

# CA Harsh Chandrakant Ruparelia

Registered Valuer – Securities or Financial Assets

(IBBI Registration No. IBBI/RV/05/2019/11106 and

Membership No. ICMAI RVO/S&FA/00054)

25<sup>th</sup> February 2023

To,

<b>The Board of Directors</b> <b>B M G Enterprises Limited</b> Jindal Towers, Block - "B", 4 <sup>th</sup> Floor, 21/1A/3, Darga Road, Kolkata - 700 017, West Bengal, India	<b>The Audit Committee and the Board of Directors</b> <b>Rossell India Limited</b> Jindal Towers, Block - "B", 4 <sup>th</sup> Floor, 21/1A/3, Darga Road, Kolkata - 700 017, West Bengal, India
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**Sub: Addendum to the Report dated 12<sup>th</sup> July 2022 on Recommendation of Share Exchange Ratio(s) for the proposed amalgamation of B M G Enterprises Limited with and into Rossell India Limited pursuant to the Draft Scheme of Amalgamation under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with rules & regulations framed thereunder ("Scheme")**

Dear Sirs,

I had been appointed by the management of B M G Enterprises Limited [CIN: U51909WB1978PLC256796] (hereinafter referred to as "BMG" or "the Transferor Company") and Rossell India Limited [CIN: L01132WB1994PLC063513] (hereinafter referred to as "RIL" or "the Transferee Company") to issue recommendation(s) of Share Exchange Ratio for the proposed merger of B M G Enterprises Limited with and into Rossell India Limited pursuant to the Draft Scheme of Amalgamation ("Scheme"). I refer to my Report dated 12<sup>th</sup> July 2022 on recommendation of the Share Exchange Ratio in relation to the Scheme. I understand that it is proposed to amend the Scheme, considering the following material events which occurred after the date of the report:

Page 1 of 4

Phone No: +91 22 40144464  
Cell No: +91 90043 57775  
e-mail: [harsh.ruparelia@yahoo.com](mailto:harsh.ruparelia@yahoo.com)



B/702, Jyoti Tower,  
Kandivali Jyoti Park CHS Ltd,  
Opp. Anand Ashram,  
S.V. Road, Kandivali (West),  
Mumbai – 400 067



**CA Harsh C. Ruparelia**  
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- 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 16<sup>th</sup> December 2022; and
- Open Market Sale of 25,000 Equity Shares of the Transferee Company by the Transferor Company on 17<sup>th</sup> November 2022 and 7,000 Equity Shares of the Transferee Company by the Transferor Company on 18<sup>th</sup> November 2022.

The above material events have been considered based on the following documents / information made available to me, by the Management of the Companies:

- (a) Unaudited Provisional Financial Statements of the Companies for the period ended 31<sup>st</sup> December 2022, as certified by the Management;
- (b) Latest shareholding pattern of the Companies;
- (c) Board Resolution of RIL dated 16<sup>th</sup> December 2022 for conversion of Compulsorily Convertible Preference Shares ("CCPS") of RIL into Equity Shares;
- (d) Draft Amended Scheme of Amalgamation (as duly certified by the Management of the Companies); and
- (e) Such other information and explanations as required and which have been provided by the Management of the Companies.

I refer to Para 4 of the Share Exchange Ratio Report dated 12<sup>th</sup> July 2022, which provided for Basis for recommendation and important factors considered for recommendation and shall also be considered for the purpose of my recommendation under this Addendum, except the following, as may be applicable:

*BMG holds 2,37,63,795 equity shares of Rs. 2 each fully paid up (representing about 64.76% of the total paid up share capital of the Transferee Company) and 10,00,000 0.01% Compulsorily Convertible Preference Shares of Rs. 10 each fully paid up of the Transferee Company.*

*For the purpose of this addendum, the above shall be replaced and be read as:*

*BMG holds 2,47,31,795 equity shares of Rs. 2 each fully paid up, representing about 65.61% of the total paid up share capital of the Transferee Company.*

As there would be no change in the aggregate promoters' shareholding in the Transferee Company considering the amended Scheme, and hence, shall not affect the interest of any of the shareholders of the Transferee Company for the reasons enlisted in Para 4 – Basis of Recommendation of the report dated 12<sup>th</sup> July 2022 and as to be replaced and read as aforementioned. Accordingly, valuation approaches as indicated in the format as prescribed under Para I(A)(4) of Annexure I of SEBI Circular no.





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CFD/DIL3/CIR/2017/21 dated March 10, 2017 have not been undertaken as they are not relevant with respect to the proposed Scheme. For the purpose of the current exercise, I have provided following weights to the valuation methodologies based on our basis of recommendation and other various factors relevant to the valuation exercise for recommendation of Share Exchange Ratio:

Particulars	B M G Enterprises Limited		Rossell India Limited	
	Value per Share (INR)	Weights	Value per Share (INR)	Weights
Asset Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
<b>Relative Value per share</b>	<b>NA</b>		<b>NA</b>	

NA = Not Adopted / Not Applicable, as provided in Para 4 – Basis of Recommendation

In the present facts and circumstances and based on the information and explanation provided to me and considering the material events as described above, I believe that the following Share Exchange Ratio, after giving due consideration to the Management representations and the fact that upon Scheme becoming effective, 2,47,31,795 equity shares of Rs. 2 each fully paid up, representing about 65.61% of the total paid up share capital of the Transferee Company shall get cancelled and same no. of equity shares will be issued to the equity shareholders of the Transferor company in the manner provided under the Scheme. Thereby the interest of the shareholders in RIL will effectively remain unchanged and shareholders interest would not be prejudicially affected. Further, the Scheme does not envisage dilution of the holding of any one or more of the shareholders as a result of the Scheme becoming effective, the Share Exchange Ratio as suggested by the Management of the Companies, would be fair and reasonable for the shareholders of BMG and RIL:

Particulars	Swap Ratio
<b>For equity shareholders of B M G Enterprises Limited</b>	<b>2,47,31,795 fully paid-up equity shares 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</b>





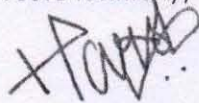
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The Share Swap Ratio Report for the equity shareholders of B M G Enterprises Limited (with respect to preference shares held by BMG in RIL) shall not be applicable, since 10,00,000, 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each of the Transferee Company have been converted into Equity Shares of the Transferee Company on 16<sup>th</sup> December 2022 and the net impact on the Share Exchange Ratio for the material events which occurred after the report date i.e., 12<sup>th</sup> July 2022 has been considered in the determining the Share Exchange Ratio.

This Addendum and our recommendation does 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 this report.

This letter is in furtherance to our report dated 12<sup>th</sup> July 2022 and shall be read in conjunction with the report. All parts of the report including terms and scope limitations thereof shall be applicable to this letter.

Thanking you,  
Yours faithfully,



**CA HARSH CHANDRAKANT RUPARELIA**

REGISTERED VALUER – Securities or Financial Assets

IBBI Registration No. IBBI/RV/05/2019/11106

Membership No. ICMAI RVO/S&FA/00054

ICAI Membership No. 160171

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

Place: Mumbai

UDIN: 23160171BGQNYF9183