



Report of Audit Committee of KRBL Limited dated 18th February 2015

Present Members

Mr. Devendra Kumar Agarwal, Chairman

Dr. Narpinder Kumar Gupta

Mr. Vinod Ahuja

Mr. Ashwani Dua

In attendance

Mr. Rakesh Mehrotra

Mr. Vipul Goel

Mr. Raman Sapra

1. Background

The Company has placed before the Audit Committee a draft Scheme of Amalgamation ("Scheme") for the Merger of Radha Raj Ispat Private Limited ("Radha Raj"), with KRBL Limited ("KRBL") ("Proposed Amalgamation") for recommendation of the Scheme, by the Audit Committee to the Board of Directors of the Company in accordance with the requirement of the Securities and Exchange Board of India ("SEBI") circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular dated May 21, 2013 ("Circular").

This report of the Audit Committee is made in order to comply with the requirements of the Circular after considering the following necessary documents:

- i. Draft Scheme of Amalgamation;
- ii. Share Entitlement Report dated 16th February 2015 issued by J.N. Sharma & Co., Chartered Accountants
- iii. Fairness Opinion Report dated 16th February 2015 issued by Corporate Professionals Capital Private Limited.

2. Proposed Scheme of Amalgamation

- 2.1 The Audit Committee has observed that pursuant to the Proposed Amalgamation, individual promoters of KRBL would directly hold shares in KRBL. This amalgamation would not only lead to simplification of the shareholding structure of KRBL and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with KRBL.
- 2.2 There would be no change in the promoter shareholding of KRBL. The promoters would continue to hold the same percentage of shares in KRBL, pre and post the amalgamation of Radha Raj into KRBL.
- 2.3 The salient features of the Scheme are as under:
- The scheme provides for Merger of Radha Raj, with KRBL through a Court approved Scheme of Amalgamation.
 - The Appointed Date of the Scheme is fixed as April 1, 2015.
 - The equity shares held by Radha Raj in KRBL shall get cancelled and in exchange same number of equity shares of KRBL shall be issued to the shareholders of Radha Raj.
 - The Scheme would not result in any change in the shareholding of promoters as well as public shareholders of KRBL.

3. Recommendation of Audit Committee

The Audit Committee recommends Scheme of Amalgamation for the merger of Radha Raj, with KRBL inter – alia taking into consideration Share Entitlement Report dated 16th February 2015 issued by J.N. Sharma & Co., Chartered Accountants and Fairness Opinion Report dated 16th February 2015 issued by Corporate Professionals Capital Private Limited for favorable consideration by the Board, Stock Exchanges and SEBI.



 Devendra Kumar Agarwal

DIN: 06754542

Chairman

Audit Committee

Date : 18th February 2015

Place : Gautam Budh Nagar (UP)