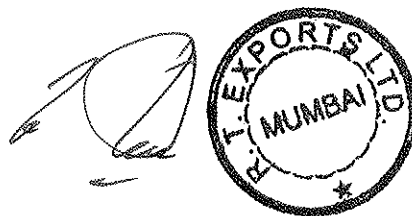


SCHEME OF
REDUCTION OF CAPITAL
BETWEEN
R.T. EXPORTS LIMITED
AND
ITS SHAREHOLDERS



**THE SCHEME OF REDUCTION OF CAPITAL
(UNDER SECTION 66 OF COMPANIES ACT, 2013)**

BETWEEN

R.T. EXPORTS LIMITED

AND ITS SHAREHOLDERS

PREAMBLE, OVERVIEW AND OBJECT

This Scheme is presented as a Scheme of Reduction of Capital (hereinafter referred to as "**the Scheme**") for reduction of Preference Share Capital of R.T. Exports Limited (hereinafter referred to as "**the Company / RTEL**") pursuant to Section 66 of the Companies Act, 2013 and other applicable provisions / rules made thereunder.

A. Description of Company

The Company was incorporated as a Private Limited Company under the name and style of "R.T. Exports Private Limited" on 1st May, 1980 with the Registrar of Companies, Maharashtra. Subsequently, on 18th December, 1992, the Name of the Company was change to "R.T. Exports Limited" and a fresh Certificate of Incorporation was issued on 18th December, 1992. Subsequently, Company got listed on BSE on 30th July, 2001. Currently, the Company is a public limited company listed on BSE having its registered office at Mumbai, Maharashtra, India. The Company is engaged in the business of export and trading of agri-products, especially Basmati Rice.

B. Objects and Purpose of the Scheme

The purpose of the Scheme is reduction of Preference Share Capital under Section 66 Companies Act, 2013 and other applicable provisions / rules made thereunder to undertake reduction of preference share capital of the Company. The payment of consideration to preference shareholders will be made as and when the funds would be available with the Company within a period of 3 years from the Effective Date and till such time the amount payable will be treated as loan in the books of accounts of the Company. The rate of interest payable by the Company on such outstanding loan shall be as per the provisions of Section 186(7) of Companies Act, 2013 and rules made thereunder.

The Company has issued 700,000, 9% Cumulative Preference Shares of Rs. 100/- each fully paid-up which are due to be redeemed on or before March 31, 2020. The Company has further issued 795,415, 6% Non-Cumulative Preference Shares of Rs. 100/- each fully paid-up which are due to be redeemed on or before March 31, 2020. The Company is not in a position to redeem these preference shares in view of inadequate profits. After detailed deliberations, the Board of Directors is of view that reduction of Preference Share Capital is the practical and legal option available to the Company.




The Scheme provides for reduction of Preference Share Capital of the Company pursuant to Section 66 of Companies Act, 2013 and other applicable provisions / rules thereunder.

C. Parts of the Scheme

The Scheme is divided into the following parts:

Part I deals with definitions, interpretations and capital structure;

Part II deals with reduction of capital;

Part III deals with general terms and conditions.

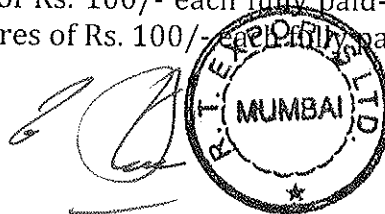


PART I – DEFINITIONS, INTERPRETATION AND CAPITAL STRUCTURE

1. Definitions

In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:

- a. **“Act” or “the Act”** means Companies Act, 2013, the rules and regulations made thereunder and also include any statutory modifications, re-enactments and / or amendments thereof from time to time;
- b. **“Appointed Date”** means the Effective Date;
- c. **“Company”** means R.T. Exports Limited, a company incorporated under the provisions of Companies Act, 1956 having Corporate Identification Number (CIN) L51900MH1980PLC022582 and registered office at 508, Dalamal House, Nariman Point, Mumbai 400 021;
- d. **“Board”** means Board of Directors of the Company or any committee of the Board;
- e. **“BSE”** shall mean BSE Limited having its corporate office at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001;
- f. **“Capital Reduction or Reduction of Capital”** in the context wherever requires, shall mean reduction of Preference Share Capital of the Company;
- g. **“Designated Stock Exchange” or “DSE”** means a stock exchange which is chosen by the Company in accordance with SEBI Circular ref. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and for the purpose of the Scheme, BSE Limited is the DSE.
- h. **“Effective Date” or “Coming into effect of this Scheme”** shall mean the date on which certified copies of the order of the Tribunal under Section 66 of Companies Act, 2013 and other applicable provisions of the Act, if any, are filed with the Registrar of Companies, Mumbai, Maharashtra.
- i. **“Listing Regulations”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- j. **“Preference Share Capital”** means the issued and paid up preference share capital of the Company amounting to Rupees 14,95,41,500 (divided into 700,000, 9% Cumulative Preference Shares of Rs. 100/- each fully paid-up and 795,415, 6% Non-Cumulative Preference Shares of Rs. 100/- each fully paid-up).



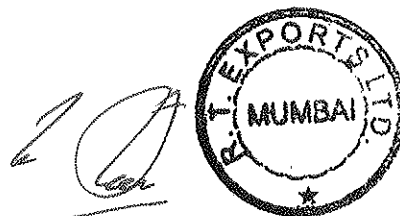
- k. "SEBI" shall mean Securities and Exchange Board of India;
- l. "Stock Exchange" shall mean BSE;
- m. "The Tribunal" the National Company Law Tribunal at Mumbai having jurisdiction in relation to the Company;
- n. "This Scheme" or "The Scheme" or "Scheme" means this scheme of reduction of capital between the Company and its shareholder in its present form or with such alterations / modifications as may be approved by the Tribunal or any regulatory authority under the applicable laws;
- o. "Rs." shall mean the lawful currency of India, that is, Indian Rupees;
- p. "Shareholder" or "Member" are used to denote the same meaning and are used interchangeably;

All terms and words not defined in the Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act, Securities Contract (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, Listing Regulations, Listing Agreement and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

2. Capital Structure of the Company as on March 31, 2018

SHARE CAPITAL	AMOUNT (IN RS.)
AUTHORISED SHARE CAPITAL	
1,70,00,000 Equity Shares of Rs. 10/- each	17,00,00,000
19,00,000 Preference Shares of Rs. 100/- each	19,00,00,000
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	
43,59,000 Equity Shares of Rs. 10/- each	4,35,90,000
7,00,000, 9% Cumulative Preference Shares of Rs. 100/- each	7,00,00,000
7,95,415, 6% Non-Cumulative Preference Shares of Rs. 100/- each	7,95,41,500

There is no change in share capital of the Company subsequent to 31 March 2018 till the time of Board resolution.



PART II – REDUCTION OF CAPITAL

3. Capital Reduction

- 3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, as an integral part of the Scheme, the entire Preference Share Capital of the Company shall stand cancelled.
- 3.2. The payment of consideration for reduction of Preference Share Capital amounting to Rupees 14,95,41,500 would be made to the preference shareholders as and when the funds would be available with the Company within a period of 3 years from the Effective Date and till such time, the amount payable will be treated as loan in the books of accounts of the Company.
- 3.3. Till the time of repayment of loan by the Company, rate of interest payable by the Company on such outstanding loan shall be as per the provisions of Section 186(7) of Companies Act, 2013 and rules made thereunder.
- 3.4. For the sake of clarity, it is clarified that there will not be any immediate outflow / payout of funds from the company for making the scheme effective.
- 3.5. The Proposed Scheme, if approved, would not, in any manner, be prejudicial to the interest of the members or creditors of the Company. The Scheme would not affect the ability of the Company to honour its commitments or pay its debts. Accordingly, the proposed scheme would not, in any way adversely affect the Company in its ordinary course of business or its shareholders or creditors.
- 3.6. Upon this Scheme becoming effective, the Company shall, without any further application, act, instrument or deed, give effect to the capital reduction by way of reducing its entire Preference Share Capital.
- 3.7. The revised share capital structure of the company shall be reflected in the books of accounts of the Company in the following manner as on effective date :

SHARE CAPITAL	AMOUNT (IN RS.)
AUTHORISED SHARE CAPITAL	
1,70,00,000 Equity Shares of Rs. 10/- each	17,00,00,000
19,00,000 Preference Shares of Rs. 100/- each	19,00,00,000
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	
43,59,000 Equity Shares of Rs. 10/- each	4,35,90,000



4. Approval of Shareholders

- 4.1. The Scheme is required to be approved by the shareholders of the Company pursuant to Section 66 and other applicable provisions, if any, of the Act.
- 4.2. It is clarified that the approval of the members of the Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Company and consent / approval to any other applicable action that needs to be taken to make the scheme effective.

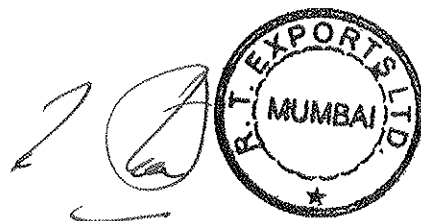
5. Effects and impact of the Scheme

- 5.1. The Scheme is merely a reduction of Preference Share Capital of the company in terms of Section 66 of Companies Act, 2013 and does not envisage transfer or vesting of any of the properties and / or liabilities of the Company to any person or entity.
- 5.2. The Scheme also does not involve any conveyance or transfer of any property of the Company and consequently the order of the Tribunal approving the scheme will not attract any stamp duty in this regard under the applicable provisions of The Bombay Stamp Act, 1958.
- 5.3. The consent of the members of the Company to this Scheme of reduction of capital of the Company shall be taken through a resolution under the provisions of Section 66 and other applicable provisions of the Act.
- 5.4. The reduction of capital will not cause any prejudice to the interest of creditors of the Company. The scheme does not involve diminution of any liability in respect of unpaid share capital of the Company. There is no reduction in the amount payable to any of the creditors of the Company, no compromise or arrangement is contemplated with the creditors.
- 5.5. The Scheme would not affect any legal or other proceedings by or against the Company.
- 5.6. Notwithstanding the reduction as mentioned above, the Company shall not be required to add "and reduced" as suffix to its name and the Company shall continue with its existing name.

6. Accounting Treatment with regard to Scheme

Upon the coming into effect of this Scheme, the treatment in the books of accounts of the Company will be as follows:-

- 6.1. The entire issued and paid up Preference Share Capital of the Company shall stand cancelled;



- 6.2. The payment of consideration for reduction of Preference Share Capital amounting to Rupees 14,95,41,500 would be made to the preference shareholders as and when the funds would be available with the Company within a period of 3 years from the Effective Date and till such time, the amount payable will be treated as loan in the books of accounts of the Company.
- 6.3. The rate of interest payable by the Company on such outstanding loan shall be as per the provisions of Section 186(7) of Companies Act, 2013 and rules made thereunder.

7. Cancellation of Preference Shares

Upon this Scheme being effective, the Preference Share certificates held by preference shareholders in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value.

8. The provisions of this Part shall operate notwithstanding anything to the contrary in this scheme.

PART III – GENERAL TERMS AND CONDITIONS

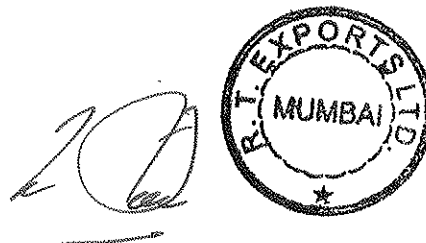
9. Application to the Tribunal

The Company shall make application(s) as may be required under applicable laws including but not limited to Section 66 of Act read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 to the Tribunal for obtaining the consent of the tribunal with respect to the Scheme.

10. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is conditional on and subject to:

- 10.1. The approval to the Scheme by the requisite majorities of the members of the Company as required under the Act;
- 10.2. The requisite sanctions and approvals under the applicable law including but not limited to approvals required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI read with Listing Regulations;
- 10.3. The scheme being approved by the Tribunal under Section 66 and any other applicable provisions of the Act;



11. Modifications / Amendments of the Scheme

The Company, by its Board or such other person or persons, as the Board may authorize, may make, or affect or assent to any modification or amendment of the Scheme which the Court and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable by the Board for settling any question or doubt or difficulty that may arise for -implementing and/or carrying out the Scheme or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith, as may be considered by the Board to be in the best interest of the Company and its members including the withdrawal of the Scheme, and do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme

12. Compliance with Laws

The Scheme is in accordance with section 66 of the Act and conforms to all rules, regulation and guidelines framed and issued by SEBI.

This Scheme has been drawn up to comply with the provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Income-tax Act, 1961 at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provision of the Income-tax Act, 1961.

13. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/or provisions of this Scheme. If any part of the Scheme is held to be invalid or ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification to the Scheme. The Board shall be entitled to revoke, cancel and declare the Scheme to have no effect, if the Board is of the view that the coming into effect of the Scheme would have adverse implications on the Company.

14. Costs, Charges and Expenses

All past, present and future costs, charges, levies, duties, and expenses in relation to or in connection with or incidental to the Scheme or the implementation thereof shall be borne by the Company.

