

**FEDEX
SECURITIES
PVT LTD**

(Formerly Known as Fedex Securities Limited)
MERCHANT BANKING DIVISION



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SEBI REGN. NO. INM 000010163

Strictly Private & Confidential

February 25, 2023

<p>The Board of Directors</p> <p>B M G Enterprises Limited</p> <p>1st Floor, DCM Bldg, 16 Barakhamba Road, New Delhi – 110 001, India</p>	<p>The Audit Committee and the Board of Directors</p> <p>Rossell India Limited</p> <p>Jindal Towers, Block – "B", 4th Floor, 21/1A/3, Darga Road, Kolkata – 700 017, West Bengal, India</p>
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Dear Members of the Board:

Sub: Addendum to our fairness opinion towards the proposed Scheme of Amalgamation between BMG Enterprises Limited and Rossell India Limited and their respective Shareholders dated July 12, 2022

We refer to our letter of engagement dated July 6, 2022 ("**LoE**") whereby Fedex Securities Private Limited ("**Fedex**" or "**we**" or "**us**") is *inter alia* engaged to provide a fairness opinion (*defined herein below*) on the Share Exchange Ratio (*defined herein below*) recommended by the Valuer (*defined herein below*) through report dated 12th July, 2022 issued by C.A. Harsh Chandrakant Ruparelia, Registered Valuer bearing registration number IBBt/RV/05/2019/11106 ("**Valuer**") for the proposed amalgamation of BMG Enterprises Limited with Rossell India Limited ("**Proposed Amalgamation**") as a part of a Scheme of Amalgamation under the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder ("**Proposed Scheme**").

We understand that subsequent to the approval of the Proposed Scheme by the Board, the following material event has occurred:

- a) Open market sale of 25,000 Equity Shares of the Transferee Company by the Transferor Company on November 17, 2022 and 7,000 Equity Shares of the Transferee Company by the Transferor Company on November 18, 2022 ("**Transfer**"); and



- b) Conversion of 10,00,000, 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each of the Transferee Company held by the Transferor Company into 10,00,000 Equity Shares of Rs. 2/- each on December 16, 2022 ("**Conversion**").

We have been made to understand that the Transferor Company and Rossell India Limited, the Transferee Company is proposing to amend the Proposed Scheme to give effect to the aforesaid material events ("**Revised Scheme**"). Accordingly, the Companies have requested the Valuer to issue an addendum to their report dated July 12, 2022 giving effect to the aforesaid material events and consequently the valuer has issued an addendum to their report dated July 12, 2022 on February 25, 2023 ("**Amended Report**").

Scheme and Purpose

It is proposed to amalgamate the Transferor Company into the Transferee Company by this Revised Scheme, after incorporating the aforesaid changes in accordance with the provisions of Sections 230-232 read with Section 66 and other relevant provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof). We have been made to understand that there is no change to the Scheme other than as mentioned herein above.

We have been given to understand by the management / shareholders of the Transferor Company that the cash / bank balance and liquid investments in the books of the Transferor Company immediately prior to the implementation of the Scheme or otherwise will be utilized to meet the costs, fees, charges, expenses (including stamp duty payable, if any) in relation to the Revised Scheme.

For the purpose of the Proposed Amalgamation of the Transferor Company with the Transferee Company, the Transferor Company and the Transferee Company has now obtained the Amended Report from the Valuer determining the Share Exchange Ratio (*defined herein below*) and has in terms of the LoE, the Companies has requested Fedex Securities Private Limited to examine the Amended Report issued by the Valuer and other related information provided by the Company and modify our earlier report dated July 12, 2022 and issue our independent opinion on the Amended Report as to the fairness of the Share Exchange Ratio ("**Amended Fairness Opinion**") as per the requirements of the relevant SEBI circulars ("**SEBI Circulars**"). This Fairness Opinion is being provided solely to the Board of Directors of the Transferor Company and Transferee Company and strictly within this context and is not intended to represent the valuation at which such transaction is carried out, and does not address the Transferee Company or Transferor Company (or any other party's) underlying business decision to proceed with or effect any commercial decisions relating to the Proposed Scheme.

As per the Amended Report dated February 25, 2023, the Valuers have recommended the following share exchange ratio ("Share Exchange Ratio**") for equity shareholders of BMG Enterprises Limited as under:**

"2,47,31,795 fully paid up equity share of Rs 2 each of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company in proportion of their holding in the Transferor Company".



Upon the Effective Date and pursuant to the Proposed Amalgamation of the Transferor Company with the Transferee Company, the entire shareholding of the Transferee Company held by the Transferor Company will stand cancelled and the Transferee Company would issue new equity shares to the shareholders of the Transferor Company, in proportion to their holding in the Transferor Company.

All terms not specifically defined in this Fairness Opinion Report shall carry the same meaning as in the Proposed Scheme.

For avoidance of doubt, this Fairness Opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in the Transferor Company and/or the Transferee Company to any person.

Brief Background of the Proposed Scheme:

1. Amended Report dated February 25, 2023 issued by the Valuer;
2. Draft of the Proposed Scheme and the Revised Scheme (as duly certified by the Management of the Companies);
3. Historical financial information for the year ended March 31, 2022 of the Transferor Company and the Transferee Company and limited review accounts as on December 31, 2022 of the Transferor Company and the Transferee Company;
4. Unaudited Provisional Financial Statements of the Companies for the period ended December 31, 2022, as certified by the Management;
5. Shareholding pattern of the Transferor Company and the Transferee Company as on December 31, 2022;
6. Management Representation Letter;
7. Board Resolution of the Transferee Company dated December 16, 2022 for conversion of CCPS of the Transferee Company into Equity Shares;
8. Necessary clarifications, explanations and information from the Valuers; and
9. Necessary explanations and information from the representatives of the Transferor Company and the Transferee Company;
10. Other information as available in public domain.

Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Share Exchange Ratio as recommended by the Valuer, is fair and reasonable to the Equity Shareholders of the Transferor Company, from a financial point of view.

This Addendum Fairness Opinion and our recommendation do not lead to change in basis of recommendation or any other approach adopted thereof. The change in recommendation is only on account of change in equity shares held by the Transferor Company in the Transferee Company, post the date of our Fairness Opinion dated July 12, 2022.

This Amended Fairness Opinion is in furtherance to our Fairness Opinion dated July 12, 2022 and shall be read in conjunction with the Fairness Opinion. All parts of the Fairness Opinion including terms and scope limitations thereof shall be applicable to this Amended Fairness Opinion.



Yours truly,

For **Fedex Securities Private Limited**



Uday Nair

Director

DIN: 03431884

Place: Mumbai