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J.N.SHARMA & CO.

ANNEXURE - C

STRICTLY PRIVATE & CONFIDENTIAL

The Board of Directors  
KRBL Limited  
5190, Lahori Gate,  
Delhi – 110006

The Board of Directors  
Radha Raj Ispat Private Limited  
5190, Lahori Gate,  
Delhi – 110006

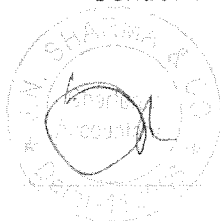
Re: Recommendation of ShareExchangeRatio for the purpose of proposed amalgamation of Radha Raj Ispat Private Limited with KRBL Limited

Dear Sirs,

We refer to our appointment for the recommendation of share exchange ratio for the proposed amalgamation of Radha Raj Ispat Private Limited (hereinafter referred to as "Radha Raj") with KRBL Limited (hereinafter referred to as "KRBL"), (hereinafter together referred to as the "Companies") as on 16<sup>th</sup> February 2015 (hereinafter referred to as the "Valuation Date") under a Scheme of Amalgamation (hereinafter referred to as "Scheme"). As per the terms of engagement, we are enclosing our report as part of this letter.

**1. SCOPE AND PURPOSE OF THE REPORT**

1.1. As per our understanding, the Management of Radha Raj and KRBL are considering a proposal for the amalgamation of Radha Raj with KRBL pursuant to the provisions of sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and corresponding sections of the Companies Act, 2013 (as and when such corresponding sections are notified in the Official Gazette by the Central Government).



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- 1.2. Subject to necessary approvals, Radha Raj would amalgamate with KRBL, with effect from 1<sup>st</sup>April 2015 (hereinafter referred to as the "Appointed Date"), or such other date that may be fixed or approved by the High Court or any other Appropriate Authority.
- 1.3. In this connection, J.N Sharma & Co, Chartered Accountants has been appointed to recommend a share exchange ratio for the proposed amalgamation of Radha Raj with KRBL based on the Audited accounts of Radha Raj as on 12<sup>th</sup>February 2015 and subsequent expected events till the Appointed Date.
- 1.4. In the following paragraphs, we have summarized our recommendations of share exchange ratio together with the limitations on our scope of work.

## 2. BACKGROUND INFORMATION OF RADHA RAJ AND KRBL

- 2.1 KRBL was incorporated in 1993 and is having its Registered Office in Delhi. The shares of KRBL are listed on the Bombay Stock Exchange and the National Stock Exchange. It is engaged in the business of marketing of grains and agro processing, with a rice milling capacity of 195 MT/hour.
- 2.2 Radha Raj, was incorporated in 1994 and is having its Registered Office in Delhi. As on the Valuation Date, Radha Raj holds 27,913,892 equity shares of KRBL constituting 11.86% of the fully paid up equity share capital of KRBL.

## 3. RECOMMENDED RATIO

As indicated above, as on the Valuation Date, Radha Raj has no other activities other than investment in securities of KRBL.

Based on above, in the event of amalgamation of Radha Raj with KRBL, we recommend a share exchange ratio of 27,913,892 fully paid up equity shares of face value of Re 1/- each of KRBL to be issued and allotted to shareholders of Radha Raj in the proportion of their respective holding in Radha Raj.

We believe that the above ratio is fair considering that all the shareholders of Radha Raj will, upon amalgamation, remain ultimate beneficial owner of KRBL in the amalgamated company in the same ratio (inter se) as before amalgamation.



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#### 4. SOURCES OF INFORMATION

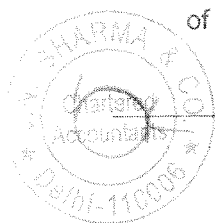
The sources of information, which have been furnished to us by the Companies, are as under:

- a) Audited financial statements of Radha Raj and KRBL as on 12<sup>th</sup> February 2015 and 30<sup>th</sup> September 2014 respectively;
- b) Draft Scheme of Amalgamation of Radha Raj with KRBL under section 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and corresponding sections of the Companies Act, 2013 (as and when such corresponding sections are notified in the Official Gazette by the Central Government).
- c) Other relevant details regarding the Companies such as their history, existing shareholding pattern and other relevant information and data, including information in the public domain.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the management and executives of the Companies.

#### 5. EXCLUSIONS AND LIMITATIONS

- 5.1 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 and in the context of the purpose for which it is made.
- 5.2 Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the Companies referred to in this report. We have not investigated or otherwise verified the data provided. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the Companies and their impact on the present exercise.
- 5.3 The recommendation contained herein is not intended to represent the share exchange ratio at any time other than the Valuation Date that is specifically stated in this report.
- 5.4 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 and any other matter, which may have an impact on our opinion,



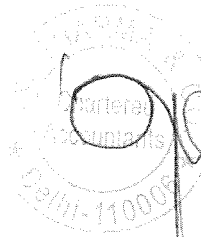
on the share exchange ratio for the proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

- 5.5 Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme 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 Scheme.

Place: Delhi

Date: 16<sup>th</sup> February 2015

For J.N. Sharma & Co.  
Chartered Accountants  
Firm Registration No: 0833C



(Sanjeev K. Sharma)  
Partner  
Membership No: 88571

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