

FAIRNESS OPINION

JUSTRIDE ENTERPRISES LIMITED

November, 2014



Strictly Private & Confidential

Ref. No: CPC/MB/45/2014-15

Dated 28.11.2014

SEBI Reg. No: INM000011435

To,

The Board of Directors

Justride Enterprises Limited

Flat No. 133, C4E

Pocket No.11, Janakpuri

New Delhi 110058.

Subject: Fairness Opinion on valuation in reference to the Petition to be Filed u/s 100-104 of Companies Act, 1956 for Reduction of Share Capital of Justride Enterprises Limited.

Dear Sir,

We refer to our discussion held with the key management personnel of M/s Justride Enterprises Limited, (here-in-after referred as "Company") for the purpose of arriving at an opinion on the petition under section 100 to 104 for proposed Reduction of Share Capital of Justride Enterprises Limited to be confirmed by the Hon'ble High Court of relevant jurisdiction u/s 100 to 104 of the Companies Act, 1956.

In terms of our discussion, 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 Petition to be filed u/s 100-104 of Companies Act, 1956 and other documents submitted to us. All comments as contained herein must be read in conjunction with the Caveats to this opinion.

The opinion is confidential and has been made in accordance with clause 24(h) of the listing agreement, 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 disclosure to be made to the stock exchange 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 M/s Justride Enterprises Limited is a public company having its Equity shares listed at Bombay Stock Exchange (BSE), Delhi Stock Exchange (DSE) & Calcutta Stock Exchange (CSE), now pursuant to a petition under section 100 – 104 of the companies Act 1956 and the company wants to undertake the Reduction of Share Capital based on the Audited financial statement dated March, 31st 2014.
2. In accordance with Clause 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/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 Company required to obtain a "Fairness Opinion" on the Valuation of assets / Equity shares done by the Valuers for the Company and Unlisted Company from an independent Merchant Banker. Clause 24(h) of the Listing Agreement 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 / Equity shares done by the Valuers for the company and unlisted company."

3. With reference to the above, we, Corporate Professionals Capital Private Limited, a SEBI Registered Merchant Banker, have been appointed by M/s, Justride Enterprises Limited to provide the "Fairness Opinion" on the petition to be filed before the Hon'ble High Court for the proposed reduction of capital in accordance with the SEBI Circular, stated above.



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KEY FACTS & CERTAIN EXTRACT OF THE PETITION FILED

- As mentioned in point number 7 of the petition the company has accumulated losses amounting to Rs.74,366,458.43 (Rupees Seven Crore Forty Three Lacs Sixty Six Thousand and Four Hundred Fifty Eight and Forty Three Paisa) as on 31st March,2014. Further as per petition the Company also has subscribed equity share capital of Rs. 47,316,000/-(Rupees Four Crores, Seventy Three Lacs and Sixteen thousand only) as on 31st March 2014.
- As per point number 6 of the petition the Capital structure of Justride Enterprises Limited Pre Reduction of Share Capital is as follows:

Particulars	Amount (Rs.)
Authorized Share Capital	
5,400,000 Equity Share of Rs. 10/-each	54,000,000.00
Issued & Subscribed and fully Paid up Share Capital	
4,731,600 Equity Share of Rs. 10/-each	47,316,000.00

- As per point number 9 of the petition the existing Issued, subscribed and fully paid-up equity share capital of the petitioner company be reduced by 90% by cancelling the issued, subscribed and fully paid-up equity share capital in the following manner:-
 - The Subscribed and Paid-up Equity Share Capital of the Petitioner Company shall stand reduced from Rs. Rs. 47,316,000/- (Rupees Four Crores, Seventy Three Lacs and Sixteen thousand only) divided into 4,731,600/- (Forty Seven Lacs Thirty one Thousand Six Hundred only) equity shares of face value of Rs. 10/- (Rupees Ten) each fully paid up to 47,31,600 (Rupees Forty Seven Lacs Thirty One Thousand and Six Hundred) consisting of 473,160 (Four Lacs Seventy Three Thousand One Hundred and Sixty) Equity shares of Rs. 10/- (Rupees Ten) each.
 - The Reserve arising on reduction of capital by 90% shall be utilized for settling of losses of Rs. 42,584,400/- out of the total accumulated losses of Rs. 74,366,458.43 /-, outstanding as on 31.03.2014

CONCLUSION & OPINION

- With reference to above and based on information provided by the management of the company forming part of the Petition to be filed u/s 100-104 of Companies Act, 1956, we have been represented by the management that the present Arrangement has been structured to write off the accumulated losses out of the Equity share Capital, so as to give a true and Fair view of the financial statement of the company.
- The Petition envisages that the proposed reduction in capital (Equity Share Capital) neither involves any financial outlay/ outgo on the part of the Company nor does it directly or indirectly involves any outflow of the company's assets to its shareholders. For the sake of clarity, it is specified that the reduction of capital also does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholders of any paid-up-capital. Consequently, such reduction will not cause any prejudice to the shareholders of the Applicant Company. The proposed adjustment would also not in any way adversely affect the ordinary operations of the Applicant Company or the ability of the Applicant Company to honor its commitments in the ordinary course of business.
- The Pre and Post capital reduction Shareholding Pattern and Net Worth of Justride Enterprises Limited shall remain the same.
- In the present context Valuation report from Independent Chartered Accountant shall not be required as per SEBI Circular No CIR/CFD/DIL/5/2013, dated February 04, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, as there is no change in the shareholding pattern of the company.

"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 Feb 04, 2013 and clarified by SEBI Circular No CIR/CFDDIL/8/2013 dated May 21, 2013, we have reviewed the proposed application for reduction of capital and believe it to be fair and reasonable from a financial and commercial point of view to the holders of Equity shareholders of the company".

CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective key management, and other public available information while making a limited review of the petition to be filed u/s 100- 104 of the companies Act,1956. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- 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 Report, 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 M/s Justride Enterprises 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 any 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 M/s Justride Enterprises Limited has drawn our attention to all matters of which they are aware, which may have an impact on our opinion.
- The Fairness Opinion provided by us should not be construed as a legal opinion on the Petition to be filed u/s 100-104 of the Companies Act, 1956 Companies Act.