Submitted to

HIMALYA INTERNATIONAL LIMITED

FAIRNESS OPINION REPORT

On

Share Entitlement Ratio Report for the proposed demerger of Demerged Undertaking 1 into Appetizers and Snacks Food Limited and Demerged Undertaking 2 into Himalya Green Apartments Limited from R Somani &Associates, Chartered Accountants

BY

M/s RR Investors Capital Services Private Limited

412-422, 4th Floor, Indraprakash Building,
Barakhamba Road, New Delhi-110001
Tel: 011-23354802
Fax: 011-23320671
E-mail: investors@rrfcl.com
Website: www.rrfinance.com

September 30, 2016

Himalya International Limited
H I L

RR Investor Capital
Services Pvt. Ltd.

Regd. Office : 412-422, Indraprakash Building
21, Barakhamba Road, New Delhi-110001
Tel. : +91-11-23352497
+91-11-23354802
Corp. Office ; 18 First Floor,
105, Bombay Samachar Marg
Fort, Mumbai - 400023
CIN No. : U67120DL2000PTC107923
Email Id : pamdrr@rrfcl.com
Website : www.rrfinance.com
: www.rrfcl.com

Dated: September 30, 2016

To,

The Board of Directors
Himalya International Limited
E - 555, 1st & 2nd Floor Palam Extension,
Sector - 7, Dwarka
New Delhi - 110 077

RE: Share Entitlement Ratio Report for the proposed demerger of "processed food division in Gujarat (i.e. Demerged Undertaking 1", more particularly as defined herein)" and "real estate business in Rajasthan (Demerged Undertaking 2, more particularly as defined herein)" of Himalya International Limited ("Demerged Company") into Appetizers and Snacks Foods Limited ("Resulting Company 1") and Himalya Green Apartments Limited ("Resulting Company 2") respectively from R Somani & Associates, Chartered Accountants

PURPOSE

We have been engaged to give fairness opinion on Share Entitlement Ratio Report for the proposed demerger of "processed food division in Gujarat (i.e. Demerged Undertaking 1", more particularly as defined herein)" and "real estate business in Rajasthan (Demerged Undertaking 2, more particularly as defined herein)" of Himalya International Limited ("Demerged Company") into Appetizers and Snacks Foods Limited ("Resulting Company 1") and Himalya Green Apartments Limited ("Resulting Company 2") respectively from R Somani & Associates, Chartered Accountants. This report should be read in conjunction with Share Entitlement Ratio Report dated September 30, 2016issued by R Somani & Associates, Chartered Accountants.

BACKGROUND

Himalya International Limited(hereinafter referred to as the "Demerged Company"), is a company incorporated under the Companies Act, 1956 (as defined hereinafter) having its registered office at E – 555, 1st & 2nd Floor Palam Extension, Sector - 7, Dwarka New Delhi – 110077. The Demerged Company has business interests in the manufacturing of natural food products which includes mushrooms, dairy products, French fries and potato speciality products, battered appetizers and Ethnic Indian snacks and sweets.

Appetizers and Snacks Foods Limited (hereinafter referred to as the "Resulting Company1"), is a company incorporated under the Companies Act, 2013 (as defined hereinafter) having its registered office at E-555, 2nd Floor, Sector-7, Harijan Basti, Near RamphalChowk, New Delhi-110045. The Resulting Company 1 is a wholly owned subsidiary of the Demerged Company and has been incorporated for undertaking the business of producing and export of French fries, potato products and other packaged snacks and appetizers.

Himalya Green Apartments Limited(hereinafter referred to as the "Resulting Company 2"), is a company incorporated under the Companies Act, 2013 (as defined hereinafter) having its registered office at E-555, 2nd Floor,Sector-7 Harijan Basti, Near Ramphal Chowk, New Delhi -110 045. The Resulting Company2 is a wholly owned subsidiary of the Demerged Company and has been incorporated for undertaking the business of Real Estate, Infrastructure and construction of residential houses.

RR INVESTOR CAPITAL SERVICES PVT. LTD. NEW DELHI

Himalya International Limited HIL

SCHEME OF DEMERGER

With a view of achieving greater management focus on its business interests in the food and Real Estate business division, the management of the Demerged Company proposes to demerge; a) its business interests in the Business undertaking of producing and export of packaged foods, and vest the same with the Resulting Company1 (a wholly owned subsidiary of Demerged Company); b) its business interests in the Business undertaking of Real Estate, Infrastructure and construction of residential houses, , and vest the same with the Resulting Company 2 (a wholly owned subsidiary of Demerged Company).The Demerged Company will retain the business of producing natural food products which includes mushrooms, dairy products etc. Further, the demerger of the Demerged Undertaking and vesting of the same with Resulting Company1and Resulting Company2 would enable the Resulting Company 1 to focus on the business of manufacturing and exporting packaged appetizers and snacks and Resulting Company2 to focus on the business of Real Estate, Infrastructure and construction of residential houses and further create the value for all of its stakeholders. Further, the listing of the equity shares of Resulting Company1 and Resulting Company2 on the Stock Exchange(s) (as defined hereinafter) would help the shareholders of Resulting Company1 and Resulting Company2 to unlock the value of their shares. Pursuant to the demerger of Demerged Undertaking and vesting of the same in the Resulting Company1 and Resulting Company2, the issued and paid-up equity share capital of the Resulting Company1 and Resulting Company2 would be reduced as a result of cancellation of the shares held by the Demerged Company in the Resulting Company1 and Resulting Company2 pursuant to the Scheme. Further, pursuant to the demerger of Demerged Undertaking and vesting of the same in the Resulting Company1 and Resulting Company2, credit balance in the capital fund, capital reserve and securities

INVESTOR CA... S PVT. LTD. NEW DELHI

Himalya International Limited HIL

premium account of the Demerged Company shall be reduced to set off the losses (if any) arising as a result of the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company1 and Resulting Company2.Further, the issued, subscribed and paid up equity share capital of the Demerged Company shall be reduced to the extent of the new equity shares issued by the Resulting Company1 and Resulting Company2 to the shareholders of the Demerged Company as on the Record Date.

The demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with the Resulting Company1 and Resulting Company2 pursuant to and in accordance with this Scheme shall be in accordance with Section 2(19AA) of the IT Act (as defined hereinafter).The definitions of Demerged Undertaking and Demerged Business are as provided under the Scheme.

As per the Scheme, Resulting Company1 and Resulting Company2 will issue its equity shares to the respective shareholders of Demerged Company as a consideration for the demerger of Demerged Undertaking as per share entitlement ratio. Upon coming into effect of the Scheme, and in consideration of the demerger of the Demerged Undertaking and transfer and vesting thereof with the Resulting Company1 and Resulting Company2, the Resulting Company1 and Resulting Company2 shall, without any further act or deed and without any further payment, issue and allot fully paid up equity shares to the equity shareholders of the Demerged Company, as on the Record Date as follows:

a) *For every 25 (twenty five) equity shares of face value Rs. 10 (Rupees ten only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 17 (seventeen) equity shares of face value Rs. 10 (Rupees ten only) each credited as fully paid up in the Resulting Company 1. Accordingly, a total of 3,93,53,561 (Three Crores Ninety Three Lakhs Fifty Three Thousand Five Hundred Sixty One Only) new equity* *shares of face value Rs. 10 (Rupees Ten only) each will be issued by the Resulting Company 1.*

b) *For every 25 (twenty five) equity shares of face value Rs. 10 (Rupees ten only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (two) equity shares of face value Rs. 10 (Rupees ten only) each credited as fully paid up in the Resulting Company 2. Accordingly, a total of 46,29,831 (Forty Six Lakhs Twenty Nine Thousand Eight hundred and Thirty One only) new equity shares of face value Rs. 10 (Rupees Ten only) each will be issued by the Resulting Company 2.*

Further, consequent to the demerger of the Demerged Undertaking, it is also proposed under the Scheme to cancel such proportion of the paid up equity share capital of the Demerged Company which has been issued as fully paid up equity shares in the Resulting Company1 and Resulting Company2 as on the Record Date as under:

Each equity shareholder of the Demerged Company shall continue to hold 6 (six) equity shares of face value Rs. 10 (Rupees ten only) each of the Demerged Company as fully paid up equity shares against every 25 (twenty five) equity shares of face value Rs. 10 (Rupees ten only) each, as on the Record Date. The issued, subscribed and paid up equity share capital of the Demerged Company shall stand reduced from Rs. 57,87,28,840 (comprising of 5,78,72,884 equity shares of face value Rs. 10 each) to Rs. 13,88,94,920 (comprising of One Crores Thirty Eight Lakhs Eighty Nine Thousand Four Hundred ninety two Only equity shares of face value Rs. 10 each) by way of cancellation of 4,39,83,392 equity shares of face value Rs. 10 each.

Statement of Limiting Conditions: The Final Report has been prepared for the internal and exclusive use of Himalya International Limited in support of the decisions to be taken by it and the Resulting Company1 and Resulting Company2. Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the

INVESTOR CAPITAL SERVICES PVT. NEW DELHI

Himalya International Limited H I L

Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorised in writing by RR Investors Capital Services Private Limited (RR). In preparing the Final Report, RR has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by Himalya International Limited. RR has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. Therefore the Final Report is based on: (i) our interpretation of the information which Himalya International Limited, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of the terms upon which Himalya International Limited intends to consummate and implement the Scheme. In the execution of the Engagement, RR has elaborated its own analysis based on the methodologies illustrated below, reaching the conclusions contained in the final paragraph of this Final Report.

The conclusions described in the Final Report have been prepared with the sole purpose of determining fairness of share entitlement ratio of the Demerged Undertakings and the amalgamation of companies, for the purpose of proposed Scheme of Arrangement; the values contained in this Final Report have no relevance for purposes other than that stated. The Final Report and the Opinion concern exclusively for the purpose of proposed Scheme do not constitute an opinion by RR as to the absolute value of the shares of Himalya International Limited.

RR INVESTOR CAPITAL SERVICES PVT. LTD. NEW DELHI

Himalya International Limited HIL

The conclusions contained in this Final Report are based on the whole of the valuations contained herein and therefore no part of the Final Report may be used apart from the document in its entirety.

The Final Report and the Opinion are necessarily based on economic, market and other conditions as on the date of valuation, and the written and oral information made available to us until September 30, 2016. It is understood that subsequent developments may affect the conclusions of the Final Report and of the Opinion and that, in addition, RR has no obligation to update, revise, or reaffirm the Opinion.

In addition, RR is expressing no opinion as to the price at which any securities of Himalya International Limited will trade on the stock market at any time. Other factors after the date hereof may affect the value of the businesses of Himalya International Limited either before or after completion of the event. No opinion is expressed by RR whether any alternative scheme might have been more beneficial to Himalya International Limited. It also remains understood that RR or certain RR affiliates may currently have and may in the future have commercial banking, investment banking, trust and other relationships and/or engagements with entities which may have interests with respect to Himalya International Limited, or companies directly or indirectly, controlled by, affiliated with Himalya International Limited or in which Himalya International Limited holds securities. Finally, it remains understood that RR or certain RR affiliates may have fiduciary or other relationships and engagements whereby RR or certain RR affiliates may exercise voting power over securities of various persons, which securities may from time to time include securities of Himalya International Limited, or companies directly or indirectly controlled by, affiliated with Himalya International Limited, or in which Himalya International Limited holds securities, or other parties with an interest in the Scheme.

RR INVESTOR CAPITAL SERVICES PVT. LTD. NEW DELHI

Himalya International HIL

COMMON APPROACHES TO VALUATION

Income Approach

The *Income Approach* measures the value of an asset by calculating the present value of its future economic benefits. When used to determine *Business value*, the *Income Approach* develops an indication of value by discounting forecasted cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds plus the expected rate of inflation and the risks associated with the particular investment. The discount rate applied to these expected cash flows is generally based upon rates of return available from alternative investments of similar type and quality. Another discounting method calculates the company's *Weighted Average Cost of Capital ("WACC")* from its cost of debt and cost of equity. Forecasts typically cover three to five years, but the reliability of forecasts for valuation purposes in early stage enterprises depends upon many factors, such as the company's vulnerability to advances in technology, actions by competitors, changes in end-user requirements, & the availability of financing. Selecting the forecast period required our judgment.

The *Income Approach* works best when development stage companies have progressed to Stage five. Typically, companies in prior stages have limited operating histories and cash flow forecasts. Using the *Income Approach* when a company has not achieved profitability or positive cash flow, and therefore has negative flows/losses during some or all of the forecast years, results in an *equity Value* that consists mostly (if not entirely) of the *Terminal Value ("TV"* is the estimate of the *Company's* future value at the end of the forecast period).

Market Approach

The *Market Approach* measures the value of an asset through an analysis of recent sales of comparable property compared to the property being valued. When applied to the valuation of an equity interest, consideration is given to the financial condition and operating performance of the subject company compared to either publicly traded companies with similar lines of business or recent corporate acquisitions (*"Guideline Companies"*). Typically, the companies selected for comparison are subject to economic, political, competitive, and technological factors that correspond with those confronting the *Company*.

The *Market Approach* is conceptually preferable to the other two approaches both because it uses direct comparisons to similar enterprises and because the analysis is based upon actual market transactions. However, comparables that fit perfectly rarely exist. Privately held companies are compared to publicly traded ones that are typically further along in their stage of development, have superior access to capital, and have common stock that is readily marketable. Often historical results of public companies are being compared to projected results for the private company being valued. In order to reflect these differences, data from the *Guideline Companies* must be appropriately adjusted.

Asset Approach

The *Asset Approach* measures the value of an asset by the cost to reconstruct or replace it with another of like utility. When applied to the valuation of equity interests in businesses, value is based on the net aggregate *fair market value* of the entity's underlying assets.

This approach basically entails a restatement of the balance sheet of the enterprise in which the *fair market value* of its assets and liabilities are substituted for their book

RR INVESTOR CAPITAL SERVICES PVT. LTD. NEW DELHI

Himalya International HIL

values. This approach is frequently used to value holding companies or capital-intensive firms. It is typically not an appropriate valuation approach for growing operating companies which provide goods or services and which have significant intangible value. The same may be considered in conjunction with other approaches with lower weight age.

Sources of Information: The valuation was performed as per following information:

- Draft Scheme of Demerger
- Share Entitlement Ratio report dated September 30, 2016 by R Somani & Associates, Chartered Accountants
- Information and Explanation given by management as used for valuation

SUMMARY OF SHARE ENTITLEMENT RATIO PERFORMED BY R SOMANI & ASSOCIATES

METHODOLOGY ADOPTED

Net Asset Value Method:

M/s R Somani & Associates has usedNet Asset Value Method for arriving share entitlement ratio for demerger of a)the business of producing and export of packaged foods of Himalya International Limited , and; b)the business of of Real Estate, Infrastructure and construction of residential houses of Himalya International Limited, including through its subsidiary and associate company, into Appetizers and Snacks Foods Limited ("Resulting Company1")and Himalya Green Apartments Limited("Resulting Company 2")

Share Entitlement ratio suggested by R Somani & Associates,

a) *For every 25 (twenty five) equity shares of face value Rs. 10 (Rupees ten only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 17 (seventeen) equity shares of face value Rs. 10 (Rupees ten only) each credited as fully paid up in the Resulting Company 1. Accordingly, a total of 3,93,53,561 (Three Crores Ninety Three Lakhs Fifty Three Thousand Five Hundred Sixty One Only) new equity shares of face value Rs. 10 (Rupees Ten only) each will be issued by the Resulting Company 1.*

b) *For every 25 (twenty five) equity shares of face value Rs. 10 (Rupees ten only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (two) equity shares of face value Rs. 10 (Rupees ten only) each credited as fully paid up in the Resulting Company 2. Accordingly, a total of 46,29,831 (Forty Six Lakhs Twenty Nine Thousand Eight hundred and Thirty One only) new equity shares of face value Rs. 10 (Rupees Ten only) each will be issued by the Resulting Company 2.*

Further, consequent to the demerger of the Demerged Undertaking, it is also proposed under the Scheme to cancel such proportion of the paid up equity share capital of the Company which has been issued as fully paid up equity shares in the Resulting Company1 and Resulting Company 2as on the Record Date as under

Each equity shareholder of the Demerged Company shall continue to hold 6 (six) equity shares of face value Rs. 10 (Rupees ten only) each of the Demerged Company as fully paid up equity shares against every 25 (twenty five) equity shares of face value Rs. 10 (Rupees ten only) each, as on the Record Date. The issued, subscribed and paid up equity share capital of the Demerged Company shall stand reduced from Rs. 57,87,28,840 (comprising of 5,78,72,884 equity shares of face value Rs. 10 each) to Rs. 13,88,94,920 (comprising of One Crores Thirty Eight Lakhs Eighty Nine Thousand Four Hundred ninety two Only equity shares of face value Rs. 10 each) by way of cancellation of 4,39,83,392 equity shares of face value Rs. 10 each.

CONCLUSION

Subject to the assumptions presented herein, in our opinion the Share Entitlement Ratio derived by R Somani & Associates is fair considering circumstances and purpose of valuation.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of Himalya International Limited is and will, upon demerger, be the ultimate beneficial owners of the Appetizers and Snacks Foods Limited and Himalya Green Apartments Limited in the same proportion.

For RR Investors Capital Services Private Limited

Authorised Signatory

RR INVESTOR CAPITAL SERVICES PVT. LTD. NEW DELHI

Himalya International HIL