless specific arrangements therefore have been made.
12. Our report is not and nor should it be construed as our opinion or certifying the Compliance of the proposed arrangement with the provisions of any Law including Companies, Taxation, Foreign Exchange Regulations and Capital Market related laws or as regards any legal implications or issues arising from such arrangement.

