

STRICTLY PRIVATE AND CONFIDENTIAL

June 30, 2020

To,
The Board of Directors,
Revathi Equipment Limited,
Pollachi Road, Malumichampatti Post,
Coimbatore - 641050.

Dear Sirs,

Sub: Fairness Opinion on i) share entitlement ratio for the demerger of Demerged Undertaking 1 from Renaissance Advanced Consultancy Limited into Renaissance Consultancy Services Limited ii) the share exchange ratio for the proposed merger of Renaissance Stock Limited and Renaissance Advanced Consultancy Limited with Revathi Equipment Limited iii) the share exchange ratio for the proposed merger of Semac Consultants Private Limited with Revathi Equipment Limited iv) share entitlement ratio for the demerger of Demerged Undertaking 2 from Revathi Equipment Limited into Renaissance Corporate Consultants Limited recommended by the Valuer pursuant to the Proposed Scheme

We refer to the engagement letter dated June 25, 2020 ("Engagement Letter") whereby Revathi Equipment Limited ("REL" or "Transferee Company" or "the Company") has engaged Inga Ventures Private Limited ("Inga"), inter alia, to provide a fairness opinion to the Company on the Share Exchange Ratio/Share Entitlement Ratio recommended by the report dated June 30, 2020 ("Share Exchange Ratio Report / Share Entitlement Ratio Report/ Valuation Report") issued by Sorab S. Engineer & Co, Chartered Accountants ("SSECO" or "the Valuer") for the proposed demerger of Demerged Undertaking 1 (as defined in the draft Scheme of Arrangement) from Renaissance Advanced Consultancy Limited ("RACL") ("Demerged Undertaking 1") into Renaissance Consultancy Services Limited ("RCSL") on a going concern, for the proposed merger of Renaissance Stock Limited ("RSL") and RACL (collectively known as Transferor Companies) with REL, for the proposed merger of Semac Consultants Private Limited ("SCPL") with REL (both mergers together referred to as "Proposed Merger") and for the proposed demerger of Demerged Undertaking 2 (as defined in the draft Scheme of Arrangement) from REL ("Demerged Undertaking 2") into Renaissance Corporate Consultants Limited ("RCCL") on a going concern (demerger of Demerged Undertaking 1 into RCSL and Demerged Undertaking 2 into RCCL has been collectively referred to herein as "Proposed Demerger") vide a composite scheme of arrangement under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with Section 66 and other applicable provisions and rules of Companies Act 2013 ("Proposed Scheme").

The Proposed Merger and the Proposed Demerger are together hereinafter referred to as "Proposed Transaction".

Company Background and Purpose

Revathi Equipment Limited is a public limited company incorporated on May 30, 1977. The Company is engaged in blasthole drilling and water well drilling equipment. The Company operates through two segments: Construction & Mining and Engineering Design Services. It manufactures and markets Blast Hole Drills (Rotary and down-the-hole (DTH), Diesel/Electric driven) for mining applications, Jackless Drills for Construction and Mining applications, Water Well Drills, Hydro-Fracturing Units and Exploratory Drills. Its drilling rigs are used in mines, such as coal, copper, gold, iron, zinc,



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phosphate, bauxite, lignite, limestone. It also offers customers a Maintenance and Repair Contract (MARC), which enables to outsource the maintenance of all their drilling equipment. The equity shares of REL are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (BSE and NSE collectively referred to as the "Stock Exchanges").

RACL is a public unlisted company incorporated under the provisions of Companies Act, 1956 on 1st September, 2014 under Ministry of Corporate Affairs (MCA). It is primarily engaged in the business of trading in commodities.

RSL, a wholly owned subsidiary of RACL, is also incorporated under the provisions of Companies Act, 1956 on 18th December, 2008. Its registered office is in Coimbatore, Tamil Nadu. RSL is engaged in the business of activities auxiliary to financial inter-mediation, except insurance and pension funding.

SCPL, a subsidiary of REL, is incorporated under the provisions of Companies Act, 1956 on 16th January, 1987. It is engaged in the design engineering consulting with an end-to-end capabilities across architecture, structural, electrical, public health engineering (PHE), fire protection, heating, ventilation and air conditioning (HVAC), leed certifications and energy audit domains. It also provides build services that includes detail engineering, procurement, civil construction, Pre Engineered Building installation, Equipment installation, Equipment commissioning, Fire system piping, Utility piping, HVAC systems, clean rooms installation, site management keeping safety first. It is also engaged in architecture and engineering design. It was set-up in Bangalore in 1969. SCPL operates through its six offices spread across India and Middle East. REL holds 84.58% of the paid-up share capital of SCPL.

SCPL has subsidiary in Sultanate of Oman named Semac & Partners LLC ("Semac Muscat"). The company is engaged in the same business as SCPL. SCPL has 65% interest in Semac Muscat.

REL, RACL, RSL, SCPL, RCCL, RCSL, Semac Muscat are collectively known as "the Companies".

As a consideration of the demerger of Demerged Undertaking 1 into RCSL, equity shareholders of RACL will be entitled to equity shares of RCSL in the same proportion in which they own shares in RACL.

The proposal envisages, inter alia, merger of RSL and RACL with REL, whereby equity shareholders of the Transferor Companies will be entitled to the same number of shares of REL held by Transferor Companies in REL, in proportion of their shareholding in RSL and RACL on the effective date of the Proposed Merger.

The proposal also envisages, inter alia, the merger of SCPL with REL, whereby equity shares of REL will be issued to the shareholders of SCPL, other than in respect of equity shares of SCPL held by REL which will be cancelled once the Scheme becomes effective. The Valuer has arrived at a swap ratio ("Share Exchange Ratio") of 0.61 equity share of REL having a face value of INR 10/- each fully paid up for every 1 equity share of SCPL having a face value of INR 10/- each fully paid up.

Further, as a consideration of the demerger of Demerged Undertaking 2 into RCCL, equity shareholders of REL will be entitled to equity shares of RCCL in the same proportion in which they own shares in REL.





The Company in terms of the Engagement Letter has requested us to issue our independent opinion as to the fairness of the Share Exchange Ratio/Share Entitlement Ratio recommended by the Valuer ("Fairness Opinion").

Source of Information

For arriving at the opinion set forth below, we have received:

1. Share Exchange Ratio Report and Share Entitlement Ratio Report issued by the Valuer;
2. Draft of proposed Scheme of Arrangement;
3. Provisional financial statement for the period ending March 31, 2020 & June 30, 2020 for REL, SCPL and Semac Muscat
4. Audited financial statements for the period ended September 30, 2019 for RACL and RSL
5. Financial projections of REL comprising of balance sheet, profit & loss statement and capital expenditure from FY 2020-21 to FY 2025-26, as provided by the management.
6. Financial projections of SCPL & Semac Muscat comprising of balance sheet, profit & loss statement and capital expenditure from FY 2020-21 to FY 2025-26, as provided by the management of respective Companies.
7. Shareholding pattern of the Companies as on June 26, 2020.
8. Details of Contingent liabilities of REL, SCPL and Semac Muscat as on June 30, 2020.
9. Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, income- tax position and other relevant information and data, including information in the public domain
10. Management representation letter dated June 29, 2020.
11. Certain explanations and information received from the representatives of the Companies

Scope Limitations

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 the Companies for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end.

We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Companies and its related parties (holding company / subsidiary / associates / joint ventures etc.) and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Companies and its related parties.

We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by Companies on an "as is" basis for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims.

In addition, we have assumed with your consent that the Proposed Scheme will be consummated substantially in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Proposed Transaction, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Companies and its





related parties or the contemplated benefits of the Proposed Transaction. We have further assumed that such approvals, consents and releases will be duly obtained as required pursuant to applicable laws and contractual obligations, without any delays. Representatives of Companies have advised us, and we have further assumed, that the final terms of the Scheme will not vary from those set forth in the Draft Scheme reviewed by us. We have assumed that there are no circumstances that could materially affect the business or financial prospects of Companies and its related parties.

We understand that the management of Companies, 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. We have assumed that in the course of obtaining necessary regulatory or other consents, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the Proposed Scheme. 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 an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving Companies, its related parties or any of its assets, nor did we negotiate with any other party in this regard.

We express no opinion whatsoever and make no recommendation at all as to the underlying decision of the Companies to effect the Proposed Transaction. We also do not provide any recommendation to the holders of equity shares or secured or unsecured creditors of the Companies with respect to the Proposed Transaction. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of REL will trade following the announcement of the Proposed Transaction or as to the financial performance of Companies following the consummation of the Proposed Transaction. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in Companies or any of its related parties.

Conclusion

Based on our examination of the Share Exchange Ratio/Share Entitlement Ratio/Valuation Report, such other information / undertakings / representations provided to us by the management of Companies and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the recommendation made by the Valuer of the Share Exchange Ratio/Share Entitlement Ratio is fair and reasonable which is as under:

Step 1: Demerger of Demerged Undertaking 1 from RACL into RSCL:

"1 equity share of Rs. 10 each, fully paid up of RACL to be issued for every 1 equity share of Rs. 10 each held by the shareholders of RACL."

Step 2: Merger of RSL and RACL with REL:

Upon merger of RSL into REL

"4,57,000 equity shares of Rs. 10 each fully paid up of REL shall be issued and allotted as fully paid up to the equity shareholders of RSL in proportion of their shareholding in RSL."

Since RSL is a wholly owned subsidiary of RACL, upon Proposed Merger, shares of REL will be issued to RACL.





Upon merger of RACL into REL

"22,25,953 equity shares of Rs. 10 each fully paid up of REL shall be issued and allotted as fully paid up to the equity shareholders of RACL in proportion of their shareholding in RACL."

Step 3: Merger of SCPL with REL

0.61 Equity share having a face value of 10/- each fully paid up in REL for every 1 equity share having a face value of INR 10/- each fully paid up in SCPL.

(other than in respect of equity shares of SCPL held by REL which will be cancelled once the Scheme becomes effective)

Step 3: Demerger of Demerged Undertaking 2 from REL into RCCL

1 Equity share having a face value of 10/- each fully paid up in RCCL for every 1 equity share having a face value of INR 10/- each fully paid up in REL.

Distribution of the Fairness Opinion

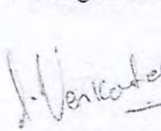
The Fairness Opinion is addressed only to the Board of Directors of Companies and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of REL and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/or creditors of the Companies. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Inga's prior written consent.

However, the Companies may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to the Companies promptly intimating Inga in writing about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

In no circumstances however, will Inga or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of Inga accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,

For Inga Ventures Private Limited


S. Venkatesh

Partner

