

FAIRNESS OPINION

B. P. CAPITAL LIMITED

17th January, 2017



Strictly Private & Confidential

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B. P. CAPITAL LIMITED
[Signature]
Company Secretary

Ref. No: CPC/MB/135/2016-17

Dated: 17.01.2017

SEBI Reg. No: INM000011435

To,

The Board of Directors

B.P. CAPITAL LIMITED

AND

DIAMOND FOOTCARE UDYOG PRIVATE LIMITED

Subject: Opinion on Fairness of Valuation in the proposed Scheme of Arrangement for Merger of Diamond Footcare Udyog Private Limited with B.P. Capital Limited.

Dear Sir,

We refer to the request made by the management of M/s B.P.Capital Limited (hereinafter referred to as "BPCL" / "Transferee Company") for the purpose of arriving at an opinion on the Valuation of Equity shares dated 16.01.2017, carried by M/s SANJEEV JAGDISH CHAND & ASSOCIATES, Chartered Accountants (here-in-after referred as "Valuer") in respect of the proposed Merger of "DFUPL", with "BPCL" w.e.f. the appointed date i.e. 1st April, 2016 pursuant to a Scheme of Arrangement for Merger to be sanctioned by the Hon'ble High Court of relevant jurisdiction under Section 230 read with Section 232 of the Companies Act, 2013.

In terms of our assigned engagement, 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 Valuation 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 the Transferor Company and Transferee Company. 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.

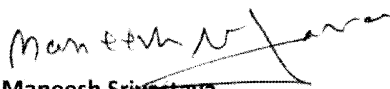
Yours Faithfully

For Corporate Professionals Capital Private Limited



Chander Sawhney

[Partner]



Maneesh Srivastava

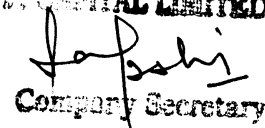
[Associate Vice President]



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For B. P. CAPITAL LIMITED



Company Secretary



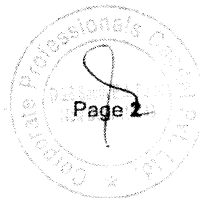
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For Jafeshi Limited

Jafeshi
Company Secretary



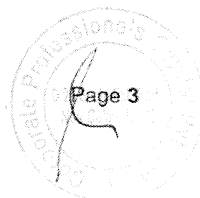
CONTEXT AND BACKGROUND

1. We understand that **M/s B.P Capital Limited** (Transferee Company) is a public company having shares listed at BSE Limited (BSE) but these are not frequently traded, Delhi Stock Exchange Limited (DSE) (Recognition already withdrawn by SEBI w.e.f. 19/11/2014) and Calcutta Stock Exchange (CSE). Now, pursuant to a Scheme of Arrangement for Merger, **M/s Diamond Footcare Udyog Private Limited** (Transferor Company) is proposed to be merged into **B.P. Capital Limited** pursuant to Section 230 read with Section 232 of the Companies Act, 2013
2. The Valuation and Swap Ratio for the proposed Amalgamation has been determined by, **M/S SANJEEV JAGDISH CHAND & ASSOCIATES, Chartered Accountants** vide their Valuation Report dated 16th January, 2017.
3. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "listing regulations") read with SEBI Circular no CIR/CFD/CMD/16/2015, dated November 30, 2015, the Listed Company shall submit the "Fairness Opinion" obtained by a Merchant Banker on the Valuation of assets / shares done by the Valuer for the listed entity and unlisted company.
4. With reference to the above, we, **Corporate Professionals Capital Private Limited**, a SEBI Registered Merchant Banker, have been appointed by the Transferee, to provide the "Fairness Opinion" on the same.

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M/S B.P. CAPITAL LIMITED

Safshi
Company Secretary



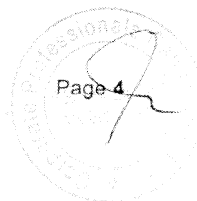
BRIEF ABOUT COMPANIES

1. **B. P. CAPITAL LIMITED** (herein after referred to as 'BPCL' or 'Transferee Company'), bearing CIN L74899DL1994PLC057572 was incorporated on 24th February, 1994 as such in accordance with the provisions of the Companies Act, 1956 and certificate of incorporation was obtained from Registrar of Companies, NCT of Delhi & Haryana.. The Registered office of the Transferee Company is presently situated at 702, Arunachal Building, 19, Barakhamba Road, Connaught Place Delhi-110001

The shares of BPCL are listed at BSE Limited (BSE) but these are not frequently traded, Delhi Stock Exchange Limited (DSE) (Recognition already withdrawn by SEBI w.e.f. 19/11/2014) and Calcutta Stock Exchange (CSE). The Transferee Company was registered as Non-Banking Finance Company (NBFC) with Reserve Bank of India (RBI). Further, the management of the Transferee Company has surrendered the NBFC Registration certificate with RBI with effect from 6th October, 2016.

2. **DIAMOND FOOTCARE UDYOG PRIVATE LIMITED** (herein after referred to as 'DFUPL' or Transferor Company), bearing CIN U19100DL1978PTC009328 was incorporated on 21st November, 1978 as such in accordance with the provisions of the Companies Act, 1956 and certificate of incorporation was obtained from Registrar of Companies, NCT of Delhi & Haryana. DFUPL is one of the leading footwear manufacturers in India. It has massive manufacturing facility at Footwear Park, Bahadurgarh, Haryana. The Registered office of the Transferor Company is presently situated at A-9, Mayapuri Industrial Area, Phase-2 South West Delhi-110064.

The Company has 3 Business units (Plot – 345,346 & 347) located at HSIIDC, Footwear Park, Sector-17, Bahadurgarh- 124507 (Haryana) where PVC Shoes, Hawaii Slippers etc are being manufactured and one vacant land bearing Khasra No- 46/8 measuring (15564 sq. m) situated at Jakhoda, main NH-10 Rohtak Road, Bahadurgarh, Dist. Jhajjar.

CERTIFICATE COPY**B. P. CAPITAL LIMITED**
J. P. Singh
Managing Director

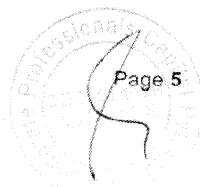
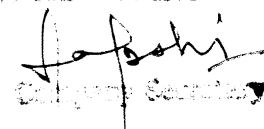
KEY FACTS & KEY EXTRACTS OF THE SCHEME

The Transferee Company is a listed company having its shares listed at BSE Limited (BSE) but these are not frequently traded, Delhi Stock Exchange Limited (DSE) (Recognition already withdrawn by SEBI w.e.f. 19/11/2014) and Calcutta Stock Exchange (CSE). The Transferee Company was registered as NBFC Company with RBI but was not carrying any major activity for long hence the shareholders of the Company are not getting any return on their investment. The Transferor Company, Diamond Footcare Udyog Private Limited, is one of the leading footwear manufacturers in India. It has massive manufacturing facility at Footwear Park, Bahadurgarh, Haryana. The management of the two Companies decided to consolidate the two companies to take advantage of listing and liquidity for the footwear business, which has potential to grow much faster if sufficient working capital is made available. With this objective, the management of DFUPL has acquired the management and control of BPCL by giving an open offer in terms of SEBI (SAST) Regulations, 2011 and also decided to surrender the NBFC Licensee of BPCL to initiate the footwear business in it.

The consolidation of Transferor Company's business (along with all the assets and liabilities) with the Transferee Company would at one hand strengthen the financials of the listed entity for the benefit of all its stakeholders and on the other hand help the footwear business of Transferor Company, in raising funds for expansion due to the listed status.

The other benefits likely to arise through the proposed amalgamation are as follows:

- I. Financial strength and flexibility for the Transferee Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.
- II. Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
- III. Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
- IV. Better management and focus on growing the businesses.
- V. The amalgamation would result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, efficiency and optimum utilization of various resources.
- VI. A larger growing company will mean enhanced financial and growth prospects for the people and organization connected therewith, and will be in public interest. The amalgamation will be conducive for better and more efficient and economical control over the business and financial conduct of the Companies.

**CERTIFIED TRUE COPY****For D. B. CAPITAL LIMITED**
Company Secretary

