



**ADDENDUM TO REPORT DATED 12<sup>th</sup> JULY, 2022 OF THE AUDIT COMMITTEE OF ROSSELL INDIA LIMITED ("THE COMPANY") ON SCHEME OF AMALGAMATION BETWEEN BMG ENTERPRISES LIMITED ("THE TRANSFEROR COMPANY") AND ROSSELL INDIA LIMITED ("THE TRANSFEREE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME"), DISCUSSED AT ITS MEETING HELD ON 25<sup>th</sup> FEBRUARY, 2023 UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

## MEMBERS:

Mr. Rahul Bhatnagar, : Chairman of the Committee  
Ms. Nayantara Palchoudhuri : Member  
Mr. Krishan Katyal : Member

1. On the recommendations of the Audit Committee, the Board of Directors of Rossell India Limited (the Company) in its Meeting held on 12<sup>th</sup> July, 2022 had approved the proposed Scheme of Amalgamation between BMG Enterprises Limited ("the Transferor Company") and Rossell India Limited ("the Transferee Company") and their respective shareholders under the provisions of Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme"), which is presently pending clearance from the BSE Limited, National Stock Exchange of India Limited (together referred as "stock Exchanges") and Securities and Exchange Board of India ("SEBI").
2. Pursuant to submission of the said Scheme to the Stock Exchange for obtaining NOC, the Company was advised by the Stock Exchanges to submit a revised Scheme to capture conversion of 0.01% 10,00,000 Compulsorily Convertible Preference Shares of Rs. 10 each held by BMG Enterprises Limited into 10,00,000 Equity Shares of Rs. 2 each as per the agreed terms as approved by the Board on 16<sup>th</sup> December, 2022 along with subsequent sale of 32,000 Equity Shares of the Transferee Company by the Transferor Company as directed by the Stock Exchanges and SEBI to fulfill the requirements of the regulations, the proceeds of which will be utilized to fulfill the obligations undertaken in the scheme.
3. The Scheme is revised due to consequential change in the capital structure. As there is no change other than re-classification of the capital structure and neither there is any additional consideration, there is no requirement to revise the Statutory Auditors Accounting treatment certificate under section 133 of the Companies Act 2013, Valuation report, Fairness Opinion and Independent Directors report and such other relevant documents. However, in order to practice prudence on the above matter, the Company has made Addendums to the Statutory Auditors Accounting treatment certificate under section 133 of the Companies Act 2013, Valuation report, Fairness Opinion and Independent Directors report and such other relevant documents.
4. As per the Addendum to the Valuation report dated 25<sup>th</sup> February, 2023 issued by M/s Harsh Ruparelia, Chartered Accountants, the revised Share Entitlement ratio is as follows:

*"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"*



**CONTINUATION**



5. Accordingly, the shareholders of BMG Enterprises Limited will now be issued 2,47,31,795 fully paid Equity Shares of Rs. 2 each in consideration for the merger.

Based on the above premises, the Audit Committee of the Company has considered, approved and recommended to the Board of Directors for its approval to the Scheme.

This report of the Audit Committee is made after considering the following necessary documents and the same is in compliance with the requirements of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021:

- a) Addendum to the Valuation Report dated 25<sup>th</sup> February, 2023 issued by M/s Harsh Ruparelia, Chartered Accountants recommending the revised share entitlement ratio;
- b) Addendum to the Fairness Opinion Report on the revised share entitlement ratio dated 25<sup>th</sup> February, 2023 issued by M/s. Fedex Securities Private Limited, Category-I, Merchant Banker;
- c) The certificate, dated 25th February, 2023 issued by the Statutory Auditors of the Company i.e., M/s. Khandelwal Ray & Co., Chartered Accountants, to the effect that the revised Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013; and
- d) The revised Scheme altered/amended by substituting Clause relating to the consideration and with other relevant/ necessary/ consequential changes.
- e) Pre and Post amalgamation Shareholding Pattern of the Transferee Company

The Committee perused the provisions in the amended Scheme and noted that

- a) The revised Scheme provides for conversion of CCPS as mentioned above and as such, the consideration for Scheme which was getting discharged in the form of CCPS will now be discharged in the form of same number of Equity Shares.

**6. Recommendation of the Audit Committee:**

In light of the forgoing, the Audit Committee recommends the revised Scheme *inter-alia* taking into consideration the documents stated herein above, for favorable consideration by the Board of Directors, Stock Exchanges and the Securities and Exchange Board of India and other applicable regulatory authorities.

**For and on behalf of the Audit Committee of Rossell India Limited**

**Krishan Katyal**  
**DIN 00765487**  
**Member of the Audit Committee**



**Date: 25<sup>th</sup> February, 2023**

**Place: Kolkata**