

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF BOARD OF DIRECTORS OF RITESH PROPERTIES AND INDUSTRIES LIMITED ("COMPANY") HELD ON SEPTEMBER 18, 2018 AT 3.00 P.M. AT REGISTERED OFFICE , 11/5B, FIRST FLOOR, PUSA ROAD, NEW DELHI 110060

APPROVAL OF SCHEME OF AMALGAMATION AMONGST RITESH SPINNING MILLS LIMITED ("RSML"), RITESH IMPEX PRIVATE LIMITED ("RIPL"), H B FIBRES LIMITED ("HBFL") AND COMPANY

The Chairman informed the Board regarding its proposed plan for amalgamation of RSML, RIPL and HBFL with and into the Company by way of a scheme of amalgamation under the provisions of section 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of law for the time being in force with effect from Appointed Date, i.e., April 1, 2018.

In this regard, the draft scheme of amalgamation amongst RSML, RIPL, HBFL and the Company ("**Draft Scheme**") along with valuation report providing for fair value of shares of all the companies and recommended share exchange ratio for the proposed amalgamation provided by M/s Santosh K Singh & Co., Chartered Accountants, New Delhi (Firm Registration No. 019877N), fairness opinion on the valuation report by M/s 3Dimension Capital Services Limited, Securities and Exchange Board of India registered Merchant Banker (Registration No. INM000012528) and Statutory Auditor's certificate relating to the accounting treatment followed in the Draft Scheme were placed before the Board at the meeting.

The aforesaid documents were also placed before the Restructuring Committee constituted by the Company for the proposed amalgamation of RSML, RIPL, HBPL with and into the Company for review. The Restructuring Committee approved all the documents and recommended the same to Audit Committee for approval and further recommendation to the Board. Further, the Audit Committee in its meeting held on September 18, 2018 considered, approved and recommended the Draft Scheme to the Board for approval along with valuation report, fairness opinion on the valuation report and the Statutory Auditor's certificate relating to the accounting treatment with the accounting standards prescribed by the Central Government under section 133 of the Companies Act, 2013.

For Ritesh Properties and Industries Ltd.

Chairman cum Managing Director

The Chairman further informed and discussed that post approval of Board, this Draft Scheme will be submitted to BSE Limited ("BSE") for seeking its observation letter and upon issue of observation letter by BSE, the Draft Scheme will be filed with the Hon'ble National Company Law Tribunal at New Delhi for its sanction.

The Board deliberated and after discussions approved the Draft Scheme unanimously. Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications, amendments or re-enactments thereof from time to time, the Board also ratified the appointment of valuer and merchant banker and appointed BSE as designated stock exchange for the purpose of coordinating with SEBI. The following resolutions were passed unanimously:

"RESOLVED THAT subject to the provisions of section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Memorandum and Articles of Association of the Company and subject to the requisite approvals of the members and creditors of the Company, Securities and Exchange board of India ("SEBI"), BSE Limited (hereinafter referred as "BSE"), the Hon'ble National Company Law Tribunal, New Delhi (hereinafter referred as "Tribunal") or any other relevant government authority or regulatory authority, body, institution (hereinafter collectively referred as "**Concerned Authority**") of competent jurisdiction under applicable laws for the time being in force empowered to approve the scheme of amalgamation amongst Ritesh Spinning Mills Limited, Ritesh Impex Private Limited, H B Fibres Limited and Ritesh Properties and Industries Limited and their respective shareholders and creditors (hereinafter referred as "**Scheme**") and subject to such conditions or guidelines, if any, as may be prescribed, imposed or stipulated in this regard by the members and/or creditors of the Company, SEBI, BSE, Tribunal or Concerned Authorities, from time to time, while granting such approvals, consents, permissions and/or sanctions, to the Scheme under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and which may be agreed to by the Board of Directors of the Company (hereinafter referred as "**Board**"), the consent of the Board be and is hereby accorded to the Scheme with effect from Appointed Date, i.e., April 1, 2018, as tabled before the Board and initialed by the Chairman.

RESOLVED FURTHER THAT the appointment of M/s Santosh K Singh & Co., Chartered Accountants (Firm Registration No. 019877N), as valuer for the purpose of determining the share exchange ratio for the Scheme, be and is hereby ratified and the valuation report dated September 12, 2018 submitted by the aforesaid valuer as placed before the Board and initialed by the Chairman, be and is hereby approved.

RESOLVED FURTHER THAT the appointment of M/s 3Dimension Capital Services Limited, SEBI registered merchant banker (Registration No. INM000012528) for providing fairness opinion dated September 14, 2018 on the valuation carried out by M/s Santosh K Singh & Co.,

For Ritesh Properties and Industries Ltd.

Chairman Cum Managing Director

Chartered Accountants, be and is hereby ratified and the fairness opinion submitted by the aforesaid merchant banker placed before the Board and initialed by the Chairman, be and is hereby approved.

RESOLVED FURTHER THAT the following share exchange ratio for allotment of shares of the Company to the shareholders and debenture holders of the Ritesh Spinning Mills Limited ("RSML"), Ritesh Impex Private Limited ("RIPL") and H B Fibres Limited ("HBFL") as stated in the valuation report be and is hereby approved:

- (a) 4 (Four) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the shareholders of RSML in lieu of 1 (One) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up held by equity shareholders of RSML;
- (b) 4 (Four) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the debenture of RSML in lieu of every 1 (One) equity share of Rs. 10/- to be issued as per terms and conditions of conversion of compulsorily convertible debentures of Rs. 5,000/- (Rupees Five Thousand only) each of RSML to the existing compulsorily convertible debenture holder of RSML;
- (c) 1,756 (one Thousand Seven Hundred and Fifty Six) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the shareholders of RIPL in lieu of 1 (One) equity shares of Rs. 100/- (Rupees One Hundred only) each fully paid up held by equity shareholders of RIPL; and
- (d) 14 (Fourteen) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the shareholders of HBFL in lieu of 1 (One) equity share of Rs. 10/- (Rupees Ten only) each fully paid up held by equity shareholders of HBFL.

The fractional shares, if any, to be issued to equity shareholders and debenture-holders of RSML, RIPL and HBFL shall be rounded off to the nearest whole integer.

RESOLVED FURTHER THAT Certificate of M/s. S.M. Mathur & Co., Chartered Accountants (Firm Registration No. 006588N), the Statutory Auditors of the Company regarding compliance of the accounting treatment in the Scheme with the accounting standards specified by the Central Government under section 133 of the Act, be and is hereby approved.

RESOLVED FURTHER THAT the report of Audit Committee dated September 18, 2018 recommending the draft Scheme, taking into consideration, inter-alia the valuation report and fairness opinion as placed before the Board, be and is hereby approved.

For Ritesh Properties and Industries Ltd.

Chairman Cum Managing Director

RESOLVED FURTHER THAT a report of directors, as tabled before the Board and initialed by the Chairman, explaining the effect of Scheme on key-managerial personnel, promoter and non-promoter shareholders and other stakeholders of the Company laying out in particular the share exchange ratio is hereby approved.

RESOLVED FURTHER THAT BSE is the designated stock exchange for the purpose of coordinating with SEBI.

RESOLVED FURTHER THAT Mr. Sanjeev Arora, Chairman Cum Managing Director (DIN: 00077748), and Mr. Kavya Arora, Director (DIN: 02794500) of the Company be and are hereby severally authorized to make such alteration(s) and change(s) in the Scheme as they deem fit or which may be expedient or necessary to effectively implement Scheme or which may be expedient or necessary for satisfying the requirement(s) or condition(s) imposed by BSE, Tribunal and/or Concerned Authorities and/or members and/or creditors of the Companies, provided that prior approval of Board shall be obtained for making any material change(s) in the Scheme as approved in this meeting.

RESOLVED FURTHER THAT Mr. Sanjeev Arora, Chairman Cum Managing Director (DIN: 00077748), and Mr. Kavya Arora, Director (DIN: 02794500) of the Company, be and are hereby severally authorized:

- a) to make, prepare, sign and file necessary documents along with Scheme with BSE or SEBI or any other body or regulatory authority or agency to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto;
- b) to make, prepare, sign and file applications, petitions, affidavits and such other documents as may be necessary with Tribunal;
- c) to obtain waiver/directions for holding meetings of the members and creditors of the Company and to sign and issue public advertisements and notices in connection with Scheme;
- d) to make any amendment(s), alteration(s) and modification(s) in the Scheme as may be suggested by the members and creditors of the Company, SEBI, BSE, Tribunal and/or Concerned Authorities;
- e) to engage, hire, appoint and remove one or more counsel/advocate/pleader to represent and act on behalf of the Company in the proceedings before the Tribunal, SEBI, BSE, Concerned Authorities and/or any other authority in any matter related to Scheme;
- f) to do such things and to take such steps as may be necessary for getting the Scheme approved by members, creditors and sanctioned by Tribunal and/or Concerned Authorities;

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- g) to do all such things and to take all such steps as may be necessary for the purpose of ensuring compliance with the directions that may be given by the BSE, SEBI, Tribunal and/or Concerned Authorities;
- h) to furnish certified true copies of this resolution as and when necessary; and
- i) to delegate all or any of the aforesaid powers to any other person by way of a valid power of attorney.

RESOLVED FURTHER THAT all acts, deeds, matters and things done by the authorized signatories/ representatives for the aforementioned purpose shall have the same effect as if done by the Board and the Board hereby ratifies/ agrees to ratify any acts, deeds and things done/caused to be done by any authorized signatory i.e. pursuant to the foregoing resolution."

//Certified True Copy//
For Ritesh Properties and Industries Limited

For Ritesh Properties and Industries Ltd.

Sanjeev Arora
(DIN: 00077748)
Chairman Cum Managing Director

Place: New Delhi
Date: September 18, 2018

REPORT ADOPTED BY BOARD OF DIRECTORS OF RITESH PROPERTIES AND INDUSTRIES LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 IN ITS MEETING HELD ON TUESDAY, SEPTEMBER 18, 2018, AT 3.00 P.M. AT REGISTERED OFFICE , 11/5B, FIRST FLOOR, PUSA ROAD, NEW DELHI 110060

1. Background:

- 1.1 The proposed scheme of amalgamation ("**Scheme**") provides for the amalgamation of Ritesh Spinning Mills Limited ("**RSML**" or "**Transferor Company 1**"), Ritesh Impex Private Limited ("**RIPL**" or "**Transferor Company 2**") and H B Fibres Limited ("**HBFL**" or "**Transferor Company 3**") with and into Ritesh Properties and Industries Limited ("**Company**" or "**Transferee Company**") on a going concern basis as per the provision of section 230 to 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. For the sake of convenience, RSML, RIPL and HBFL are hereinafter collectively referred to as "**Transferor Companies**". Further, the Transferor Companies and Transferee Company are hereinafter collectively referred to as "**Companies**".
- 1.2 The following documents have already been considered and approved by the Audit Committee of the Company and recommended by them to the Board of Directors of the Company:
 - 1.2.1 Draft Scheme;
 - 1.2.2 Valuation Report issued by M/s Santosh K Singh & Co., Chartered Accountants, Firm Regn. No. 019877N dated September 12, 2018 recommending share exchange ratio for the Scheme;
 - 1.2.3 Fairness Opinion dated September 14, 2018 issued by M/s 3Dimension Capital Services Limited, Securities and Exchange Board of India ("**SEBI**") registered Merchant Banker (Regn. No. INM000012528).indicating that the share exchange ratio recommended in the valuation report appears to be fair and reasonable;
 - 1.2.4 Certificate received from M/s S.M. Mathur & Co., Chartered Accountants, Firm Regn. No. 006588N, statutory auditors of the Company confirming the Accounting Treatment followed in the Scheme is in compliance with the

For Ritesh Properties and Industries Ltd.

applicable Accounting Standards as specified by the Central Government under section 133 of the Act.

- 1.3 Upon amalgamation of Transferor Companies with and into Transferee Company, the Transferor Companies shall stand dissolved without following the process of winding up.

2. Rational for the Scheme:

Scheme shall have the following objectives:

- 2.1 This Scheme envisages amalgamation of the Transferor Companies with and into the Transferee Company, resulting in consolidation of the businesses of the Transferor Companies in one entity, simplifying its holding structure and strengthening the position of amalgamated entity (i.e. Transferee Company) thereby enabling it to harness and optimize synergies of the Transferor Companies. It is intended that the Transferee Company shall have a sharper focus on underlying businesses with an aim of achieving operational efficiencies. Accordingly, consolidation of businesses of Companies would be in the best interests of Companies as well as their respective shareholders and other stakeholders. The proposed amalgamation of Transferor Companies with and into Transferee Company is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholder value and to achieve higher long-term financial returns.
- 2.2 In addition to the foregoing advantages as stated above, the amalgamation would also result in intermediary benefits as stated hereunder:
- 2.2.1 Optimum and efficient utilization of resources either in form of assets and sharing of ancillary facilities;
 - 2.2.2 Collaboration and enhancement of competitive strengths of Companies including their financial, human and technological resources;
 - 2.2.3 Benefit of obtaining synchronisation of synergies ;
 - 2.2.4 Structured and better management focussing on holistic growth of the businesses.
 - 2.2.5 Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization, efficiency and optimum utilization of various resources.
- 2.3 Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter members, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

For Ritesh Properties and Industries Ltd.

Chairman Cum Managing Director

3. Consideration:

3.1 The Board of Directors were informed that the Company shall issue its equity shares in consideration of the amalgamation to the shareholders and debenture-holders of the Transferor Companies in the following manner:

- 3.1.1 4 (Four) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the shareholders of RSML in lieu of 1 (One) equity share of Rs. 10/- (Rupees Ten only) each fully paid up held by equity shareholders of RSML;
- 3.1.2 4 (Four) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the debenture of RSML in lieu of every 1 (One) equity share of Rs. 10/- to be issued as per terms and conditions of conversion of compulsorily convertible debentures of Rs. 5,000/- (Rupees Five Thousand only) each of RSML to the existing compulsorily convertible debenture holder of RSML;
- 3.1.3 1,756 (one Thousand Seven Hundred and Fifty Six) equity shares of Rs. 10/- (Rupees Ten only) each fully paid of the Company up to the shareholders of RIPL in lieu of 1 (One) equity share of Rs. 100/- (Rupees One Hundred only) each fully paid up held by equity shareholders of RIPL;
- 3.1.4 14 (Fourteen) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the shareholders of HBFL in lieu of 1 (One) equity share of Rs. 10/- (Rupees Ten only) each fully paid up held by equity shareholders of HBFL; and
- 3.1.5 The fractional shares, if any, to be issued to equity shareholders and debenture holders of the Transferor Companies shall be rounded off to the nearest whole integer.

3.2 The Board of Directors has also adopted the valuation report issued by M/s. Santosh K Singh & Co., Chartered Accountants, Firm Regn. No.019877N and fairness opinion issued by M/s 3Dimension Capital Services Limited, SEBI registered Merchant Banker (Regn. No. INM000012528) on the said valuation report indicating that share exchange ratio provided in valuation report is fair reasonable, recommended and approved by Audit Committee of the Company in its meeting.

For Ritesh Properties and Industries Ltd.

Chairman cum Managing Director

4. Effect of Scheme on stakeholders of Transferee Company:

S. No.	Particulars	Effect
1.	Key Managerial Personnel	No effect
2.	Directors	No effect, the directors of the Transferee Company and they will continue to act as directors pursuant to the effectiveness of the Scheme.
3.	Promoter Equity Shareholders	Consequent to the allotment of shares by the Transferee Company to the shareholders and debenture-holders of Transferor Companies, the percentage of equity shareholding of the promoters in the Transferee Company shall be increased.
4.	Non-promoter Equity Shareholders	Consequent to the allotment of shares by the Transferee Company to the shareholders and debenture-holders of Transferor Companies, the percentage of holding of equity shares in the Transferee Company shall stand reduced.
5.	Employee	No effect, the present employees shall continue to act as employees of the Transferee Company, pursuant to the effectiveness of the Scheme.
6.	Secured Creditors	The Scheme shall not have any adverse effect on the secured creditors of the Transferee Company as the net worth of the Transferee Company and upon merger of Transferor Companies with the Transferee Company, the assets of the Transferee Company will be more than sufficient to discharge its liabilities and further, the Scheme does not involve any compromise or arrangement with any secured creditors of the Transferee Company.
7.	Unsecured Creditors	The Scheme shall not have any adverse effect on the unsecured creditors of the Transferee Company as the net worth of the Transferee Company and upon merger of

For Ritesh Properties and Industries Ltd.

Chairman cum Managing Director

		Transferor Companies with the Transferee Company, the assets of the Transferee Company will be more than sufficient to discharge its liabilities and further, the Scheme does not involve any compromise or arrangement with any unsecured creditors of the Transferee Company.
8.	Depositors	No effect, as there is no depositor in the Transferee Company.
9.	Debenture holders	No effect, as there is no debenture holder in the Transferee Company.

5. Adoption of the report by board of directors of Transferee Company:

The Board of Directors have unanimously adopted this report after noting and considering the information set forth in this report.

Certified True Copy
For Ritesh Properties and Industries Limited

For Ritesh Properties and Industries Ltd.

Sanjeev Arora
Chairman Cum Managing Director
Din: 00077748

Date: 18.09.2018
Place: New Delhi

**REPORT OF AUDIT COMMITTEE OF RITESH PROPERTIES AND INDUSTRIES LIMITED
 RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF RITESH SPINNING
 MILLS LIMITED, RITESH IMPEX PRIVATE LIMITED AND H B FIBRES LIMITED WITH
 RITESH PROPERTIES AND INDUSTRIES**

Members of Committee present in the meeting:

1. **Mr. Surendar Kumar Sood (Chairman)**
2. **Mr. Gurpreet Singh Brar (Member)**
3. **Mr. Roop Kishore Fatehpuria (Member)**

Background:

A meeting of the Audit Committee of the Company was held on Tuesday, September 18, 2018 at 12:00 p.m. to consider and recommend the draft scheme of amalgamation ("**Scheme**") of Ritesh Spinning Mills Limited ("**RSML**"), Ritesh Impex Private Limited ("**RIPL**") and H B Fibres Limited ("**HBFL**") with and into Ritesh Properties and Industries Limited ("**Company**" or "**Transferee Company**") under section 230 to 232 of the Companies Act, 2013 ("**Act**") to the Board of Directors of the Company. *[For the sake of convenience, RSML, RIPL and HBFL are hereinafter collectively referred to as "**Transferor Companies**". Further, the Transferor Companies and Transferee Company are hereinafter collectively referred to as "**Companies**".]*

A brief description of the Transferor Companies is as follows:

- (a) RSML is a public limited company incorporated on May 31, 1994 under the provisions of the Companies Act, 1956. RSML is engaged in the business of spinning, weaving and finishing of textiles. Apart from the aforesaid business, RSML is also engaged in the business of real estate;
- (b) RIPL is a private limited company incorporated on April 27, 1994 under the provisions of the Companies Act, 1956. RIPL is engaged in the business of buying, selling, import, export and acting as a trader of all kinds of readymade garments, cloth, linen, etc. Apart from the aforesaid business, RIPL is also engaged in the business of real estate; and
- (c) HBFL is a public limited company incorporated on September 17, 1986 under the provisions of the Companies Act, 1956. HBFL is engaged in the business of buying,

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selling, import, export, acting as agents and dealers and suppliers of agricultural and non-agricultural intermediate products, metal products, handicraft, all types of textile and garment related products including silk, jute, hosiery and mixed fabrics etc. Apart from the aforesaid business, HBFL is also engaged in the business of real estate.

In terms of the Securities and Exchange Board of India ("SEBI") circular no.CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with circular no. CFD/DIL3/CIR/2017/105 dated September 21, 2017 and circular no. CFD/DIL3/CIR/2018/2 dated January 03, 2018; the Audit Committee is required to recommend the scheme of arrangement to the Board of Directors taking into consideration the valuation report, fairness opinion on the said valuation report and statutory auditor's certificate for accounting treatment under section 133 of the Act.

The Restructuring Committee in its meeting held on September 18, 2018 considered the following documents and further recommended the same to Audit Committee for its approval:

- (a) Draft Scheme;
- (b) Valuation Report received from M/s Santosh K Singh & Co., Chartered Accountants, and Firm Regn. No. 019877N dated September 12, 2018 recommending share exchange ratio for the Scheme;
- (c) Fairness Opinion dated September 14, 2018 issued by M/s 3Dimension Capital Services Limited, SEBI registered Merchant Banker (Regn. No. INM000012528) indicating that share exchange ratio recommended in valuation report appears to be fair reasonable; and
- (d) Certificate received from M/s S.M. Mathur & Co., Chartered Accountants, Firm Regn. No. 006588N, statutory auditors of the Company confirming the accounting treatment specified in the scheme of amalgamation is in compliance with the Accounting Standards prescribed by Central Government as specified under section 133 of the Act.

Proposed Scheme of Amalgamation

The Audit Committee reviewed the draft Scheme, valuation report, fairness opinion and noted the following salient features and benefits of the Scheme:

- (a) The proposed amalgamation will result in consolidation of the businesses of the Transferor Companies in one entity, simplifying its holding structure and strengthening position of amalgamated entity (i.e. Transferee Company) thereby enabling it to harness and optimize synergies of the Transferor Companies.
- (b) The Transferee Company shall have a sharper focus on underlying businesses with an aim of achieving operational efficiencies. Accordingly, consolidation of businesses of

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Director

Companies would be in the best interests of Companies as well as their respective shareholders and other stakeholders.

- (c) The proposed amalgamation of Transferor Companies with and into Transferee Company is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholder value and to achieve higher long-term financial returns.
- (d) Any cross holding of shares between the Transferor Company and the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed.
- (e) The Transferee Company shall issue its equity shares as consideration to the draft Scheme in the following manner:
 - (i) 4 (Four) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the shareholders of RSML in lieu of 1 (One) equity share of Rs. 10/- (Rupees Ten only) each fully paid up held by equity shareholders of RSML;
 - (ii) 4 (Four) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the debenture of RSML in lieu of every 1 (One) equity share of Rs. 10/- to be issued as per terms and conditions of conversion of compulsorily convertible debentures of Rs. 5,000/- (Rupees Five Thousand only) each of RSML to the existing compulsorily convertible debenture holder of RSML;
 - (iii) 1,756 (one Thousand Seven Hundred and Fifty Six) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the shareholders of RIPL in lieu of 1 (One) equity shares of Rs. 100/- (Rupees One Hundred only) each fully paid up held by equity shareholders of RIPL; and
 - (iv) 14 (Fourteen) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company to the shareholders of HBFL in lieu of 1 (One) equity share of Rs. 10/- (Rupees Ten only) each fully paid up held by equity shareholders of HBFL.

The fractional shares, if any, to be issued to equity shareholders and debenture-holders of RSML, RIPL and HBFL shall be rounded off to the nearest whole integer.

- (f) Upon the proposed amalgamation becoming effective all assets, liabilities, contracts, rights, obligations etc. of Transferor Companies as at the appointed date shall stand transferred to Transferee Company and the Transferor Companies stand dissolved without any further act or deed.

The Scheme shall result in following benefits:

The Scheme envisages amalgamation of the Transferor Companies with and into the Transferee Company, resulting in consolidation of the businesses of the Transferor Companies in one entity, simplifying its holding structure and strengthening position of amalgamated entity (i.e.

For Rite in Properties & Industries Ltd.

Director

Transferee Company) thereby enabling it to harness and optimize synergies of the Transferor Companies. It is intended that the Transferee Company shall have a sharper focus on underlying businesses with an aim of achieving operational efficiencies. Accordingly, consolidation of businesses of Companies would be in the best interests of Companies as well as their respective shareholders and other stakeholders. The proposed amalgamation of Transferor Companies with and into Transferee Company is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholder value and to achieve higher long-term financial returns. The amalgamation would also result in intermediary benefits as stated hereunder:

- (a) Optimum and efficient utilization of resources either in form of assets and sharing of ancillary facilities;
- (b) Collaboration and enhancement of competitive strengths of Companies including their financial, human and technological resources;
- (c) Benefit of obtaining synchronisation of synergies;
- (d) Structured and better management focussing on holistic growth of the businesses; and
- (e) Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization, efficiency and optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter members, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

Recommendation of the Audit Committee:

Taking into consideration the share exchange ratio prescribed in the valuation report and the fairness opinion on the said share exchange ratio, the Audit Committee unanimously agreed to recommend the draft scheme of amalgamation for favorable consideration to the Board of Directors of the Company.

**Certified True Copy
For Ritesh Properties and Industries Limited**

For Ritesh Properties & Industries Ltd.

Kavya Arora
Director
Din: 02794500

Date: 18.09.2018

Place: New Delhi



Ref.....

Auditor's Certificate

Dated :

To,

The Board of Directors,
Ritesh Properties and Industries Limited
11/5b, First Floor, Pusa Road,
New Delhi 110060.

We, the statutory auditors of Ritesh Properties and Industries Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 20 (as reproduced in Annexure-I) of the Draft Scheme of Amalgamation amongst Ritesh Spinning Mills Limited, Ritesh Impex Private Limited, H.B. Fibres Limited and Ritesh Properties and Industries Limited in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles. Copy of Annexure-I attached herewith.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the Ritesh Properties and Industries Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange (BSE). This Certificate should not be used for any other purpose without our prior written consent.

for **S.M. Mathur & Co.**
Chartered Accountants
Firm Registration No.: **006588N**

(S.M. Mathur)
Designation: Proprietor
Membership Number: **013066**



Place: New Delhi
Date: 17.10.2018.

20 ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per the "Indian Accounting Standard (Ind AS) 103 for Business Combination" prescribed under section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time such that:-

- 20.1** Transferee Company shall, record all the assets and liabilities, including reserves of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of Transferor Company on the Appointed Date.
- 20.2** Inter-se-investment, if any, in the share capital between the Companies as appearing in the books of accounts of Transferee Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 20.3** The loans and advance or payables or receivables of any kind, held inter-se, if any between Transferor Companies and Transferee Company, as appearing in their respective books of accounts shall stand discharged.
- 20.4** Transferee Company shall record in its books of accounts, all transactions of Transferor Companies in respect of Said Assets and Said Liabilities, income and expenses, from Appointed Date to Effective Date.
- 20.5** The difference between the share capital issued by the Transferee Company and the net assets of the Transferor Company acquired would be adjusted in the capital reserves of the Transferee Company. Also, the difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves of the Transferee Company.
- 20.6** If at the time of amalgamation, Transferor Company and Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by Transferee Company following the amalgamation. The effects on the financial statements of any changes in accounting policies should be reported in accordance with the applicable accounting standards.





SANTOSH K SINGH & CO.

Chartered Accountants

Off. Add. : G-9, H-3, Vardhman Plaza Tower, Netaji Subhash Place,
Pitampura, New Delhi-110034

Phone : +91-011-47243749 (M) : 9212074473, 9810265710

E-mail : sksingh258@yahoo.com

Sept 12, 2018

STRICTLY PRIVATE AND CONFIDENTIAL

The Board of Directors
Ritesh Properties and Industries Limited
11/5B, Pusa Road, New Delhi-110060

The Board of Directors
Ritesh Impex Private Limited
11/5B, Pusa Road, New Delhi-110060

The Board of Directors
H B Fibres Limited
11/5B, Pusa Road, New Delhi-110060

The Board of Directors
Ritesh Spinning Mills Limited
11/5B, Pusa Road, New Delhi-110060

Dear Sir,

Subject: *Recommendation on Swap ratio for allotment of equity shares of Ritesh Properties And Industries Limited ('RPIL') to the equity shareholders of Ritesh Impex Private Limited ('RIPL'), H B Fibres Limited ('HBFL') and Ritesh Spinning Mills Limited (RSML) upon the merger of RIPL, HBFL, RSML with RPIL*

In terms of our engagement letter dated July 23, 2018, Santosh K Singh & Co., Chartered Accountants (SKS), has carried out an independent valuation of RPIL, RIPL, HBFL and RSML with a view to recommend a share exchange ratio for the purpose of determining number of equity shares of RPIL to be issued to equity shareholders of RIPL, HBFL and RSML pursuant to the proposed merger (RPIL, RIPL, HBFL and RSML are collectively referred to as "Companies").



In the following paragraphs, we have summarized the valuation analysis of RPIL, RIPL, HBFL and RSML as on 1st April 2018 ('Appointed Date') together with the description of the methodologies used and limitation on our scope of work.

CONTEXT AND PURPOSE

We understand that the Management of RPIL is contemplating a restructuring exercise wherein it proposes to merge RIPL, HBFL and RSML into RPIL to achieve synergies through focused business segments and leverage on its operations for future growth ("Transaction").

This would be achieved by a Scheme of Arrangement for merger ("Scheme") under the relevant provisions of the Companies Act.

In this connection, SKS has been appointed to carry out the relative valuation of RPIL, RIPL, HBFL and RSML with a view to recommend a share exchange ratio.

The information contained herein and our report is confidential. It is intended only for the sole use and information of the Companies, and only in connection with the Scheme of Arrangement. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Scheme of Arrangement as aforesaid, can be done only with our prior permission in writing.

BACKGROUND INFORMATION

Ritesh Properties And Industries Limited (RPIL or the Company) is a company registered under Companies Act, 1956 having its registered office at 11/5B, Pusa Road, New Delhi-110060 in the state of Delhi and its equity shares are listed on the Bombay Stock Exchange Limited (BSE). Ritesh Properties and Industries Ltd (RPIL) is a leading company with business interests in Real Estate & garment Industry.

Ritesh Impex Private Limited (RIPL) is a company registered under Companies Act, 1956 having its registered office at 11/5B, Pusa Road, New Delhi-110060 in the state of Delhi and is owned 86.11% by the Femella Fashions Private Limited. RIPL is engaged in the business of buying, selling, import, export and acting as a trader of all kinds of readymade garments, cloth, linen, etc. Apart from the aforesaid business, RIPL is also engaged in the business of real estate.

H B Fibres Limited (HBFL) is a company registered under Companies Act, 1956 having its registered office at 11/5B, Pusa Road, New Delhi-110060. It is 100% owned by individuals. HBFL is engaged in the business of buying, selling, import, export, acting as agents and dealers and suppliers of agricultural and non-agricultural intermediate products, metal products, handicraft, all types of textile and garment related products including silk, jute, hosiery and mixed fabrics etc. Apart from the aforesaid business, HBFL is also engaged in the business of real estate.



Ritesh Spinning Mills Limited (RSML) is a company registered under Companies Act, 1956 having its registered office at 11/5B, Pusa Road, New Delhi-110060 in the state of Delhi and is owned by the individuals. RSML is engaged in the business of spinning, weaving and finishing of textiles. Apart from the aforesaid business, RSML is also engaged in the business of real estate.

SOURCES OF INFORMATION

For arriving at the share exchange ratio, we have relied upon the following information, as provided to us by the Management of the Companies:

- Brief background of the business of RPIL, RIPL, HBFL and RSML;
- Audited financial statements of RPIL, RIPL, HBFL and RSML for the financial years ended 31st March 2016, 31st March 2017, 31st March 2018;
- Projected financial statements of Fashion segment in RPIL ;
- Draft Scheme of Arrangement of proposed merger;
- Shareholding pattern of RPIL, RIPL, HBFL and RSML as at March 31st, 2018;
- Discussions with the management of Companies including necessary information, explanations and representations provided by the management;

VALUATION METHODOLOGY

The standard of value in our analysis is defined as the price that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, in an independent third party arm's length transaction.

For the purpose of arriving at the share exchange ratio for the proposed merger, we have placed reliance on various judicial precedents laid down by Courts while deciding the matters involved in determination of share exchange ratios. The valuation of a business is an exercise which is carried out using various methodologies, to the extent applicable:

1. Net Asset Value (NAV) Method

The application of any particular method of valuation depends on the purpose for which the valuation exercise is performed, relevance of each method under the circumstances of the case and other factors as determined appropriate.

Net Asset Value (NAV) method

The asset based valuation technique is based on the value of the underlying net assets of the business. Under this method, the net assets as per financial statements are adjusted for the market value of surplus/ non-operating assets, contingent liabilities which may be crystallized and other adjustments as determined appropriate.

a) RIPL, HBFL AND RSML:



We have used NAV method considering the fact that RIPL, HBFL and RSML are all asset holding companies (predominantly in the form of real assets) and do not have any other significant operations in place.

b) **RPIL:**

We have used NAV method considering the fact that RPIL has both operating and non-operating assets in its books and we have considered the adjusted NAV of RPIL after taking into account the fair value of those operating assets and non –operating assets separately and using sum of the part approach for arriving at the overall value of RPIL.

RELATIVE VALUATIONS

The Fair basis for the proposed merger of RIPL, HBFL and RSML into RPIL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purpose of recommending a share exchange ratio, it is necessary to arrive at the single relative value of the RIPL, HBFL, RSML and RPIL. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity value, but at their relative values to facilitate the determination of a fair shares exchange ratio. For the purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

Valuation of RIPL, HBFL, RIPL and RSML

For valuation of HBFL, RIPL and RSML we have applied the following weightages:

- Net Asset Value (NAV) Method (100%),

We have assigned weightage of 100% to Net Asset Value method being the most relevant method.

For valuation of RIPL we have applied the following weightages:

- Adjusted Net Asset Value (NAV) Method (100%) applying the fair value of operating (using DCF method for non-real estate assets including fabric trading business) and non-operating assets (using market value for real estate assets),

We have assigned weightage of 100% to Net Asset Value method being the most relevant method.

It may be noted that for RSML, we have considered the fully diluted share capital including Compulsorily Convertible Debenture (CCD) on “As if converted Basis” (basis the terms and conditions as are applicable to the conversion of CCDs into equity shares).



SCOPE LIMITATIONS

This report is subject to the limitation detailed hereinafter. As such the report has to be read in totality, and not in parts, in conjunction with the relevant documents referred to above.

- Computation of share exchange ratio is specific to the intended purpose as agreed in the terms of our engagement letter. Accordingly, the share exchange ratio should not be used for any other purpose nor would it be applicable as at any other date.
- We owe responsibility only to the Board of Directors of the Companies, and do not accept any liability to any third party, in relation to this report. Neither the report nor the contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement, without our prior written consent.
- The determination of share exchange ratio involves considerable exercise of professional judgment as regards alternative methodologies and is also significantly influenced by prevailing industry, economic and market (including capital market) conditions. We have exercised reasonable care while exercising professional judgment and consideration of the aforesaid factors; however it is possible that any other valuer may not agree with the methodologies used by us and the relevant factors considered by us.
- Valuation analysis performed by us is not and should not be construed to constitute as an audit. SKS is not expressing any opinion on any GAAP related issues and has not offered any attestation services. The above mentioned procedures were performed to the extent of data provided to us by the management of RPIL, RIPL, HBFL and RSML.
- Valuation analysis is also specific to the date of this report. An exercise of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. As such, our results are, to a significant extent, subject to continuance of current trends beyond the date of the report. We, however, have no obligation to update this report for events, trends or transactions relating to RPIL, RIPL, HBFL and RSML or the market / economy in general and occurring subsequent to the date of this report.
- Our report on valuation analysis was based on inquiries of and discussions with management of RPIL, RIPL, HBFL and RSML and reading of the documents provided to us. In the course of our valuation analysis, we have relied upon financials and other information, including estimates of future financial performance and assumptions thereof, provided by management of RPIL, RIPL, HBFL and RSML.
- Our conclusions are dependent on such information being complete and correct in all material respects. We have not conducted an independent audit, due diligence review or validation of such information and estimates of future financial performance for the purpose of this assignment. Accordingly, we don't express an opinion or any other form of assurance thereon and we accept no responsibility or liability for any losses occasioned to RPIL or RIPL, HBFL and RSML, their directors or shareholders or to any other party as a result of our reliance on such information.



- No representation is made as to the accuracy or completeness of such information unless expressly stated and nothing in our report should be relied as a representation of the future.
- We make no representation or warranty as to the accuracy or completeness of the information used for our analysis, including any estimates, and shall have no liability for any representations (expressed or implied) contained in, or for any omission from, these procedures.
- We have performed our analysis of RPIL, RIPL, HBFL and RSML for the aforesaid purpose and no account has been taken of any discount or premium that may be negotiated in the market in the event of a distress sale.
- It is understood that this report is required in connection with the limited purpose and will not be used to solicit either directly or indirectly – investments in RPIL or RIPL, HBFL and RSML or otherwise for any transaction.
- This report was not prepared by SKS for use by prospective financing sources. If, at any time, a potential financing source reviews this report, such financing source should conduct their own investigation and analysis of the data set forth in this document, obtain their own independent advice, and reach their own conclusions.
- SKS is not required to give testimony or to appear in court by reason of this valuation analysis, with reference to the Companies in the report.
- Any inferences drawn from this valuation report should consider the report in its entirety.
- Nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose. We are not responsible for arithmetical accuracy / logical consistency of any information provided by RPIL or RIPL, HBFL and RSML and used in our analysis.
- The recommendation rendered in this report only represent the recommendations of SKS based upon information provided by the management of RIPL, HBFL and RSML and JBM and other sources and said recommendations shall be considered advisory in nature. Our recommendation will however not be for advising anybody to take buy or sell decision for which specific opinion needs to be taken from expert advisors.
- Our valuation analysis should not be constructed as investment advice; specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with RIPL, HBFL and RSML or RPIL.

SHARE EXCHANGE RATIO

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion, the share exchange ratio for the merger of RIPL, HBFL and RSML into RPIL works out to be as under:



Valuation Approach	RPIL		RIPL		HBFL		RSML	
	Values per share	Weight	Values per share	Weight	Values per share	Weight	Values per share	Weight
Net Assets Value	60.01	100%	1,05,345.27	100%	812.94	100%	263.65	0%
Market Price Method	-	0%	-	0%	-	0%	-	0%
Discounted Cash Flow Method	-	0%	-	0%	-	0%	-	0%
Price Earning Capacity Value	-	0%	-	0%	-	0%	-	0%
Relative Value per Share	60.01		1,05,345.27		812.94		263.65	
Share Allotment Ratio for RIPL	1756		1.00					
Share Allotment Ratio for HBFL	14				1.00			
Share Allotment Ratio for RSML	4						1.00	

- **1,756 (One thousand seven hundred Fifty six)** equity shares of face value of Rs. 10 each of RPIL to be issued against **1 (One)** equity shares of face value of Rs. 100/- each of RIPL to the existing shareholders of RIPL
- **14 (Fourteen)** equity shares of face value of Rs. 10/- each of RPIL to be issued against every **1 (One)** equity shares of face value of Rs. 10/- each of HBFL to the existing shareholders of HBFL
- **4 (Four)** equity shares of face value of Rs. 10/- each of RPIL to be issued against every **1 (One)** equity shares of face value of Rs. 10/- each of RSML to the existing shareholders of RSML.
- **4 (Four)** equity shares of face value of Rs. 10/- each of RPIL to be issued against every **1 (One)** equity shares of Rs. 10 to be issued as per terms and conditions of conversion of CCD of face value of Rs. 5,000/- each of RSML to the existing CCD holders of RSML.

We have not looked any other aspect of the proposed merger except the aforesaid share Exchange Ratio.

For M/s Santosh K Singh & Co.

Chartered Accountants

Firm Registration No. 019877N

 

Santosh K Singh

(Partner)

M. No. 502320

Place: New Delhi

Dated: Sept 12, 2018



3DIMENSION CAPITAL SERVICES LIMITED

SEBI Registered (Category – I) Merchant Banker
SEBI Registration No. INM000012528

OUR PATH YOUR SUCCESS

FAIRNESS OPINION

SCHEME OF AMALGAMATION

AMONGST

RITESH SPINING MILLS LIMITED (TRANSFEROR COMPANY-1)

AND

RITESH IMPEX PRIVATE LIMITED (TRANSFEROR COMPANY-2)

AND

H B FIBRES LIMITED (TRANSFEROR COMPANY-3)

WITH

RITESH PROPERTIES AND INDUSTRIES LIMITED (TRANSFeree COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Prepared By:

**3DIMENSION CAPITAL SERVICES LIMITED
(SEBI RECOGNISED CATEGORY-I MERCHANT BANKING COMPANY)
SEBI REGN NO. INM000012528**

SEPTEMBER 14, 2018

The information contained herein is of a confidential nature and is intended for the exclusive use of the persons for whom it was prepared.

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OUR PATH - YOUR SUCCESS

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1. Background

Ritesh Properties and Industries Limited, is a company incorporated under the Companies Act, 1956 having its registered office at 11/5B, Pusa Road, New Delhi 110060, India ("RPIL" or "Transferee Company"). As per the information available, the equity shares of RPIL are listed at BSE Limited ("BSE").

Ritesh is widely engaged in the business of real estate and development of business parks. The Transferee Company is, presently developing an Industrial Park in the name and style of 'Hampton Business Park' located in the State of Punjab at Ludhiana.

Ritesh Spinning Mills Limited (hereinafter referred as "RSML" or "the Transferor Company 1") is a Unlisted Public Company incorporated under the provisions of Companies Act, 1956 having registered office at 11/5B, First Floor, Pusa Road, New Delhi 110060 and its main object includes spinning, weaving and finishing of textiles. Apart from the aforesaid business, RSML is engaged in the business of real estate.

Ritesh Impex Private Limited (hereinafter referred to as "RIPL" or "the Transferor Company 2") is a private Company duly incorporated under the provisions of Companies Act, 1956. The registered office of RIPL is situated at 11/5B, Pusa Road, New Delhi 110060. RIPL is engaged in the business of buying, selling, import, export and acting as a trader of all kinds of readymade garments, cloth, linen, etc. Apart from the aforesaid business RIPL is engaged in the business of real estate.

H B Fibers Limited (hereinafter referred to as "HBFL" or the "Transferor Company 3") is an unlisted public Company incorporated under the provisions of Companies Act, 1956. The registered office is situated at 11/5B, Pusa Road, New Delhi- 110060. HBFL is engaged in the business of buying, selling, import, export, acting as agents and dealers and suppliers of agricultural and non- agricultural intermediate products, metal products, handicraft, all type of textile and garment related products including silk, jute, hosiery and mixed fabrics etc. Apart from the aforesaid business, HBFL is also engaged in the business of real estate.

(For the sake of brevity, the Transferor Company 1, Transferor Company 2, Transferor Company 3 are hereinafter collectively referred as "Transferor Companies")

Considering the present circumstances, the Management of RPIL is contemplating a restructuring exercise wherein it proposes to merge RIPL, HBFL and RSML into RPIL to achieve synergies through focused business segments and leverages on its operations for future growth.

In order to give effect to the desired objective of amalgamation, the directors of RIPL, HBFL and RSML decided to amalgamate into RPIL through a scheme of amalgamation pursuant to section 230-232 and Section 66 of the Companies Act, 2013 and Rules of Companies (Compromises, Arrangements and Amalgamations) Rule 2016, SEBI circular no. CFD/DIL3/CIR/ 2017/21 dated March 10, 2017 read with circular no.

CFD/DIL3/CIR/2017/105 dated September 21, 2017 and CFD/DIL3/CIR/2018/2 dated January 03, 2018 and amendments there to.

Towards this purpose, the Board of Directors of RPIL has provided us with a certified copy of the proposed scheme of amalgamation of RIPL, HBFL and RSML with RPIL which is scheduled to be considered and approved at their board meeting to be held on September 18, 2018. The proposed scheme of amalgamation will also be placed at the meeting of the Board of Directors of the Transferor Companies at the meeting to be held on September 18, 2018.

2. Reference and Context

As the equity shares of the Transferee Company are listed on BSE Limited ("BSE") and it is bound by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions thereof as amended from time to time.

We 3Dimension Capital Service Limited, have been appointed to issue a fairness opinion as required before the Scheme of Arrangement is submitted for sanction by the National Company Law Tribunal as per the SEBI circular no CFD/DIL3/CIR/ 2017/21 dated March 10, 2017 read with circular no. CFD/DIL3/CIR/2017/105 dated September 21, 2017 and CFD/DIL3/CIR/2018/2 dated January 03, 2018 and amendments there to on valuation of assets done by an independent Valuer of Transferor Company.

We are a SEBI registered Merchant Banker and are not associated with RPIL as Merchant Banker/ consultant save for this fairness opinion and are not their associate.

We have applied ourselves towards formation and expression of the opinion on the Valuation of assets done by the Valuer Mr. Santosh K Singh, Partner of M/s Santosh K Singh & CO. (Firm Regn No. 019877N), Chartered Accountants, Membership No. 502320 having their office at G-9, H-3, Vardhman Plaza Tower, Netaji Subhash Place, Pitampura, New Delhi 110034; Tel: +91-011-47243749 (M) +91-9212074473; 9810265710; Email: sksingh258@yahoo.com ("Valuer") in relation to this proposed scheme of amalgamation.

This Fairness Opinion is issued pursuant to Mandate Letter dated September 10, 2018 issued by RPIL requesting us to issue the Fairness Opinion.

3. Proposed Transaction

RPIL proposes to merge RIPL, HBFL and RSML with itself. The proposed structure is as per the draft scheme of amalgamation provided to us RPIL.

As per the scheme and on consideration of all the relevant factors and circumstances as discussed above and outlined hereinabove, in our opinion, the share exchange ratio for the merger of RIPL, HBFL, RSML into RPIL works out as under.

Net Assets Value has been given 100% weightage to calculate relative equity values to facilitate the determination of the fair exchange ratio.

Valuation Approach	RPIL		RIPL		HBFL		RSML	
	Values per share	Weight	Values per share	Weight	Values per share	Weight	Values per share	Weight
Net Assets Value	60.01	100%	1,05,345.27	100%	812.94	100%	263.65	0%
Market Price Method	-	0%	-	0%	-	0%	-	0%
Discounted Cash Flow Method	-	0%	-	0%	-	0%	-	0%
Price Earning Capacity Value	-	0%	-	0%	-	0%	-	0%
Relative Value per Share	60.01		1,05,345.27		812.94		263.65	
Share Allotment Ratio for RPIL	1756		1.00					
Share Allotment Ratio for HBFL	14				1.00			
Share Allotment Ratio for RSML	4						1.00	

- 1756 (One Thousand Seven Hundred Fifty Six) equity shares of face value of Rs. 10 each of RPIL to be issued against 1 (One) equity share of face value of Rs. 100/- each of RIPL to the existing shareholders of RIPL.
- 14(Fourteen only) equity shares of face value of Rs. 10/- each of RPIL to be issued against 1 (One) equity share of face value of Rs. 10/- each of HBFL to the existing shareholders of HBFL.
- 4 (Four Only) equity shares of Rs. 10/- each of RPIL to be issued against every 1 (One) equity share of face value of Rs. 10 each of RSML to the existing shareholders of RSML.
- 4(Four) equity shares of face value of Rs. 10/- each of RPIL to be issued against every 1 (One) equity share of Rs. 10 to be issued as per the terms and conditions of conversion of CCD of face value of Rs. 5000/- each of RSML to the existing CCD holders of RSML.

4. Engagement

The Management of RPIL has requested 3Dimension Capital Services Limited ("3DCSL" or "We/Us/Our") to express an opinion about fairness of the valuation done by the Valuer from a financial point of view in accordance with SEBI circular no CFD/DIL3/CIR/2017/21 dated March 10, 2017. (the "Fairness Opinion")

This Opinion does not in any way constitute a recommendation by 3DCSL to any shareholder as to whether such shareholder should approve or reject the proposed transaction, in case where voting by public shareholder is warranted. We urge you to read this Fairness Opinion carefully and entirely.

We have been engaged by RPIL to issue a Fairness Opinion and will receive a fixed fee for rendering this Fairness Opinion, which is independent of the happening or otherwise of the proposed transaction.

This Fairness Opinion may be reproduced in the explanatory statement sent to the shareholders along with the notice of meeting as per the directions of National Company Law Tribunal at New Delhi/ postal ballot form, conducted to get approval for the proposed transaction, so long as the form of reproduction of the Fairness Opinion in such report and any description of or reference in such report to 3DCSL, is in form acceptable to us.

The Company has agreed to furnish a certified copy of the Board approved scheme of amalgamation and also notify us in case of any modifications carried out in the proposed scheme already furnished to us.

Our current opinion is based on the assumption that the proposed scheme of amalgamation shared with us will be adopted by all the concerned companies as such.

5. Basis of Forming Opinion

5.1. Documents and Information Considered:-

For the purpose of providing our opinion, we have reviewed:-

- a) Certain publically available business and financial information relating to RPIL, including Annual Report for the financial year ended March 31, 2018.
- b) Copy of Audited Financials for the year ended March 31, 2018 of RIPL, HBFL, RSML.
- c) Copy of proposed scheme of Amalgamation to be approved by the Board of Directors of the respective companies. (certified true copy of RPIL)
- d) Certified true copy of the Valuation report of the valuer M/s Santosh K Singh & Co, Chartered Accountants, dated September 12, 2018 on the valuation of the proposed scheme.
- e) Performed such other financial reviews and analyses as 3DCSL, in its absolute discretion, deemed appropriate.

5.2. Assumptions and Limiting Conditions:-

3DCSL has been engaged to provide standard services for the issuance of the Fairness Opinion and therefore have not performed any due diligence or audit of the information provided to us, nor have we made any independent valuation or appraisal of the assets or liabilities.

3DCSL has assumed and relied upon the truth, accuracy and competency of the information, data and financial terms provided to us or used by us, and has assumed that the same are not misleading and does not assume or accept any liability or responsibility for any independent verification or checking of such information or any independent valuation or appraisal of any of the assets, operations or liabilities of RPIL or for RIPL, HBFL, RSML.

In preparing this opinion, 3DCSL has received specific confirmation from the management of RPIL that all the information the Company has provided to 3DCSL in relation to the engagement of 3DCSL is correct and complete and no information has been withheld that could have influenced the purport of this fairness opinion.

This opinion exclusively focuses on the fairness, from a valuation point of view, of the shares/ assets done by the valuer and does not address any other issues such as the underlying business decisions to recommend the transaction or its commercial merits which are matters solely for the Board of Directors of RPIL, RIPL, HBFL and RSML to address and further to be confirmed by the shareholders of all the Companies, as may be required.

3DCSL formation of fairness opinion is based on information supplied by RPIL, representations and confirmations of its management on various issues and we have relied upon them as such without any independent verification and as such we do not hold ourselves liable if our opinion becomes flawed as a result of any shortcomings in such information, representations and confirmations given by RPIL.

In rendering this opinion, 3DCSL has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly 3DCSL does not assume any responsibility or liability in respect thereof. Furthermore 3DCSL has assumed that the proposed transaction will be consummated on the terms and conditions as set out in the proposed scheme of Amalgamation, without any material changes to, or waiver of, its terms and conditions.

6. Valuation Approaches and their Review

6.1 Overview:-

The formation of the fairness opinion is a complex process involving careful consideration and review of valuation method, associated financial and other analyses, performed by the valuer. The selection and application of any or all of the generally accepted and commonly applied valuation methods to a particular circumstance is the discretion of the valuer, and hence, in arriving at its opinion, 3DCSL has made a qualitative assessment of the appropriateness of the method and subsequent application.

6.2 Valuation:-

3DCSL has reviewed the method of valuation adopted by the Valuer. Their report states that since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no shares are proposed to be issued by the Transferee Company as consideration for the proposed merger.

The Valuer has derived the Net Assets Value of the Transferor Companies on the basis of the Book Value of each of the Transferor Companies, which pursuant to the scheme of amalgamation would be merged with the Transferee Company with effect from the appointed date.

Further, the Management Representation Letter dated September 12, 2014 provided by RPIL, interalia, the following

"that the record values of assets and liabilities stated in the Audited Balance Sheet of Transferor Companies as on March 31, 2018 reflect true and fair view of the state of affairs and no events have taken place after the Balance Sheet date which have a material impact on the said values."

6.3 Analysis of the Valuation

In the role of merchant banker giving an opinion about fairness of the valuation (mentioned above) done by the Valuer, we had to examine whether the basis of arriving at the above value and the valuation conclusion was fair. In the instant case, we performed certain procedures and made certain enquiries with the Valuer. Some of the procedures/ activities performed and the findings are mentioned below:-

- Noted that the scheme involves merger of RIPL, HBFL, RSML into RPIL where shares has been allotted as listed above under section 3 of this report.
- Noted the methodology of arriving at the Net Assets Value on Book Value basis of the Transferor Company and the same seems appropriate.
- Noted the fact that the historical values of assets and liabilities as appearing in the Balance Sheet of Transferor Companies as on March 31, 2018, reflect true and fair view of the state of affairs as on date.

7. Opinion

Based upon and subject to the foregoing, we are of the opinion on the date hereof, that the valuation done by the Valuer for the proposed scheme of amalgamation is fair.

For 3Dimension Capital Services Limited


(PRAPTI ABBEY)
Senior Manager cum Compliance Officer

