

FAIRNESS OPINION

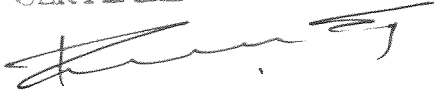
KRBL LIMITED



February, 2015



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Ref. No: CPC/MB/056/2014-15

Dated 16.02.2015

SEBI Reg. No: INM000011435

To,

The Board of Directors

KRBL Limited

5190, Lahori Gate,

Delhi – 110006

&

Radha Raj Ispat Private Limited

5190, Lahori Gate,

Delhi – 110006

Subject: Fairness Opinion on the valuation undertaken by JN Sharma & Co, Chartered Accountants for the Proposed Scheme of Amalgamation of Radha Raj Ispat Private Limited with KRBL Limited

Dear Sir,

We refer to our appointment for the purpose of arriving at an opinion on the share exchange ratio for the proposed scheme of amalgamation which provides for transfer and vesting of Radha Raj Ispat Private Limited (hereinafter referred to as "RRIPL") with KRBL Limited (hereinafter referred to as "KRBL") on a going concern basis, pursuant to the provisions of Section 391-394 and other applicable provisions of the Companies Act, 1956 and/or Rules/Regulations made there under.

In terms of our engagement letter, we are enclosing our opinion along with this letter. Please note that this is just an opinion on the captioned subject on the basis of the documents submitted to us and does not constitute our independent analysis. All comments as contained herein must be read in conjunction with the Caveats to this opinion.

The opinion is confidential and has been prepared exclusively for the management of KRBL Limited. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited. Such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

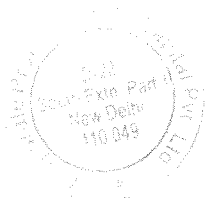
Yours Faithfully,

For Corporate Professionals Capital Private Limited

Maneesh Srivastava

Maneesh Srivastava

[Senior Manager]



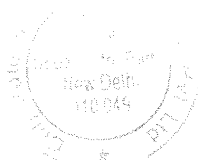
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CONTEXT AND BACKGROUND

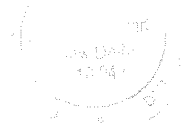
1. We understand that KRBL Limited is listed at the BSE and NSE in India. The proposed scheme of amalgamation provides for transfer and vesting of Radha Raj Ispat Private Limited (hereinafter referred to as "RRIPL") with KRBL Limited (hereinafter referred to as "KRBL") on a going concern basis, pursuant to the provisions of Section 391-394 and other applicable provisions of the Companies Act, 1956 and/or Rules/Regulations made there under.
2. In accordance with clause 24 (h) of the Listing Agreement and SEBI Circular No CIR/CFDDIL/5/2013, dated February 04, 2013 as clarified by SEBI Circular No CIR/CFDDIL/8/2013 dated May 21, 2013 as applicable to the listed Companies, the listed Company as well as the unlisted Companies getting merged shall each be required to appoint an independent merchant banker for giving a "fairness opinion" on the valuation of assets / shares done by the Valuers for the Company and unlisted companies.

Clause 24(h) reads as below-

"The company agrees that in the explanatory statement forwarded by it to the shareholders u/s 393 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern, and the "fairness opinion" obtained from an Independent merchant bankers on valuation of assets / shares done by the valuer for the company and unlisted company."

3. With reference to the above, Corporate Professionals Capital Private Limited has been appointed as a Merchant Bankers by the management of KRBL Ltd to provide the "fairness opinion" in accordance with the clause 24 of the Listing Agreement.

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BRIEF ABOUT COMPANIES

KRBL Limited (herein after referred as "KRBL") was incorporated on March 30, 1993 (as Khushi Ram Behari Lal Limited) with its registered office at 5190, Lahori Gate, Delhi - 110006. With effect from February 01, 2000, the name of the company was changed from "Khushi Ram Behari Lal Limited" to "KRBL Limited". The equity shares of KRBL are presently listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited.

KRBL is engaged in the business of marketing of grains and agro processing, with a rice milling capacity of 195 MT/hour, the largest in the world. The Company is today the world's largest Basmati Rice exporting company.

Radha Raj Ispat Private Limited (here in after referred as "RRIPL") was incorporated on July 21, 1994 and has its registered office at 5190, Lahori Gate, Delhi - 110006. Radha Raj holds shares in KRBL Limited and it is not listed on any stock exchange. Entire share capital and management control of "RRIPL" is with the promoters of KRBL Limited.

The companies "RRIPL" have no other activities other than investment in securities of "KRBL".







KEY FACTS & CERTAIN EXTRACT OF THE SCHEME

"RRIPL" holds investments in "KRBL" and forms part of its Promoter Group. It holds 27,913,892 equity shares in KRBL constituting 11.86% of KRBL's paid-up equity share capital. Pursuant to the proposed Amalgamation, individual promoters of Radha Raj Ispat Private Limited would directly hold shares in "KRBL" post Amalgamation which presently being held by the promoters indirectly through "RRIPL" in KRBL.

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 Ispat Private Limited into KRBL.

20/07/2012


20/07/2012


mr.

VALUER ANALYSIS

With reference to the Valuation report issued by "JN Sharma & Co. Chartered Accountants" The 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 "RRIPL" in the proportion of their respective holding in "RRIPL".

The valuer recommended the above share exchange ratio as fair considering that all the shareholders of "RRIPL" who are holding shares in "KRBL" through "RRIPL" will, become beneficial owner of "KRBL" post amalgamation in the same ratio (inter se) as before amalgamation.

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CONCLUSION & OPINION

- This amalgamation would not only lead to simplification of the shareholding structure and reduction of layering but also demonstrate the promoter group's direct commitment to and engagement with KRBL.
- As represented by the management the amalgamating companies, RRIPL, presently have no other activities other than investment in securities of KRBL, so the share exchange ratio pursuant to Amalgamation as recommended by J N Sharma & Co. Chartered Accountants is fair as per our opinion as all the shareholders of RRIPL will, upon amalgamation, remain ultimate beneficial owner of KRBL in the same ratio (inter se) as before amalgamation.
- The pre and post shareholding pattern of the Public Listed Company i.e. KRBL Limited remains unchanged.

"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to Clause 24 of the listing agreement and SEBI circular dated February 04, 2013 we have reviewed the valuation report of the Valuer pursuant to the scheme of Amalgamation and considered it to be fair and reasonable from a financial and commercial point of view and it is not effecting the right of any stakeholder."

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CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective key managements and other public available information while verifying the Scheme of arrangement. Although we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed/validated the financial data except what is provided to us by the Companies.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this scheme of arrangement, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in KRBL Limited and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management of KRBL Limited under the scheme has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.

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