



September 20, 2018

The Board of Directors

RT Exports Limited

508, Dalamal House,
Nariman Point,
Mumbai 400 021

Dear Sirs,

Re: Fairness Opinion Report on the Valuation Report issued by M/s. Keyur Shah & Co., Chartered Accountant, in connection with the proposed Reduction of Capital of RT Exports Limited ("The Company" or "RTEL")

1. BACKGROUND

1.1. Pantomath Capital Advisors Private Limited ("Pantomath" or "we" or "us") is a Category I Merchant Banker registered with the Securities Exchange Board of India ("SEBI"). Pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (earlier SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015) we have been requested to issue a fairness opinion on Valuation Report issued by M/s. Keyur Shah & Co., Chartered Accountant, against the reduction of preference share capital pursuant to the proposed scheme of reduction of capital under Section 66 of Companies Act, 2013 and other applicable provisions / rules made thereunder.

1.2. The Company was incorporated as a Private Limited Company under the name and style of "RT Exports Private Limited" on May 1, 1980 with the Registrar of Companies, Maharashtra. Subsequently, the company was converted into a public company and name of the company was change to "RT Exports Limited" on December 18, 1992.

The Registered office of the Company is presently situated at 508, Dalamal House, Nariman Point, Mumbai 400 021.

The Company is presently listed on Bombay Stock Exchange Limited ("BSE Limited").

The Company is engaged in the business of exports and trading of agri-products, especially Basmati Rice.

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Pantomath Capital Advisors Private Limited (SEBI Registered Category-I Merchant Bankers)

Regd. Office: 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

Email: info@pantomathgroup.com

Website: www.pantomathgroup.com | CIN: U74120MH2013PTC248061 | Tel:022-6194 6700/724 | Fax:022-26598690

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2. SOURCE OF INFORMATION

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- 2.1. Valuation Report issued by M/s. Keyur Shah & Co., Chartered Accountant dated September 20, 2018.
- 2.2. Draft Scheme of Reduction of Capital under Section 66 and other applicable provisions of the Companies Act, 2013;
- 2.3. Audited financial statements of the Company for the financial year 2016-17 and 2017-18 along with reports attached thereto;
- 2.4. Memorandum and Articles of Association of the Company;
- 2.5. Latest Shareholding Pattern of the Company filled by the Company under regulation 31 of SEBI (Listing Obligations and Disclosure Requirements), 2015
- 2.6. Other relevant information and documents for the purpose of this engagement.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis.

3. SCOPE AND PURPOSE OF THIS REPORT

We have been informed that the board of directors of the Company is considering reduction of preference share capital under Section 66 and other applicable provisions of the Companies Act, 2013.

In this regard, M/s. Keyur Shah & Co., Chartered Accountants was appointed to carry out the valuation with a view to recommend fair value of preference shares.

4. VALUER'S RECOMMENDATION

As stated in the valuation report, the Company has issued and allotted 7,00,000, 9% Cumulative Preference Shares ("**Category A**") having face value of Rs. 100/- each and 7,95,415, 6% Non-Cumulative Preference Shares ("**Category B**") having face value of Rs. 100/- each. Both Categories of Shares are fully paid up.

Thus, Valuer has formed its opinion stating that the both categories of preference shares are not listed on any stock exchange(s) and are to be redeemable at par as per the terms of issue, the fair value of **Category A** and **Category B** Preference Shares is equivalent to the face value i.e. **INR 100/- (Rupees Hundred only) per share.**

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5. RATIONALE AND CONCLUSION

In the circumstances, having regard to the relevant factors and on the basis of information and explanations given to us, in our view, the proposed reduction of share capital and Valuation Report as recommended by M/s. Keyur Shah & Co., Chartered Accountant, which forms the basis for the proposed reduction, appears to be fair and reasonable.

6. EXCLUSIONS AND LIMITATIONS

The Fairness Opinion Report is prepared by Pantomath under engagement letter from RTEL on the basis of information, documents, papers and explanations given by the Management of the Company to us.

- 6.1. We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by RTEL for the purpose of this opinion without carrying out any audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of RTEL.
- 6.2. We have solely relied upon the information provided to us by RTEL. We have not reviewed any books or records of RTEL.
- 6.3. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of RTEL and neither express any opinion with respect thereto nor accept any responsibility therefore.
- 6.4. We have not made any independent valuation or appraisal of the assets or liabilities of RTEL. In particular we do not express any opinion as to the value of assets of RTEL, whether at current market prices or in future.
- 6.5. We have not made any independent valuation or appraisal of the assets or liabilities of RTEL. In particular we do not express any opinion as to the value of assets of RTEL, whether at current market prices or in future.
- 6.6. We are not experts in the evaluation of litigation or other actual or threatened claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have

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relied upon, without independent verification, the assessment of RTEL with respect to these matters. In addition, we have assumed that the Draft Scheme of Reduction of Capital will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Reduction of Capital.

- 6.7. We understand that the managements of RTEL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.
- 6.8. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving RTEL or any of its assets, nor did we negotiate with any other party in this regard.
- 6.9. It is understood that this letter is solely for the benefit of confidential use by the Board of Directors of RTEL for the purpose of facilitating reduction of capital to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (earlier Circular CIR/CID/CMD/16/2015 dated November 30, 2015) issued by SEBI and it shall not be valid for any other purpose. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.
- 6.10. The fee for our service is not contingent upon the results of the proposed reduction of capital. This opinion is subject to the laws of India.
- 6.11. Valuation, as it is said, is an art as well as a science. It is very subjective and based on individual perception. Large number of valuation models and its countless variants are in vogue, each of which has its own strength and weakness. Such practices lead to varying values arrived at by experts which, at times, may differ by larger margin. We express no opinion whatever and make no recommendation at all as to RTEL's underlying decision to

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effect to the proposed Reduction of Capital or as to how the holders of equity shares or secured or unsecured creditors of RTEL should vote at their respective meetings held in connection with the proposed Reduction. We do not express and should not be deemed to have expressed any views on reduction of capital or any other terms of the proposed Reduction of Share Capital. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of RTEL will trade following the announcement of the proposed reduction of capital or as to the financial performance of RTEL following the completion of the proposed Reduction of Capital.

6.12. In no circumstances however, will Pantomath or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Pantomath or its associates, directors or employees by any third party, RTEL and their affiliates shall indemnify them.

This report has been issued for the sole purpose to facilitate the Company to comply with Regulation 37 of SEBI (LODR) Regulations, 2015 and relevant SEBI Circulars.

For Pantomath Capital Advisors Private Limited



Hardik Bhuta

Assistant Vice President

Registration No MB/INM000012110

