# ROSSELL INDIA LIMITED

24th July, 2023

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| The Department of Corporate Services<br>BSE Limited<br>Ground Floor, P. J. Towers<br>Dalal Street, Fort<br>Mumbai – 400 001<br>Scrip Code : 533168 | National Stock Exchange of India Ltd.<br>Listing Department, Exchange Plaza, Bandra-Kurla Complex<br>Bandra (E),<br>Mumbai – 400 051<br>Symbol: ROSSELLIND |

Dear Sirs,

**Sub: Notice convening the Meeting of the Equity Shareholders of Rossell India Limited pursuant to the Order of the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble Tribunal' / "NCLT') vide Order dated 13th July, 2023**

Kindly be advised that, the Hon'ble National Company Law Tribunal, Kolkata Bench ('**Hon'ble Tribunal**' / "**NCLT**') vide Order dated 13th July, 2023 passed in the Company Scheme Application No. CA(CAA)/137/KB/2023 ('**Order**'), has directed, *inter alia*, that a meeting of the Equity Shareholders(Members) of the Company be convened and held on Friday, 25th August, 2023 at 1:00 P.M. through Video Conferencing ('VC') facility / Other Audio Visual Means ('**VC/OAVM**') ('**Meeting**') to consider and, if thought fit, approve, with or without modification(s), the proposed Scheme of Arrangement between Rossell India Limited ("**The Demerged Company**" or "**Company**") and Rossell Techsys Limited ("**The Resulting Company**") and their respective shareholders ('**Scheme**').

In view of said Order, the meeting of the Equity Shareholders of the Company is being convened on **Friday, 25th August, 2023 at 1:00 P.M. (IST)** through VC/OAVM mode in compliance with the provisions of the Companies Act, 2013 ('Act') and General Circulars No. 11/2022 dated 28th December, 20222 read with General Circulars No.14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as the "MCA Circulars") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") to consider, and if thought fit, pass, with or without modification(s), the resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1)and 230(6) read with Section 232(1) of the Act and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 (SEBI Master Circular).

In terms of Regulation 30 read with Para A, Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Notice convening said Meeting along with its Annexures.

This Notice along with its Annexures are also available on the website of the Company at www.rossellindia.com and on the website of the National Securities Depository Limited at www.evoting.nsdl.com.

The aforesaid documents are being dispatched electronically today to those members whose e-mail IDs are registered with the Company/Registrar and Share Transfer Agent of the Company or the Depository Participant(s).

You are requested to take the above on records.

Yours faithfully,
For **ROSSELL INDIA LTD.**

Nirmal Kumar Khurana
Digitally signed by Nirmal Kumar Khurana
Date: 2023.07.24 21:50:29 +05'30'

ROSSELL INDIA LTD. JINDAL TOWERS KOL-17 21/1A/3, DARGA ROAD

**NIRMAL KUMAR KHURANA**
**DIRECTOR (FINANCE) AND**
**COMPANY SECRETARY**

Encl: As above

**ROSSELL INDIA LIMITED**
CIN: L01132WB1994PLC063513
Registered Office: Jindal Towers, Block 'B', 4th Floor
21/1A/3, Darga Road, Kolkata - 700 017, Website: www.rossellindia.com
Phone: 033 2287 4794, e-mail: corporate@rosselltea.com

# NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS OF ROSSELL INDIA LIMITED PURSUANT TO ORDER DATED 13 JULY 2023 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH

| **MEETING** | |
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| **Day** | Friday |
| **Date** | 25 August 2023 |
| **Time** | 1.00 PM (IST) |
| **Mode of Meeting** | As per the directions of the Hon'ble National Company Law Tribunal, Kolkata Bench, the Meeting shall be conducted through Video Conferencing or Other Audio-Visual Means |
| **Cut-off date for e-Voting** | Friday, 18 August 2023 |
| **Remote e-Voting start date and time** | Tuesday, 22 August 2023 at 9.00 A.M. (IST) |
| **Remote e-Voting end date and time** | Thursday, 24 August 2023 at 5.00 P.M (IST) |

**FORM NO. CAA. 2**

[Pursuant to Section 230(3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

In the National Company Law Tribunal

Kolkata Bench- Court -I

Company Application (CAA) No. 137/ KB /2023

In the matter of:

An application under Section 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules 2016;

And

In the matter of:

**ROSSELL INDIA LIMITED,** a company incorporated under the Companies Act, 1956 and having its registered office at Jindal Towers, Block "B" 4th Floor, 21/1A/3, Darga Road, Kolkata-700017, India within the aforesaid jurisdiction.

**...THE FIRST APPLICANT COMPANY/ DEMERGED COMPANY**

**NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS OF ROSSELL INDIA LIMITED**

To,
The Equity Shareholders of
Rossell India Limited

1. NOTICE is hereby given that, in accordance with the Order dated 13 July 2023, in the above mentioned Company Application, passed by the Hon'ble National Company Law Tribunal, Kolkata Bench **("Tribunal") ("Tribunal Order")**, a Meeting of the Equity Shareholders of the Company, will be held for the purpose of their considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Rossell India Limited **("Company" or "RIL" or "the Demerged Company")** and Rossell Techsys Limited **("RTL" or "the Resulting Company")** and their respective shareholders **("Scheme")** on Friday, 25 August 2023 at 1.00 P.M. (IST).

2. Pursuant to the said Tribunal Order and as directed therein, the Meeting of the Equity Shareholders of the Company **("Meeting")** will be held through Video Conferencing **("VC")**/ Other Audio Visual Means **("OAVM")**, in compliance with the applicable provisions of the Companies Act, 2013 **("Act")** and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations"),** SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 (SEBI Master Circular), General Circular No. 11/2022 of dated 28th December, 2022, issued by the Ministry of Corporate Affairs(MCA Circular), and Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India ('**SS-2'**) to consider, and if thought fit, to pass, with or without modification(s), the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1) and (6) read with Section 232(1) of the Act, as amended:

   ***"RESOLVED THAT*** *pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 (SEBI Master Circular) and other applicable SEBI Circulars, the Observation Letter issued by the Stock Exchanges viz. BSE Limited and the National Stock Exchange of India Limited, in this regard (including any statutory modification(s) or re-enactment(s) and circulars issued thereof, for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Kolkata Bench ("Tribunal") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the parties to the Scheme, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Arrangement between Rossell India Limited and Rossell Techsys Limited and their respective shareholders* ***("Scheme")****, be and is hereby approved;*

   ***"RESOLVED FURTHER*** *that the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper, without being required to seek any further approval of the Shareholders and the Shareholders shall be deemed to have given their approval thereto expressly by authority under this Resolution."*

3. **TAKE FURTHER NOTICE** that the Equity Shareholders shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes: (a) by remote electronic voting during the period as stated below **("remote e-Voting")**; or (b) through e-Voting system available at the Meeting to be held virtually **("e-Voting at the Meeting")**:

| **REMOTE E-VOTING PERIOD** | |
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| Commencement of voting | Tuesday, 22 August 2023 at 9.00 A.M. (IST) |
| End of voting Sunday | Thursday, 24 August 2023 at 5.00 P.M. (IST) |

4. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the RTA / Depositories as on the cut-off date, i.e., Friday, 18 August 2023 only shall be entitled to exercise his/ her/ its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not an Equity Shareholder as on the cut-off date, should treat the Notice for information purpose only.

5. A copy of the said Scheme, statement under Sections 230 to 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules along with all annexures to such statement are appended. A copy of this Notice and the accompanying documents are also placed on the website of the Company and can be accessed at www.rossellindia.com; the website of National Securities Depository Limited viz. **("NSDL")** viz. www.evoting.nsdl.com, being the agency appointed by the Company to provide the e-Voting and other facilities for convening of the Meeting and the website of the Stock Exchanges i.e., BSE Limited **("BSE")** viz. www.bseindia.com and the National Stock Exchange of India Limited **("NSE")** viz. www.nseindia.com.

6. The Tribunal has appointed Mr. Ritoban Sarkar, to be the Chairperson for the Meeting and Ms. Shruti Singhania, to be the Scrutinizer for the Meeting.

7. The Scheme, if approved at the aforesaid Meeting, will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

Ritoban Sarkar
Chairperson appointed by the Tribunal for the Meeting

Place: Kolkata
Date: $24^{th}$ July, 2023

**Registered Office:**
Jindal Towers, Block – "B",
4th Floor, 21/1A/3, Darga Road,
Kolkata, West Bengal 700017, India
CIN: L01132WB1994PLC063513
Website: www.rossellindia.com
E-mail: corporate@rosselltea.com
Tel.: 033 2287 4794

**Notes:**

1. Pursuant to the directions of the Hon'ble National Company Law Tribunal, Kolkata Bench **("Tribunal")** vide its Order dated 13 July 2023 **("Tribunal Order")**, the Meeting of the Equity Shareholders of the Company is being conducted through video conferencing **("VC")** / other audio-visual means **("OAVM")** facility to transact the business set out in the Notice convening this Meeting. The deemed venue for the Meeting shall be the Registered Office of the Company situated at Jindal Towers, Block "B" 4th Floor, 21/1A/3, Darga Road, Kolkata-700017.

2. The Statement pursuant to Sections 230 to 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 **("Act")** and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out in the Notice of the Meeting is annexed hereto.

3. Pursuant to the directions of the Tribunal given under the Tribunal Order and Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Regulation 44 of the SEBI Listing Regulations read with SEBI Master Circular, SS-2, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs ('**MCA**') for holding general meetings through e-voting vide General Circular Nos. 11/2022 dated 28th December, 2022 read with General Circulars No.14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020 (collectively the **'MCA Circulars'**), the Company is providing to the Shareholders the facility to exercise their right to vote at the Meeting by electronic means, i.e. remote e-Voting and e-Voting at the Meeting **(hereinafter referred to as "e-Voting")**. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency.

4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the RTA / Depositories as on the Cut-off Date, i.e. Friday, 18 August 2023 only shall be eligible for participation in remote e-Voting (e-Voting from a place other than venue of the meeting) and voting at the Meeting. Please note that Members can opt for only one mode of voting i.e., either by voting at the Meeting or remote e-Voting. If Members opt for remote e-Voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-Voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting but shall not be entitled to cast their vote again. A person who is not a shareholder as on the Cut-off Date, should treat the Notice for information purpose only.

5. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice, holds shares as on the Cut-Off Date may obtain the login ID and password by sending a request to NSDL at evoting@nsdl.co.in. However, if the Member is already registered with NSDL for remote e-Voting, then he/she can use his/her existing User-ID and password for casting the vote. Only a Member who is entitled to vote

shall exercise his/her/its vote through e-Voting and any recipient of this Notice who has no voting rights as on the Cut-off Date should treat the same as intimation only.

6. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.

7. The attendance of the Members attending the Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

8. Since this Meeting is being held through VC / OAVM, physical attendance of Equity Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Shareholders will not be available for the Meeting, and hence the Proxy Form, Attendance Slip and Route Map are not annexed hereto. Body Corporates are entitled to appoint authorised representatives to attend the Meeting through VC/OAVM and participate there at and cast their votes by electronic means. The voting by the said authorized representative(s) is permitted, provided that the authorisation, duly signed, is lodged with the Company, in physical at its registered office or by electronic mode, at least 48 (Forty-Eight) hours before the Meeting.

9. The Notice of the Meeting and the accompanying documents are being sent only through electronic mail to those shareholders (as on 14th July 2023) whose email addresses are registered with the Registrar and Transfer Agent ("RTA") / Depositories.

10. The shareholders may note that the aforesaid documents are also available on the website of the Company at www.rossellindia.com and on the website of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com, being the agency appointed by the Company to provide VC / OAVM and e-Voting facility for the Meeting.

    If so desired, shareholders may obtain a physical copy of these documents free of charge from the registered office of the Company on any day (except Saturday, Sunday and public holiday) up to the date of the meetings. Alternatively, a written request for obtaining physical / soft copy of these documents may be made by writing an e-mail in this regard to the Company Secretary at corporate@rosselltea.com along with details such as demat account no./ Folio no., name, address, Permanent Account Number (PAN), mobile number and email address.

11. Ms. Shruti Singhania shall act as Scrutinizer to scrutinize the remote e-Voting process of Meeting in a fair and transparent manner.

12. The Scrutinizer will, after the conclusion of e-Voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-Voting, make a consolidated Scrutinizer's Report and submit the same to the Chairperson of the Meeting. The result of e-Voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website

of the Company: www.rossellindia.com and on the website of NSDL at www.evoting.nsdl.com. The result will simultaneously be communicated to the Stock Exchanges. The result will also be displayed at the registered office of the Company.

13. The Resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting upon receipt of requisite majority of votes in favour, i.e., majority in number representing three fourth in value (as per Sections 230 and 232 of the Act),.

14. Documents for inspection as referred to in the Notice will be available electronically for inspection (without any fee) by the shareholders from the date of circulation of this Notice up to the date of Meeting. Shareholders seeking to inspect such documents can access the same on the website of the Company at: www.rossellindia.com.

15. Shareholders are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting and manner of casting vote through electronic means.

**Remote E-Voting; Meeting through VC / OAVM; E-Voting at the Meeting**

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING MEETING ARE AS UNDER:-**

The facility of attending Meeting through VC/OAVM is being provided by National Securities Depository Limited (NSDL). The facility of casting votes by a shareholder using electronic means, i.e. (i) remote e-Voting and (ii) e-Voting at the Meeting, (hereinafter referred to as "e-Voting") is also being provided by NSDL.

The remote e-Voting period will commence at 9:00 A.M. (IST) on Tuesday, 22 August 2023 and end at 5:00 P.M. (IST) on Thursday, 24 August 2023. The e-Voting module shall be disabled by NSDL for remote e-Voting thereafter. However, the same shall be enabled once again during the course of the Meeting. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the RTA / Depositories as on the cut-off date, i.e. Friday, 18 August 2023 only shall be entitled to cast their vote by electronic means. The voting rights of a shareholder shall be in proportion to his/her/its shareholding in the paid-up equity share capital of the Company as on the cut- off date. A person who is not a shareholder as on the cut-off date, should treat the Notice for information purpose only.

Any person who becomes a shareholder of the Company after 14th July 2023 and holds shares on the cut-off date may exercise his voting rights through e-Voting and attend the Meeting by following the procedure given below.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility...

| **Type of shareholders** | **Login Method** |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. |

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| | NSDL Mobile App is available on<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.<br>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants. | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically*

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID |

| | |
|---|---|
| | is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to singhania.shruti19@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on **www.evoting.nsdl.com** or call on 022 2499 7000 and 022 4886 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company

after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned in the Notice of the Meeting under Step 1:"Access to NSDL e-Voting system" (Above).

3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 2499 7000 and 022 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to corporate@rosselltea.com or to the Company's Registrar and Share Transfer Agent, namely CB Management Services Pvt. Ltd at their e-mail id viz. rta@cbmsl.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to corporate@rosselltea.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**The instructions for members for e-voting on the day of the General Meeting are as under:**

1. The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-

Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Meeting.

3. Members who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the Meeting shall be the same person mentioned for Remote e-voting.

**Instructions for Members for attending the Meeting through VC/OAVM are as under:**

1. Member will be provided with a facility to attend the Meeting through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker and may send their request mentioning their name, demat account number/folio number, email id, mobile number at corporate@rosselltea.com latest by 5:00 p.m. (IST) on Monday, 21st August, 2023 Shareholders are requested to send their questions in advance within the aforesaid stipulated period.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

7. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.

8. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the Meeting.

9. Members who need assistance before or during the Meeting, can contact Mr. Amit Vishal, AVP, NSDL and / or Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in or call 022 2499 7000 and 022 4886 7000 .

In the National Company Law Tribunal

Kolkata Bench- Court -I

Company Application (CAA) No. 137/ KB /2023

In the matter of:

An application under Section 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules 2016;

And

In the matter of:

**ROSSELL INDIA LIMITED,** a company incorporated under the Companies Act, 1956 and having its registered office at Jindal Towers, Block "B" 4th Floor, 21/1A/3, Darga Road, Kolkata-700017, within the aforesaid jurisdiction.

**...THE FIRST APPLICANT COMPANY/ DEMERGED COMPANY**

**EXPLANATORY STATEMENT PURSUANT TO SECTIONS 230 TO 232 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("ACT") AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ("CAA RULES") TO THE NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS OF ROSSELL INDIA LIMITED CONVENED PURSUANT TO ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH ("TRIBUNAL") DATED 13 JULY 2023 ("TRIBUNAL ORDER")**

## I. MEETING FOR THE SCHEME

This is a statement accompanying the Notice convening the Meeting of Equity Shareholders of Rossell India Limited **("Company")**, for the purpose of their considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Rossell India Limited **("Company" or "RIL" or "the Demerged Company")** and Rossell Techsys Limited **("RTL" or "the Resulting Company")** and their respective shareholders **("Scheme").**

The Scheme inter-alia provides for:

a) Demerger of the "Demerged Undertaking" from the Demerged Company into the Resulting Company and the consequent issuance of equity shares by Resulting Company to all the shareholders of Demerged Company pursuant to section 230-232 read with section 66 and other relevant provisions of the Act in the manner provided for in the Scheme and in compliance with Section 2(19AA) read with Section 2(41A) and other relevant provisions of the Income Tax Act, 1961 **("IT Act");**

b) Reduction and cancellation of the existing paid up share capital of the Resulting Company; and

c) Listing of the equity shares of Resulting Company on the Stock Exchanges along with various other matters consequential or otherwise integrally connected therewith.

The salient features of the Scheme are given in Paragraph V of this Statement. The detailed terms of the arrangement may be referred to in the Scheme, appended as **'Annexure I'**.

Capital terms not defined herein and used in the Notice and this Statement shall have the same meaning as ascribed to them in the Scheme.

## II. DATE, TIME AND MODE OF MEETING

Pursuant to an order dated 13 July 2023, passed by the Hon'ble Tribunal in Company Application (CAA) No. 137/KB/2023, the Meeting of the Equity Shareholders of the Company, will be held for the purpose of their considering and, if thought fit approving, with or without modification(s), the said Scheme through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") on Friday, 25 August 2023 at 1 P.M. (IST). The Company is providing the facility to vote at the Meeting by electronic means, i.e., remote e-Voting and e-Voting at the Meeting.

## III. RATIONALE AND BENEFITS OF THE SCHEME/ SYNERGIES OF THE BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME/ COST BENEFIT ANALYSIS OF THE SCHEME

The Demerged Company is engaged in the business of cultivation, manufacture and selling of Tea viz. Rossell Tea Division and in Aerospace and Defense business which has its engineering and manufacturing center in Bengaluru viz. Rossell Techsys Division. The Resulting Company has been incorporated with the objective of engaging in the business of Rossell Techsys Division. Hence, it is proposed to segregate the same by way of demerger into the Resulting Company which will result in focused approach to exploit the growth potential of the Demerged Undertaking.

The segregation of the Demerged Undertaking shall have the following benefits:

- Creating a dedicated Tech vertical with focused attention on the Aerospace and Defense business under RTL and a dedicated Tea vertical which shall continue under RIL;

- Demerger will enable both Demerged Company and the Resulting Company to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies;

- Each undertaking will be able to target and attract new investors with specific knowledge, expertise and risk appetite corresponding to their own businesses. Thus, each undertaking will have its own set of likeminded investors, thereby providing the necessary funding impetus to the long-term growth strategies of each business;

- Demerger will enhance efficiencies and will have different business interest into separate corporate entity, resulting in operational synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration;

- Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of the Demerged Undertaking for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two (2) listed entities after the Scheme becoming effective, giving them flexibility in managing their investments in the two businesses having differential dynamics;

- The proposed Demerger shall also benefit all the shareholders, creditors, employees and all other stakeholders and shall enable the group to achieve and fulfil its objectives more efficiently and economically.

## IV. BACKGROUND OF THE COMPANIES:

### A. Particulars of the Demerged Company/ Company (Rossell India Limited)

(i) Rossell India Limited is a public company incorporated on 10 June 1994 under the Companies Act, 1956. The registered office of the Company is situated at Jindal Towers, Block - "B", 4th Floor, 21/1A/3, Darga Road, Kolkata – 700017, West Bengal, India. The Company is accordingly registered with the Registrar of Companies, Kolkata, having Corporate Identity Number (CIN) L01132WB1994PLC063513. Its Permanent Account Number with the Income Tax Department is AABCR3736J. The email address of the Company is corporate@rosselltea.com and the website is www.rossellindia.com. During the last five years, there has been no change in the Name or Registered Office of the Company. The equity shares of the Company are listed on the BSE Limited **("BSE")** and the National Stock Exchange of India Limited **("NSE") ("Stock Exchanges")**.

(ii) The main objects of the Company are stated as under:

1. *"To cultivate estates, lands and properties and to grow thereon tea, coffee, rubber, pepper, oranges, cardamoms, cinchona, cereals, timber, garden and other produce and to carry on the business of general planters, growers, curers, manufacturers, farmers, timber, garden and other produce merchants; and to prepare, process, manufacture and render marketable the produce and products of any estates, lands or properties of the Company and to turn such produce, products, estates, lands and/or properties to account.*

2. *To commence and carry on the business of planters, growers, producers, curers, manufacturers, merchants and exporters of tea, coffee, rubber, pepper and oranges and other produce and derivatives of the soil.*

3. *To engage in and carry on the business as importers, exporters, producers, manufacturers of and dealers in beverages of all kinds and description and for that purpose to set up, install, purchase, Import or otherwise acquire all plant, machinery and related equipment and to buy, sell, manufacture, import and deal in all types of stoppers of bottles, corks including in-plate crown corks, crates and containers, whether of glass or any other material, and to run, maintain all such machinery and equipment.*

4. *To carry on the business of cultivators, growers, manufacturers, millers, grinders, rollers, processors, cold stores, canners and preservers and dealers of food grains and other agricultural, dairy, horticulture and poultry products, fruits, vegetables, herbs, medicines, flowers, drinks, fluids, gas and fresh and preservable products.*

5. *To promote, establish, improve, develop, administer, own and run agro industries, projects or enterprises or programmes for manufacture or production of plant, machinery, implements, accessories, tools, materials, substances, goods or things of any description which in the opinion of the Company will help the growth and modernisation of agriculture, horticulture, forestry, pisciculture, sericulture, apiculture, poultry farming and animal husbandry."*

(iii) During the last five years, there has been no change in the main object clause of the Company.

(iv) Pursuant to its incorporation, the Company commenced its business and is presently engaged in business activities of cultivation, manufacture and selling of Bulk Tea known as Rossell Tea Division. It owns 6 (Six) Tea Estates in Assam. The Company is also engaged in the business of providing interconnect solutions and electrical panel assemblies, Test Solutions and after-market services in aerospace and defense sector.

(v) The share capital of the Company as on 31 March 2023 was as follows:

| Particulars | Amount in Rs. |
|---|---|
| **Authorised Capital** | |
| 3,80,00,000 Equity Shares of Rs. 2 each | 7,60,00,000 |
| 14,00,000 Preference Shares of Rs. 10 each | 1,40,00,000 |
| **Total** | **9,00,00,000** |
| **Issued Subscribed and Paid-up Capital** | |
| 3,76,96,475 Equity shares of Rs. 2 each | 7,53,92,950 |
| **Total** | **7,53,92,950** |

(vi) The audited standalone and consolidated financial statements of the Company for the financial year ended 31 March 2023, is annexed as **Annexure II** to this Notice. The audited standalone and consolidated financial statements of the Company for the financial year ended 31 March 2023, is available on the Demerged Company's website at www.rossellindia.com and are available for inspection at the Registered Office of the Demerged Company.

(vii) The details of Promoters and Directors of the Demerged Company as on 31 March 2023 along with their addresses are mentioned herein below:

| Promoter / promoter group details | | |
|---|---|---|
| **Name** | **Category** | **Address** |
| Vinita Gupta | Promoter | 18, Ashok Avenue, Westend Greens, Rajokari, Delhi ,110038 |
| Rishab Mohan Gupta | Promoter | 18, Ashok Avenue Westend Green, Rajokri, , Delhi, 110038 |
| Harsh Mohan Gupta | Promoter | 18, Ashok Avenue, Westend Greens, Rajokari, , Delhi ,110038 |
| Samara Gupta | Promoter | 18, Ashok Avenue, Westend Greens, Rajokari, Delhi ,110038 |
| B M G Enterprise Limited | Promotor | Jindal Towers Block B, 4th Floor 21/1A/3, Darga Road, Kolkata, West Bengal, 700017 |
| Harvin Estates Private Limited | Promotor | 1st Floor, DCM Building, 16 Barakhamaba Road, New Delhi, 110001 |
| BMG Investments Private Limited | Promotor | 1st Floor, DCM Building, 16 Barakhamaba Road, New Delhi, 110001 |

| Details of Director | | |
|---|---|---|
| **Name** | **Category** | **Address** |
| Harsh Mohan Gupta | Managing Director & CEO | 18, Ashok Avenue, Westend Greens, Rajokari, Delhi ,110038 |
| Nirmal Kumar Khurana | Director & CFO | Flat 1C, Suryodaya Apartment, 171, S.P. Mukherjee Road, Kolkata, West Bengal ,700026 |
| Nayantara Palchoudhuri | Independent Director | 64, Lake Place, Kolkata, West Bengal, 7000029 |
| Krishan Katyal | Independent Director | Bally High, Flat 9D, 1, Ballygunge Park Road, Kolkata, West Bengal, 700019 |
| Rishab Mohan Gupta | Whole Time Director | 18, Avenue Ashok Westend Green, Rajokri, Delhi, 110038 |
| Rahul Bhatnagar | Independent Director | House no.78, Sector 15A, Noida, Gautam budh nagar, Uttar Pradesh, 201301 |

## B. Particulars of the Resulting Company (Rossell Techsys Limited)

(i) Rossell Techsys Limited is a public company incorporated on 06 December 2022 under the Companies Act, 2013. The registered office of the Resulting Company is situated at Jindal Towers, Block - "B", 4th Floor, 21/1A/3, Darga Road, Kolkata – 700017, West Bengal, India. The Resulting Company is accordingly registered with the Registrar of Companies, Kolkata, having Corporate Identity Number (CIN) U29299WB2022PLC258641. Its Permanent Account Number with the Income Tax Department is AAMCR3453K. The email address of the Resulting Company is rosselltechsyslimited@gmail.com. There has been no change in the Name or Registered Office of the Resulting Company pursuant to its incorporation on 6th December 2022. The equity shares of the Resulting Company are not listed on any Stock Exchanges.

(ii) The main objects of the Resulting Company are stated as under:

1. *"To manufacture, buy, sell, export, import, deal in, assemble, fit, repair, convert, overhaul, alter, maintain and improve all types of aircraft, aircraft system, avionic, electronic components, devices, equipments and appliance, such as television and wireless apparatus including radio receivers and transmitters, tape recorders, broadcast relay and reception equipments phonographs and other equipments used in and or for audio and visual communications, motion systems, apparatus and equipments including 'those using electromagnetic waves intended for radio telegraphic or radio-telephonic communication, telephone equipments, photocopiers, electronic lighting controls, and fire alarm systems, digital and, other electronic clock, time relays, punch card machines, electromechanical pneumatic controls, data processing machines, computers and automatic calculators, and tubes, surgical, medical and other appliances intended for electro and other therapy treatment and in all types of tapes magnetic and otherwise, photographic films projectors and cameras and capacitors, resistance, condensers, semi-conductors, transistors, rectifiers, steam engines, turbine boilers, integrated and hybrid circuits, relays, potentiometers, connectors, printed circuits, coils, chokes, transformers, wire products, switches, volume controls, measuring and checking instruments, plugs, Sockets, aerial gears, diodes and allied items intended for and used in electronic devices.*

2. *To carry on business of civil, mechanical, electrical and consulting engineers, agricultural engineers, aeronautical engineers, aviation engineers, construction engineers and engineers in all branches of work whatsoever known to engineering, erectors, mechanics, manufacturers of agricultural implements aeronautical, space, marine, oil exploration equipments and any other kind of machinery which is used for the aforesaid purpose or for any other purpose whatsoever and/or any part thereof or accessories thereto; founders, manufacturers of welding appliances and of all or any parts thereof or accessories thereto; boiler makers; millwrights; wire drawers, tube makers iron and steel converters, smiths, wheelwright, wood workers, metallurgists, galvanizers, japanners, enamellers, electroplaters, Silver-platters, nickel-platter, varnishes, vulcanizes, water supply and hydraulic engineers, marine engineers, motor engineers, painters and packing case markers, manufacturers of all other instruments used in or in connection with any of the above business and of motors, aircrafts, ships, machinery and scientific appliances, apparatus and devices of every description whatsoever; rolling stock, timber goods, iron steel and other metal implements, tools, utensils and conveniences of every kind"*

(iii) Pursuant to incorporation, there has been no change in the main object clause of the Resulting Company.

(iv) The Resulting Company is incorporated to engage in the business of providing interconnect solutions and electrical panel assemblies, Test Solutions, and after-market services in Aerospace and Defense sector.

(v) The share capital of the Resulting Company as on 31 March 2023 was as follows:

| Particulars | Amount in Rs. |
|---|---|
| **Authorised Capital** | |
| 6,00,00,000 Equity Shares of Rs. 2 each | 12,00,00,000 |
| **Total** | **12,00,00,000** |
| **Issued Subscribed and Paid-up Capital** | |
| 50,000 Equity Shares of Rs. 2 each | 1,00,000 |
| **Total** | **1,00,000** |

(vi) The latest annual financial statements of the Resulting Company have been audited for the financial year ended on 31 March 2023. The Audited financial statements for the year ended 31 March 2023 of the Resulting Company are appended as **'Annexure III'**.

(vii) The details of Promoters and Directors of the Resulting Company as on 31 March 2023 along with their addresses are mentioned herein below:

| **Promoter/ promoter group details** | | |
|---|---|---|
| **Name** | **Category** | **Address** |
| Rossell India Limited | Promoter | Jindal Towers Block B, 4th Floor 21/1A/3, Darga Road, Kolkata, West Bengal, 700017 |

| **Details of Directors** | | |
|---|---|---|
| **Name** | **Category** | **Address** |
| Harsh Mohan Gupta | Director | 18, Ashok Avenue, Westend Greens, Rajokari, Delhi, 110038 |
| Vinita Gupta | Director | 18, Ashok Avenue, Westend Greens, Rajokari, Delhi, 110038 |
| Rishab Mohan Gupta | Director | 18, Ashok Avenue, Westend Greens, Rajokari, Delhi, 110038 |
| Samara Gupta | Director | 18, Ashok Avenue, Westend Greens, Rajokari, Delhi, 110038 |

## V. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are, *inter-alia*, as stated below. The capitalized terms used herein shall have the same meaning as ascribed to them in Clause A(1) of the Scheme:

A. The Scheme provides for the following:

(i) Demerger of the "Demerged Undertaking" from the Demerged Company into the Resulting Company and the consequent issuance of equity shares by Resulting Company to all the shareholders of Demerged Company pursuant to section 230-232 read with section 66 and other relevant provisions of the Act in the manner provided for in the Scheme and in compliance with Section 2(19AA) read with Section 2(41A) and other relevant provisions of the Income Tax Act, 1961 **("IT Act")**;

(ii) Reduction and cancellation of the existing paid up share capital of the Resulting Company; and

(iii) Listing of the equity shares of Resulting Company on the Stock Exchanges along with various other matters consequential or otherwise integrally connected therewith.

B. The 'Appointed Date' means 1 April 2023 or such other date as may be approved by the National Company Law Tribunal or any other competent authority for the purpose of this Scheme.

C. The Scheme, as may be approved or imposed or directed by the Tribunal shall become effective from the Appointed Date but shall be operative from the Effective Date.

D. <u>Consideration/ Share Entitlement Ratio for Demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company:</u>

Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators, legal representatives or the successors in title, as the case may be as may be recognized by the Board of Directors of the Resulting Company, in the following proportion:

*"[1] fully paid up equity share of Rs 2 (Indian Rupees Two each) of the Resulting Company) for every [1] fully paid up equity share of Rs 2 (Indian Rupees Two) each held in the Demerged Company"*

E. <u>Listing of Equity Shares of Resulting Company pursuant to the Scheme</u>

The Resulting Company shall apply to all the Stock Exchanges (where the shares of Demerged Company are listed) and SEBI for listing and admission of all the equity shares of the Resulting Company (the New Equity Shares of Resulting Company) to trading in terms of SEBI Circular read with other Applicable Laws (as amended from time to time). The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

## VI. RELATIONSHIP SUBSISITING BETWEEN PARTIES TO THE SCHEME

The Demerged Company along with its nominees hold 100% of the paid-up equity share capital of the Resulting Company. The Demerged Company is the holding company of the Resulting Company.

## VII. BOARD APPROVALS

A. The Board of Directors of the Company at its Board Meeting held on 14 November 2022 and 16 December 2022, by resolution passed unanimously approved the Scheme, as detailed below:

| Name of Director | Voted in favor/against/did not participate or vote |
|---|---|

| | |
|---|---|
| Harsh Mohan Gupta | In favour |
| Nayantara Palchoudhuri | In favour |
| Krishan Katyal | In favour |
| Rahul Bhatnagar | In favour |
| Rishab Mohan Gupta | In favour |
| Nirmal Kumar Khurana | In favour |

B. The Board of Directors of the Resulting Company at its Board Meeting held on 16 December 2022, by resolution passed unanimously approved the Scheme, as detailed below:

| Name of Director | Vote in favour/ against/ did not participate or vote |
|---|---|
| Harsh Mohan Gupta | In favour |
| Vinita Gupta | In favour |
| Rishab Mohan Gupta | In favour |
| Samara Gupta | In favour |

## VIII. INTEREST OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMPs) AND THEIR RELATIVES

A. None of the Directors, KMPs of the Company and their respective relatives (as defined under the Act and rules framed thereunder) has any interest in the Scheme except to the extent of their shareholding in the Company, if any. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives has any material interest in the Scheme. The Company has not issued any debentures and hence, does not have Debenture Trustee.

B. None of the Directors, KMPs of the Resulting Company and their respective relatives (as defined under the Act and rules framed thereunder) has any interest in the Scheme except to the extent of their shareholding in the Resulting Company, if any. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives has any material interest in the Scheme. The Resulting Company has not issued any debentures and hence, does not have Debenture Trustee.

## IX. EFFECT OF THE SCHEME ON STAKEHOLDERS

The effect of the Scheme on various stakeholders is summarized below:

A. Shareholders (Promoter and Non-Promoter) and Key Managerial Personnel

The effect of the Scheme on the shareholders (promoter and non-promoter) and key managerial personnel of the Company and the Resulting Company are appended in the attached reports i.e., **'Annexure IV and Annexure V'**, respectively, adopted by the respective Board of Directors of the Company and the Resulting Company, respectively, at their meeting held on 16 December 2022, pursuant to the provisions of Section 232(2)(c) of the Act.

B. Directors

(i) No change in the Board of Directors of the Company and the Resulting Company is envisaged pursuant to the Scheme.

(ii) It is clarified that the composition of the Board of Directors of the companies may change by appointments, retirements or resignations or to ensure compliance of the provisions of the Act, SEBI Listing Regulations and Memorandum and Articles of Association of such companies but the Scheme itself does not affect the office of Directors of such companies.

C. Employees

Pursuant to the Scheme, all employees of the Demerged Undertaking shall become employees of the Resulting Company, without any interruption in service, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company.

D. Creditors

Pursuant to the Scheme, all creditors of the Demerged Undertaking will become creditors of the Resulting Company.

The rights of the respective creditors of the Company and the Resulting Company shall not be impacted pursuant to the Scheme and there will be no reduction in their claims on account of the Scheme. The creditors of the Company and the Resulting Company would not be prejudiced in any manner as a result of the Scheme being sanctioned.

E. Debenture holders and Debenture Trustees

The Company and the Resulting Company have not issued any debentures and accordingly have not appointed any debenture trustee(s).

F. Depositors and Deposit Trustees

The Company and the Resulting Company have not taken any deposits within the meaning of the Act and Rules framed thereunder and accordingly have not appointed any deposit trustee(s).

## X. NO INVESTIGATION PROCEEDINGS

There are no proceedings pending under Sections 210 to 227 of the Act against the Company and the Resulting Company.

## XI. AMOUNTS DUE TO UNSECURED CREDITORS

The amount due to unsecured creditors by the respective companies, as on 31 March 2023 is as follows:

| Sr. No. | Particulars | Amount in INR |
|---|---|---|
| 1. | Rossell India Limited | 46,82,22,606 |
| 2. | Rossell Techsys Limited | 17,74,086 |

## XII. DETAILS OF SHARE CAPITAL/ DEBT RESTRUCTURING, IF ANY

A. Upon this Scheme becoming effective and upon Demerger of the "Demerged Undertaking" from the Demerged Company into the Resulting Company, the Resulting Company shall issue 3,76,96,475 fully paid-up equity share of Rs 2 each to the equity shareholders of the Demerged Company in proportion of their holding in the Demerged Company.

B. On the Scheme becoming effective, the equity shares of the Resulting Company held by the Demerged Company shall stand cancelled. Accordingly, the share capital of the Resulting Company shall stand reduced to the extent of face value of shares held by the Demerged Company in the Resulting Company.

C. The Scheme does not involve any debt restructuring and therefore the requirement to disclose details of debt restructuring is not applicable.

## XIII. VALUATION REPORT AND FAIRNESS OPINION

**Background**

A. The Share Entitlement Ratio for the Scheme of Arrangement has been fixed on the basis of the Valuation Report dated 16 December 2022 issued by CA Harsh Chandrakant Ruparelia, Registered Valuer. The valuation has been done in accordance with internationally accepted valuation standards.

B. As per the proposed Scheme of Arrangement, in consideration of transfer and vesting of Rossell Techsys Division of RIL into RTL (a wholly owned subsidiary of RIL), RIL shall issue and allot equity shares to the equity shareholders of RTL based on the ratio of entitlement of share. Once the Scheme is implemented, all the shareholders of the Demerged Company would also become shareholders in the Resulting Company, and their shareholding in the Resulting Company would be identical to their shareholding in the Demerged Company. As an effect of Demerger, each shareholder of the Demerged Company would become owner of shares in two companies instead of one. Post Demerger, the percentage shareholding and no. of shares of a shareholder in the Resulting Company would remain unchanged from the proportion of capital held by such shareholder in the Demerged Company.

C. For the purposes of valuation, the following weights to the valuation methodologies have been provided:

| **Particulars** | **Rossell India Limited / (Rossell Techsys Division of Rossell India Limited)** | | **Rossell Techsys Limited** | |
|---|---|---|---|---|
| **Methods** | **Value per share** | **Weights** | **Value per share** | **Weights** |
| Asset Approach | NA | NA | NA | NA |
| Market Approach | NA | NA | NA | NA |
| Income Approach | NA | NA | NA | NA |
| **Relative Value per share** | **NA** | | **NA** | |
| **Share Entitlement Ratio (rounded off)** | **NA** | | **NA** | |

D. A copy of the Valuation Report dated 16 December 2022 issued by CA Harsh Chandrakant Ruparelia, Registered Valuer (IBBI Registration No. IBBI/RV/05/2019/11106) (ICAI Membership No. 160171) ("Valuation Report"), recommending the Share Entitlement Ratio in connection with the Scheme is appended as **'Annexure VI'**.

E. A copy of the fairness opinion report dated 16 December 2022 issued by Fedex Securities Private Limited, an Independent SEBI Registered Merchant Banker, confirming that the Share Entitlement Ratio is fair and proper is appended as **'Annexure VII'**.

## XIV. INFORMATION PERTAINING TO UNLISTED COMPANIES INVOLVED IN THE SCHEME IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS

Information pertaining to the unlisted companies involved in the Scheme, i.e. the Resulting Company in the format specified for abridged prospectus as provided in SEBI Circular No. SEBI/HO/CFD/ SSEP/CIR/P/2022/14 dated 04 February 2022 read with Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 along with certificates issued by Fedex Securities Private Limited, an Independent SEBI Registered Merchant Banker certifying the adequacy of disclosures are appended as **'Annexure VIII'**.

## XV. SHAREHOLDING PATTERN

### A. The pre/ post-scheme shareholding pattern of the parties to the Scheme:

#### (i) Company

The pre & post scheme shareholding pattern of the Company is as follows:

| Shareholding pattern | Pre | | Post | |
|---|---|---|---|---|
| **Category** | **No. of Shares** | **% of holding** | **No. of Shares** | **% of holding** |
| Promoter | 2,81,98,233 | 74.80 | 2,81,98,233 | 74.80 |
| Public | 94,98,242 | 25.20 | 94,98,242 | 25.20 |
| Custodian | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,76,96,475** | **100** | **3,76,96,475** | **100** |

#### (ii) Resulting Company

The pre & post scheme shareholding pattern of the Resulting Company is as follows:

| Shareholding pattern | Pre | | Post | |
|---|---|---|---|---|
| **Category** | **No. of Shares** | **% of holding** | **No. of Shares** | **% of holding** |
| Promoter | 50,000 | 100 | 2,81,98,233 | 74.80 |

| | | | | |
|---|---|---|---|---|
| Public | 0 | 0 | 94,98,242 | 25.20 |
| Custodian | 0 | 0 | 0 | 0 |
| **TOTAL** | 50,000 | 100 | 3,76,96,475 | 100 |

**B. Pre/ post Scheme capital structure of the Company and the Resulting Company**

**(i) Company**

The pre-scheme capital structure of the Company is given in Paragraph IV(A)(v) above. The post scheme indicative capital structure of the Company will be as follows:

| Particulars | Amount in Rs. |
|---|---|
| **Authorised Capital** | |
| 3,80,00,000 Equity Shares of Rs. 2 each | 7,60,00,000 |
| 14,00,000 Preference Shares of Rs. 10 each | 1,40,00,000 |
| **Total** | **9,00,00,000** |
| **Issued Subscribed and Paid-up Capital** | |
| 3,76,96,475 Equity shares of Rs. 2 each | 7,53,92,950 |
| **Total** | **7,53,92,950** |

**(ii) Resulting Company**

The pre-scheme capital structure of the Resulting Company is given in Paragraph IV (B)(v) above. The post scheme indicative capital structure of the Company will be as follows:

| Particulars | Amount in Rs. |
|---|---|
| **Authorised Capital** | |
| 6,00,00,000 Equity Shares of Rs. 2 each | 12,00,00,000 |
| **Total** | **12,00,00,000** |
| Issued Subscribed and Paid-up Capital | |
| 3,76,96,475 Equity Shares of Rs. 2 each | 7,53,92,950 |
| **Total** | **7,53,92,950** |

## XVI. AUDITORS CERTIFICATE ON CONFORMITY OF ACCOUNTING TREATMENT IN THE SCHEME WITH ACCOUNTING STANDARDS

The respective Statutory Auditors of the Company and the Resulting Company have confirmed that the accounting treatment in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India.

## XVII. DETAILS OF ASSETS & LIABILITIES OF DEMERGED COMPANY AND RESULTING COMPANY PRE AND POST DEMERGER

The details of the assets and liabilities of the Demerged Company pre and post Demerger are provided below:

| Particulars | Pre-Demerger | Post Demerger |
|---|---|---|
| | 31st March, 2023 (Rs. In Lakhs) | 1st April, 2023 (Rs. In Lakhs) |
| **I.ASSETS** | | |
| **(1) Non-current assets** | | |
| (a) Property, Plant and Equipment | 24,148.65 | 14,066.49 |
| (b) Capital work-in-progress | 412.50 | 290.80 |
| (c) Other Intangible Assets | 882.82 | 36.03 |
| (d) Intangible Assets Under Development | 81.14 | - |
| (e) Investment in Subsidiary and Associate | 76.13 | 1.00 |
| (f) Financial Assets | | |
| (i) Non-Current Investments | 1,847.99 | 1,847.99 |
| (ii) Loans | 6.13 | 6.13 |
| (iii) Other Financial Assets | 373.03 | 373.03 |
| (g) Other Non-current Assets | 70.38 | 67.96 |
| **Total Non-Current Assets** | **27,898.77** | **16,689.43** |
| **(2) Current assets** | | |
| (a) Inventories | 15,168.48 | 1,095.54 |
| (b) Biological Assets other than Bearer Plants | 67.06 | 67.06 |
| (c) Financial Assets | | |
| (i) Investments | 1,525.54 | 1,525.54 |
| (ii) Trade Receivable | 4,778.01 | 57.35 |
| (iii) Cash and Cash Equivalents | 47.03 | 41.54 |
| (iv) Other Bank Balances | 5.57 | 5.57 |
| (v) Loans | 6.23 | 6.23 |
| (vi) Other Financial Assets | 1.63 | 1.63 |
| (d) Current Tax Assets (Net) | 32.05 | 32.05 |
| (e) Other Current Assets | 1,855.92 | 1,130.21 |
| **Total Current Assets** | **23,487.52** | **3,962.72** |
| **TOTAL ASSETS (A)** | **51,386.29** | **20,652.15** |
| **(II) Liabilities** | | |
| **(a) Non-Current Liabilities** | | |

| | | |
|---|---|---|
| (i) Financial Liabilities | | |
| Borrowings | 1,499.46 | - |
| (ii) Deferred Tax Liabilities (Net) | 112.17 | 112.17 |
| (iii) Other Non-Current Liabilities | 222.84 | 222.84 |
| **Total Non-Current Liabilities** | **1,834.47** | **335.01** |
| | | |
| **(b) Current Liabilities** | | |
| (i) Financial Liabilities | | |
| Borrowings | 14,661.89 | 1,393.70 |
| Trade Payables | 2,757.67 | 515.60 |
| Other Financial Liabilities | 212.50 | 53.21 |
| (ii) Other Current Liabilities | 3,207.06 | 1,613.28 |
| (iii) Current Tax Liabilities (Net) | 45.59 | 45.59 |
| **Total Current Liabilities** | **20,884.71** | **3,621.38** |
| **Total Liabilities (B)** | **22,719.18** | **3,956.39** |
| **Net Assets (A-B)** | **28,667.11** | **16,695.76** |

The details of the assets and liabilities of the Resulting Company pre and post Demerger are provided below:

| **Particulars** | **Pre-Demerger** 31st March, 2023 (Rs. In Lakhs) | **Post Demerger** 1st April, 2023 (Rs. In Lakhs) |
|---|---|---|
| **I.ASSETS** | | |
| **(1) Non-current assets** | | |
| (a) Property, Plant and Equipment | - | 10,082.16 |
| (b) Capital work-in-progress | - | 121.70 |
| (c) Other Intangible Assets | - | 846.79 |
| (d) Intangible Assets Under Development | - | 81.14 |
| (e) Investment in Subsidiary and Associate | - | 75.13 |
| (f) Financial Assets | | |
| (i) Non-Current Investments | - | - |
| (ii) Loans | - | - |
| (iii) Other Financial Assets | 0.10 | 0.10 |
| (g) Other Non-current Assets | - | 2.42 |

| | | |
|---|---|---|
| **Total Non-Current Assets** | **0.10** | **11,209.44** |
| | | |
| **(2) Current assets** | | |
| (a) Inventories | - | 14,072.94 |
| (b) Biological Assets other than Bearer Plants | - | - |
| (c) Financial Assets | | |
| (i) Trade Receivables | - | 4,720.66 |
| (ii) Cash and Cash Equivalents | 1.00 | 6.49 |
| (iii) Other Bank Balances | - | - |
| (iv) Loans | - | - |
| (v) Other Financial Assets | - | - |
| (d) Current Tax Assets (Net) | - | - |
| (e) Other Current Assets | - | 725.71 |
| **Total Current Assets** | **1.00** | **19,525.80** |
| | | |
| **TOTAL ASSETS (A)** | **1.10** | **30,735.24** |
| | | |
| **(1) Liabilities** | | |
| **(a) Non-Current Liabilities** | | |
| (i) Financial Liabilities | | |
| Borrowings | - | 1,499.46 |
| (ii) Deferred Tax Liabilities (Net) | - | - |
| (iii) Other Non-Current Liabilities | - | - |
| **Total Non-Current Liabilities** | **-** | **1,499.46** |
| | | |
| **(b) Current Liabilities** | | |
| (i) Financial Liabilities | | |
| Borrowings | - | 13,268.19 |
| Trade Payables | - | 2,242.07 |
| Other Financial Liabilities | - | 159.29 |
| (ii) Other Current Liabilities | **17.90** | 1,611.68 |
| (iii) Current Tax Liabilities (Net) | - | - |
| **Total Current Liabilities** | **17.90** | **17,281.23** |
| | | |
| **Total Liabilities (B)** | **17.90** | **18,780.69** |
| **Net Assets (A-B)** | **(16.80)** | **11,954.55** |

## XVIII. IMPACT OF SCHEME ON REVENUE GENERATING CAPACITY OF RIL

The Demerged Company is engaged in the business of cultivation, manufacture and selling of Tea viz. Rossell Tea Division and in Aerospace and Defense business which has its engineering and manufacturing centre in Bengaluru viz. Rossell Techsys Division. The Resulting Company has been incorporated with the objective of engaging in the business of Rossell Techsys Division. The segregation of the demerged undertaking would not impact the revenue generating capacity of the remaining business of RIL related to the Rossell Tea Division. Further, on demerger, creation of a dedicated Tea vertical would enable RIL to enhance its business operations with more efficient management control and independent strategies thus positively impacting its revenue generating capacity of Rossell Tea Division.

## XIX. DETAILS OF CONTINGENT & LEGAL LIABILITIES THAT ARE BEING TRANSFERRED TO RESULTING COMPANY

There are no contingent & legal liabilities of the Demerged Company that are being transferred to the Resulting Company are provided below:

## XX. CONDITIONS PUT FORTH BY BANKS IN THEIR NOCs

The details of the conditions put forth by banks in their NOCs are provided below:

i. The NOC dated 16th January, 2023 provided by the Federal Bank Limited is subject to the condition that the similar NOC to be obtained from all the Lenders. This has been obtained.
ii. The NOC dated 13th February, 2023 provided by the YES Bank Limited is subject to the condition that the Demerged Company will provide Corporate Guarantee to the Resulting Company for YES Bank facilities. This will be done upon the Scheme becoming effective.

## XXI. APPROVALS AND INTIMATIONS IN RELATION TO THE SCHEME

A. In terms of Regulation 37 of the SEBI Listing Regulations read with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 ("SEBI Master Circular"), BSE and NSE, by their respective Observation Letters dated 22 May 2023 and 23 May 2023, have conveyed "no adverse observations/ no-objection" on the Scheme. Copies of the said letters issued by BSE and NSE are appended hereto as '**Annexure IX and X'** respectively. Further, in terms of the said SEBI Master Circular, the Company has not received any complaint relating to the Scheme and "NIL" complaints reports were filed by the Company with BSE and NSE, copies of which are appended hereto as **'Annexure XI and Annexure XII**". As per the requirements of above Observation Letters, details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken against the Company, its promoters and directors are appended hereto as **'Annexure XIII'**.

B. A copy of the Scheme has been filed by the Company and the Resulting Company with the Registrar of Companies, Kolkata.

C. The notice of the Meeting along with the copy of the Scheme in the prescribed form, will be served on all concerned authorities in terms of the Tribunal Order.

D. All approvals as stated in Clause 19 (Conditionality of the Scheme) of the Scheme, in order to give effect to the Scheme will be obtained. Additionally, the Company and the Resulting Company will obtain such approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, as may be required.

## XXII. INSPECTION OF DOCUMENTS

In addition to the documents appended hereto, the electronic copy of following documents will be available for inspection in the investors section of the website of the Company at www.rossellindia.com:

A. Audited Standalone and Consolidated financial statements of the Company for the year ended 31 March 2023;

B. Audited financial statements of the Resulting Company for the year ended 31 March 2023;

C. Copy of the Tribunal Order;

D. Copy of the Scheme of Arrangement;

E. Certificate of the Statutory Auditor of the Company and the Resulting Company, confirming that the accounting treatment prescribed under the Scheme is in compliance with Section 133 of the Act and other Generally Accepted Accounting Principles in India;

F. Memorandum and Articles of Association of the Company and the Resulting Company;

G. Valuation Report issued by CA Harsh Chandrakant Ruparelia, Registered Valuer;

H. Fairness opinion issued by Fedex Securities Private Limited, an Independent SEBI Registered Merchant Banker;

I. Observation letters dated 22 May 2023 and 23 May 2023 issued by BSE and NSE respectively;

J. Report of the Board of Directors of the Company and the Resulting Company pursuant to Section 232(2)(c) of the Act;

K. Report of the Audit Committee and Committee of Independent Directors of the Company recommending the Scheme;

L. Complaint report submitted by the Company to BSE and NSE;

M. All other documents displayed on the Company’s website i.e., www.rossellindia.com in terms of the SEBI Circular;

N. All other documents referred to or mentioned in the Statement to this Notice.

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company recommend the Scheme for approval of the Equity Shareholders.

Ritoban Sarkar
Chairperson appointed by the Tribunal for the Meeting

Place: Kolkata
Date: 24th July, 2023

**Registered Office:**
Jindal Towers, Block – "B",
4th Floor, 21/1A/3, Darga Road,
Kolkata, West Bengal 700017, India
CIN: L01132WB1994PLC063513
Website: www.rossellindia.com
E-mail: corporate@rosselltea.com
Tel.: 033 2287 4794

**SCHEME OF ARRANGEMENT**

**BETWEEN**

**ROSSELL INDIA LIMITED**

**(“RIL” or “THE DEMERGED COMPANY”)**

**AND**

**ROSSELL TECHSYS LIMITED**

**(“RTL” or “THE RESULTING COMPANY”)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

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## I. PREAMBLE

This Scheme of Arrangement (‘Scheme’) is presented under Sections 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. The Scheme inter-alia provides for the following:

(i) Demerger of the “**Demerged Undertaking”** *(as defined hereinafter)* from the **Demerged Company** *(as defined hereinafter)* into the **Resulting Company** *(as defined hereinafter)* and the consequent issuance of equity shares by Resulting Company to all the shareholders of Demerged Company pursuant to section 230-232 read with section 66 and other relevant provisions of the **Act** *(as defined hereinafter)* in the manner provided for in the Scheme and in compliance with Section 2(19AA) read with Section 2(41A) and other relevant provisions of the **IT Act** *(as defined hereinafter)* (“**Demerger**”);

(ii) Reduction and cancellation of the existing paid up share capital of the Resulting Company; and

(iii) Listing of the equity shares of Resulting Company on the Stock Exchanges (as defined hereinafter) along with various other matters consequential or otherwise integrally connected therewith

## II. <u>BACKGROUND</u>

i. Rossell India Limited (hereinafter referred to as the "Demerged Company"), bearing CIN – L01132WB1994PLC063513, is a listed public limited company having its registered office at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata – 700017, West Bengal, India. The equity shares of Demerged Company are listed on BSE and NSE (as defined hereinafter). Demerged Company has 2 (two) Divisions viz. (i) Tea and (ii) Aerospace and Defense.

ii. The Demerged Company is engaged inter-alia in the business of cultivation, manufacture and selling of Bulk Tea known as Rossell Tea Division. RIL owns Tea Estates in Assam. The Aerospace and Defense Division known as Rossell Techsys Division of RIL is engaged in the business of providing interconnect solutions and electrical panel assemblies, Test Solutions and aftermarket services in Aerospace and Defense sector.

iii. The Demerged Company along with its nominees holds 100% of the paid-up equity share capital of the Resulting Company.

iv. Rossell Techsys Limited (hereinafter referred to as the “Resulting Company”), bearing CIN: U29299WB2022PLC258641, is an unlisted public limited company (being a wholly-owned subsidiary of a public company) having its registered office situated at Jindal Towers, Block - "B", 4th Floor, 21/1A/3, Darga Road, Kolkata – 700017, West Bengal, India. The Resulting Company is incorporated to conduct the Aerospace and Defense business of RIL as specified in its Memorandum of Association.

## III. RATIONALE OF THE SCHEME

The Demerged Company is engaged in the business of cultivation, manufacture and selling of Tea viz. Rossell Tea Division and in Aerospace and Defense business which has its engineering and manufacturing center in Bengaluru viz. Rossell Techsys Division. The Resulting Company has been incorporated with the objective of engaging in the business of Rossell Techsys Division. Hence, it is proposed to segregate the same by way of demerger into the Resulting Company which will result in focused approach to exploit the growth potential of the Demerged Undertaking.

The segregation of the Demerged Undertaking shall have the following benefits:

- Creating a dedicated Tech vertical with focused attention on the Aerospace and Defense business under RTL and a dedicated Tea vertical which shall continue under RIL;
- Demerger will enable both Demerged Company and the Resulting Company to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies;
- Each undertaking will be able to target and attract new investors with specific knowledge, expertise and risk appetite corresponding to their own businesses. Thus, each undertaking will have its own set of likeminded investors, thereby providing the necessary funding impetus to the long-term growth strategies of each business;

- Demerger will enhance efficiencies and will have different business interest into separate corporate entity, resulting in operational synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration;

- Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of the Demerged Undertaking for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two (2) listed entities after the Scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.

- The proposed Demerger shall also benefit all the shareholders, creditors, employees and all other stakeholders and shall enable the group to achieve and fulfil its objectives more efficiently and economically.

## IV. PARTS OF THE SCHEME

The Scheme of Arrangement is divided into the following parts:

**Part A** - Deals with definitions and share capital;

**Part B** - Deals with the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company;

**PART C -** Deals with cancellation and reduction of existing share capital of the Resulting Company;

**PART D -** Deals with general terms and conditions applicable to this Scheme.

## PART A

## DEFINITIONS AND SHARE CAPITAL

### 1. DEFINITIONS

In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

1.1 **"Act" or "the Act"** means the Companies Act, 2013 as in force from time to time (including any statutory modifications(s) or re-enactment(s) or amendments thereof) and rules and regulations made thereunder, for the time being in force, and which may relate or are applicable to the arrangement.

1.2 **"Applicable Law"** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time.

1.3 **"Appointed Date"** means 1st April 2023 or such other date as may be approved by the National Company Law Tribunal or any other competent authority for the purpose of this Scheme**;**

1.4 **"Board" or "Board of Directors"** means the Board of Directors of the Resulting Company or the Demerged Company or both as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of Directors;

1.5 **"BSE"** means the BSE Limited;

1.6 **“the Demerged Company”** or **“RIL”** means Rossell India Limited, bearing CIN – L01132WB1994PLC063513, a Company incorporated under the Companies Act, 1956 and being governed under the Companies Act, 2013 and having its registered office at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata – 700017, West Bengal, India;

1.7 **“Demerged Undertaking”** or **“Rossell Techsys Division Undertaking”** shall mean and include the entire Rossell Techsys Division as a going concern, including all its undertaking, activities, operations and properties, wheresoever situated, employees and all its liabilities and obligations, of whatsoever nature and kind, in each case pertaining to the Rossell Techsys Division and including activities related to for supply of interconnect solutions and electrical panel assemblies, test solutions, and aftermarket services, deployed in military Aerospace and Defense platforms, and shall include (without limitation) all the assets, liabilities and employees of the Demerged Company related to the Demerged Undertaking and includes, without limitation in relation to the foregoing:

a) all assets including investment held in Rossell Techsys Inc., USA and properties, whether movable or immovable, real or personal, in possession or reversion, tangible or intangible, corporeal or incorporeal, present, future or contingent, leasehold or freehold, including all rights including development rights, title and interest in any land whether leasehold or otherwise, plant and machinery, fixed or movable, capital work in progress, other fixed assets, current assets, loans, bonds, advances, inventory and work in progress relating to the Demerged Undertaking, as on the Appointed Date;

b) all the debts, borrowings and liabilities, including contingent liabilities and obligations, including loan against property or such other mortgage, present or future, whether secured or unsecured, relating to the Demerged Undertaking, as on the Appointed Date;

c) all statutory licenses, approvals, permissions, registration, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, incentives, benefits of all contracts / agreements (including, but not limited to, contracts / agreements with vendors, customers, government etc.), powers of attorney, all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Demerged Undertaking, as on the Appointed Date;

d) all permanent employees and labour, if any, relating to the Demerged Undertaking, as on the Effective Date;

e) all earnest monies and/or security deposits in connection with or relating to the Demerged Undertaking, as on the Appointed Date; and

f) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking, as on the Appointed Date.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking of the Demerged Company or whether it arises out of the activities or operations of the Demerged Undertaking of the Demerged Company shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

1.8 **“Effective Date”** means the dates on which the certified copies of the Orders of the NCLT sanctioning the Scheme are filed with the Registrar of Companies by the Demerged Company and the Resulting Company;

1.9 **“IT Act”** means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof and the rules made thereunder, for the time being in force;

1.10 “**Liabilities**” means all debts, liabilities (including contingent liabilities, and obligations under any licenses or permits or schemes), duties, taxes, obligations and undertakings of every kind or nature, of any description whatsoever whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon;

1.11 **“National Company Law Tribunal”** or **“NCLT”** or **“Tribunal”** the National Company Law Tribunal, Kolkata Bench;

1.12 **“NSE”** means National Stock Exchange of India Limited;

1.13 **“Record Date”** means the date fixed by the Board of Directors or committee thereof, if any, of the Demerged Company and Resulting Company for the purpose of determining the members of the Demerged Company to whom New Equity Shares will be allotted pursuant to this Scheme

1.14 **“Remaining Business of Demerged Company” or “Remaining Undertaking of Demerged Company”** means entire business of the Demerged Company other than the Demerged Undertaking (as defined in Clause 1.7 above);

1.15 **“Resulting Company”** or **“the Resulting Company”** or **“RTL”** means Rossell Techsys Limited, bearing CIN – U29299WB2022PLC258641, a company incorporated under the Companies Act, 2013 and having its registered office at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata – 700017, West Bengal, India;

1.16 **“Scheme of Arrangement”** or **“Scheme”** or “**the Scheme**” or “**this Scheme**” means this Scheme of Arrangement in its present form as submitted to the NCLT, Kolkata Bench, with such modification(s) / amendments, if any made, as per Clause 18 of the Scheme.

1.17 **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

1.18 **“SEBI Circular”** means the master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 issued by SEBI on November 23, 2021 or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

1.19 **“Share Entitlement Ratio”** shall have the meaning as set out in Clause 11.1;

1.20 “**Stock Exchanges**” means the BSE and NSE collectively;

1.21 "**Taxation**” or "**Tax**" or "**Taxes**" means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source/ tax collected at source, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to the Demerged Company and the Resulting Company or any other person and all penalties, charges, costs and interest relating thereto;

1.22 "**Tax Laws**" means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act.

In the Scheme, unless the context otherwise requires:

(i) references to a statutory provision include any subordinate legislation made from time to time under that provision;

(ii) references to the singular include the plural and vice versa and references to any gender includes the other gender;

(iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Parties beyond that which would have existed had this Clause been omitted;

(iv) references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;

(v) references to "Companies" shall collectively mean Rossell India Limited and Rossell Techsys Limited;

(vi) headings are for convenience only and shall be ignored in construing or interpreting any provision of this Scheme;

(vii) the expression "this Clause" shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (and not merely the sub-Clause, paragraph or other provision) in which the expression occurs;

(viii) references to Clauses are to Clauses of this Scheme;

(ix) references to any person shall include that person's successors and permitted assigns or transferees;

(x) references to the words "include" or "including" shall be construed without limitation;

(xi) references to the words "hereof", "herein" and "hereunder" and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme; and

where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generic with any foregoing words.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, Kolkata Bench or made as per Clause 18 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date unless the context requires otherwise.

2.2 Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

## 3. SHARE CAPITAL

3.1 The share capital of the Demerged Company as at March 31, 2022 is as under:

| **Particulars** | **Amount in Rs.** |
|---|---:|
| **Authorised Capital** | |
| 4,50,00,000 Equity Shares of Rs. 2 each | 9,00,00,000 |
| **Total** | **9,00,00,000** |
| **Issued Subscribed and Paid-up Capital** | |
| 3,66,96,475 Equity shares of Rs. 2 each | 7,33,92,950 |
| **Total** | **7,33,92,950** |

As on date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been a change in the issued, subscribed and paid-up capital of the Demerged Company which is as under:

| **Particulars** | **Amount in Rs.** |
|---|---:|
| **Authorised Capital** | |
| 3,80,00,000 Equity Shares of Rs. 2 each | 7,60,00,000 |
| 14,00,000 Preference Shares of Rs. 10 each | 1,40,00,000 |
| **Total** | **9,00,00,000** |
| **Issued Subscribed and Paid-up Capital** | |
| 3,76,96,475 Equity shares of Rs. 2 each | 7,53,92,950 |
| **Total** | **7,53,92,950** |

3.2 The share capital of the Resulting Company as at December 10, 2022 is as under:

| **Particulars** | **Amount in Rs.** |
|---|---:|
| **Authorised Capital** | |
| 6,00,00,000 Equity Shares of Rs. 2 each | 12,00,00,000 |
| **Total** | **12,00,00,000** |
| **Issued Subscribed and Paid-up Capital** | |
| 50,000 Equity Shares of Rs. 2 each | 1,00,000 |
| **Total** | **1,00,000** |

The entire paid up equity share capital of the Resulting Company is held by the Demerged Company along with its nominees. As on date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the issued, subscribed and paid-up capital of the Resulting Company.

## PART B

## DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

### 4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

4.1 Upon the Scheme becoming effective, with effect from the Appointed Date, the Demerged Undertaking of the Demerged Company shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 (IT Act) and Sections 230 to 232 read with section 66 of the Act and all other Applicable Laws, without any further act or instrument, deed, matter or thing be transferred to and vested in the Resulting Company on a 'going concern' basis in such manner that all the present and future properties, assets, investments including investment held in Rossell Techsys Inc., USA , rights, claims, title, benefits, interest, obligations, liabilities, litigations and authorities of the Demerged Undertaking shall stand transferred to and become integral part of the Resulting Company in the manner provided in the Scheme. The Demerged Undertaking shall stand absolutely and irrevocably transferred to the Resulting Company automatically without requirement of execution of any further documents for registering the name of the Resulting Company as owner or developer thereof, as the case may be, and necessary applications as may be required shall be made to the concerned authorities for recording such transfer and such authorities may rely on the Scheme along with the copy of the Order passed by the NCLT.

4.2 Upon the Scheme becoming effective, with the effect from the Appointed Date, all immovable properties pertaining to the Demerged Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed and without any approval or acknowledgement of any third party. Upon the

Scheme coming into effect, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties (whether freehold or leasehold) comprised in the Demerged Undertaking, in favor of the Resulting Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme and it becoming effective in accordance with the terms thereof.

4.3 Upon the Scheme becoming effective, with effect from the Appointed Date, in respect of any and all immovable properties (including land together with the buildings and structures standing thereon) held/owned by the Demerged Company, whether freehold or leasehold/licensed and any documents of title, rights and easements in relation thereto forming part of the Demerged Undertaking, shall stand transferred to and be vested in the Resulting Company. The conveyancing of the said immovable properties in terms of transfer of rights, title/ entitlement, etc and the mutation / assignment of the title and the rights of the immovable properties in the name of the Resulting Company shall be done either by way of the said Scheme itself or through a separate conveyance deed between the Demerged Company and the Resulting Company. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay lease rent/license fees, municipal taxes and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/assignment of title or rights to the immovable properties in the name of the Resulting Company shall be made and duly recorded by the appropriate authorities or the concerned lessors/licensors pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof and pursuant to filing of the separate conveyance deed as stated hereinabove, if required.

4.4 Upon the Scheme becoming effective, with the effect from the Appointed Date, in respect of all the movable assets relating to the Demerged Undertaking and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Resulting Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company.

4.5 Upon the Scheme becoming effective, with the effect from the Appointed Date, in respect of any assets relating to the Demerged Undertaking other than those mentioned in Clause 4.3 above, including actionable claims, (including any decree, contingent inflows, rights arising on account of *lis pendens*, etc.), sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers of the Demerged Undertaking, if so required by the Resulting Company, the Demerged Company and / or the Resulting Company may, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme between the Demerged Company and the Resulting Company under Section 230 to 232 read with section 66 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

4.6 Upon the Scheme becoming effective, with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Demerged Undertaking, as on the Appointed Date whether provided for or not in the books of accounts of the Demerged Company and all other liabilities (including decree, contingent liabilities, obligations arising due to any *lis pendens*, etc.) which may accrue or arise after the Appointed Date but which relate to the period on or up to the Appointed Date shall, pursuant to the Orders of the NCLT or such other competent authority as may be applicable under Section 230 to 232 read with section 66 and other applicable, provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in and assumed by the Resulting Company pursuant to the provisions of Sections 230 to 232 read with section 66 of the Act, so as to become as from the Appointed Date, the liabilities of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company.

4.7 Upon the Scheme becoming effective, with effect from the Appointed Date and, any statutory licenses, certificates, permissions or approvals or consents held by the Demerged Company required to carry on operations in and/ or in so far as they pertain to the Demerged Undertaking shall stand vested in or transferred to the Resulting Company or will be held to be for the benefit of the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents including but not limited to approvals from Municipal Corporation, Environment Clearance Certificate, Title Clearance Certificate issued by any Competent Authority, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, Intimation Of Disapproval (IOD), Commencement Certificate, Occupation Certificate, Development Right Certificate (DRC), No Objection Certificate from any authorities, including the Municipal authorities, competent authority under Competition Act, 2002, Competent authority under the Urban Land Ceiling Act, 1976 , as applicable, or any other competent authority rights so far as they pertain to the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme.

4.8 In so far as the various incentives, tax benefits/credits, goods and services tax benefits, subsidies, concessions, grants, rights, benefits, claims, liberties, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person or availed of by the Demerged Company relating to and/ or in so far as it pertains to the Demerged Undertaking are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions.

4.9 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Demerged Company (in relation to the Demerged Undertaking) after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company or received through electronic transfers. Similarly, the banker of the Resulting Company shall honour all Cheques / electronic fund transfer instructions issued by the Demerged Company (in relation to the Demerged Undertaking) for payment after the Effective Date. If required, the bankers of the Demerged Company and the Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Demerged Company by the Resulting Company in relation to the Demerged Undertaking for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of Cheques, pay orders and electronic transfers that have been issued/made in the name of the Resulting Company.

4.10 All the existing securities, mortgages, charges, encumbrances, if any, as on the Appointed Date and those created by the Demerged Company, relating to the Demerged Undertaking, after the Appointed Date, over the assets of the Demerged Company transferred to the Resulting Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Resulting Company.

4.11 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, goods & services tax, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including, tax deducted at source, wealth tax, etc) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

4.12 Any tax liabilities under the service tax laws, excise duty laws, goods and services tax, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies of the Demerged Undertaking of the Demerged Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Resulting Company.

4.13 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, goods and services tax, applicable state value added tax etc.) to which the Demerged Undertaking of the Demerged Company is entitled to in terms of applicable laws, shall be available to and vest in the Resulting Company, upon this Scheme coming into effect.

4.14 The transfer and vesting as aforesaid shall be subject to the existing charges/ hypothecation/ mortgages/lien, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Demerged Company is a party wherein the assets pertaining to the Demerged Undertaking has been or is offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Demerged Company and vested in the Resulting Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Resulting Company.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Demerged Undertaking of the Demerged Company which shall vest in the Resulting Company by virtue of the Scheme and the Resulting Company shall not be obliged to create any further, or additional security thereof after the transfer has become effective or otherwise.

**5. CONTRACTS, DEEDS, ETC.**

Upon the scheme coming into force and with effect from the Appointed Date –

5.1 Without prejudice to the generality of Clause 4 above, all the contracts, deeds, etc. relating to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company in the following manner:

(a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements including development agreements, power of attorneys, Memorandum of Understanding (MOUs), instruments, licenses, engagements, certificates, permissions, consents, approvals, concessions and incentives, arrangements, lease agreements, assurances and other instruments of whatsoever nature relating to the Demerged Undertaking to which the Demerged Company is a part, subsisting or having effect immediately before the Scheme coming into force shall remain in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectively as if the Resulting Company instead of the Demerged Company, had been a party thereto.

(b) the Resulting Company shall, wherever necessary, enter into and/or execute deeds, writings, or enter into any tripartite arrangements, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Resulting Company shall be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliance in respect of such deeds, writings, confirmations or novations.

## 6. STAFF WORKMEN AND EMPLOYEES

Upon the scheme coming into force and with effect from the Appointed Date:

6.1 All employees of the Demerged Undertaking shall be deemed to have become employees of the Resulting Company without any interruption of or break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to the Demerged Company prevailing at the time of the Scheme coming into force.

6.2 It is expressly provided that, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts including any employment benefits, terminal benefits etc. (if any) created or existing for the benefit of the staff, workmen and employees of the Demerged Company, in relation to the Demerged Undertaking, shall become the trusts/funds of the Resulting Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in connection with the Demerged Undertaking, relating to such fund or funds shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Demerged Company, in relation to Demerged Undertaking, will be treated as having been continuous for the purpose of the said fund or funds.

6.3 In so far as the fund or funds created or existing for the benefit of the employees of the Demerged Company, in relation to the Demerged Undertaking, upon the scheme coming into force, balances lying in the accounts of the employees of the Demerged Company in relation to the Demerged Undertaking in the said fund or funds shall stand transferred from the respective fund or funds of the Demerged Company, in relation to the Demerged Undertaking to the corresponding fund or funds set up by the Resulting Company.

6.4 Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Demerged Undertaking or the Remaining Business of the Demerged Company, shall be decided by Board of Directors of the Demerged Company.

## 7. LEGAL PROCEEDINGS

7.1 All legal or other proceedings by or against the Demerged Company, whether initiated on or arising and pending before the Scheme coming into force and relating to the Demerged Undertaking shall stand transferred to the Resulting Company.

7.2 If any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 7.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

7.3 On and from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Demerged Company, in respect of the Demerged Undertaking, in the same manner and to the same extent as would or might have been initiated by the Demerged Company.

## 8. COMPLIANCE WITH TAX LAWS

8.1 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of Applicable Law or for any other reason whatsoever, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the IT Act. Such modification will however not affect the other parts of the Scheme.

8.2 The Demerged Company and the Resulting Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the IT Act, goods and services tax law, and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.

8.3 Any refund under the Customs Act 1962, applicable goods and services tax, State Value Added Tax laws or other applicable laws/ regulations dealing with indirect taxes/ duties/ levies allocable or related to the Demerged Undertaking of the Demerged Company and due to the Demerged Company consequent to the assessment made on the Demerged Company for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company.

8.4 Obligation for deduction of tax at source / collection of tax at source on any payment relating to the Demerged Undertaking made by or to be made by the Demerged Company under the IT Act, customs law, state value added tax, goods and services tax or other applicable laws / regulations dealing with taxes/ duties / levies on or after Appointed Date shall be made or deemed to have been made and duly complied with by the Resulting Company.

8.5 Without prejudice to the generality of the above, all benefits, incentives, tax losses, credits (including, without limitation, applicable state value added tax, goods and services tax, tax deducted as source etc.) relating to the Demerged Undertaking shall be available to and vest in the Resulting Company.

**9. SAVINGS OF CONCLUDED TRANSACTIONS**

9.1 Nothing in the Scheme shall affect any transaction or proceeding already concluded by the Demerged Company in respect of the Demerged Undertaking to the end and intent that the Demerged Company shall accept and adopt all acts, deeds and things done executed by the Demerged Company in relation to the Demerged Undertaking as if it is done and executed by the Resulting Company itself.

## 10. REMAINING BUSINESS

10.1 The Remaining Business of the Demerged Company shall continue to belong to and be vested in and be managed by the Demerged Company.

10.2 All legal and other proceedings by or against the Demerged Company under any statute that is pending till the Scheme comes into force and thereafter which is relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.

10.3 With effect from the Appointed Date up to Effective Date:

10.3.1 The Demerged Company shall continue and / or may be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;

10.3.2 The Demerged Company may enter into such contracts as the Demerged Company may deem necessary in respect of the Remaining Business;

10.3.3 All profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profits, or losses, as the case may be, of the Demerged Company; and

10.3.4 All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

10.4 All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the Demerged Company.

**11. ISSUE OF SHARES**

11.1 Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators, legal representatives or the successors in title, as the case may be as may be recognized by the Board of Directors of the Resulting Company, in the following proportion:

*"[1] fully paid up equity share of Rs 2 (Indian Rupees Two each of the Resulting Company) for every [1] fully paid up equity share of Rs 2 (Indian Rupees Two) each held in the Demerged Company"*

(Equity shares to be issued by the Resulting Company as above are hereinafter referred to as "New Equity Shares").

11.2 In the event that the equity shares to be issued result in fractional entitlement, the Resulting Company shall not issue fractional shares to such shareholder but shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Resulting Company in that behalf), who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of Resulting Company Shares, as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee.

11.3 The Resulting Company shall take necessary steps to increase, alter, or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.

11.4 The consideration to be issued and allotted under Clause 11.1 of the Scheme shall be in accordance with the applicable laws and regulations in force and contractual / other arrangement between parties, if any.

11.5 The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Resulting Company. The shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing shares of the Resulting Company.

11.6 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of section 42, section 62, if applicable, and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

11.7 The consideration in the form of equity shares shall be issued and allotted by the Resulting Company in dematerialized form to all the shareholders of the Demerged Company holding shares in dematerialized form and in physical form to all those shareholders of the Demerged Company holding shares in physical form.

11.8 The Resulting Company shall apply to all the Stock Exchanges (where the shares of Demerged Company are listed) and SEBI for listing and admission of all the equity shares of the Resulting Company (the New Equity Shares of Resulting Company) to trading in terms of SEBI Circular read with other Applicable Laws (as amended from time to time). The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

11.9 The equity shares allotted pursuant to this Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of Resulting Company between Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.

11.10 The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from the appropriate authorities including the Reserve Bank of India, for the issue and allotment of Equity Shares of the Resulting Company by to non-resident equity shareholders of the Demerged Company, if any, in terms of the Applicable Laws, including rules and regulations applicable to foreign investment.

## 12. ACCOUNTING TREATMENT

### 12.1 <u>In the books of the Demerged Company</u>

The Demerged Company shall account for the demerger of Demerged Undertakings in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, in its books of accounts from the Appointed Date, such that:

12.1.1 All the assets and the liabilities of the Demerged Undertakings as appearing in the books of accounts of the Demerged Company shall stand transferred to and vested in the Resulting Company pursuant to the Scheme and shall be reduced from the respective book value of assets and liabilities of the Demerged Company;

12.1.2 The difference, if any, between the book value of assets of the Demerged Undertakings of the Demerged Company transferred to Resulting Company less the book value of the liabilities of the Demerged Undertakings of the Demerged Company transferred to the Resulting Company, shall be adjusted against Capital Reserve, General Reserve and Retained Earnings.

### 12.2 <u>In the books of the Resulting Company</u>

Upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company shall account for the Demerged Undertaking in its books as per the applicable accounting principles under Indian Accounting Standard 103 and/ or any other applicable Indian Accounting Standard as the case maybe;

12.2.1 The Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in it pursuant to this

Scheme, at the same value appearing in the books of the Demerged Company;

12.2.2 The shareholding represented by equity shares of the Demerged Company in the Resulting Company as on the Appointed Date will stand cancelled and the difference between the above and share capital of Resulting Company, if any, shall be adjusted in capital reserve(s);

12.2.3 The Resulting Company shall credit its share capital account in its books of account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme;

12.2.4 The identity of the reserves pertaining to the Demerged Undertaking of the Demerged Company shall be preserved and shall appear in the financial statements of the Resulting Company in the same form and manner, in which they appeared in the financial statements of the Demerged Company;

12.2.5 The surplus/ deficit, if any, of book value of the assets over the liabilities pertaining to the Demerged Undertaking transferred from the Demerged Company and recorded by the Resulting Company in accordance with Clause 12.2.1 above, over the amount credited as share capital as per Clause 12.2.2 above, and after giving effect to 12.2.4 above, shall be adjusted in capital reserve;

12.2.6 Loans and advances and other dues outstanding as on the Appointed Date between the Demerged Company pertaining to the Demerged Undertaking and the Resulting Company will stand cancelled and there shall be no further obligation/ outstanding in that behalf;

12.2.7 In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail and the difference till the Appointed

Date shall be adjusted in capital reserves of the Resulting Company, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy;

## 13. BOOKS AND RECORDS OF THE DEMERGED COMPANY

All books, records, files, papers, engineering and process information, building plans, business plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, except the Demerged Undertaking and pertaining to the Remaining Business of the Demerged Company, to the extent possible and permitted under Applicable Laws, shall continue to be with the Demerged Company.

## 14. BOOKS AND RECORDS OF THE RESULTING COMPANY

All books, records, files, papers, engineering and process information, building plans, business plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Demerged Undertaking, to the extent possible and permitted under Applicable Laws, be handed over by the Demerged Company to the Resulting Company.

## 15. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

15.1 The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Demerged Undertaking for and on account of and in trust for Resulting Company. The Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

15.2 The Demerged Company shall carry on and be deemed to have carried on its businesses and activities relating to the Demerged Undertaking and shall stand possessed of its entire business and undertakings, in trust for the Resulting Company and shall account for the same to the Resulting Company. The Demerged Company hereby undertakes to hold the said assets of the Demerged Undertaking with utmost prudence until the Effective Date.

15.3 The Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Resulting Company, alienate charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking or part thereof.

15.4 All the profits or income accruing or arising to the Demerged Company or expenditure or losses arising or incurred or suffered by the Demerged Company pertaining to the Demerged Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.

**15.5** The Demerged Company shall not vary the terms and conditions of employment of any of the employees of the Demerged Company pertaining to the Demerged Undertaking, if any, except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company, as the case may be, prior to the Appointed Date.

## PART C

## CANCELLATION AND REDUCTION OF PAID UP SHARE CAPITAL OF THE RESULTING COMPANY

### 16. CANCELLATION AND REDUCTION OF PAID UP SHARE CAPITAL OF THE RESULTING COMPANY

16.1 Upon the Scheme becoming effective and upon the allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with provisions of Clause 11 above, the existing paid up equity share capital of the Resulting Company held by the Demerged Company as on Effective Date shall stand cancelled without any further act or deed immediately and without any consideration and accordingly, the paid up share capital of the Resulting Company shall stand reduced to the extent of face value of such equity shares cancelled.

16.2 The amount of paid up equity share capital of the Resulting Company cancelled as per Clause 16.1 above shall be credited to the capital reserve account in the books of the Resulting Company.

16.3 The cancellation and reduction in paid up share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 230 to 232 read with section 66 of the Act and any other applicable provisions of the Act. The reduction would not involve either a diminution in liability in respect of the unpaid share capital, it being clarified that the procedure under Section 66 of the Act shall not be applicable in view of the Explanation to Section 230(12) of the Act. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add “And Reduced” as suffix to its name.

## PART D

## GENERAL TERMS AND CONDITIONS

### 17. APPLICATION TO NCLT

The Demerged Company and the Resulting Company shall, as may be required, make applications and/or petitions under Sections 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Act to the NCLT or such other appropriate authority for sanction of this Scheme and all matters ancillary or incidental thereto.

### 18. MODIFICATION OR AMENDMENTS TO THE SCHEME

18.1 On behalf of the Demerged Company and the Resulting Company, the Board of Directors of respective companies, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Board of Directors of the Demerged Company and the Resulting Company) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

18.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Demerged Company and the Resulting Company, may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

## 19. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

19.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of Demerged Company and Resulting Company as may be directed by the NCLT or any other authority;

19.2 The requisite consent, approval or permission of the NCLT or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;

19.3 The Scheme being sanctioned by the NCLT or any other authority under section 230 to 232 read with section 66 of the Companies Act, 2013and other applicable provisions of the Companies Act, 2013; and

19.4 Certified or authenticated copy of the Order of the NCLT or any other authority sanctioning the Scheme being filed with the Registrar of Companies by the Demerged Company and the Resulting Company.

## 20. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

## 21. DIVIDENDS

21.1 The Demerged Company/ Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.

21.2 The holders of the shares of the Demerged Company/ Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

21.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company/ Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company/ Resulting Company and subject to the approval of the shareholders of the Demerged Company/ Resulting Company respectively, if applicable.

## 22. REMOVAL OF DIFFICULTIES

The Demerged Company and the Resulting Company may, through mutual consent and acting through the respective board of directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT or any directives or orders of any governmental authorities or otherwise rising out of, under or by the virtue of this scheme in relation to the arrangement contemplated in this scheme and / or matters concerning or connected therewith.

## 23. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Demerged Company and the Resulting Company equally.

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# Financial Statements

# Independent Auditors' Report

**TO THE MEMBERS OF ROSSELL INDIA LIMITED**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying standalone financial statements of Rossell India Limited ("the Company"), which comprise of the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence and ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

# Independent Auditors' Report

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are also responsible for overseeing the Company's reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company had adequate internal financial controls system with reference to financial statement and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting in respect of standalone financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

# Independent Auditors' Report

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1.A As required by Section 143(3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

B With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The financial statements disclose the impact of pending litigations as at 31 March 2023 on the financial position of the company. Refer Note.42 to the financial statements.

b. The company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2023.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

# Annexure – A to the Auditors' Report

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d)(i) and (d)(ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company are in compliance with section 123 of the Act.

C. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Khandelwal Ray & Co.,**
Chartered Accountants
(Registration No.302035E)

**Pinaki Sarkar**
Partner
Membership No. 051449
UDIN: 23051449BGRVTS8376

Place : Kolkata
Date : 27th May, 2023

# Annexure – A to the Auditors' Report

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rossell India Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

# Annexure – A to the Auditors' Report

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Khandelwal Ray & Co.,**
Chartered Accountants
(Registration No.302035E)

**Pinaki Sarkar**
Partner
Membership No. 051449
UDIN: 23051449BGRVTS8376

Place : Kolkata
Date : 27th May, 2023

# Annexure – B to the Auditors' Report

Referred to in paragraph I under Report on "Other Legal and Regulatory Requirements", section of our Report of even date:

i a) (A) The Company has maintained proper records to show full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) These Property, Plant and Equipment have been physically verified by the management at a reasonable interval. No material discrepancies were noticed on such verification as compared to book records.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than immovable properties where the company is the lessee and the lease agreement are duly executed in favour of lessee) disclosed in the financial statements are in the name of the Company, except one Tea Estate, details of which are given below:

| Description of property | Gross carrying value (₹ in Lakhs) | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where applicable | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Kharikatia Tea Estate | 3,504.24 | Kharikatia Tea & Industries Limited | Not Applicable | Since 2012 | Pending sale permission from the concerned authorities of the Government of Assam |

The immovable properties comprising five Tea Estates (having registered Deed of Conveyance) as well as Land and Buildings located at Bangalore are mortgaged with the Banks in connection with various credit facilities being availed for the purpose of business of the Company, as confirmed by them.

(d) According to the information and explanation given to us and on the basis of our examination of the records of the Company that the Company has not revalued its Property, Plant and Equipment or intangible assets during the year.

(e) According to the information and explanation given to us and on the basis of our examination of the records of the Company there are no proceeding initiated or pending against the Company for holding any benami properties under the prohibition of Benami Properties Transaction Act,1988 and rules made there under.

ii. (a) The inventory, excluding those lying with third parties, have been physically verified by the management during the year, at reasonable intervals. No discrepancies noticed on such verification of stocks as compared to book records that were 10% or more in the aggregate for each class of inventories.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crores rupees, in aggregate, from Banks on the basis of security of current assets and the quarterly returns / statements filed by the Company with the Banks are in agreement with the books of account of the company.

iii. (a) According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or any other Parties.

(b) According to information and explanation given to us and based on the audit procedures conducted by us we are of the opinion that the terms and conditions of the investment, made during the year aggregating to Rs.15.01 Crores, are prima facie not prejudicial to the company's interest.

(c) In view of the above comments this clause is not applicable for the company.

# Annexure – B to the Auditors' Report

(d) In view of the above comment this clause is not applicable for the company.

(e) In view of the above comment this clause is not applicable for the company.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of Companies Act, 2013 with respect to loans and investments made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to Section 76A of the Companies Act 2013 and the Rules framed thereunder. Accordingly clause 3(v) of the order is not applicable

vi. The Central Government has specified for the maintenance of cost records under sub-sec. (1) of Sec.148 of the Companies Act 2013. We have broadly reviewed the records and Accounts maintained by the Company. We are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of such records to determine whether records are accurate and complete.

vii. (a) According to the information and explanation given to us and on the basis of records of the Company examined by us, we are of the opinion that the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and services tax, duty of custom and cess and other material statutory dues applicable to it.

There is no arrears outstanding statutory dues as at the last day of the financial year for a period of more than 6 months from the date they became payable.

(b) According to the information and explanation given and records examined by us, there are no statutory dues, which have not been deposited on account of any dispute except for the following:

| Name of the Statute | Nature of the Dues | Amount (₹ In lakhs) | Period to which amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 1,067.20 | AY 2020-2021 and AY 2021-2022 | Commissioner of Income Tax (Appeals) |

viii. The Company has not surrendered or disclosed any transactions previously unrecorded as Income in the books of account in the tax assessment under the Income Tax Act 1961 as income during the year.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any Bank or financial institution or Government or Government Authority.

(c) According to the information and explanations given to us by the management and on the basis of examination of the records of the company, the Term Loans were applied for the purpose for which loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has raised funds on short-term basis, which has not been utilised for long term purposes. Accordingly, clause 3(ix)(d) of the Order is not applicable.

# Annexure – B to the Auditors' Report

(e) According to the information and explanations given to us and on an overall examination of the financial statement of the company, we report that the company has not taken any funds from any entity or person on account of or as defined under the Companies Act 2013 to meet the obligations of its subsidiaries, associates or joint venture and accordingly 3(ix)(e) of the order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument during the year). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The company has made preferential allotment of shares during the year and requirement of section 62 of the Companies Act 2013 have been complied with and fund raised have been used for the purpose for which the fund was raised. Company has not made any other private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) Best on examination of books and records of the Company, carried out by us and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, no complaint has been received from the whistle blower during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly clause 3(xii) of the order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the company has an Internal Audit System commensurate with the size of the company and nature of its business.

(b) We have considered, the Internal Audit Reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group (as defined in the Core Investment Companies (Reserve Bank) Directors, 2016) has one CIC viz. the parent - BMG Enterprises Ltd. Accordingly, the requirements of reporting under clause 3(xvi) (d) of the Order is not applicable.

# Annexure – B to the Auditors' Report

xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly clause 3(xviii) of the order is not applicable.

xix. On the basis of Financial Ratios, Ageing of Receivables, expected date of realization of financial assets and payment of financial liabilities, other information accompanied financial statements, our knowledge about Board of Directors and management plan, we are of the opinion that no material uncertainties exist as on the date of Audit Report that Company is not capable of meeting its liabilities existing on the date of Balance Sheet as and when falls due within a period of one year from the Balance Sheet date.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under subsection 5 of section 135 of the Companies Act 2013 pursuant to any CSR project. Accordingly clause 3(xx)(a) and 3(xx)(b) of the order is not applicable.

For **Khandelwal Ray & Co.,**
Chartered Accountants
(Registration No.302035E)

**Pinaki Sarkar**
Partner
Membership No. 051449
UDIN: 23051449BGRVTS8376

Place : Kolkata
Date : 27th May, 2023

# Balance Sheet as at 31st March, 2023

₹ in Lakhs

| Particulars | | | | Note No. | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|---|---|---|
| I. | **ASSETS** | | | | | |
| | (1) | **Non-current Assets** | | | | |
| | | (a) | Property, Plant and Equipment | 4 | **24,148.65** | 23,098.81 |
| | | (b) | Capital work-in-progress | 5 | **412.50** | 572.33 |
| | | (c) | Other Intangible Assets | 6 | **882.82** | 313.62 |
| | | (d) | Intangible Assets Under Development | 7 | **81.14** | 333.42 |
| | | (e) | Investment in Subsidiary and Associate | 8 | **76.13** | 75.13 |
| | | (f) | Financial Assets | | | |
| | | | (i) Non-Current Investments | 9 | **1,847.99** | 1,847.99 |
| | | | (ii) Loans | 10 | **6.13** | 0.84 |
| | | | (iii) Other Financial Assets | 11 | **373.03** | 552.57 |
| | | (g) | Other Non-current Assets | 12 | **70.38** | 87.66 |
| | | | **Total Non-Current Assets** | | **27,898.77** | 26,882.37 |
| | (2) | **Current Assets** | | | | |
| | | (a) | Inventories | 13 | **15,168.48** | 12,173.49 |
| | | (b) | Biological Assets other than Bearer Plants | 14 | **67.06** | 110.45 |
| | | (c) | Financial Assets | | | |
| | | | (i) Investments | 15 | **1,525.54** | - |
| | | | (ii) Trade Receivables | 16 | **4,778.01** | 3,314.39 |
| | | | (iii) Cash and Cash Equivalents | 17 | **47.03** | 177.12 |
| | | | (iv) Other Bank Balances | 18 | **5.57** | 7.15 |
| | | | (v) Loans | 19 | **6.23** | 11.57 |
| | | | (vi) Other Financial Assets | 20 | **1.63** | 1.63 |
| | | (d) | Current Tax Assets (Net) | 21 | **32.05** | 30.59 |
| | | (e) | Other Current Assets | 22 | **1,855.91** | 2,139.85 |
| | | | **Total Current Assets** | | **23,487.51** | 17,966.24 |
| | | | **TOTAL ASSETS** | | **51,386.28** | 44,848.61 |
| II. | **EQUITY AND LIABILITIES** | | | | | |
| | (1) | **Equity** | | | | |
| | | (a) | Equity Share Capital | 23 | **753.93** | 733.93 |
| | | (b) | Other Equity | | **27,913.17** | 23,879.03 |
| | | | **Total Equity** | | **28,667.10** | 24,612.96 |
| | (2) | **Liabilities** | | | | |
| | | **(a)** | **Non-Current Liabilities** | | | |
| | | | (i) Financial Liabilities | | | |
| | | | Borrowings | 24 | **1,499.46** | 2,499.10 |
| | | | (ii) Deferred Tax Liabilities (Net) | 25 | **112.17** | 64.18 |
| | | | (iii) Other Non-Current Liabilities | 26 | **222.84** | 209.92 |
| | | | **Total Non-Current Liabilities** | | **1,834.47** | 2,773.20 |
| | | **(b)** | **Current Liabilities** | | | |
| | | | (i) Financial Liabilities | | | |
| | | | Borrowings | 27 | **14,661.89** | 12,846.24 |
| | | | Trade Payables | 28 | | |
| | | | - Total outstanding dues of micro enterprises and small enterprises | | **89.04** | 23.20 |
| | | | - Total outstanding dues other than micro enterprises and small enterprises | | **2,668.63** | 2,322.87 |
| | | | Other Financial Liabilities | 29 | **212.50** | 173.27 |
| | | | (ii) Other Current Liabilities | 30 | **3,207.06** | 2,051.28 |
| | | | (iii) Current Tax Liabilities (Net) | 31 | **45.59** | 45.59 |
| | | | **Total Current Liabilities** | | **20,884.71** | 17,462.45 |
| | | | **Total Liabilities** | | **22,719.18** | 20,235.65 |
| | | | **TOTAL EQUITY AND LIABILITIES** | | **51,386.28** | 44,848.61 |

In terms of our Report of even date

For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449
Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Profit and Loss Statement for the year ended 31st March, 2023

₹ in Lakhs

| Particulars | Note No. | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 32 | **35,358.32** | 29,902.80 |
| Other Income | 33 | **395.36** | 425.79 |
| **Total Income** | | **35,753.68** | 30,328.59 |
| **EXPENSES** | | | |
| Cost of materials consumed | 34 | **9,328.72** | 6,786.79 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 35 | **184.20** | 574.36 |
| Employee benefits expense | 36 | **13,153.35** | 12,095.52 |
| Finance cost | 37 | **1,177.55** | 998.94 |
| Depreciation and amortization expense | 38 | **1,373.24** | 1,245.12 |
| Other expenses | 39 | **7,373.23** | 5,915.68 |
| Corporate Social Responsibility (CSR) activities | 43 | **67.01** | 48.03 |
| **Total Expenses** | | **32,657.30** | 27,664.44 |
| **Profit before extraordinary item and tax** | | **3,096.38** | 2,664.15 |
| **Extraordinary Item** | | | |
| Profit on Sale/Disposal of Tea Estate | | **-** | 658.78 |
| | | **-** | 658.78 |
| **Profit before tax** | | **3,096.38** | 3,322.93 |
| Income Tax Expense | | | |
| (i) Current Tax | | | |
| Central Income Tax | 40 | **300.00** | 300.00 |
| Agricultural Income Tax | 40 | **-** | - |
| (ii) Deferred Tax - Charge | 40 | **59.34** | 46.66 |
| **Total Tax Expense** | | **359.34** | 346.66 |
| **Net Profit for the year** | | **2,737.04** | 2,976.27 |

# Profit and Loss Statement for the year ended 31st March, 2023

₹ in Lakhs

| Particulars | Note No. | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurements of post-employment defined benefit obligations | | **(144.16)** | 164.80 |
| (ii) Income Tax relating to these items | | **11.35** | (12.81) |
| Items that will be reclassified to profit or loss | | **-** | - |
| **Other Comprehensive Income for the year, net of tax** | | **(132.81)** | 151.99 |
| **Total Comprehensive Income for the year** | | **2,604.23** | 3,128.26 |
| Earning per Equity Share [Nominal Value per share : ₹ 2 (Previous Year : ₹ 2)] | | | |
| (1) Basic | 41 | **7.40** | 8.11 |
| (2) Diluted | | **7.31** | 8.11 |

In terms of our Report of even date

For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Cash Flow Statement for the year ended 31st March, 2023

₹ in Lakhs

| | 2022-2023 | | 2021-2022 | |
|---|---|---|---|---|
| **A. Cash Flow from Operating Activities** | | | | |
| Profit before Tax | | **3,096.38** | | 3,322.93 |
| - Adjustment for : | | | | |
| Depreciation and Amortization expense | **1,373.24** | | 1,245.12 | |
| Finance Cost | **1,177.55** | | 998.94 | |
| Net Gain on Foreign Currency Transaction and Translation | **(268.76)** | | (246.18) | |
| (Profit)/ Loss on Disposal of Property, Plant and Equipment (Net) | **(3.85)** | | (26.31) | |
| Liabilities no more required written back (net) | **(0.14)** | | (8.19) | |
| | | **2,278.04** | | 1,963.38 |
| | | **5,374.42** | | 5,286.31 |
| Items Considered in Investing Activity : | | | | |
| Interest on Deposits etc. | **(19.31)** | | (13.86) | |
| Net Gain on restatement of Investments designated at FVTPL | **(25.61)** | | - | |
| Profit on sale of Investments designated at FVTPL | **-** | | (15.40) | |
| | | **(44.92)** | | (29.26) |
| | | **5,329.50** | | 5,257.05 |
| Operating Profit before Working Capital Changes | | | | |
| - Adjustment for : | | | | |
| Trade Receivables, Loans, Advances and Other Assets | **(955.12)** | | (891.25) | |
| Inventories | **(2,994.99)** | | (1,080.19) | |
| Trade Payable, Other Liabilities and Provisions | **1,459.44** | | 1,184.95 | |
| | | **(2,490.67)** | | (786.49) |
| Cash Generated from Operations | | **2,838.83** | | 4,470.56 |
| Direct Taxes (Net of refund) | **(301.46)** | | (427.56) | |
| | | **(301.46)** | | (427.56) |
| Cash Flow before Extraordinary Item | | **2,537.37** | | 4,043.00 |
| Extraordinary Item | | **-** | | (658.78) |
| **Net Cash Flow from Operating Activities** | | **2,537.37** | | 3,384.22 |

# Cash Flow Statement for the year ended 31st March, 2023

₹ in Lakhs

| | | 2022-2023 | | 2021-2022 |
|---|---|---|---|---|
| **B. Cash Flow from Investing Activities** | | | | |
| Purchase of Property, Plant and Equipment, Other Intangible Assets including Advances for Capital Assets | | **(2,579.84)** | | (1,531.03) |
| Sale/ Disposal of Tea Estate | | **-** | | 1,469.25 |
| Sale of Property, Plant and Equipment | | **26.07** | | 32.89 |
| Investment in Subsidiary | | **(1.00)** | | (75.06) |
| Purchase of Non-current Investments | | **-** | | (5.02) |
| Proceeds from sale of Non-current Investments | | **-** | | 70.01 |
| Purchase of Current Investments | | **(1,499.93)** | | - |
| Interest Received | | **19.31** | | 13.86 |
| **Net Cash Flow from Investing Activities** | | **(4,035.39)** | | (25.10) |
| **C. Cash Flow from Financing Activities** | | | | |
| Proceeds of Compulsorily Convertible Preference Shares (CCPS) | | **1,560.00** | | - |
| Intercorporate Deposits Received/(Refunded) (Net) | | **-** | | (1,608.00) |
| Proceeds of Working Capital Loan from Bank (Net) | | **1,815.65** | | 208.93 |
| Repayment of Term Loan From Banks | | **(999.64)** | | (999.64) |
| Payment of Interest/ Other Borrowing Cost | | **(980.13)** | | (1,043.15) |
| Gain/ (Loss) on Foreign Currency Translations | | **82.14** | | 246.18 |
| Dividend Paid | | **(110.09)** | | (110.09) |
| **Net Cash Flow from Financing Activities** | | **1,367.93** | | (3,305.77) |
| **Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)** | | **(130.09)** | | 53.35 |
| **Cash and Cash Equivalents at the beginning of the Financial Year** (Note 17) | | **177.12** | | 123.77 |
| **Cash and Cash Equivalents at the end of the Financial Year** (Note 17) | | **47.03** | | 177.12 |

**Notes:**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 - "Statement of Cash Flow".

In terms of our Report of even date

For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Statement of Changes in Equity for the year ended 31st March, 2023

**A. Equity Share Capital**

₹ in Lakhs

| | |
|---|---|
| Balance at the beginning on 1st April, 2021 | 733.93 |
| Changes during the year 2021-2022 | - |
| Balance at the end on 31st March, 2022 | **733.93** |
| Changes during the year 2022-2023 | **20.00** |
| **Balance at the end on 31st March, 2023** | **753.93** |

**B. Changes in Equity**

| | Reserves and Surplus | | | | Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | Remeasurement of Employees' Obligations | Impairment of Investment | |
| **As at 1st April, 2021** | 248.01 | 2,609.55 | 17,565.72 | 1,210.98 | (604.88) | (168.52) | 20,860.86 |
| Profit for the year | - | - | - | 2,976.27 | - | - | 2,976.27 |
| Dividend Paid | - | - | - | (110.09) | - | - | (110.09) |
| Remeasurements of post - employment defined benefit obligations (Net of tax) | - | - | - | - | 151.99 | - | 151.99 |
| Transfer to General Reserve | - | - | 2,500.00 | (2,500.00) | - | - | - |
| **As at 31st March, 2022** | 248.01 | 2,609.55 | 20,065.72 | 1,577.16 | (452.89) | (168.52) | 23,879.03 |
| Profit for the year | - | - | - | 2,737.04 | - | - | 2,737.04 |
| Securities Premium on Issuance of CCPS (Note 2 below) | - | 1,460.00 | - | - | - | - | 1,460.00 |
| Securities Premium on Conversion of CCPS in to Equity Shares (Note 3 below) | - | 80.00 | - | - | - | - | 80.00 |
| Dividend Paid | - | - | - | (110.09) | - | - | (110.09) |
| Remeasurements of post-employment defined benefit obligations (Net of tax) | - | - | - | - | (132.81) | - | (132.81) |
| Transfer to General Reserve | - | - | 2,500.00 | (2,500.00) | - | - | - |
| **As at 31st March, 2023** | **248.01** | **4,149.55** | **22,565.72** | **1,704.11** | **(585.70)** | **(168.52)** | **27,913.17** |

**NOTES:**

1. The Directors recommended that a dividend of Re. 0.40 per share(31st March, 2022 - Re. 0.30 per share) for the year be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been recognised in these financial statements. The total equity dividend proposed to be paid is ₹ 150.79 Lakhs (for the year ended 31st March, 2022 - ₹ 110.09 Lakhs).
2. The Board of Directors by adopting a Resolution by Circulation on 27th June, 2022 allotted 10,00,000, 0.01% Compulsorily Convertible Preference Shares (CCPS) (Instruments entirely Equity in nature) of ₹ 10 each at an issue price of ₹ 156 per CCPS including Securities Premium of ₹ 146 per CCPS aggregating to ₹ 1,560 Lakhs on preferential basis (for cash consideration) after obtaining the required regulatory approvals. Accordingly, ₹ 1,460 lakhs have been credited here.
3. Further, the Board of Directors at its Meeting held on 16th December, 2022 approved the conversion of aforesaid CCPS of Rs.10 each into 10,00,000 Equity Shares of ₹ 2 each persuant to the option exercised by the Allottee as per the Terms of the Preferential Issue. The difference in face value of ₹ 8 per Share aggregating to ₹ 80 Lakhs was treated as further Securities Premium received on such issue and allotment of Equity Shares.

# Statement of Changes in Equity for the year ended 31st March, 2023

**Nature and purpose of each Reserve**

a) **Capital Reserve**
This represents the amounts received as compensation for Tea Estates Land acquired by competent authorities on various occassions as well as certain adjustments relating to various Schemes of Arrangements, which the Company had entered in to in the earlier years.

b) **Securities Premium Reserve**
Securities Premium Reserve was created as per the Scheme of Arrangement with the value of net assets taken over by the Company and again used to credit the premium on issue of Equity Shares by the Company from time to time, including the present issues (Notes 2 and 3 above). The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

c) **General Reserve**
General Reserve is created for ploughing back the profits earned by the Company and retained before payment of dividend. This is free reserve and available for utilisation in accordance with the provisions of the Companies Act, 2013.

d) **Retained Earnings**
Retained earnings represent accumulated profits earned by the Company and remaining undistributed as on date.

In terms of our Report of even date
For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and*
*Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Notes to the Financial Statements

**Significant Accounting Policies and Other Notes to the Financial Statement for the Year ended 31st March, 2023**

## 1. Company Overview

Rossell India Limited (the Company) is a Public Limited Company incorporated and domiciled in India. The Company was incorporated on 10th June, 1994 under the Companies Act, 1956 with its registered office at Kolkata, West Bengal. The Equity Shares of the Company are listed on National and Bombay Stock Exchanges. The Company is engaged in the following business activities:

a. Cultivation, Manufacture and Sell of Bulk Tea - The Company owned six Tea Estates all located in Assam.
b. Engineering and Manufacturing in Aerospace and Defense Services.

## 2. Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 (the Act) and the other relevant provisions of the Act and Rules made thereunder as well as the other accounting principles generally accepted in India.

### 2.1 Basis of Measurement

The financial statement has been prepared on a historical cost basis except the following items:

a) Certain financial assets and liabilities (including derivative instruments) which are measured at fair value.
b) Biological Assets other than Bearer Plants, which are measured at fair value less cost to sell.
c) Defined benefit plans – plan assets measured at fair value.

### 2.2 Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires management to use certain critical accounting estimates, judgments and assumptions. It also requires management to exercise judgment in the process of applying accounting policies. Actual results could differ from those estimates. These estimates, judgments and assumptions affect application of the accounting policies and the reported amounts of assets, liabilities, revenue, expenditure, contingent liabilities etc.

The estimates and underlying assumptions are reviewed on an ongoing basis and changes are made as management becomes aware of changes in the circumstances surrounding the estimates. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the financial statements in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 2.3 Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 – Presentation of financial statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

## 3 Significant Accounting Policies

### 3.1 Property, Plant and Equipment

#### 3.1.1 Tangible Assets (Other than Bearer Plants)

Property, Plant and Equipment are measured at cost / deemed cost, less accumulated depreciation and impairment losses, if any. Cost of Property, Plant and Equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located. Deemed Cost is the carrying value of all of its Property, Plant and Equipment (other than Bearer Plants) as of 1st April, 2016 measured as per the previous GAAP as the Company elected to continue with the same carrying value as on the aforesaid transition date for Ind AS.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

# Notes to the Financial Statements

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any gain or loss on disposal of an item of Property, Plant and Equipment is recognized in Statement of Profit and Loss.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Items of Property, Plant and Equipment are depreciated in a manner that amortizes the cost of the assets less its residual value, over their useful lives on a straight line basis. Estimated useful lives of the assets are as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for on a prospective basis.

### 3.1.2 Bearer Plants

Bearer Plants comprising of mature tea bushes as well as matured black pepper vines and shade trees are stated at cost / deemed cost less accumulated depreciation and impairment losses, if any.

The cost of uprooting of old tea bushes, rehabilitation of land, replanting and young tea upkeep and maintenance up to the year 3 from the year of planting are capitalized as mature plants, capital work-in-progress. From year 4 onwards capital work-in-progress is treated as Bearer Plants and depreciated using Straight Line Method over the expected useful life of 70 years, when the Bearer Plants (mature tea bushes) reaches maturity stage with residual value as 'Nil'.

Depreciation on Bearer Plants is recognized so as to write off its cost over useful lives, using the Straight Line Method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

### 3.1.3 Intangible Assets

Intangible Assets of the Company comprise acquired Computer Software having a finite life. Cost of software is capitalized when it is expected to provide future enduring economic benefits. The capitalization cost includes license fee, cost of implementation and system integration services. The costs are capitalized in the year in which the relevant Software is implemented for use and is amortized across a period not exceeding 10 years.

### 3.1.4 Research and Development

Research and Development costs are expensed as incurred, unless technical and commercial feasibility of the project demonstrate that: (a) the future economic benefits are available, (b) the activity is being carried out with an intention and ability to complete as well as use the asset and (c) the costs can be measured reliably. In such case, the cost is capitalized as Intangible Asset - Knowhow. The costs which can be capitalized include the cost of material, direct labour, overhead costs including finance cost, if applicable that are directly attributable to bringing the asset for its intended use.

### 3.2 Foreign Currency Translation

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency (i.e. the currency of the primary economic environment in which the entity operates) using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

### 3.3 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of insurance claim for damage / shortage of finished goods and are net of sales return, GST and trade allowances.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer or services are rendered as per terms of the relevant contract.

### 3.4 Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through

## Notes to the Financial Statements

profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date i.e. the date when the Company commits to purchase or sell the asset.

### 3.4.1 Financial Assets

**Recognition and Classification**

The financial assets are classified at initial recognition in the following measurement categories as:
- those subsequently measured at amortized cost.
- those to be subsequently measured at fair value [either through other comprehensive income (OCI), or through profit or loss]

**Subsequent Measurement**

- Financial assets measured at amortized cost – Financial assets which are held within the business model of collection of contractual cash flows and where those cash flows represent payments solely towards principal and interest on the principal amount outstanding are measured at amortized cost. A gain or loss on a financial asset that is measured at amortized cost and is not a part of hedging relationship is recognized in profit or loss when the asset is derecognized or impaired.

- Financial assets measured at fair value through other comprehensive income – Financial assets that are held within a business model of collection of contractual cash flows and for selling and where the assets' cash flow represents solely payment of principal and interest on the principal amount outstanding are measured at fair value through OCI. Movements in carrying amount are taken through OCI, except for recognition of impairment gains or losses. When a financial asset, other than investment in equity instrument, is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss.

  Classification of equity instruments, not being investments in subsidiaries, associates and joint arrangements, depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI. When investment in such equity instrument is derecognized, the cumulative gains or losses recognized in OCI is transferred within equity on such derecognition.

- Financial assets measured at fair value through profit or loss – Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. Movements in fair value of these instruments are taken in profit or loss.

**Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Impairment losses are recognized in the profit or loss, where there is an objective evidence of impairment based on reasonable and supportable information that is available without undue cost or effort. For all financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company recognizes loss allowances on trade receivables when there is an objective evidence that the Company will not be able to collect all the due amount depending on product categories and the payment mechanism prevailing in the industry.

**Income recognition on financial assets**

Interest income from financial assets is recognized in profit or loss using effective interest rate method, where applicable.

Dividend income is recognized in profit or loss only when the Company's right to receive payments is established and the amount of dividend can be measured reliably.

### 3.4.2 Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities are classified, at initial recognition, as subsequently measured at amortized cost unless they fulfill the requirement of measurement at fair value through profit or loss. Where the financial liability has been measured at amortized cost, the difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit and loss over the contractual terms using the effective interest rate method. Financial liabilities at fair value through profit or loss are carried at fair value with changes in fair value recognized in the finance income or finance cost in the statement of profit or loss.

### 3.4.3 Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognized when the liability is extinguished that is when the contractual obligation is discharged, cancelled or expired.

# Notes to the Financial Statements

### 3.4.4 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

### 3.5 Derivatives and hedging activities

The Company do have derivative financial instruments such as forward contracts, and to mitigate risk of changes in exchange and interest rates, although nil outstanding at on 31st March, 2023. The counterparty for these contracts is generally banks.

### 3.5.1 Derivatives

Derivatives are measured at fair value. All fair value gains and losses are recognized in profit and loss except where the derivatives qualify as hedging instruments in cash flow hedges or net investment hedges.

### 3.5.2 Cash flow hedges that qualify for hedge accounting:

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions.

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the Other Comprehensive Income.

### 3.6 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of Property, Plant and Equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a Straight Line basis over the useful life of the related assets and presented within other income.

### 3.7 Income Tax

The Income Tax expense or credit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses as well as available MAT Credit.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Current tax comprises of expected tax payable or receivable on taxable income / loss for the year or any adjustment or receivable in respect of previous year.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

# Notes to the Financial Statements

### 3.8 Inventories

Stock of finished goods and stock-in-trade are valued at lower of cost and net realizable value. Finished goods, produced from agricultural produce viz. Black Tea and Tea Waste, are valued at lower of cost arrived at by adding the cost of conversion to the fair value of agricultural produce viz. Green Leaves and the net realizable value. Agricultural produces, viz. Green Leaves harvested from the Company's own Tea Estates, are valued at fair value less cost to sale at the point of harvest. Black Pepper, being an Agricultural Produce is also valued at the net realizable value.

Raw Materials purchased (including Bought Green Leaves) and Stores and Spare Parts are valued at or under cost. Work-in-progress is valued at works cost based on technical evaluation of the stage of completion.

Provision is made for obsolete, slow moving and defective inventories, wherever necessary and reviewed from time to time.

Costs are ascertained to the individual item of inventory by adopting weighted average method. Net realizable value is the estimated selling price for inventories less all selling costs.

### 3.9 Biological Assets

Biological Assets of the Company comprises of unharvested Green Tea Leaves. These are recognized as such when and only when, (a) the Company controls the assets as a result of past events, (b) it is probable that future economic benefits associated with such assets will flow to the Company and (c) the fair value or cost of assets can be measured reliably. These assets are measured at its fair value less cost to sell. The gain or loss arising from change in such value is included in Statement of Profit and Loss.

### 3.10 Agricultural Produce

Agricultural Produce of the Company comprises of harvested Green Tea Leaves as well as Black Pepper, from its own Tea Estates. These are valued at fair value less cost to sell on the reporting date. The gain or loss arising from change in such value is included in the Statement of Profit and Loss under the head Consumption of Raw Materials (Green leaves) or Change in inventories of Finished Goods, as applicable.

### 3.11 Employee Benefits

**3.11.1** These are recognized at the undiscounted amount as expense for the year in which the related service is rendered.

**3.11.2** The Company is contributing regularly to the Provident Funds, administered by the Governments and independent of Company's finances, in respect of all its eligible employees. The Company also operates Defined Contribution Scheme for payment of Pension to certain classes of employees. Monthly contribution at 15% of the eligible employees' current salary is made to recognized Superannuation Fund, which is fully funded. This Fund is administered by Trustees and is independent of Company's finance. Contributions are recognized in Profit and Loss Statement on an accrual basis.

**3.11.3** Defined Benefit Gratuity Plan is also maintained by the Company. The Company contributes to the recognized Gratuity Fund, which is administered by the Trustees and is independent of Company's finance. The Annual Contribution is determined by the actuary at the end of the year. Actuarial gains and losses are recognized in the Profit and Loss Statement. The Company also recognizes in the Profit and Loss Statement gains or losses on curtailment or settlement of the defined benefit plan as and when the curtailment or settlement occurs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized, in the year in which they occur, directly in Other Comprehensive Income and eventually included in retained earnings in the Statement of changes in Other Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost.

**3.11.4** Leave encashment liability for eligible employees is provided for at the end of the year, as actually computed and paid/provided for and the charge is recognized in the Profit and Loss Statement.

### 3.12 Leases

Leases are recognized as per Ind AS 116 when there is a contract that conveys the right to control the use of an identified asset. Such leases are amortized over the lease term.

### 3.13 Borrowing costs

Borrowing costs consist of interest and related costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

# Notes to the Financial Statements

Borrowing costs that are attributable to the acquisition or construction of qualifying assets or for self-created assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

### 3.14 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

### 3.15 Operating Segments

In terms of Ind AS 108, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) viz. the Chief Executive officer (Executive Chairman) of the Company. The Chief Operating Decision Maker is responsible for allocating resources and assessing performance of the operating segments, which are engaged in separate business activities from which it earns revenue and incur expenses. For each of the segments discreet Financial Results are available.

# Notes to the Financial Statements

₹ in Lakhs

## 4. PROPERTY, PLANT AND EQUIPMENT

| Particulars | GROSS CARRYING AMOUNT | | | | ACCUMULATED DEPRECIATION | | | | NET CARRYING AMOUNT | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2022 | Additions during the Year | Disposal during the Year | As at 31st March, 2023 | As at 1st April, 2022 | Depreciation for the year | Disposal during the Year | As at 31st March, 2023 | As at 31st March, 2023 | As at 31st March, 2022 |
| Land - Tea Estates | 6,330.99 | 8.63 | - | **6,339.62** | - | - | - | **-** | **6,339.62** | 6,330.99 |
| Land - Leasehold | 1,165.55 | - | - | **1,165.55** | 69.49 | 11.79 | - | **81.28** | **1,084.27** | 1,096.06 |
| Bearer Plants - Tea Bushes | 2,423.09 | 278.16 | 0.79 | **2,700.46** | 228.54 | 58.02 | 0.44 | **286.12** | **2,414.34** | 2,194.55 |
| Bearer Plants - Black Pepper Vines | 20.68 | - | - | **20.68** | 6.21 | 1.89 | - | **8.10** | **12.58** | 14.47 |
| Buildings | 10,685.52 | 1,331.38 | 4.77 | **12,012.13** | 1,576.97 | 318.73 | 1.24 | **1,894.46** | **10,117.67** | 9,108.55 |
| Plant and Equipment | 6,375.46 | 527.86 | 105.40 | **6,797.92** | 3,599.03 | 479.88 | 92.13 | **3,986.78** | **2,811.14** | 2,776.43 |
| Furniture and Fixtures | 1,581.68 | 14.38 | 1.24 | **1,594.82** | 737.07 | 120.23 | 1.18 | **856.12** | **738.70** | 844.61 |
| Vehicles | 1,194.27 | 27.29 | 52.05 | **1,169.51** | 791.33 | 78.39 | 49.37 | **820.35** | **349.16** | 402.94 |
| Office Equipment | 411.38 | 13.33 | 16.53 | **408.18** | 283.00 | 32.02 | 15.54 | **299.48** | **108.70** | 128.38 |
| Computers | 725.69 | 55.15 | 22.31 | **758.53** | 523.86 | 83.39 | 21.19 | **586.06** | **172.47** | 201.83 |
| **31st March, 2023** | **30,914.31** | **2,256.18** | **203.09** | **32,967.40** | **7,815.50** | **1,184.34** | **181.09** | **8,818.75** | **24,148.65** | 23,098.81 |
| 31st March, 2022 | 31,094.73 | 1,513.56 | 1,693.98 | 30,914.31 | 7,135.20 | 1,108.11 | 427.81 | 7,815.50 | | |

## 5. CAPITAL WORK-IN-PROGRESS AGEING SCHEDULE

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 years | 2-3 years | More than 3 Years | Total |
| Projects in progress | **246.07** | **127.86** | **14.34** | **24.23** | **412.50** |
| | 331.96 | 120.78 | 61.59 | 58.00 | 572.33 |
| Projects temporarily suspended | - | - | - | - | - |
| | - | - | - | - | - |
| **31st March, 2023** | **246.07** | **127.86** | **14.34** | **24.23** | **412.50** |
| 31st March, 2022 | 331.96 | 120.78 | 61.59 | 58.00 | 572.33 |

## 6. OTHER INTANGIBLE ASSETS

| Particulars | GROSS CARRYING AMOUNT | | | | ACCUMULATED AMORTISATION | | | | NET CARRYING AMOUNT | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2022 | Additions during the Year | Disposal during the Year | As at 31st March, 2023 | As at 1st April, 2022 | Amortisation for the year | Disposals during the Year | As at 31st March, 2023 | As at 31st March, 2023 | As at 31st March, 2022 |
| Know-how | - | 705.99 | - | **705.99** | - | 33.08 | - | **33.08** | **672.91** | - |
| Computer Software | 844.19 | 52.33 | 4.59 | **891.93** | 530.57 | 155.82 | 4.37 | **682.02** | **209.91** | 313.62 |
| **31st March, 2023** | **844.19** | **758.32** | **4.59** | **1,597.92** | **530.57** | **188.90** | **4.37** | **715.10** | **882.82** | 313.62 |
| 31st March, 2022 | 662.22 | 187.20 | 5.23 | 844.19 | 396.56 | 137.01 | 3.00 | 530.57 | | |

## 7. INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

| Particulars | Amount in Intangible Assets Under Development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 years | 2-3 years | More than 3 Years | Total |
| Projects in progress | **81.14** | **-** | **-** | **-** | **81.14** |
| | 333.42 | - | - | - | 333.42 |
| Projects temporarily suspended | - | - | - | - | - |
| | - | - | - | - | - |
| **31st March, 2023** | **81.14** | **-** | **-** | **-** | **81.14** |
| 31st March, 2022 | 333.42 | - | - | - | 333.42 |

# Notes to the Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| 8. | **INVESTMENT IN SUBSIDIARIES AND ASSOCIATES** | | |
| | **Unquoted** | | |
| | **In Equity Instruments - Subsidiary Company** | | |
| | Rossell Techsys Inc. - 392 (31.03.22 -392) Shares of Common Stock (Note 50) | **75.13** | 75.13 |
| | Rossell Techsys Limited - 50,000 (31.03.22 - Nil) Equity Shares of ₹ 2 Each (Note 50) | **1.00** | - |
| | | **76.13** | 75.13 |
| 9. | **NON-CURRENT INVESTMENTS** | | |
| | **In Equity Instruments - Others** | | |
| | R V Enterprizes Pte. Ltd. - no Par Value denominated in USD | | |
| | 2,49,924.40 (Extent of holding - 13%) (31.03.2022 - USD 2,49,924.40) at FVTOCI | **-** | - |
| | **In Preference Instruments - Others** | | |
| | R V Enterprizes Pte. Ltd. - 34,52,359 (31.03.2022-34,52,359) Shares of US$ 1 each measured at FVTOCI | **1,847.99** | 1,847.99 |
| | | **1,847.99** | 1,847.99 |
| | A. Aggregate amount of Quoted Invetments | **-** | - |
| | B. Aggregate amount of Unquoted Investments | **1,847.99** | 1,847.99 |
| | C. Aggregate amount of to date Impairment in Value of Investments (considered in OCI) | **168.52 *** | 168.52* |

* Note: There is no impairment during the year

| | | | |
|---|---|---|---|
| 10. | **LOANS** | | |
| | **Unsecured Considered Good** | | |
| | Loan to Employees | **6.13** | 0.84 |
| | | **6.13** | 0.84 |

| | | | |
|---|---|---|---|
| 11. | **OTHER FINANCIAL ASSETS** | | |
| | Security Deposits | **187.86** | 148.03 |
| | Other Deposits | **185.17** | 404.54 |
| | | **373.03** | 552.57 |

| | | | |
|---|---|---|---|
| 12. | **OTHER NON-CURRENT ASSETS** | | |
| | Capital Advances | **70.38** | 87.66 |
| | | **70.38** | 87.66 |

# Notes to the Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **13.** | **INVENTORIES** | | |
| | Raw Materials (Green Leaf - Agricultural Produce)- At fair value | **21.71** | 37.49 |
| | Raw Materials (Others)- At cost | **12,860.76** | 9,768.19 |
| | Finished Goods (Black Pepper - Agriculture Produce) - At fair value less cost to sell | **32.49** | 1.27 |
| | Finished Goods - At lower of cost and net realisable value [including in transit ₹ 169.13 Lakhs (31.03.2022 - ₹ 52.75 Lakhs) | **882.27** | 1,420.37 |
| | Stores and Spares- At or under cost | **506.61** | 404.21 |
| | Work-in-Progress - At works cost | **864.64** | 541.96 |
| | | **15,168.48** | 12,173.49 |

| | | | |
|---|---|---|---|
| **14.** | **BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS** | | |
| | Fair Value of Biological Assets Other than Bearer Plants (Unharvested Green Tea Leaves) | **67.06** | 110.45 |
| | | **67.06** | 110.45 |

| | | | |
|---|---|---|---|
| **15.** | **INVESTMENTS** | | |
| | Investment at Fair Value through Profit or Loss | | |
| | Investment in Mutual Funds (Unquoted) | | |
| | 28,74,651.996 Units (2022- Nil) of SBI Savings Fund - Regular Plan - Growth | **1,017.91** | - |
| | 17,018.390 Units (2022- Nil) of SBI Magnum Low Duration Fund - Regular Plan - Growth | **507.63** | - |
| | | **1,525.54** | - |

| | | | |
|---|---|---|---|
| **16.** | **TRADE RECEIVABLES** | | |
| | Unsecured | | |
| | Trade Receivables Considered Good | **4,778.01** | 3,314.39 |
| | Trade Receivables which have significant increase in credit risk | **-** | - |
| | | **4,778.01** | 3,314.39 |

**16A. TRADE RECEIVABLES AGEING SCHEDULE**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 Months | 6 Months - 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | Total |
| (i) Undisputed Trade receivables – considered good | **3,254.95** | **1,198.17** | **306.10** | **0.10** | **7.03** | **11.66** | **4,778.01** |
| | 2,505.15 | 609.06 | 178.47 | 1.87 | 19.84 | - | 3,314.39 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |

## Notes to the Financial Statements

₹ in Lakhs

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| **31st March, 2023** | **3,254.95** | **1,198.17** | **306.10** | **0.10** | **7.03** | **11.66** | **4,778.01** |
| 31st March, 2022 | 2,505.15 | 609.06 | 178.47 | 1.87 | 19.84 | - | 3,314.39 |

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **17.** | **CASH AND CASH EQUIVALENTS** | | |
| | Balance with Banks - Current Accounts | **41.48** | 167.88 |
| | Cash on hand | **5.55** | 9.24 |
| | | **47.03** | 177.12 |
| **18.** | **OTHER BANK BALANCES** | | |
| | Dividend Accounts * | **5.57** | 7.15 |
| | | **5.57** | 7.15 |

* Earmarked for payment of unclaimed dividend

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **19.** | **LOANS** | | |
| | **Unsecured Considered Good** | | |
| | Loan to Employees | **6.23** | 11.57 |
| | | **6.23** | 11.57 |
| **20.** | **OTHER FINANCIAL ASSETS** | | |
| | Deposit with Bank under Lien with State's VAT authorities as Security Deposit | **1.63** | 1.63 |
| | | **1.63** | 1.63 |
| **21.** | **CURRENT TAX ASSETS** | | |
| | Central Income Tax | **32.05** | 30.59 |
| | | **32.05** | 30.59 |

# Notes to the Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **22.** | **OTHER CURRENT ASSETS** | | |
| | Advances to Suppliers, Service Providers etc. | **110.77** | 75.44 |
| | Advances Recoverable* | **156.97** | 361.05 |
| | Prepaid Expenses | **244.79** | 482.63 |
| | Other Receivables | **15.07** | 26.27 |
| | Input Tax Credit/ Refund (GST) Receivable | **525.42** | 579.16 |
| | Subsidies receivable from Governments | **791.26** | 609.51 |
| | Export Incentives Receivables | **11.63** | 5.79 |
| | | **1,855.91** | 2,139.85 |

* Includes ₹ 17.74 lakhs due from wholly owned subsidiary, Rossell Techsys Ltd.

| | | | |
|---|---|---|---|
| **23.** | **EQUITY SHARE CAPITAL** | | |
| | **Authorized** | | |
| | 3,80,00,000 (31.03.2022 - 4,50,00,000) Equity Shares of ₹ 2 each | **760.00** | 900.00 |
| | 14,00,000 (31.03.2022 - Nil) Preference Shares of ₹ 10 each | **140.00** | - |
| | **Issued, Subscribed and Paid Up** | | |
| | 3,76,96,475 (31.03.2022 - 3,66,96,475) Equity Shares of ₹ 2 each fully paid up | **753.93** | 733.93 |
| **A)** | **Rights, Preferences and Restrictions attached to the Ordinary Share** | | |
| | The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share and is entitled to participate in Dividend, which may be proposed by the Board of Directors. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | | |
| **B)** | **Equity Shares held by Holding Company** | | |
| | BMG Enterprises Ltd. | **2,47,31,795** | 2,37,63,795 |
| **C)** | **Shareholders holding more than 5% of the aggregate Equity Share capital in the Company** | | |
| | **Name of the Shareholder** | **No. of Equity Shares and % of Holding** | No. of Equity Shares and % of Holding |
| | BMG Enterprises Ltd., Holding Company | **2,47,31,795** | 2,37,63,795 |
| | | **65.61** | 64.76 |
| | Harsh Mohan Gupta | **18,77,751** | 18,77,751 |
| | | **4.98** | 5.12 |
| **D)** | **Reconciliation of Number of Shares** | | |
| | Equity Shares outstanding at the beginning of the year | **3,66,96,475** | 3,66,96,475 |
| | Add: Equity Shares issued during the year | **10,00,000** | - |
| | Equity Shares outstanding at the end of the year | **3,76,96,475** | 3,66,96,475 |

# Notes to the Financial Statements

₹ in Lakhs

| | |
|---|---|
| E) | The Company has issued and alloted 10,00,000 Equity Shares of ₹ 2 each on 16th December, 2022 when the Board of Directors at its Meeting held on 16th December, 2022 approved the conversion of 10,00,000 0.01% Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each into 10,00,000 Equity Shares of ₹ 2 each persuant to the option exercised by the Allottee as per the Terms of the Preferential Issue. (Notes 2 and 3 on Other Equity). |

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| F) | **Shareholding of Promotors** | | |
| Sl. No. | Promotor Name | **No. of Equity Shares and % of Total Shares** | No. of Equity Shares and % of Total Shares |
| 1 | BMG Enterprises Ltd., Holding Company | **2,47,31,795** | 2,37,63,795 |
| | | **65.61%** | 64.76% |
| 2 | Mr. Harsh Mohan Gupta | **18,77,751** | 18,77,751 |
| | | **4.98%** | 5.12% |
| 3 | Mr. Rishab Mohan Gupta | **7,69,203** | 7,69,203 |
| | | **2.04%** | 2.10% |
| 4 | Ms. Vinita Gupta | **6,93,670** | 6,93,670 |
| | | **1.84%** | 1.89% |
| 5 | Harvin Estates Pvt. Ltd. | **1,01,045** | 3,61,045 |
| | | **0.27%** | 0.98% |
| 6 | Ms. Samara Gupta | **15,000** | 15,000 |
| | | **0.04%** | 0.04% |
| 7 | BMG Investments Pvt Ltd | **9,769** | 9,769 |
| | | **0.03%** | 0.03% |
| | **Total** | **2,81,98,233** | 2,74,90,233 |
| | | **74.80%** | 74.92% |
| | **% Change during the Year** | | |
| | BMG Enterprises Ltd., Holding Company | **0.85%** | - |
| | Mr. Harsh Mohan Gupta | **-0.14%** | - |
| | Mr. Rishab Mohan Gupta | **-0.06%** | - |
| | Ms. Vinita Gupta | **-0.05%** | - |
| | Harvin Estates Pvt. Ltd. | **-0.71%** | - |

| | | | |
|---|---|---|---|
| **24.** | **NON CURRENT BORROWINGS** | | |
| | **SECURED** | | |
| | **Term Loans from Banks** | | |
| | **HDFC Bank Limited** | **2,499.10** | 3,498.74 |
| | Less: Current maturities of long term debts | **999.64** | 999.64 |
| | | **1,499.46** | 2,499.10 |
| | a) Nature of Security | | |
| | Equitable Mortgage of Leasehold Land and Buildings constructed thereon at Bangalore. | | |
| | b) Rate of Interest prevailing at year end - 9.90% p.a. (2022 - 7.65% p.a.) | | |
| | c) Terms of Repayment | | |
| | Repayment in 20 Equal Quarterly Instalments till September, 2025 | | |
| | | **1,499.46** | 2,499.10 |

# Notes to the Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| 25. | DEFERRED TAX LIABILITIES / (ASSETS) (NET) | | |
| | **Deferred Tax Liabilities** | | |
| | **The balance comprises temporary differences attributable to:** | | |
| | i) Property, Plant and Equipment and Other Intangible Assets | **771.16** | 641.04 |
| | ii) Financial Assets at Fair Value through Profit or Loss | **7.46** | - |
| | iii) Fair Value of Inventories | **0.94** | 6.33 |
| | iv) Deferred tax related to OCI items | **-** | 12.81 |
| | v) Other Items - On Biological Asset at Fair Value | **-** | 11.21 |
| | **Deferred Tax Liabilities (A)** | **779.56** | 671.39 |
| | **Deferred Tax Assets** | | |
| | **The balance comprises temporary differences attributable to:** | | |
| | i) Deferred tax related to OCI items | **11.35** | - |
| | ii) Minimum Alternate Tax Credit Entitlement | **643.18** | 607.21 |
| | iii) Other Items - On Biological Asset at Fair Value | **12.86** | - |
| | **Deferred Tax Assets (B)** | **667.39** | 607.21 |
| | **Net Deferred Tax Liabilities / (Assets) (A-B)** | **112.17** | 64.18 |

| | | | |
|---|---|---|---|
| 26. | OTHER NON - CURRENT LIABILITIES | | |
| | Liabilities for Expenses | **9.94** | 11.51 |
| | Government Grants | | |
| | Opening Balance | **198.41** | 200.27 |
| | Received during the year | **20.62** | 2.84 |
| | Less : Deferred Income to be appropriated within one year | **6.13** | 4.70 |
| | Closing Balance | **212.90** | 198.41 |
| | | **222.84** | 209.92 |

| | | | |
|---|---|---|---|
| 27. | CURRENT BORROWINGS | | |
| | **Secured Loans repayble on demand from Banks*** | | |
| | **Cash Credit, Packing Credit and Demand Loans** | **13,162.25** | 11,846.60 |
| | Nature of Security | | |
| | Secured by first pari passu charge by way of :<br>a) Equitable Mortgage on immovable properties, being Leasehold Land and Buildings constructed thereon at Bangalore as well as Dikom, Nokhroy, Nagrijuli, Romai and Namsang Tea Estates of the Company and<br>b) Hypothecation of movable properties of Rossell Tea and Rossell Techsys Divisions (including Stock and Book Debts), both present and future, of the Company. | | |
| | Current Maturities of Long Term Borrowings | **999.64** | 999.64 |
| | **Unsecured** | | |
| | Demand Loan from Bank | **500.00** | - |
| | | **14,661.89** | 12,846.24 |
| | *Utilised for Specfic Purpose for which it was taken. | | |

# Notes to the Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| 28. | **TRADE PAYABLES** | | |
| | Trade Payables | | |
| | a) Total outstanding dues of micro enterprises and small enterprises (Note below) | **89.04** | 23.20 |
| | b) Total outstanding dues other than micro enterprises and small enterprises | **2,668.63** | 2,322.87 |
| | | **2,757.67** | 2,346.07 |
| | **Note** | | |
| | To the extent the Company has received information from the Suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006, the details are provided under Sec. 22 of that Act: | | |
| | 1. Principal amount remaining unpaid at the end of the year | **89.04** | 23.20 |
| | 2. The amount of Interest accrued and paid thereon in terms of Sec. 16 | **-** | - |
| | 3. The amount of Interest due and payable for the period of delay in making payment | **-** | - |
| | 4. Interest remaining accrued and unpaid at the end of the year | **-** | - |

**28A. TRADE PAYABLE AGEING SCHEDULE**

| | | Outstanding for following periods from due date of payment* | | | | |
|---|---|---|---|---|---|---|
| | **Particulars** | Less than 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | Total |
| (i) | MSME | **89.04** | **-** | **-** | **-** | **89.04** |
| | | 23.20 | - | - | - | 23.20 |
| (ii) | Others | **2,659.01** | **8.20** | **0.98** | **0.44** | **2,668.63** |
| | | 2,314.94 | 7.56 | 0.37 | - | 2,322.87 |
| (iii) | Disputed dues — MSME | - | - | - | - | - |
| | | - | - | - | - | - |
| (iv) | Disputed dues - Others | - | - | - | - | - |
| | | - | - | - | - | - |
| | **31st March, 2023** | **2,748.05** | **8.20** | **0.98** | **0.44** | **2,757.67** |
| | 31st March, 2022 | 2,338.14 | 7.56 | 0.37 | - | 2,346.07 |

*Ageing has been considered from the date of transaction

| | | | |
|---|---|---|---|
| 29. | **OTHER FINANCIAL LIABILITIES** | | |
| | Interest accrued but not due on borrowings | **60.25** | 44.18 |
| | Unpaid Dividends (Note below) | **5.57** | 7.15 |
| | Capital Liabilities | **146.68** | 121.94 |
| | | **212.50** | 173.27 |
| | Note: Amount due for Transfer to Investor Education and Protection Fund within 1 year - ₹ 2.03 lakhs (2022 - ₹ 2.37 lakhs) | | |

## Notes to the Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **30.** | **OTHER CURRENT LIABILITIES** | | |
| | Advances from Customers | **1,154.32** | 85.34 |
| | Liabilities for Expenses | **1,719.71** | 1,563.32 |
| | Statutory dues | **203.36** | 187.01 |
| | Deferred Income related to Government Grants | | |
| | Opening Balance | **4.70** | 5.59 |
| | Add: Grant Received during the year | **0.89** | 24.78 |
| | Add: Deferred Inome to be appropriated as Income within One Year | **6.13** | 4.70 |
| | Less :Released to Profit and Loss Statement during the year | **5.59** | 30.37 |
| | Closing Balance | **6.13** | 4.70 |
| | Due to Rossell India Empoyees' Gratuity Fund | **123.54** | 210.91 |
| | | **3,207.06** | 2,051.28 |

| | | | |
|---|---|---|---|
| **31.** | **CURRENT TAX LIABILITIES (NET)** | | |
| | Provision for Agricultural Income Tax | **45.59** | 45.59 |
| | | **45.59** | 45.59 |

In terms of our Report of even date

For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Notes to the Financial Statements

₹ in Lakhs

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| **32.** | **REVENUE FROM OPERATIONS** | | |
| (a) | Sale of Products | | |
| | Black Tea | **16,219.92** | 14,109.52 |
| | Black Pepper | **13.52** | 23.04 |
| | Avionics, Aviation and Electronic Equipment | **18,627.52** | 14,705.94 |
| | | **34,860.96** | 28,838.50 |
| (b) | Sale of Services | | |
| | Receipts for Technical and Support Services | **5.42** | 432.77 |
| (c) | Other Operating Revenues | | |
| | Subsidy - | | |
| | - Replanting, Irrigation and Machinery Subsidy | **5.59** | 30.37 |
| | - Transport Subsidy | **9.87** | - |
| | - Orthodox Subsidy | **365.81** | 157.18 |
| | Sundry Receipts | **86.46** | 120.65 |
| | Changes in Fair Value of Biological Assets | **-** | 37.81 |
| | Incentive under MEIS entitlement and other Benefits relating to exports / premium on sale thereof | **24.21** | 285.52 |
| | | **491.94** | 631.53 |
| | | **35,358.32** | 29,902.80 |

| | | | |
|---|---|---|---|
| **33.** | **OTHER INCOME** | | |
| | Interest Income from Financial Assets at amortised cost | | |
| | On Deposits-at amortised cost | **19.07** | 13.86 |
| | On Loans- at effective interest basis | **1.81** | 2.29 |
| | Interest Income from Tax Refunds | **0.24** | - |
| | Interest Subvention under Assam Tea Industries Special Incentive Scheme, 2020 | **75.88** | 113.56 |
| | Profit on Sale of Investment designated at FVTPL | **-** | 15.40 |
| | Net Gain on restatement of Investments designated at FVTPL | **25.61** | - |
| | Liabilities no Longer Required Written Back (Net) | **0.14** | 8.19 |
| | Net Gain on Foreign Currency Transactions and Translation | **268.76** | 246.18 |
| | Profit (net) on Disposal of Property, Plant and Equipment | **3.85** | 26.31 |
| | | **395.36** | 425.79 |

| | | | |
|---|---|---|---|
| **34.** | **COST OF MATERIALS CONSUMED** | | |
| | Purchased Green Leaf Consumed* | **619.66** | 382.02 |
| | Consumption of Raw Materials | **8,709.06** | 6,404.77 |
| | | **9,328.72** | 6,786.79 |
| | * Includes change in Fair Value of Stock of Own Green Leaf on reporting dates | | |

# Notes to the Financial Statements

₹ in Lakhs

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| 35. | CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS | | |
| | Stock of Work in Progress at the beginning of the year | **541.96** | 817.42 |
| | Less: Stock of Work in Progress at the end of the year | **864.64** | 541.96 |
| | (Increase) / Decrease | **(322.68)** | 275.46 |
| | Stock of Finished Goods at the beginning of the year | **1,421.64** | 1,720.54 |
| | Less: Stock of Finished Goods at the end of the year | **914.76** | 1,421.64 |
| | (Increase) / Decrease | **506.88** | 298.90 |
| | | **184.20** | 574.36 |
| 36. | EMPLOYEE BENEFITS EXPENSE | | |
| | Salaries, Wages and Bonus | **10,766.61** | 10,174.36 |
| | Contribution to Provident and other Funds | **1,336.09** | 925.38 |
| | Workmen and Staff Welfare | **1,050.65** | 995.78 |
| | | **13,153.35** | 12,095.52 |
| 37. | FINANCE COST | | |
| | Interest Cost on Financial Liabilities carried at amortised cost | | |
| | On Term Loans | **275.57** | 339.91 |
| | On Working Capital Loans | **669.49** | 596.75 |
| | On Intercorpoarte Deposits (Related Party) | **-** | 26.72 |
| | On Others | **9.52** | 0.95 |
| | Other Borrowings Cost | **36.35** | 34.61 |
| | Net Loss on Foreign Currency Transactions (Net) | **186.62** | - |
| | | **1,177.55** | 998.94 |
| | Disclosure pursuant to Pararaph 26 of Ind AS 23 Borrowings Cost | | |
| | a) The amount of interest capitalised during the year on self constructed assets (Bearer Plants - Capital work in Progress). | **5.27** | 5.07 |
| | b) Capitalisation rate used to determine the amount of interest eligible for Capitalisation as per Paragraph 14 | **7.13%** | 6.64% |
| | c) The amount of interest capitalised during the year on self constructed assets (Plant and Machinery - Capital work in Progress). | **-** | 1.90 |
| | d) Capitalisation rate used to determine the amount of interest eligible for Capitalisation as per Paragraph 14. | **-** | 4.70% |
| | e) The amount of interest capitalised during the year on self constructed assets (Intangible Assets under Development) | **-** | 14.87 |
| | f) Capitalisation rate used to determine the amount of interest eligible for Capitalisation as per Paragraph 14 | **-** | 4.70% |

# Notes to the Financial Statements

₹ in Lakhs

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| **38.** | **DEPRECIATION AND AMORTIZATION EXPENSE** | | |
| | Depreciation on Property, Plant and Equipment | **1,184.34** | 1,108.11 |
| | Amortization of Other Intangible Assets | **188.90** | 137.01 |
| | | **1,373.24** | 1,245.12 |

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| **39.** | **OTHER EXPENSES** | | |
| | Consumption of Stores and Spare Parts | **942.49** | 900.92 |
| | Power and Fuel | **1,554.74** | 1,029.86 |
| | Rent | **56.86** | 52.80 |
| | Rates and Taxes | **51.74** | 39.85 |
| | Repairs to Building | **187.83** | 279.80 |
| | Repairs to Machinery | **236.11** | 216.34 |
| | Other Repairs | **405.58** | 361.52 |
| | Vehicles Maintenance | **266.96** | 241.44 |
| | Transportation Expenses | **273.52** | 243.99 |
| | Freight and Shipment Charges | **112.98** | 75.90 |
| | Warehousing Expenses | **138.51** | 143.74 |
| | Other Selling Expenses | **1,297.11** | 763.38 |
| | Brokerage | **140.21** | 116.84 |
| | Commission on Sales | **-** | 1.38 |
| | Legal and Professional Fees | **356.76** | 356.17 |
| | Insurance | **149.14** | 153.98 |
| | Directors' Fee and Commission | **36.05** | 43.35 |
| | Auditors' Remuneration (Note below) | **6.88** | 5.71 |
| | Traveling and Conveyance | **413.75** | 292.26 |
| | Research & Development Expenses | **213.31** | 95.30 |
| | Miscellaneous Expenses | **489.31** | 501.15 |
| | Changes in Fair Value of Biological Assets | **43.39** | - |
| | | **7,373.23** | 5,915.68 |
| | Note: Break up of Auditors' Remuneration | | |
| | As Auditor | **5.00** | 4.50 |
| | For Other Services | | |
| | Certification Job | **1.53** | 0.93 |
| | Reimbursement of Expenses | **0.35** | 0.28 |
| | | **6.88** | 5.71 |

# Notes to the Financial Statements

₹ in Lakhs

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| 40. | **INCOME TAX EXPENSES** | | |
| | **A. Amount recognised in Profit and Loss Statement** | | |
| | **Current Tax** | | |
| | Assam Agricultural Income Tax for the year | **-** | - |
| | Income Tax for the year | **300.00** | 300.00 |
| | Total Current Tax | **300.00** | 300.00 |
| | **Deferred Tax** | | |
| | Deferred Tax | **59.34** | 46.66 |
| | **B. Amount recognised in Other Comprehensive Income** | | |
| | **Deferred Tax Charge (Credit)** | | |
| | Items that will not be reclassified to profit or loss | | |
| | On Remeasurements of post-employment defined benefit obligations | **11.35** | (12.81) |
| | Net Deferred Tax | **11.35** | (12.81) |
| | **C. Reconciliation of Effective Tax** | | |
| | **The Income Tax Expense for the year reconciled with Accounting Profit as under** | | |
| | Profit before tax | **3,096.38** | 3,322.93 |
| | Effect of - | | |
| | Tax Nil (2022- Nil) on Agricultural Book Profit - Agricultural Income Tax | **-** | - |
| | Tax @ 17.472% (2022- 17.472%) of Book Profit - Income Tax | **300.00** | 300.00 |
| | MAT Credit receivable | **(643.18)** | (607.21) |
| | Differential Depreciation allowable under Income Tax | **771.16** | 641.04 |
| | Deferred Tax attributable to other items | **(68.64)** | 12.83 |
| | Income Tax Expense recognised in Profit and Loss Statement | **359.34** | 346.66 |

| | | | |
|---|---|---|---|
| 41. | **EARNINGS PER SHARE** | | |
| | Profit for the Year | **2,737.04** | 2,976.27 |
| | Weighted average number of Equity Shares outstanding for the purpose of: | | |
| | - Basic Earnings per Equity Share | **369.87** | 366.96 |
| | - Diluted Earnings per Equity Share | **374.58** | 366.96 |
| | Basic Earnings per Equity Share of ₹ 2 each | **7.40** | 8.11 |
| | Diluted Earnings per Equity Share of ₹ 2 each | **7.31** | 8.11 |

| | | | |
|---|---|---|---|
| 42. | **CONTINGENT LIABILITIES AND COMMITMENTS'** | | |
| (i) | **Estimated amount of Contingent Liabilities not provided for** | | |
| a. | Claims against the Company not acknowledged as Debts | **51.62** | 51.62 |
| b. | Income Tax Demands disputed before Appellate Authorities | **1,067.20** | - |
| c. | Bank Guarantees outstanding | **1.66** | 65.61 |
| (ii) | **Commitments** | | |
| | Estimated amount of contracts to be executed on Capital Account and not provided for (net of Advances) | **160.71** | 205.99 |

## Notes to the Financial Statements

₹ in Lakhs

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| **43.** | **EXPENSES ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES** | | |
| | The Company is covered under Section 135 of the Companies Act, 2013. Accordingly, the CSR committee has been formed by the Company in accordance with Sub-Section 1 and the Company is mandatorily required to spend at least 2% of its average Net Profit as computed under Section 198 for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The required disclosure for CSR activities undertaken during the year is given hereunder: | | |
| (i) | Amount required to be spent by the company during the year | **67.00** | 48.00 |
| (ii) | Amount of expenditure incurred | **67.01** | 48.03 |
| (iii) | Shortfall at the end of the year | **-** | - |
| (iv) | Total of previous years shortfall | **-** | - |
| (v) | Reason for shortfall | **NA** | NA |
| (vi) | Nature of CSR activities | Eradication of hunger and malnutrition, promoting education, healthcare, destitute care and rehabilitation, disaster relief, COVID-19 relief and rural development projects. | |
| (vii) | Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard(*) | **21.68** | 13.54 |
| (viii) | Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | **NA** | NA |
| | (*) Represents contribution to BMG Foundation, a Trust controlled by the Holding Company to promote health care including preventive health care. | | |

| | | |
|---|---|---|
| **44.** | **SEGMENT INFORMATION** | |
| | In terms of Ind AS 108, the Company has the following reportable Operating Segments as Primary Segments: | |
| | **Business Activity** | **Operating Segment** |
| | A. Cultivation, Manufacture and Sale of Tea | Cultivation, Manufacture and Sell of Bulk Tea |
| | B. Aviation Products and Services | Engineering and Manufacturing in Aerospace and Defense |

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| | **Segments' Revenue** | | |
| | A. Cultivation, Manufacture and Sale of Tea | **16,721.75** | 14,442.24 |
| | B. Aviation Products and Services | **18,636.57** | 15,460.56 |
| | Total Revenue from Operations | **35,358.32** | 29,902.80 |
| | **Revenue from External Customers'** | | |
| | **Country of Domicile** | | |
| | India | **15,229.62** | 12,891.11 |

# Notes to the Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| 44. | **SEGMENT INFORMATION** *(contd.)* | | |
| | **Foreign Countries** | | |
| | USA | **17,668.89** | 14,137.71 |
| | UK | **1,311.61** | 1,343.21 |
| | France | **-** | 49.20 |
| | Germany | **278.56** | 40.50 |
| | Other Countries | **869.64** | 1,441.07 |
| | Total | **20,128.70** | 17,011.69 |
| | | **35,358.32** | 29,902.80 |
| | **Information about Major Customers** | | |
| | The Boeing Company, USA | **15,184.42** | 13,561.50 |
| | % of Total Revenue | **42.94** | 45.35 |
| | Taylors of Harrogate | **1,218.00** | 1,337.55 |
| | % of Total Revenue | **3.44** | 4.47 |
| | **Segments' Results** | | |
| | A. Cultivation, Manufacture and Sale of Tea | **2,568.99** | 2,221.73 |
| | B. Aviation Products and Services | **2,266.67** | 1,898.15 |
| | | **4,835.66** | 4,119.88 |
| | Less: Interest | **1,177.55** | 998.94 |
| | Unallocated Expenses net of unallocated Income | **561.73** | 456.79 |
| | Profit before Tax | **3,096.38** | 2,664.15 |
| | **Segments' Assets** | | |
| | A. Cultivation, Manufacture and Sale of Tea | **15,760.78** | 15,615.62 |
| | B. Aviation Products and Services | **30,734.16** | 26,618.32 |
| | | **46,494.94** | 42,233.94 |
| | Add: Unallocated | **4,891.34** | 2,614.67 |
| | Total Assets | **51,386.28** | 44,848.61 |
| | Segment Assets include the following Capital Expenditure for the year | | |
| | A. Cultivation, Manufacture and Sale of Tea | **687.70** | 914.66 |
| | B. Aviation Products and Services | **1,129.67** | 598.51 |
| | | **1,817.37** | 1,513.17 |
| | Add: Unallocated | **1,197.13** | 187.59 |
| | Total Additions to Property, Plant and Equipment during the year | **3,014.50** | 1,700.76 |

# Notes to the Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **44.** | **SEGMENT INFORMATION** *(contd.)* | | |
| | **Segments' Liabilities** | | |
| | A. Cultivation, Manufacture and Sale of Tea | **3,662.16** | 5,083.76 |
| | B. Aviation Products and Services | **18,762.80** | 14,762.20 |
| | | **22,424.96** | 19,845.96 |
| | Add: Unallocated | **294.22** | 389.69 |
| | | **22,719.18** | 20,235.65 |

**45. EMPLOYEE BENEFIT OBLIGATION**

**Defined Contribution Plans**

The Company operates defined contribution scheme for payment of pension for certain eligible employees. Under the scheme, contributions are made by the Company, based on current salaries, to the recognized Superannuation Fund maintained by the Company. The Company is also contributing to the Governments administered Provident Funds in respect of all the qualifying employees.

An amount of ₹ 1,006.75 lakhs (2022 – ₹ 947.84 Lakhs) has been charged to the Statement of Profit and Loss on account of defined contribution schemes.

**Defined Benefit Plans**

The Company also operates defined benefit scheme in respect of gratuity benefit towards its employees. This schemes offer specified benefits to the employees on retirement, death, disability or cessation of employment. The liability arising for the Defined Benefit Scheme is determined in accordance with the advice of independent, professionally qualified actuary, using the Projected Unit Credit (PUC) actuarial method as at year end. The Company makes regular contribution for this Employee Benefit Plan to a recognized Gratuity Fund. This Fund is administered through approved Trust, which operate in accordance with the Trust Deed and Rules.

**Gratuity - Funded**

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **DISCLOSURE OF DEFINED BENEFIT COST** | | | |
| **A.** | **Profit and Loss** | | |
| 1. | Current Service Cost | **192.45** | 197.76 |
| 2. | Past Service Cost - Plan amendments | **-** | - |
| 3. | Curtailment Cost/(Credit) | **-** | - |
| 4. | Settlement Cost/(Credit) | **-** | - |
| 5. | Service Cost | **192.45** | 197.76 |
| 6. | Net interest on net defined benefit liability / (asset) | **(14.99)** | - |
| 7. | Other long term employee benefit plans / other adjustments | **121.91** | - |
| 8. | Acquisition Credit | **-** | (247.07) |
| 9. | **Cost recognised in the Statement of Profit and Loss Account** | **299.37** | (49.31) |

## Notes to the Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **DISCLOSURE OF DEFINED BENEFIT COST** *(contd.)* | | | |
| **B.** | **Other Comprehensive Income (OCI)** | | |
| 1. | Actuarial (gain)/loss due to DBO experience | **292.99** | (107.68) |
| 2. | Actuarial (gain)/loss due to DBO assumption changes | **(59.27)** | (51.73) |
| 3. | Actuarial (gain)/loss arising during the period | **233.72** | (159.41) |
| 4. | Return on plan assets (greater)/less than discount rate | **(89.56)** | (5.39) |
| **5.** | **Actuarial (gains)/losses recognized in OCI** | **144.16** | (164.80) |
| **C.** | **Defined Benefit Cost** | | |
| 1. | Total Service Cost | **192.45** | 197.76 |
| 2. | Net interest on net defined benefit liability / (asset) | **(14.99)** | - |
| 3. | Actuarial (gains)/losses recognized in OCI | **144.16** | (164.80) |
| 4. | Other long term employee benefit plans | **121.91** | - |
| 5. | **Defined Benefit Cost** | **443.53** | 32.96 |
| **MOVEMENT OF DEFINED BENEFIT OBLIGATION AND PLAN ASSETS** | | | |
| **A.** | **Change in Defined Benefit Obligations (DBO)** | | |
| 1. | **DBO at the end of prior period** | **2,717.97** | 2,980.98 |
| 2. | Current Service Cost | **192.45** | 197.76 |
| 3. | Interest Cost on the DBO | **177.95** | 194.26 |
| 4. | Curtailment Cost/(Credit) | **-** | - |
| 5. | Settlement Cost/(Credit) | **-** | - |
| 6. | Past Service Cost - Plan amendments | **-** | - |
| 7. | Acquisitions (Credit)/ cost | **-** | (247.07) |
| 8. | Actuarial (gain)/loss - experience | **292.99** | (107.68) |
| 9. | Actuarial (gain)/loss - demographic assumptions | **(59.27)** | (51.73) |
| 10. | Actuarial (gain)/loss - financial assumptions | **-** | - |
| 11. | Benefits Paid directly by the Company | **-** | - |
| 12. | Benefits paid from plan assets | **(351.79)** | (248.55) |
| 13. | **DBO at the end of current period** | **2,970.30** | 2,717.97 |
| **B** | **Change in Fair Value of Assets** | | |
| 1. | **Fair value of assets at the end of the prior period** | **2,932.08** | 2,980.98 |
| 2. | Acquisition adjustment | **-** | - |
| 3. | Interest income on plan assets | **192.94** | 194.26 |
| 4. | Employer contributions | **229.42** | - |
| 5. | Return on plan assets greater / (lesser) than discount rate | **89.56** | 5.39 |
| 6. | Benefits paid | **(351.79)** | (248.55) |
| 7. | Other Adjustments | **(121.91)** | - |
| **8.** | **Fair Value of assets at the end of current period** | **2,970.30** | 2,932.08 |

## Notes to the Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **Actuarial Assumptions as at 31st March, 2023** | | | |
| 1. | Discount Rate | **7.20%** | 7.00% |
| 2. | Rate of Salary Increase | **5.00%** | 5.00% |
| | The Discount Rate as at 31st March, 2023 is based on the yield on Government Bonds as on March, 2023 | | |
| **Sensitivity Analysis** | | | |
| **A.** | **Discount Rate(%)** | **7.20** | 7.00 |
| 1. | Effect on DBO due to 1% increase in Discount Rate | **(269.14)** | (249.28) |
| | **Percentage Impact** | **(9.06)** | (9.17) |
| 2. | Effect on DBO due to 1% decrease in Discount Rate | **317.13** | 294.48 |
| | **Percentage Impact** | **10.68** | 10.83 |
| **B.** | **Salary escalation rate (%)** | **5.00** | 5.00 |
| 1. | Effect on DBO due to 1% increase in Salary Escalation Rate | **316.21** | 293.29 |
| | **Percentage Impact** | **10.65** | 10.79 |
| 2. | Effect on DBO due to 1% decrease in Salary Escalation Rate | **(273.27)** | (252.74) |
| | **Percentage Impact** | **(9.20)** | (9.30) |
| | **Method used for sensitivity analysis:** The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time. | | |
| **IV** | **Actuarial Calculations under Indian Accounting Standard (Ind AS) 19 - Additional Disclosure Information** | | |
| **A.** | **Maturity Profile of the Defined Benefit Obligation** | | |
| 1. | Within 1 year | **145.62** | 121.58 |
| 2. | 1-2 year | **253.44** | 205.27 |
| 3. | 2-3 year | **194.88** | 242.37 |
| 4. | 3-4 year | **291.72** | 180.86 |
| 5. | 4-5 year | **251.99** | 278.69 |
| 6. | 5-10 year | **1,464.88** | 1,422.46 |
| **B.** | **Expected employer contribution to the plan for next year March, 2023 (Net amount taken as Payable to the Fund as at the year end)** | **123.54** | 210.91 |
| **C.** | **Plan Asset Information as at 31st March, 2023** | **Percentage** | Percentage |
| | Government of India Securities (Central and State) | **25.32** | 29.59 |
| | High quality Corporate Bonds (including Public Sector Bonds) | **8.30** | 8.48 |
| | Cash (including Special Deposits) | **4.84** | 1.42 |
| | Schemes of Insurance | **57.49** | 55.77 |
| | Other | **4.05** | 4.74 |
| | **Total** | **100.00** | 100.00 |

# Notes to the Financial Statements

| D. | Risk Management |
|---|---|
| | **The above benefit plans expose the Company to actuarial risks such as follows:** |
| (i) | Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase |
| (ii) | Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation |
| (iii) | Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee. |

**46. Related Party Disclosure as per Ind AS 24 for the Financial Year Ended 31st March 2023**

(i) **Holding Company**

BMG Enterprises Ltd.
Extend of holding of Equity Share - 65.61%

(ii) **Subsidiary Company**

Rossell Techsys Inc. w.e.f 12th February, 2021 (Incorporated on 6th August, 2020)

Extent of holding of Equity Shares - 100%

Rossell Techsys Limited w.e.f 16th December, 2022 (Incorporated on 6th December, 2022)
Extent of holding of Equity Shares - 100%

(iii) **Enterprises over which the Key Management Personnel or their relatives have signficant influence**

BMG Investments Private Ltd.
Harvin Estates Private Ltd.

BMG Foundation

(iv) **Key Management Personnel**

| | | |
|---|---|---|
| Mr. H.M.Gupta | - | Executive Chairman |
| Mr. R M Gupta | - | Whole Time Director |
| Mr. N K Khurana | - | Director (Finance) and Company Secretary |
| Ms. Nayantara Palchoudhuri | - | Non-Executive Director |
| Mr. K Katyal | - | Non-Executive Director |
| Mr. R Bhatnagar | - | Non-Executive Director |

(v) **Relatives of Key Management Personnel with whom transcations took place during the year**

| | | |
|---|---|---|
| Mrs. Vinita Gupta | - | Wife of Mr. H M Gupta |
| Ms. Samara Gupta | - | Daughter of Mr. H M Gupta |

₹ in Lakhs

| | | Financial Year | |
|---|---|---|---|
| | | 2022-2023 | 2021-2022 |
| (vi) | **Transactions/ balance with Subsidiary** | | |
| | Rossell Techsys Inc. | | |
| | Investment in Equity Shares of Subsidiary Company | - | 75.06 |
| | Services provided during the year | **1,093.61** | 539.95 |
| | Purchase of Goods | **35.59** | 0.81 |
| | Payable to Subsidiary Company at the end of the year | **68.90** | 80.17 |
| | Rossell Techsys Ltd. | | |
| | Investment in Equity Shares of Subsidiary Company | **1.00** | - |
| | Receivable from Subsidiary Company at the end of the year | **17.74** | - |
| (vii) | **Transactions/ balances with Holding Company** | | |
| | a) Loan from BMG Enterprises Ltd, Holding Company | | |
| | At the beginning of the year | | |

# Notes to the Financial Statements

₹ in Lakhs

| | | Financial Year | |
|---|---|---|---|
| | | 2022-2023 | 2021-2022 |
| | Principal | - | 840.00 |
| | Interest | - | - |
| | Received during the year | - | 198.00 |
| | Repayment during the year | - | 1,038.00 |
| | Interest paid | - | 11.68 |
| | At the end of the year | | |
| | Principal | - | - |
| | Interest | - | - |
| | b) Rent paid for Office Space | | |
| | - BMG Enterprises Ltd | - | 12.00 |
| (viii) | **Transactions / balances with Enterprises where significant influence is exercisable** | | |
| | a) Loan from BMG Investment Pvt Ltd | | |
| | At the beginning of the year | | |
| | Principal | - | 768.00 |
| | Interest | - | - |
| | Received during the year | - | 756.00 |
| | Repayment during the year | - | 1,524.00 |
| | Interest paid | - | 15.04 |
| | At the end of the year | | |
| | Principal | - | - |
| | Interest | - | - |
| | a) Rent paid for Office Space | | |
| | - Harvin Estate Pvt. Ltd. | **6.00** | 6.00 |
| | b) Rent for Residential Accommodation | | |
| | - Harvin Estate Pvt. Ltd. | **6.00** | 6.00 |
| | c) Contribution made for charitable purpose (Included in CSR Activities) | | |
| | - BMG Foundation | **21.68** | 13.54 |
| (ix) | **Transactions with Key Management Personnel:** | | |
| | a) Short Term Employment Benefits | | |
| | - Mr. H. M. Gupta | **164.63** | 151.85 |
| | - Mr. N. K. Khurana | **63.09** | 60.66 |
| | - Mr. R M Gupta | **115.98** | 109.69 |
| | b) Post-Employment Benefit | | |
| | - Mr. H. M. Gupta | **11.52** | 11.99 |
| | - Mr. N. K. Khurana | **16.87** | 17.61 |
| | - Mr. R M Gupta | **10.08** | 13.75 |

# Notes to the Financial Statements

₹ in Lakhs

| | | Financial Year | |
|---|---|---|---|
| | | 2022-2023 | 2021-2022 |
| (x) | **Transactions with relatives of Key Management Personnel** | | |
| | a) Short Term Employment Benefits | | |
| | - Mrs. Vinita Gupta | **48.28** | 45.76 |
| | - Ms. Samara Gupta | **41.92** | 39.70 |
| | b) Post-Employment Benefits | | |
| | - Mrs. Vinita Gupta | **4.32** | 5.82 |
| | - Ms. Samara Gupta | **3.69** | 4.97 |
| (xi) | **Transactions with Post Employment Benefit Plan - Contributions** | | |
| | a) Contribution to Rossell India Employees' Gratuity Fund as per | | |
| | Acturial Valuation | **443.53** | - |
| | b) Contribution to Rossell Tea Superannuation Fund | **48.01** | 41.06 |
| | c) Balance payable to Rossell India Employees' Gratuity Fund at the end of the year | **123.54** | 210.91 |
| (xii) | **Transactions with Non-Executive Directors** | | |
| | Sitting Fees | | |
| | Ms. Nayantara Palchoudhuri | **7.25** | 6.45 |
| | Mr. K Katyal | **7.15** | 6.65 |
| | Mr. A Shukla | **-** | 4.50 |
| | Mr. R Bhatnagar | **6.65** | 5.75 |
| | Director's Commission | | |
| | Ms. Nayantara Palchoudhuri | **5.00** | 5.00 |
| | Mr. K Katyal | **5.00** | 5.00 |
| | Mr. A Shukla | **-** | 5.00 |
| | Mr. R Bhatnagar | **5.00** | 5.00 |

## 47. Financial risk management objectives

The Company's business activities expose it to certain financial risks - market risk, liquidity risk and credit risk. In order to minimize those risks, the Company has risk management policies and procedures in place as approved by the Risk management Committee of the Board of Directors of the Company after due evaluation of key risks facing the business of the Company:

### a) Market Risk

The Company's business of Cultivation, Manufacture and Sale of Tea is primarily agricultural in nature. Moreover, the sale price of Tea is largely determined by the market forces of demand and supply. Thus, adverse weather conditions and uncertain tea market expose it to the risk that the fair value or future cash flows may adversely fluctuate. The Company closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to various market risks. Other Market risks are as under:

**i. Foreign Currency Risk**

The Company undertakes significant transactions denominated in foreign currency with its customers in relation to Exports by Rossell Tea Division and 100% EOU of Rossell Techsys Division. This results in wide exposure to exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognized assets and liabilities, which are not in the Company's functional currency (Indian Rupees). A significant portion of these transactions are in US Dollar, Euro and British Pound Sterling etc.

## Notes to the Financial Statements

The Company, as Risk Management Policy, hedges its exposure in foreign exchange whenever considered appropriate based on the their perception about such market and reviews periodically its exposure therein to ensure that results from fluctuating currency exchange rate are appropriately managed.

The exposure to foreign currency as on 31st March, 2023 and 31st March, 2022 is given as under:

**₹ in Lakhs**

| Particulars | As at 31st March, 2023 | | | | As at 31st March, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | USD | EURO | GBP | CHF | USD | EURO | GBP | CHF |
| **Financial Assets** | | | | | | | | |
| Investments in Equity/ Preference Instruments | 34.64 | - | - | - | 34.64 | - | - | - |
| Trade Receivables | 55.93 | 0.04 | - | - | 40.43 | 1.12 | - | - |
| **Total Financial Assets (A)** | **90.57** | **0.04** | **-** | **-** | **75.07** | **1.12** | **-** | **-** |
| **Financial Liabilities** | | | | | | | | |
| Borrowings | - | - | - | - | 38.06 | - | - | - |
| Trade Payables | 21.93 | 0.22 | 0.17 | | 23.94 | 0.16 | 0.02 | 0.09 |
| Other Payables | 0.84 | - | - | - | 1.06 | - | - | - |
| **Total Financial Liabilities (B)** | **22.77** | **0.22** | **0.17** | **-** | **63.06** | **0.16** | **0.02** | **0.09** |
| **Net Exposure in Foreign Currency (A-B)** | **67.80** | **(0.18)** | **(0.17)** | **-** | **12.01** | **0.96** | **(0.02)** | **(0.09)** |

The impact of sensitivity analysis (10% appreciation / depreciation of the foreign currency with respect to functional currency) arising on account of above outstanding foreign currency denominated assets and liabilities would be ₹ 461.63 Lakhs (31st March, 2022 – Rs.27.86 Lakhs).

**ii. Interest Rate Risk**

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objectives of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimize counter party risks.

The Company is exposed to interest rate volatilities primarily with respect to its borrowings from banks. Such volatilities primarily arise due to changes in the Lending rates of Banks, which in turn are linked with Repo Rates as announced by RBI from time to time as well as other economic parameters of the Country. The Company manages such risk by operating with Banks having strong fundaments with comparatively lower Lending Rates in the Market.

**Interest rate sensitivity**

Since the significant amount of borrowings of the Company are short term in nature, the possible volatility in the interest rate is minimal.

**b) Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty, including seasonality, in meeting its obligations due to shortage of liquid assets.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle, ensuring optimal movements of its inventories and avoid blockage of working capital in non-productive current assets.

The remaining contractual maturities of significant financial liabilities payable within one year (other than borrowings from the Banks) as at 31st March, 2023 and 31st March, 2022 are as under:

**₹ in Lakhs**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Trade Payables | **2,757.67** | 2,346.07 |
| Other Financial Liabilities | **212.50** | 173.27 |
| Other Current Liabilities | **3,207.06** | 2,051.28 |
| **Total** | **6,177.23** | 4,570.62 |

# Notes to the Financial Statements

c) **Credit Risk**

Credit risk is the risk that counter party will not meet its obligations leading to a financial loss to the Company.

The Company has its policy to limit its exposure to credit risk arising from outstanding receivables. Management regularly assess the credit quality of its customer's based on which, the terms of payment are decided. Credit limits are set for each customer, which are reviewed at periodic intervals. The credit risk of the Company is low as the Company sells a significant volume of its Teas through the auction system which is on cash and carry basis. The exports are made mostly to worldwide reputed Corporates like Boeing, Lockheed Martin, Taylors of Harrogate etc., and otherwise backed by letter of credit or on advance basis.

There is no expected credit risk on Trade Receivables as on 31st March, 2023 (Note 16).

## 48. Financial Instruments by category

₹ in Lakhs

| Particulars | As at 31st March, 2023 | | | | |
|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized Cost | Total Carrying Value | Total Fair value |
| **Financial Assets** | | | | | |
| (i) Investments | 1,525.54 | 1,847.99 | - | 3,373.53 | 3,373.53 |
| (ii) Trade Receivables | - | - | 4,778.01 | 4,778.01 | 4,778.01 |
| (iii) Cash and Cash Equivalents | - | - | 47.03 | 47.03 | 47.03 |
| (iv) Other Bank Balances | - | - | 5.57 | 5.57 | 5.57 |
| (v) Loans | - | - | 12.36 | 12.36 | 12.36 |
| (vi) Other Financial Assets | - | - | 374.66 | 374.66 | 374.66 |
| **Total financial assets** | 1,525.54 | 1,847.99 | 5,217.63 | 8,591.16 | 8,591.16 |
| **Financial liabilities** | | | | | |
| (i) Borrowings | - | - | 16,161.35 | 16,161.35 | 16,161.35 |
| (ii) Trade payables | - | - | 2,757.67 | 2,757.67 | 2,757.67 |
| (iii) Other financial liabilities | - | - | 212.50 | 212.50 | 212.50 |
| **Total financial liabilities** | - | - | 19,131.52 | 19,131.52 | 19,131.52 |

| Particulars | As at 31st March, 2022 | | | | |
|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized Cost | Total Carrying Value | Total Fair value |
| **Financial Assets** | | | | | |
| (i) Investments | - | 1,847.99 | - | 1,847.99 | 1,847.99 |
| (ii) Trade Receivables | - | - | 3,314.39 | 3,314.39 | 3,314.39 |
| (iii) Cash and Cash Equivalents | - | - | 177.12 | 177.12 | 177.12 |
| (iv) Other Bank Balances | - | - | 7.15 | 7.15 | 7.15 |
| (v) Loans | - | - | 12.41 | 12.41 | 12.41 |
| (vi) Other Financial Assets | - | - | 554.20 | 554.20 | 554.20 |
| **Total financial assets** | - | 1,847.99 | 4,065.27 | 5,913.26 | 5,913.26 |
| **Financial liabilities** | | | | | |
| (i) Borrowings | - | - | 15,345.34 | 15,345.34 | 15,345.34 |
| (ii) Trade payables | - | - | 2,346.07 | 2,346.07 | 2,346.07 |
| (iii) Other financial liabilities | - | - | 173.27 | 173.27 | 173.27 |
| **Total financial liabilities** | - | - | 17,864.68 | 17,864.68 | 17,864.68 |

# Notes to the Financial Statements

| 49. | Fair Value measurements |
|---|---|

**Fair value hierarchy**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The management consider that the carrying amounts of financial assets (other than those measured at fair values) and liabilities recognized in the financial statements approximate their fair value as on the reporting date.

There were no transfers between Level 1, Level 2 and Level 3 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.

₹ in Lakhs

| 1. Financial assets and liabilities measured at fair value on a recurring basis: | Fair Value Hierarchy (Level) | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **Financial Assets (A)** | | | |
| Investment in Units of Mutual Funds measured at FVTPL | Level 2 | **1,525.54** | - |
| Investment in Equity Instruments measured at FVTOCI | Level 2 | **1,847.99** | 1,847.99 |
| **Total** | - | **3,373.53** | 1,847.99 |
| **Financial Liabilities (B)** | - | - | - |
| **Net ( A) – ( B)** | - | **3,373.53** | 1,847.99 |
| **2. Biological Assets other than Bearer Plants measured at Fair Value** | | | |
| Unharvested Green Tea leaves | Level 3 | **67.06** | 110.45 |
| Agricultural Produce | | | |
| - Green Leaf | Level 2 | **21.71** | 37.49 |
| - Black Pepper | Level 2 | **32.49** | 1.27 |
| **Total** | | **121.26** | 149.21 |
| **Grand Total (1 + 2)** | | **3,494.79** | 1,997.20 |

# Notes to the Financial Statements

## 50. Subsidiary Company and Associates

The required information in Form AOC-1 – Statement containing salient features of the Financial Statement of subsidiaries/ associate companies/ joint venture.

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

| | | |
|---|---|---|
| 1. | Sl. No. | 1 |
| 2. | Name of the Subsidiary | **Rossell Techsys Inc. USA**<br>**Wholly Owned Subsidiary (incorporated outside India)** |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | **Year ended 31st March, 2023** |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | **US Dollar**<br>**1 US Dollar = ₹ 82.2169** |
| 5. | Share Capital | **₹ 81.94 lakhs [USD 99,660]** |
| 6. | Reserves and Surplus | **₹ 50.18 lakhs [USD 61,033]** |
| 7. | Total Assets | **₹ 147.70 lakhs [USD 1,79,641]** |
| 8. | Total Liabilities | **₹ 15.58 lakhs [USD 18,948]** |
| 9. | Investments | **Nil** |
| 10. | Turnover | **₹ 1,133.60 lakhs [USD 13,78,798]** |
| 11. | Profit before Taxation | **₹ 25.24 lakhs [USD 30,703]** |
| 12. | Provision for Taxation | **Nil** |
| 13. | Profit after Taxation | **₹ 25.24 lakhs [USD 30,703]** |
| 14. | Proposed Dividend | **Nil** |
| 15. | % of shareholding | **100%** |

| | | |
|---|---|---|
| 1. | Sl. No. | 2 |
| 2. | Name of the Subsidiary | **Rossell Techsys Limited**<br>**Wholly Owned Subsidiary** |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | **Year ended 31st March, 2023** |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | **Not Applicable** |
| 5. | Share Capital | **₹ 1.00 lakhs** |
| 6. | Reserves and Surplus | **₹ (17.80) lakhs** |
| 7. | Total Assets | **₹ 1.10 lakhs** |
| 8. | Total Liabilities | **₹ 17.90 lakhs** |
| 9. | Investments | **Nil** |
| 10. | Turnover | **Nil** |
| 11. | Profit before Taxation | **₹ 17.80 lakhs** |
| 12. | Provision for Taxation | **Nil** |
| 13. | Profit after Taxation | **₹ 17.80 lakhs** |
| 14. | Proposed Dividend | **Nil** |
| 15. | % of shareholding | **100%** |

1. Names of subsidiaries which are yet to commence operations - **None**
2. Names of subsidiaries which have been liquidated or sold during the year - **None**

# Notes to the Financial Statements

## 50. Subsidiary Company and Associates

**Part "B": Associates and Joint Ventures - Not applicable**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| | |
|---|---|
| Name of Associates/Joint Ventures | - |
| 1. Latest audited Balance Sheet Date | - |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | - |
| No. | - |
| Amount of Investment in Associates/Joint Venture | - |
| Extend of Holding % | - |
| 3. Description of how there is significant influence | - |
| 4. Reason why the associate/joint venture is not consolidated | - |
| 5. Net worth attributable to Shareholding as per latest audited Balance Sheet | - |
| 6. Profit / Loss for the year | - |
| i. Considered in Consolidation | - |
| i. Not Considered in Consolidation | - |

1. Names of associates or joint ventures, which are yet to commence operations - **Not Applicable**
2. Names of associates or joint ventures, which have been liquidated or sold during the year - **Not Applicable**

## 51. Business Restructuring

The Board of Directors of the Company at their Meeting held on 12th July, 2022 approved the 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 ('the Scheme'). The Appointed Date set out in the Scheme is 1st July, 2022 or such other date as the Hon'ble National Company Law Tribunal ("NCLT") or any other competent authority may approve. The Stock Exchanges have recently issued their No Objection/ Observation Letters for this Scheme and the required application to NCLT is in the process of being filed. The Scheme shall be effective post receipt of necessary approvals by shareholders and creditors of the Companies, NCLT and such other statutory and regulatory approvals as may be required.

The Board of Directors of the Company at their Meeting held on 16th December, 2022 approved the Scheme of Arrangement between Rossell India Limited ("the Demerged Company") and Rossell Techsys Limited ("the Resulting 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 involving demerger of Rossell Techsys Division from the Demerged Company into the Resulting Company and cancellation and reduction of existing share capital of Resulting Company. The Appointed Date set out in the Scheme is 1st April, 2023 or such other date as the Hon'ble National Company Law Tribunal ("NCLT") or any other competent authority may approve. The Stock Exchanges have recently issued their No Objection/ Observation Letters for this Scheme and the required application to NCLT is in the process of being filed. The Scheme shall be effective post receipt of necessary approvals by shareholders and creditors of the Companies, NCLT and such other statutory and regulatory approvals as may be required.

## 52. Preferential Allotment of Shares

**52.1** The Board of Directors by adopting a Resolution by Circulation on 27th June, 2022 allotted 10,00,000 0.01% Compulsorily Convertible Preference Shares (CCPS) (Instruments entirely Equity in nature) of ₹ 10 each at an issue price of ₹ 156 per CCPS including Securities Premium of ₹ 146 per CCPS aggregating to ₹ 1,560 Lakhs on preferential basis (for cash consideration) after obtaining the required regulatory approvals to BMG Enterprises Ltd., the Holding Company. (Allottee)

**52.2** Subsequently, the Board of Directors at its Meeting held on 16th December, 2022 approved the conversion of aforesaid CCPS of Rs.10 each into 10,00,000 Equity Shares of ₹ 2 each pursuant to the option exercised by the Allottee as per the Terms of the Preferential Issue. The difference in face value of ₹ 8 per Share aggregating to ₹ 80 Lakhs was treated as further Securities Premium received on such issue and allotment of Equity Shares

**52.3** The funds raised from the issue and allotment of the said CCPS have been fully utilised for meeting long term fund requirements and other general corporate purposes of the Company.

**53.** Quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts.

# Notes to the Financial Statements

| 54. | Title deeds of Immovable Property not held in the name of the Company |
|---|---|

₹ in Lakhs

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|---|---|
| PPE | Land | 2488.09 | Kharikatia Tea & Industries Limited | No | 1st November, 2012 | Pending sale permission from the concerned authorities of the Government of Assam. |
| PPE | Building | 616.75 | | No | | |
| PPE | Bearer Plants - Tea Bushes | 399.40 | | No | | |

| 55. | The following are the analytical ratios for the year ended 31st March, 2023 and 31st March, 2022 |
|---|---|

| Sl. No. | Particulars | Numerator | Denominator | 31st March 2023 | 31st March 2022 | % Variance | Reason for Change, if the change is more than 25% |
|---|---|---|---|---|---|---|---|
| (i) | Current Ratio | Current assets | Current liabilities | **1.12** | 1.03 | 9% | |
| (ii) | Debt – Equity Ratio | Total Debt | Shareholder's Equity | **0.56** | 0.62 | -10% | |
| (iii) | Debt Service Coverage Ratio | Earnings available for debt service | Debt Service | **2.43** | 2.27 | 7% | |
| (iv) | Return on Equity (ROE) | Net Profits after taxes | Average Shareholder's Equity | **10.27%** | 12.88% | -20% | |
| (v) | Inventory Turnover Ratio | Sales | Average Inventory | **18.63** | 12.81 | 45% | Sales have been higher and level of average inventory are down |
| (vi) | Trade receivables turnover ratio | Net Credit Sales | Average Accounts Receivable | **8.62** | 9.38 | -8% | |
| (vii) | Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | **5.27** | 5.55 | -5% | |
| (viii) | Net capital turnover ratio | Revenue | Avgerage Working Capital | **22.45** | - | - | For 31st March 2022, average working capital was negetive. |
| (ix) | Net profit ratio | Net Profit | Net Sales | **7.85%** | 10.17% | -23% | |
| (x) | Return on capital employed (ROCE) | Earning before interest and taxes | Average Capital Employed | **10.06%** | 10.89% | -8% | |
| (xi) | Return on Investment(ROI) | Income generated from investments | Time weighted average investments | **6.85%** | - | - | For 31st March 2022, Income generated from Investments were Nil. |

# Notes to the Financial Statements

| 56. | General |
|---|---|

Previous Years' figures have been regrouped / rearranged wherever considered appropriate to make them comparable with this year.

In terms of our Report of even date

For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and*
*Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Conslidated Financial Statements

# Independent Auditors' Report

**TO THE MEMBERS OF ROSSELL INDIA LIMITED**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Ind AS Consolidated Financial Statements of Rossell India Ltd. ("the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, the consolidated profits and total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SA's). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regard.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon.

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Directors' Report but does not include the Consolidated Financial Statements and our Auditor's Report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated total comprehensive income),consolidated changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

# Independent Auditors' Report

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies of the group used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of Management's and Board of Director use of the going concern basis of accounting in preparation of Consolidated Financial Statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in the matter that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements. We remain solely responsible for our audit opinion.

# Independent Auditors' Report

- Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

- We communicate with those charged with governance of Holding Company and Subsidiaries regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other matters

The financial statements of the subsidiary, Rossell Techsys Inc., USA reflect total Assets ₹ 147.69 Lakhs and total Liability ₹ 15.58 Lakhs as on 31st March, 2023, total Revenue ₹ 1,129.72,total net profit ₹ 45.61 Lakhs, total comprehensive income ₹ 33.57 lakhs and net Cash Flow amounting to ₹ 50.50 lakhs for the year ended on that date as considered in the consolidated statements.

The financial statements of the subsidiary have not been audited by us. We have considered the management representation in respect of the unaudited financial statement of the subsidiary and our opinion is based on the said representation

The financial statements of another subsidiary, Rossell Techsys Ltd., whose financial statements are audited by us, includes total assets of ₹ 1.10 lakhs and total Liability ₹ 17.90 Lakhs as on 31st March, 2023, total revenue of ₹ Nil, total net profit/(loss) ₹ (17.80) lakhs, total comprehensive income ₹ (17.80) lakhs and net Cash Flow of ₹ 1.00 lakhs for the year ended on that date as considered in the consolidated statements.

### Report on Other legal and Regulatory Requirements

1.A As required by Section 143(3) of the Act, based on our audit we report, to the extent available that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the relevant returns and other documents provided by the Subsidiary Companies.

c) The Ind AS Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014..

e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and on the basis of written representation received by the Management from Directors of its Indian Subsidiary as on 31st March, 2023, none of the Directors of the Group is disqualified as on 31st March, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

# Independent Auditors' Report

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

B With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and accordingly to the explanations given to us:

a) The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2023 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2023.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2023.

d) (i) The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall;

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Group; or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries;

(ii) The management has represented that to the best of its knowledge and belief, no funds have been received by the Group from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise that the Group shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of Funding Parties; or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries;

- Based on such audit procedures as considered reasonable and appropriate in the circumstances nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Holding Company are in compliance with section 123 of the Act.

C with respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act.

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act.

For **Khandelwal Ray & Co.**
Chartered Accountants
(Registration No.302035E)

**Pinaki Sarkar**
Partner
Membership No. 051449
UDIN: 23051449BGRVTR7432

Place : Kolkata
Date : 27th May, 2023

# Annexure – A to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of Rossell India Limited (hereinafter referred to as the "Parent") for the year ended 31st March, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Parent and its Subsidiaries, Rossell Techsys Inc., USA and Rossell Techsys Limited (the Parent and its Subsidiaries together referred to as "the Group").

### Management's Responsibility for Internal Financial Controls

The respective management of the companies in the Group, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls with reference to Consolidated Financial Statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system and their operating effectiveness. Our audit of internal financial controls system included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to Consolidated Financial Statement.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to Consolidated Financial Statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

# Annexure – A to the Auditors' Report

## Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to Consolidated Financial Statement were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Khandelwal Ray & Co.,**
Chartered Accountants
(Registration No.302035E)

**Pinaki Sarkar**
Partner
Membership No. 051449
UDIN: 23051449BGRVTR7432

Place : Kolkata
Date : 27th May, 2023

# Consolidated Balance Sheet as at 31st March, 2023

₹ in Lakhs

| Particulars | | | | Note No. | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|---|---|---|
| I. | ASSETS | | | | | |
| | (1) | Non-current Assets | | | | |
| | | (a) | Property, Plant and Equipment | 4 | **24,148.65** | 23,098.81 |
| | | (b) | Capital work-in-progress | 5 | **412.50** | 572.33 |
| | | (c) | Other Intangible Assets | 6 | **882.82** | 313.62 |
| | | (d) | Intangible Assets Under Development | 7 | **81.14** | 333.42 |
| | | (e) | Financial Assets | | | |
| | | | (i) Non-Current Investments | 8 | **1,847.99** | 1,847.99 |
| | | | (ii) Loans | 9 | **6.13** | 0.84 |
| | | | (iii) Other Financial Assets | 10 | **380.46** | 559.33 |
| | | (f) | Other Non-current Assets | 11 | **70.38** | 87.66 |
| | | | **Total Non-Current Assets** | | **27,830.07** | 26,814.00 |
| | (2) | Current Assets | | | | |
| | | (a) | Inventories | 12 | **15,174.76** | 12,173.73 |
| | | (b) | Biological Assets other than Bearer Plants | 13 | **67.06** | 110.45 |
| | | (c) | Financial Assets | | | |
| | | | (i) Investments | 14 | **1,525.54** | - |
| | | | (ii) Trade Receivables | 15 | **4,778.01** | 3,314.39 |
| | | | (iii) Cash and Cash Equivalents | 16 | **113.11** | 191.70 |
| | | | (iv) Other Bank Balances | 17 | **5.57** | 7.15 |
| | | | (v) Loans | 18 | **6.23** | 11.57 |
| | | | (vi) Other Financial Assets | 19 | **1.63** | 1.63 |
| | | (d) | Current Tax Assets (Net) | 20 | **32.05** | 30.59 |
| | | (e) | Other Current Assets | 21 | **1,838.27** | 2,139.85 |
| | | | **Total Current Assets** | | **23,542.23** | 17,981.06 |
| | | | **TOTAL ASSETS** | | **51,372.30** | 44,795.06 |
| II. | EQUITY AND LIABILITIES | | | | | |
| | (1) | Equity | | | | |
| | | (a) | Equity Share Capital | 22 | **753.93** | 733.93 |
| | | (b) | Other Equity | | **27,952.35** | 23,902.44 |
| | | | **Attributable to Owners of Parent** | | **28,706.28** | 24,636.37 |
| | | | **Non Controlling Interests** | | **-** | - |
| | | | **Total Equity** | | **28,706.28** | 24,636.37 |
| | (2) | Liabilities | | | | |
| | | (a) | Non-Current Liabilities | | | |
| | | | (i) Financial Liabilities | | | |
| | | | Borrowings | 23 | **1,499.46** | 2,499.10 |
| | | | (ii) Deferred Tax Liabilities (Net) | 24 | **112.17** | 64.18 |
| | | | (iii) Other Non-Current Liabilities | 25 | **222.84** | 209.92 |
| | | | **Total Non-Current Liabilities** | | **1,834.47** | 2,773.20 |

# Consolidated Balance Sheet as at 31st March, 2023

₹ in Lakhs

| Particulars | | | | Note No. | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | (b) | **Current Liabilities** | | | |
| | | | (i) Financial Liabilities | | | |
| | | | Borrowings | 26 | **14,661.89** | 12,846.24 |
| | | | Trade Payables | 27 | | |
| | | | - Total outstanding dues of micro enterprises and small enterprises | | **89.04** | 23.20 |
| | | | - Total outstanding dues other than micro enterprises and small enterprises | | **2,684.21** | 2,325.89 |
| | | | Other Financial Liabilities | 28 | **212.50** | 173.27 |
| | | | (ii) Other Current Liabilities | 29 | **3,138.32** | 1,971.30 |
| | | | (iii) Current Tax Liabilities (Net) | 30 | **45.59** | 45.59 |
| | | | **Total Current Liabilities** | | **20,831.55** | 17,385.49 |
| | | | **Total Liabilities** | | **22,666.02** | 20,158.69 |
| | | | **TOTAL EQUITY AND LIABILITIES** | | **51,372.30** | 44,795.06 |

In terms of our Report of even date
For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Consolidated Profit and Loss Statement for the year ended 31st March, 2023

₹ in Lakhs

| Particulars | Note No. | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 31 | **35,359.84** | 29,905.44 |
| Other Income | 32 | **397.28** | 425.79 |
| **Total Income** | | **35,757.12** | 30,331.23 |
| **EXPENSES** | | | |
| Cost of materials consumed | 33 | **9,341.68** | 6,788.99 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 34 | **184.20** | 574.36 |
| Employee benefits expense | 35 | **13,891.61** | 12,442.13 |
| Finance cost | 36 | **1,177.55** | 998.94 |
| Depreciation and amortization expense | 37 | **1,373.24** | 1,245.12 |
| Other expenses | 38 | **6,597.64** | 5,544.61 |
| Corporate Social Responsibility (CSR) activities | | **67.01** | 48.03 |
| **Total Expenses** | | **32,632.93** | 27,642.18 |
| **Profit before extraordinary item and tax** | | **3,124.19** | 2,689.05 |
| **Extraordinary Item** | | | |
| Profit on Sale/Disposal of Tea Estate | | - | 658.78 |
| | | - | 658.78 |
| **Profit before tax** | | **3,124.19** | 3,347.83 |
| Income Tax Expense | | | |
| (i) Current Tax | | | |
| Central Income Tax | 39 | **300.00** | 300.00 |
| Agricultural Income Tax | 39 | - | - |
| (ii) Deferred Tax - Charge | 39 | **59.34** | 46.66 |
| **Total Tax Expense** | | **359.34** | 346.66 |
| **Net Profit for the Period** | | **2,764.85** | 3,001.17 |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurements of post-employment defined benefit obligations | | **(144.16)** | 164.80 |
| (ii) Income Tax relating to these items | | **11.35** | (12.81) |
| Items that will be reclassified to profit or loss | | | |
| (i) Exchange differences on translation of financial statements of foreign operations | | **(12.04)** | (1.49) |
| **Other Comprehensive Income for the year, net of tax** | | **(144.85)** | 150.50 |
| **Total Comprehensive Income for the year** | | **2,620.00** | 3,151.67 |
| **Profit for the year** | | | |
| Attributable to: | | | |
| Owners of the Parent | | **2,764.85** | 3,001.17 |
| Non Controlling Interests | | - | - |
| **Other Comprehensive Income** | | | |
| Attributable to: | | | |
| Owners of the Parent | | **(144.85)** | 150.50 |
| Non Controlling Interests | | - | - |

## Consolidated Profit and Loss Statement for the year ended 31st March, 2023

₹ in Lakhs

| Particulars | Note No. | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| **Total Comprehensive Income for the year** | | | |
| Attributable to: | | | |
| Owners of the Parent | | **2,620.00** | 3,151.67 |
| Non Controlling Interests | | **-** | - |
| Earning per Equity Share [Nominal Value per share : ₹ 2 | | | |
| (Previous Year : ₹ 2)] | | | |
| (1) Basic | 40 | **7.48** | 8.18 |
| (2) Diluted | | **7.38** | 8.18 |

In terms of our Report of even date

For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and*
*Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Consolidated Cash Flow Statement for the year ended 31st March, 2023

₹ in Lakhs

| | 2022-2023 | | 2021-2022 | |
|---|---|---|---|---|
| **A. Cash Flow from Operating Activities** | | | | |
| Profit before Tax | | **3,124.19** | | 3,347.83 |
| - Adjustment for : | | | | |
| Depreciation and Amortization expense | **1,373.24** | | 1,245.12 | |
| Finance Cost | **1,177.55** | | 998.94 | |
| Net Gain on Foreign Currency Transaction and Translation | **(268.76)** | | (246.18) | |
| (Profit)/ Loss on Disposal of Property, Plant and Equipment (Net) | **(3.85)** | | (26.31) | |
| Liabilities no more required written back (net) | **(0.14)** | | (8.19) | |
| Exchange difference on translation of foreign operations | **(12.04)** | | (1.49) | |
| | | **2,266.00** | | 1,961.89 |
| | | **5,390.19** | | 5,309.72 |
| Items Considered in Investing Activity : | | | | |
| Interest on Deposits etc. | **(19.31)** | | (13.86) | |
| Net Gain on restatement of Investments designated at FVTPL | **(25.61)** | | - | |
| Profit on sale of Investments designated at FVTPL | **-** | | (15.40) | |
| | | **(44.92)** | | (29.26) |
| | | **5,345.27** | | 5,280.46 |
| Operating Profit before Working Capital Changes | | | | |
| - Adjustment for : | | | | |
| Trade Receivables, Loans, Advances and Other Assets | **(938.15)** | | (898.01) | |
| Inventories | **(3,001.03)** | | (1,080.43) | |
| Trade Payable, Other Liabilities and Provisions | **1,483.24** | | 1,105.90 | |
| | | **(2,455.94)** | | (872.54) |
| Cash Generated from Operations | | **2,889.33** | | 4,407.92 |
| Direct Taxes (Net of refund) | **(301.46)** | | (427.56) | |
| | | **(301.46)** | | (427.56) |
| Cash Flow before Extraordinary Item | | **2,587.87** | | 3,980.36 |
| Extraordinary Item | | **-** | | (658.78) |
| **Net Cash Flow from Operating Activities** | | **2,587.87** | | 3,321.58 |

# Consolidated Cash Flow Statement for the year ended 31st March, 2023

₹ in Lakhs

| B. Cash Flow from Investing Activities | | 2022-2023 | | 2021-2022 |
|---|---|---|---|---|
| Purchase of Property, Plant and Equipment, Other Intangible Assets including Advances for Capital Assets | | **(2,579.84)** | | (1,531.03) |
| Sale/ Disposal of Tea Estate | | **-** | | 1,469.25 |
| Sale of Property, Plant and Equipment | | **26.07** | | 32.89 |
| Purchase of Non-current Investments | | **-** | | (5.02) |
| Proceeds from sale of Non-current Investments | | **-** | | 70.01 |
| Purchase of Current Investments | | **(1,499.93)** | | - |
| Interest Received | | **19.31** | | 13.86 |
| **Net Cash Flow from Investing Activities** | | **(4,034.39)** | | 49.96 |
| **C. Cash Flow from Financing Activities** | | | | |
| Proceeds of Compulsorily Convertible Preference Shares (CCPS) | | **1,560.00** | | - |
| Intercorporate Deposits Received/(Refunded) (Net) | | **-** | | (1,608.00) |
| Proceeds of Working Capital Loan from Bank (Net) | | **1,815.65** | | 208.93 |
| Repayment of Term Loan From Banks | | **(999.64)** | | (999.64) |
| Payment of Interest/ Other Borrowing Cost | | **(980.13)** | | (1,043.15) |
| Gain/ (Loss) on Foreign Currency Translations | | **82.14** | | 246.18 |
| Dividend Paid | | **(110.09)** | | (110.09) |
| **Net Cash Flow from Financing Activities** | | **1,367.93** | | (3,305.77) |
| **Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)** | | **(78.59)** | | 65.77 |
| **Cash and Cash Equivalents at the beginning of the Financial Year** (Note 16) | | **191.70** | | 125.93 |
| **Cash and Cash Equivalents at the end of the Financial Year** (Note 16) | | **113.11** | | 191.70 |

**Notes:**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 - "Statement of Cash Flow".

In terms of our Report of even date

For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Consolidated Statement of Changes in Equity for the year ended 31st March, 2023

**A. Equity Share Capital**

₹ in Lakhs

| | |
|---|---|
| Balance at the beginning on 1st April, 2021 | 733.93 |
| Changes during the year 2021-2022 | - |
| **Balance at the end on 31st March, 2022** | **733.93** |
| Changes during the year 2022-2023 | 20.00 |
| **Balance at the end on 31st March, 2023** | **753.93** |

**B. Changes in Equity**

| | Reserves and Surplus | | | | Other Comprehensive Income | | | Attributable to Owners of the Parents | Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | Remeasurement of Employees' Obligations | Impairment of Investment | Foreign Currency Translation Reserve | | | |
| **As at 1st April, 2021** | 248.01 | 2,609.55 | 17,565.72 | 1,210.98 | (604.88) | (168.52) | - | 20,860.86 | - | 20,860.86 |
| Profit for the year | - | - | - | 3,001.17 | - | - | - | 3,001.17 | - | 3,001.17 |
| Dividend Paid | - | - | - | (110.09) | - | - | - | (110.09) | - | (110.09) |
| Remeasurements of post-employment defined benefit obligations (Net of tax) | - | - | - | - | 151.99 | - | - | 151.99 | - | 151.99 |
| Exchange differences arising on consolidation | - | - | - | - | - | - | (1.49) | (1.49) | - | (1.49) |
| Transfer to General Reserve | - | - | 2,500.00 | (2,500.00) | - | - | - | - | - | - |
| **As at 31st March, 2022** | 248.01 | 2,609.55 | 20,065.72 | 1,602.06 | (452.89) | (168.52) | (1.49) | 23,902.44 | - | 23,902.44 |
| Profit for the year | - | - | - | 2,764.85 | - | - | - | 2,764.85 | - | 2,764.85 |
| Securities Premium on Issuing CCPS (Note 1 below) | - | 1,460.00 | - | - | - | - | - | 1,460.00 | - | 1,460.00 |
| Securities Premium on Conversion of CCPS to Equity Shares (Note 2 below) | - | 80.00 | - | - | - | - | - | 80.00 | - | 80.00 |
| Dividend Paid | - | - | - | (110.09) | - | - | - | (110.09) | - | (110.09) |
| Remeasurements of post-employment defined benefit obligations (Net of tax) | - | - | - | - | (132.81) | - | - | (132.81) | - | (132.81) |
| Exchange differences arising on consolidation | - | - | - | - | - | - | (12.04) | (12.04) | - | (12.04) |
| Transfer to General Reserve | - | - | 2,500.00 | (2,500.00) | - | - | - | - | - | - |
| **As at 31st March, 2023** | **248.01** | **4,149.55** | **22,565.72** | **1,756.82** | **(585.70)** | **(168.52)** | **(13.53)** | **27,952.35** | **-** | **27,952.35** |

# Consolidated Statement of Changes in Equity for the year ended 31st March, 2023

**NOTES:**

1. The Board of Directors of the Parent by adopting a Resolution by Circulation on 27th June, 2022 allotted 10,00,000 0.01% Compulsorily Convertible Preference Shares (CCPS) (Instruments entirely Equity in nature) of ₹ 10 each at an issue price of ₹ 156 per CCPS including Securities Premium of ₹ 146 per CCPS aggregating to ₹ 1,560 Lakhs on preferential basis (for cash consideration) after obtaining the required regulatory approvals. Accordingly, ₹ 1,460 lakhs have been credited here.

2. Further, the Board of Directors of the Parent at its Meeting held on 16th December, 2022 approved the conversion of aforesaid CCPS of Rs.10 each into 10,00,000 Equity Shares of ₹ 2 each persuant to the option exercised by the Allottee as per the Terms of the Preferential Issue. The difference in face value of ₹ 8 per Share aggregating to ₹ 80 Lakhs was treated as further Securities Premium received on such issue and allotment of Equity Shares.

**Nature and purpose of each Reserve**

a) **Capital Reserve**
This represents the amounts received as compensation for Tea Estates Land acquired by competent authorities on various occassions as well as certain adjustments relating to various Schemes of Arrangements, which the Parent had entered in to in the earlier years.

b) **Securities Premium Reserve**
Securities Premium Reserve was created as per the Scheme of Arrangements with the value of net assets taken over by the Parent and again used to credit the premium on issue of Equity Shares by the Parent from time to time, including the present issues (Notes 1 and 2 above). The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

c) **General Reserve**
General Reserve is created for ploughing back the profits earned by the Parent and retained before payment of dividend. This is free reserve and available for utilisation in accordance with the provisions of the Companies Act, 2013.

d) **Retained Earnings**
Retained earnings represent accumulated profits earned by the Group and remaining undistributed as on date.

In terms of our Report of even date

For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Notes to the Consolidated Financial Statements

**Significant Accounting Policies and Other Notes to the Consolidated Financial Statement for the Year ended 31st March, 2023**

## 1. Company Overview

Rossell India Limited (the Holding Company/ the Parent) is a Public Limited Company incorporated and domiciled in India. The Holding Company was incorporated on 10th June, 1994 under the Companies Act, 1956 with its registered office at Kolkata, West Bengal. The Equity Shares of the Holding Company are listed on National and Bombay Stock Exchanges. The Holding Company is engaged in the following business activities:

a. Cultivation, Manufacture and Sell of Bulk Tea as Rossell Tea Division.
b. Engineering and Manufacturing in Aerospace and Defense Services as Rossell Techsys Division.

Rossell Techsys Inc (the Subsidiary Company/ Subsidiary) is a Delaware Corporation, incorporated in the State of Delaware, USA. The Company was incorporated on 6th August, 2021 under General Corporation Law of Delaware, USA with its registered office at County of Sussex, Delaware. Rossell Techsys Inc, USA is engaged in the management and operations of its business related to the aerospace and airline industry and in connection therewith also provides certain services and activities to support the ongoing functions and requirements of other businesses operating in such industries.

Rossell Techsys Limited (the Subsidiary Company/ Subsidiary) is a Public Limited Company incorporated and domiciled in India. The Company was incorporated on 6th December, 2022 under the Companies Act, 2013 with its registered office at Kolkata, West Bengal. This Company was incorporated for taking over the existing undertaking of Rossell Techsys Division as per the Scheme of Arrangement (Note 48) already approved by the Board earlier and received NOC from Stock Exchanges/ SEBI. Accordingly, the Company has not taken up any Business Activity as yet.

## 2.1 Basis of Preparation

These Consolidated Financial Statements of the Group, comprising the Parent and Subsidiaries have been prepared in accordance with Indian Accounting Standard (Ind AS 110) as per Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 (the Act) and the other relevant provisions of the Act and Rules made thereunder.

Since the Subsidiary company, Rossell Techsys Limited was incorporated on 6th December, 2022 and became Wholly Owned Subsidiary on 16th December, 2022. Accordingly, the Consolidated Accounts include the Financial Results of the Subsidiary company, Rossell Techsys Limited for the Financial Year 2022-23 from 16th December, 2022 to 31st March, 2023. Thus previous year's figures are not comparable.

## 2.2 Consolidation Procedure

Consolidated Financial Statements:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with that of Subsidiaries;
(b) Offset (eliminate) the carrying amount of the Parent's Investment in the Subsidiaries and the Parent's portion of equity of such Subsidiaries:
(c) Eliminate in full intergroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group.

## 2.3 Basis of Measurement

The Consolidated Financial Statement has been prepared on a historical cost basis except the following items:

a) Certain financial assets and liabilities (including derivative instruments) which are measured at fair value.
b) Biological Assets other than Bearer Plants, which are measured at fair value less cost to sell.
c) Defined benefit plans – plan assets measured at fair value.

## 2.4 Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires management to use certain critical accounting estimates and assumptions. It also requires management to exercise judgment in the process of applying accounting policies. Actual results could differ from those estimates. These estimates, judgments, assumptions affect application of the accounting policies and the reported amounts of assets, liabilities, revenue, expenditure, contingent liabilities etc.

The estimates and underlying assumptions are reviewed on an ongoing basis and changes are made as management becomes aware of changes in the circumstances surrounding the estimates. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the financial statements in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

# Notes to the Consolidated Financial Statements

## 2.5 Basis of Consolidation

**Subsidiaries**

Subsidiaries are the entity controlled by the Group. This control comes on an entity when the group is exposed to, or has rights to, variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity. The Financial Statements of Subsidiaries are included in the Consolidated Financial Statements from the date on which the control commences and till the date control ceases.

## 2.6 Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Holding and Subsidiary Companies normal operating cycle and other criteria set out in the Ind AS 1 – Presentation of financial statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, both the Companies have ascertained the operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

## 2.7 Share of Profit (Loss) of Subsidiary Companies

Based on Consolidated Financial Statements prepared in accordance with the above basis, the amount of Net Assets, share of Profit (Loss) of Subsidiaries and amount of Other Comprehensive Income (OCI) as attributable to Parent has been ascertained as under:

**₹ in Lakhs**

| | 31st March, 2023 | 31st March, 2022 |
|---|---|---|
| Net Assets (100% attributable to Parent) | 115.31 | 98.54 |
| Share of Profit (100% attributable to Parent) | 27.81 | 24.90 |
| OCI (100% attributable to Parent) | (12.04) | (1.49) |

## 3 Significant Accounting Policies

The following Significant Uniform Accounting Policies have been adopted by both Parent and Subsidiaries and accordingly by the Group for preparing these Consolidated Financial Statements

## 3.1 Property, Plant and Equipment

### 3.1.1 Tangible Assets (Other than Bearer Plants)

Property, Plant and Equipment are measured at cost / deemed cost, less accumulated depreciation and impairment losses, if any. Cost of Property, Plant and Equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located. Deemed Cost is the carrying value of all of its Property, Plant and Equipment (other than Bearer Plants) as of 1st April, 2016 measured as per the previous GAAP as the Group elected to continue with the same carrying value as on the aforesaid transition date for Ind AS.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

# Notes to the Consolidated Financial Statements

Items of Property, Plant and Equipment are depreciated in a manner that amortizes the cost of the assets less its residual value, over their useful lives on a straight line basis. Estimated useful lives of the assets are as specified in Schedule II of the Companies Act, 2013, except for Bearer Plants, where the residual value is taken as Nil.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for on a prospective basis.

### 3.1.2 Bearer Plants

Bearer Plants comprising of mature tea bushes as well as matured black pepper vines and shade trees are stated at cost / deemed cost less accumulated depreciation and impairment losses, if any.

The cost of uprooting of old tea bushes, rehabilitation of land, replanting and young tea upkeep and maintenance up to the year 3 from the year of planting are capitalized as mature plants, capital work-in-progress. From year 4 onwards capital work-in-progress is treated as Bearer Plants and depreciated using Straight Line Method over the expected useful life of 70 years, when the Bearer Plants (mature tea bushes) reaches maturity stage with residual value as 'Nil'.

Depreciation on Bearer Plants is recognized so as to write off its cost over useful lives, using the Straight Line Method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

### 3.1.3 Intangible Assets

Intangible Assets comprise acquired Computer Software having a finite life. Cost of software is capitalized when it is expected to provide future enduring economic benefits. The capitalization cost includes license fee, cost of implementation and system integration services. The costs are capitalized in the year in which the relevant Software is implemented for use and is amortized across a period not exceeding 10 years.

### 3.1.4 Research and Development

Research and Development costs are expensed as incurred, unless technical and commercial feasibility of the project demonstrate that: (a) the future economic benefits are available, (b) the activity is being carried out with an intention and ability to complete as well as use the asset and (c) the costs can be measured reliably. In such case, the cost is capitalized as Intangible Asset - Knowhow. The costs which can be capitalized include the cost of material, direct labour, overhead costs including finance cost, if applicable that are directly attributable to bringing the asset for its intended use.

### 3.2 Foreign Currency Translation

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency (i.e. the currency of the primary economic environment in which the entity operates) using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

For translation of Financial Statement of the Subsidiary denominated in USD into INR, the year-end exchange rate has been considered for items of assets and liabilities thereof. While the average exchange rate has been taken for items of income and expenses of the Subsidiary as per Indian Accounting Standard Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'.

### 3.3 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of insurance claim for damage / shortage of finished goods and are net of sales return, GST and trade allowances.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Parent and significant risk and reward incidental to sale of products is transferred to the buyer or services are rendered as per terms of the relevant contract.

# Notes to the Consolidated Financial Statements

**3.3.1 Financial Instruments**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date i.e. the date when the Group commits to purchase or sell the asset.

**3.3.2 Financial Assets**

**Recognition and Classification**

The financial assets are classified at initial recognition in the following measurement categories as:

- those subsequently measured at amortized cost.
- those to be subsequently measured at fair value [either through other comprehensive income (OCI), or through profit or loss]

**Subsequent Measurement**

- Financial assets measured at amortized cost – Financial assets which are held within the business model of collection of contractual cash flows and where those cash flows represent payments solely towards principal and interest on the principal amount outstanding are measured at amortized cost. A gain or loss on a financial asset that is measured at amortized cost and is not a part of hedging relationship is recognized in profit or loss when the asset is derecognized or impaired.

- Financial assets measured at fair value through other comprehensive income – Financial assets that are held within a business model of collection of contractual cash flows and for selling and where the assets' cash flow represents solely payment of principal and interest on the principal amount outstanding are measured at fair value through OCI. Movements in carrying amount are taken through OCI, except for recognition of impairment gains or losses. When a financial asset, other than investment in equity instrument, is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss.

  Classification of equity instruments, not being investments in subsidiaries, associates and joint arrangements, depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI. When investment in such equity instrument is derecognized, the cumulative gains or losses recognized in OCI is transferred within equity on such derecognition.

- Financial assets measured at fair value through profit or loss – Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. Movements in fair value of these instruments are taken in profit or loss.

**Impairment of financial assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Impairment losses are recognized in the profit or loss, where there is an objective evidence of impairment based on reasonable and supportable information that is available without undue cost or effort. For all financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group recognizes loss allowances on trade receivables when there is an objective evidence that the Group will not be able to collect all the due amount depending on product categories and the payment mechanism prevailing in the industry.

**Income recognition on financial assets**

Interest income from financial assets is recognized in profit or loss using effective interest rate method, where applicable.

Dividend income is recognized in profit or loss only when the Parent's right to receive payments is established and the amount of dividend can be measured reliably.

# Notes to the Consolidated Financial Statements

### 3.3.3 Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities are classified, at initial recognition, as subsequently measured at amortized cost unless they fulfill the requirement of measurement at fair value through profit or loss. Where the financial liability has been measured at amortized cost, the difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit and loss over the contractual terms using the effective interest rate method. Financial liabilities at fair value through profit or loss are carried at fair value with changes in fair value recognized in the finance income or finance cost in the statement of profit or loss.

### 3.3.4 Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive benefits have expired or been transferred, and the Group has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognized when the liability is extinguished that is when the contractual obligation is discharged, cancelled or expired.

### 3.3.5 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

### 3.4 Derivatives and hedging activities

The Group at times, do have derivative financial instruments such as forward contracts to mitigate risk of changes in exchange and interest rates, although it was Nil outstanding at on 31st March, 2023. The counterparty for these contracts is generally banks.

### 3.4.1 Derivatives

Derivatives are measured at fair value. All fair value gains and losses are recognized in profit and loss except where the derivatives qualify as hedging instruments in cash flow hedges or net investment hedges.

### 3.4.2 Cash flow hedges that qualify for hedge accounting:

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions.

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the Other Comprehensive Income.

### 3.5 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the entity will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of Property, Plant and Equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a Straight Line basis over the useful life of the related assets and presented within other income.

# Notes to the Consolidated Financial Statements

### 3.6 Income Tax

The Income Tax expense or credit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses as well as available MAT Credit.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Current tax comprises of expected tax payable or receivable on taxable income / loss for the year or any adjustment or receivable in respect of previous year.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### 3.7 Inventories

Stock of finished goods and stock-in-trade are valued at lower of cost and net realizable value. Finished goods, produced from agricultural produce viz. Black Tea and Tea Waste, are valued at lower of cost arrived at by adding the cost of conversion to the fair value of agricultural produce viz. Green Leaves and the net realizable value. Agricultural produces, viz. Green Leaves harvested from the Company's own Tea Estates, are valued at fair value less cost to sale at the point of harvest. Black Pepper, being an Agricultural Produce is also valued at the net realizable value.

Raw Materials purchased (including Bought Green Leaves) and Stores and Spare Parts are valued at or under cost. Work-in-progress is valued at works cost based on technical evaluation of the stage of completion.

Provision is made for obsolete, slow moving and defective inventories, wherever necessary and reviewed from time to time.

Costs are ascertained to the individual item of inventory by adopting weighted average method. Net realizable value is the estimated selling price for inventories less all selling costs.

### 3.8 Biological Assets

Biological Assets comprises of unharvested Green Tea Leaves. These are recognized as such when and only when, (a) the Parent controls the assets as a result of past events, (b) it is probable that future economic benefits associated with such assets will flow to the Parent and (c) the fair value or cost of assets can be measured reliably. These assets are measured at its fair value less cost to sell. The gain or loss arising from change in such value is included in Statement of Profit and Loss.

### 3.9 Agricultural Produce

Agricultural Produce comprises of harvested Green Tea Leaves as well as Black Pepper, from its own Tea Estates. These are valued at fair value less cost to sell on the reporting date. The gain or loss arising from change in such value is included in the Statement of Profit and Loss under the head Consumption of Raw Materials (Green leaves) or Change in inventories of Finished Goods, as applicable.

# Notes to the Consolidated Financial Statements

**3.10 Employee Benefits**

**3.10.1** These are recognized at the undiscounted amount as expense for the year in which the related service is rendered.

**3.10.2** The Parent is contributing regularly to the Provident Funds, administered by the Governments and independent of Company's finances, in respect of all its eligible employees. The Parent also operates Defined Contribution Scheme for payment of Pension to certain classes of employees. Monthly contribution at 15% of the eligible employees' current salary is made to recognized Superannuation Fund, which is fully funded. This Fund is administered by Trustees and is independent of Parent's finance. Contributions are recognized in Profit and Loss Statement on an accrual basis.

**3.10.3** Defined Benefit Gratuity Plan is also maintained by the Parent. The Parent contributes to the recognized Gratuity Fund, which is administered by the Trustees and is independent of Parent's finance. The Annual Contribution is determined by the actuary at the end of the year. Actuarial gains and losses are recognized in the Profit and Loss Statement. The Parent also recognizes in the Profit and Loss Statement gains or losses on curtailment or settlement of the defined benefit plan as and when the curtailment or settlement occurs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized, in the year in which they occur, directly in Other Comprehensive Income and eventually included in retained earnings in the Statement of changes in Other Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost.

**3.10.4** Leave encashment liability for eligible employees is provided for at the end of the year, as actually computed and paid/provided for and the charge is recognized in the Profit and Loss Statement.

**3.11 Leases**

Leases are recognized as per Ind AS 116 when there is a contract that conveys the right to control the use of an identified asset. Such leases are amortized over the lease term.

**3.12 Borrowing costs**

Borrowing costs consist of interest and related costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets or for self-created assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

**3.13 Provisions and Contingent Liabilities**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

**3.14 Operating Segments**

In terms of Ind AS 108, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) viz. the Chief Executive officer (Executive Chairman) of the Group. The Chief Operating Decision Maker is responsible for allocating resources and assessing performance of the operating segments, which are engaged in separate business activities from which it earns revenue and incur expenses. For each of the segments discreet Financial Results are available.

## Notes to the Consolidated Financial Statements

₹ in Lakhs

### 4. PROPERTY, PLANT AND EQUIPMENT

| Particulars | GROSS CARRYING AMOUNT | | | | ACCUMULATED DEPRECIATION | | | | NET CARRYING AMOUNT | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2022 | Additions during the Year | Disposal during the Year | As at 31st March, 2023 | As at 1st April, 2022 | Depreciation for the year | Disposal during the Year | As at 31st March, 2023 | As at 31st March, 2023 | As at 31st March, 2022 |
| Land - Tea Estates | 6,330.99 | 8.63 | - | **6,339.62** | - | - | - | **-** | **6,339.62** | 6,330.99 |
| Land - Leasehold | 1,165.55 | - | - | **1,165.55** | 69.49 | 11.79 | - | **81.28** | **1,084.27** | 1,096.06 |
| Bearer Plants - Tea Bushes | 2,423.09 | 278.16 | 0.79 | **2,700.46** | 228.54 | 58.02 | 0.44 | **286.12** | **2,414.34** | 2,194.55 |
| Bearer Plants - Black Pepper Vines | 20.68 | - | - | **20.68** | 6.21 | 1.89 | - | **8.10** | **12.58** | 14.47 |
| Buildings | 10,685.52 | 1,331.38 | 4.77 | **12,012.13** | 1,576.97 | 318.73 | 1.24 | **1,894.46** | **10,117.67** | 9,108.55 |
| Plant and Equipment | 6,375.46 | 527.86 | 105.40 | **6,797.92** | 3,599.03 | 479.88 | 92.13 | **3,986.78** | **2,811.14** | 2,776.43 |
| Furniture and Fixtures | 1,581.68 | 14.38 | 1.24 | **1,594.82** | 737.07 | 120.23 | 1.18 | **856.12** | **738.70** | 844.61 |
| Vehicles | 1,194.27 | 27.29 | 52.05 | **1,169.51** | 791.33 | 78.39 | 49.37 | **820.35** | **349.16** | 402.94 |
| Office Equipment | 411.38 | 13.33 | 16.53 | **408.18** | 283.00 | 32.02 | 15.54 | **299.48** | **108.70** | 128.38 |
| Computers | 725.69 | 55.15 | 22.31 | **758.53** | 523.86 | 83.39 | 21.19 | **586.06** | **172.47** | 201.83 |
| **31st March, 2023** | **30,914.31** | **2,256.18** | **203.09** | **32,967.40** | **7,815.50** | **1,184.34** | **181.09** | **8,818.75** | **24,148.65** | 23,098.81 |
| 31st March, 2022 | 31,094.73 | 1,513.56 | 1,693.98 | 30,914.31 | 7,135.20 | 1,108.11 | 427.81 | 7,815.50 | | |

### 5. CAPITAL WORK-IN-PROGRESS AGEING SCHEDULE

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 years | 2-3 years | More than 3 Years | Total |
| Projects in progress | **246.07** | **127.86** | **14.34** | **24.23** | **412.50** |
| | 331.96 | 120.78 | 61.59 | 58.00 | 572.33 |
| Projects temporarily suspended | - | - | - | - | - |
| | - | - | - | - | - |
| **31st March, 2023** | **246.07** | **127.86** | **14.34** | **24.23** | **412.50** |
| 31st March, 2022 | 331.96 | 120.78 | 61.59 | 58.00 | 572.33 |

### 6. OTHER INTANGIBLE ASSETS

| Particulars | GROSS CARRYING AMOUNT | | | | ACCUMULATED DEPRECIATION | | | | NET CARRYING AMOUNT | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2022 | Additions during the Year | Disposal during the Year | As at 31st March, 2023 | As at 1st April, 2022 | Amortisation for the year | Disposals during the Year | As at 31st March, 2023 | As at 31st March, 2023 | As at 31st March, 2022 |
| Know-how | - | 705.99 | - | **705.99** | - | 33.08 | - | **33.08** | **672.91** | **-** |
| Computer Software | 844.19 | 52.33 | 4.59 | **891.93** | 530.57 | 155.82 | 4.37 | **682.02** | **209.91** | **313.62** |
| **31st March, 2023** | **844.19** | **758.32** | **4.59** | **1,597.92** | **530.57** | **188.90** | **4.37** | **715.10** | **882.82** | **313.62** |
| 31st March, 2022 | 662.22 | 187.20 | 5.23 | 844.19 | 396.56 | 137.01 | 3.00 | 530.57 | | |

### 7. INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

| Particulars | Amount in Intangible Assets Under Development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 years | 2-3 years | More than 3 Years | Total |
| Projects in progress | **81.14** | **-** | **-** | **-** | **81.14** |
| | 333.42 | - | - | - | 333.42 |
| Projects temporarily suspended | - | - | - | - | - |
| | - | - | - | - | - |
| **31st March, 2023** | **81.14** | **-** | **-** | **-** | **81.14** |
| 31st March, 2022 | 333.42 | - | - | - | 333.42 |

## Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| 8. | **NON-CURRENT INVESTMENTS** | | |
| | **In Equity Instruments - Others** | | |
| | R V Enterprizes Pte. Ltd. - no Par Value denominated in USD 2,49,924.40 (Extent of holding - 13%) (31.03.2022- USD 2,49,924.40) at FVTOCI | **-** | - |
| | **In Preference Instruments - Others** | | |
| | R V Enterprizes Pte. Ltd. - 34,52,359 (31.03.2022-34,52,359) Shares of US$ 1 each measured at FVTOCI | **1,847.99** | 1,847.99 |
| | | **1,847.99** | 1,847.99 |
| | A. Aggregate amount of Quoted Investments | **-** | - |
| | B. Aggregate amount of Unquoted Investments | **1,847.99** | 1,847.99 |
| | C. Aggregate amount of Impairment in Value of Investments (considered in OCI) | **168.52*** | 168.52* |

* Note: There is no impairment during the year

| | | | |
|---|---|---|---|
| 9. | **LOANS** | | |
| | **Unsecured Considered Good** | | |
| | Loan to Employees | **6.13** | 0.84 |
| | | **6.13** | 0.84 |

| | | | |
|---|---|---|---|
| 10. | **OTHER FINANCIAL ASSETS** | | |
| | Security Deposits | **195.29** | 154.79 |
| | Other Deposits | **185.17** | 404.54 |
| | | **380.46** | 559.33 |

| | | | |
|---|---|---|---|
| 11. | **OTHER NON-CURRENT ASSETS** | | |
| | Capital Advances | **70.38** | 87.66 |
| | | **70.38** | 87.66 |

| | | | |
|---|---|---|---|
| 12. | **INVENTORIES** | | |
| | Raw Materials (Green Leaf - Agricultural Produce)- At fair value | **21.71** | 37.49 |
| | Raw Materials (Others)- At cost | **12,867.04** | 9,768.43 |
| | Finished Goods (Black Pepper - Agriculture Produce) - At fair value less cost to sell | **32.49** | 1.27 |
| | Finished Goods - At lower of cost and net realisable value [including in transit ₹ 169.13 Lakhs (31.03.2022 - ₹ 52.75 Lakhs) | **882.27** | 1,420.37 |
| | Stores and Spares - At or under cost | **506.61** | 404.21 |
| | Work-in-Progress - At works cost | **864.64** | 541.96 |
| | | **15,174.76** | 12,173.73 |

## Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| 13. | **BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS** | | |
| | Fair Value of Biological Assets Other than Bearer Plants | **67.06** | 110.45 |
| | (Unharvested Green Tea Leaves) | | |
| | | **67.06** | 110.45 |

| | | | |
|---|---|---|---|
| 14. | **INVESTMENTS** | | |
| | Investment at Fair Value through Profit or Loss | | |
| | Investment in Mutual Funds (Unquoted) | | |
| | 28,74,651.996 Units (2022- Nil) of SBI Savings Fund - Regular Plan - Growth | **1,017.91** | - |
| | 17,018,390 Units (2022- Nil) of SBI Magnum Low Duration Fund - Regular Plan - Growth | **507.63** | - |
| | | **1,525.54** | - |

| | | | |
|---|---|---|---|
| 15. | **TRADE RECEIVABLES** | | |
| | Trade Receivables Considered Good-Unsecured | **4,778.01** | 3,314.39 |
| | Trade Receivables which have significant increase in credit risk | **-** | - |
| | | **4,778.01** | 3,314.39 |

**15A. TRADE RECEIVABLES AGEING SCHEDULE**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Undisputed Trade receivables – considered good | **3,254.95** | **1,198.17** | **306.10** | **0.10** | **7.03** | **11.66** | **4,778.01** |
| | 2,505.15 | 609.06 | 178.47 | 1.87 | 19.84 | - | 3,314.39 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| **31st March, 2023** | **3,254.95** | **1,198.17** | **306.10** | **0.10** | **7.03** | **11.66** | **4,778.01** |
| **31st March, 2022** | 2,505.15 | 609.06 | 178.47 | 1.87 | 19.84 | - | 3,314.39 |

| | | | |
|---|---|---|---|
| 16. | **CASH AND CASH EQUIVALENTS** | | |
| | Balance with Banks - Current Accounts | **107.56** | 182.46 |
| | Cash on hand | **5.55** | 9.24 |
| | | **113.11** | 191.70 |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **17.** | **OTHER BANK BALANCES** | | |
| | Dividend Accounts * | **5.57** | 7.15 |
| | **Total** | **5.57** | 7.15 |

* Earmarked for payment of unclaimed dividend

| | | | |
|---|---|---|---|
| **18.** | **LOANS** | | |
| | **Unsecured Considered Good** | | |
| | Loan to Employees | **6.23** | 11.57 |
| | | **6.23** | 11.57 |

| | | | |
|---|---|---|---|
| **19.** | **OTHER FINANCIAL ASSETS** | | |
| | Deposit with Bank under Lien with State's VAT authorities as Security Deposit | **1.63** | 1.63 |
| | | **1.63** | 1.63 |

| | | | |
|---|---|---|---|
| **20.** | **CURRENT TAX ASSETS** | | |
| | Central Income Tax | **32.05** | 30.59 |
| | | **32.05** | 30.59 |

| | | | |
|---|---|---|---|
| **21.** | **OTHER CURRENT ASSETS** | | |
| | Advances to Suppliers, Service Providers etc. | **110.87** | 75.44 |
| | Advances Recoverable | **139.23** | 361.05 |
| | Prepaid Expenses | **244.79** | 482.63 |
| | Other Receivables | **15.07** | 26.27 |
| | Input Tax Credit/ Refund (GST) Receivable | **525.42** | 579.16 |
| | Subsidies receivable from Governments | **791.26** | 609.51 |
| | Export Incentives Receivables | **11.63** | 5.79 |
| | | **1,838.27** | 2,139.85 |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| 22. | **EQUITY SHARE CAPITAL** | | |
| | **Authorized** | | |
| | 3,80,00,000 (31.03.2022 - 4,50,00,000) Equity Shares of ₹ 2 each | **760.00** | 900.00 |
| | 14,00,000 (31.03.2022 - Nil) Preference Shares of Rs.10 each | **140.00** | - |
| | **Issued, Subscribed and Paid Up** | | |
| | 3,76,96,475 (31.03.2022 - 3,66,96,475) Equity Shares of ₹ 2 each fully paid up | **753.93** | 733.93 |
| A) | **Rights, Preferences and Restrictions attached to the Ordinary Share** | | |
| | The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share and is entitled to participate in Dividend, which may be proposed by the Board of Directors. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | | |
| B) | **Equity Shares held by Holding Company** | | |
| | BMG Enterprises Ltd. | **2,47,31,795** | 2,37,63,795 |
| C) | **Shareholders holding more than 5% of the aggregate Equity Share capital in the Company** | | |
| | **Name of the Shareholder** | **No. of Equity Shares and % of Holding** | No. of Equity Shares and % of Holding |
| | BMG Enterprises Ltd., Holding Company | **2,47,31,795** | 2,37,63,795 |
| | | **65.61** | 64.76 |
| | Harsh Mohan Gupta | **18,77,751** | 18,77,751 |
| | | **4.98** | 5.12 |
| D) | **Reconciliation of Number of Shares** | | |
| | Equity Shares outstanding at the beginning of the year | **3,66,96,475** | 3,66,96,475 |
| | Add: Equity Shares issued during the year | **10,00,000** | - |
| | Equity Shares outstanding at the end of the year | **3,76,96,475** | 3,66,96,475 |
| E) | The Parent has issued and alloted 10,00,000 Equity Shares of ₹ 2 each on 16th December, 2022 when the Board of Directors at its Meeting held on 16th December, 2022 approved the conversion of 10,00,000 0.01% Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each into 10,00,000 Equity Shares of ₹ 2 each persuant to the option exercised by the Allottee as per the Terms of the Preferential Issue. (Notes 1 and 2 on Other Equity) | | |
| F) | **Shareholding of Promotors** | | |
| **Sl. No.** | **Promotor Name** | **No. of Equity Shares and % of Total Shares** | No. of Equity Shares and % of Total Shares |
| 1 | BMG Enterprises Ltd., Holding Company | **2,47,31,795** | 2,37,63,795 |
| | | **65.61%** | 64.76% |
| 2 | Mr. Harsh Mohan Gupta | **18,77,751** | 18,77,751 |
| | | **4.98%** | 5.12% |
| 3 | Mr. Rishab Mohan Gupta | **7,69,203** | 7,69,203 |
| | | **2.04%** | 2.10% |
| 4 | Ms. Vinita Gupta | **6,93,670** | 6,93,670 |
| | | **1.84%** | 1.89% |

## Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| 5 | Harvin Estates Pvt. Ltd. | **1,01,045** | 3,61,045 |
| | | **0.27%** | 0.98% |
| 6 | Ms. Samara Gupta | **15,000** | 15,000 |
| | | **0.04%** | 0.04% |
| 7 | BMG Investments Pvt Ltd | **9,769** | 9,769 |
| | | **0.03%** | 0.03% |
| | **Total** | **2,81,98,233** | 2,74,90,233 |
| | | **74.80%** | 74.92% |
| | **% Change during the Year** | | |
| | BMG Enterprises Ltd., Holding Company | **0.85%** | - |
| | Mr. Harsh Mohan Gupta | **-0.14%** | - |
| | Mr. Rishab Mohan Gupta | **-0.06%** | - |
| | Ms. Vinita Gupta | **-0.05%** | - |
| | Harvin Estates Pvt. Ltd. | **-0.71%** | - |

| | | | |
|---|---|---|---|
| **23.** | **NON CURRENT BORROWINGS** | | |
| | **SECURED** | | |
| | **Term Loans from Banks** | | |
| | **HDFC Bank Limited** | **2,499.10** | 3,498.74 |
| | Less: Current maturities of long term debts | **999.64** | 999.64 |
| | | **1,499.46** | 2,499.10 |
| | a) Nature of Security | | |
| | Equitable Mortgage of Leasehold Land and Buildings constructed thereon at Bangalore. | | |
| | b) Rate of Interest prevailing at year end - 9.90% p.a. (2022 - 7.65% p.a.) | | |
| | c) Terms of Repayment | | |
| | Repayment in 20 Equal Quarterly Instalments till September, 2025 | | |
| | | **1,499.46** | 2,499.10 |

| | | | |
|---|---|---|---|
| **24.** | **DEFERRED TAX LIABILITIES/ (ASSETS) (NET)** | | |
| | **Deferred Tax Liabilities** | | |
| | **The balance comprises temporary differences attributable to:** | | |
| | i) Property, Plant and Equipment and Other Intangible Assets | **771.16** | 641.04 |
| | ii) Financial Assets at Fair Value through Profit or Loss | **7.46** | - |
| | iii) Fair Value of Inventories | **0.94** | 6.33 |
| | iv) Deferred tax related to OCI items | **-** | 12.81 |
| | iv) Other Items - On Biological Asset at Fair Value | **-** | 11.21 |
| | **Deferred Tax Liabilities (A)** | **779.56** | 671.39 |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| | **Deferred Tax Assets** | | |
| | **The balance comprises temporary differences attributable to:** | | |
| | i) Deferred tax related to OCI items | **11.35** | - |
| | ii) Minimum Alternate Tax Credit Entitlement | **643.18** | 607.21 |
| | iii) Other Items - On Biological Asset at Fair Value | **12.86** | - |
| | **Deferred Tax Assets (B)** | **667.39** | 607.21 |
| | **Net Deferred Tax Liabilities/(Assets) (A-B)** | **112.17** | 64.18 |

| | | | |
|---|---|---|---|
| **25.** | **OTHER NON - CURRENT LIABILITIES** | | |
| | Liabilities for Expenses | **9.94** | 11.51 |
| | Government Grants | | |
| | Opening Balance | **198.41** | 200.27 |
| | Received during the year | **20.62** | 2.84 |
| | Less : Deferred Income to be appropriated within one year | **6.13** | 4.70 |
| | Closing Balance | **212.90** | 198.41 |
| | | **222.84** | 209.92 |

| | | | |
|---|---|---|---|
| **26.** | **CURRENT BORROWINGS** | | |
| | **Secured Loans repayble on demand from Banks*** | | |
| | **Cash Credit, Packing Credit and Demand Loans** | **13,162.25** | 11,846.60 |
| | Nature of Security | | |
| | Secured by first pari passu charge by way of : | | |
| | a) Equitable Mortgage on immovable properties, being Leasehold Land and Buildings constructed thereon at Bangalore as well as Dikom, Nokhroy, Nagrijuli, Romai and Namsang Tea Estates of the Company and<br>b) Hypothecation of movable properties of Rossell Tea and Rossell Techsys Divisions (including Stock and Book Debts), both present and future of the Company. | | |
| | Current Maturities of Long Term Borrowings | **999.64** | 999.64 |
| | **Unsecured** | | |
| | Demand Loan from Bank | **500.00** | - |
| | | **14,661.89** | 12,846.24 |

*Utilised for Specific purpose for which it was taken.

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| **27.** | **TRADE PAYABLES** | | |
| | Trade Payables | | |
| | a) Total outstanding dues of micro enterprises and small enterprises | **89.04** | 23.20 |
| | b) Total outstanding dues other than micro enterprises and small enterprises | **2,684.21** | 2,325.89 |
| | | **2,773.25** | 2,349.09 |

| **27A.** | **TRADE PAYABLE AGEING SCHEDULE** | | | | | |
|---|---|---|---|---|---|---|
| | **Particulars** | **Outstanding for following periods from due date of payment*** | | | | |
| | | **Less than 1 Year** | **1-2 Years** | **2-3 Years** | **More than 3 Years** | **Total** |
| (i) | MSME | **89.04** | **-** | **-** | **-** | **89.04** |
| | | 23.20 | - | - | - | 23.20 |
| (ii) | Others | **2,674.59** | **8.20** | **0.98** | **0.44** | **2,684.21** |
| | | 2,317.96 | 7.56 | 0.37 | - | 2,325.90 |
| (iii) | Disputed dues — MSME | - | - | - | - | - |
| | | - | - | - | - | - |
| (iv) | Disputed dues - Others | - | - | - | - | - |
| | | - | - | - | - | - |
| | **31st March, 2023** | **2,763.63** | **8.20** | **0.98** | **0.44** | **2,773.25** |
| | 31st March, 2022 | 2,341.16 | 7.56 | 0.37 | - | 2,349.09 |
| | *Ageing has been considered from the date of transaction | | | | | |

| | | | |
|---|---|---|---|
| **28.** | **OTHER FINANCIAL LIABILITIES** | | |
| | Interest accrued but not due on borrowings | **60.25** | 44.18 |
| | Unpaid Dividends (Note below) | **5.57** | 7.15 |
| | Capital Liabilities | **146.68** | 121.94 |
| | | **212.50** | 173.27 |
| | Note: Amount due for Transfer to Investor Education and Protection Fund within 1 year - ₹ 2.03 lakhs (2022 - ₹ 2.37 lakhs) | | |

| | | | |
|---|---|---|---|
| **29.** | **OTHER CURRENT LIABILITIES** | | |
| | Advances from Customers | **1,154.32** | 85.34 |
| | Liabilities for Expenses | **1,650.93** | 1,483.15 |
| | Statutory dues | **203.40** | 187.20 |
| | Deferred Income related to Government Grants | | |
| | Opening Balance | **4.70** | 5.59 |
| | Add: Grant Received during the year | **0.89** | 24.78 |
| | Add: Deferred Income to be appropriated as Income within One Year | **6.13** | 4.70 |
| | Less :Released to Profit and Loss Statement during the year | **5.59** | 30.37 |
| | Closing Balance | **6.13** | 4.70 |
| | Due to Rossell India Empoyees' Gratuity Fund | **123.54** | 210.91 |
| | | **3,138.32** | 1,971.30 |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| 30. | CURRENT TAX LIABILITIES (NET) | | |
| | Provision for Agricultural Income Tax | **45.59** | 45.59 |
| | | **45.59** | 45.59 |

In terms of our Report of even date

For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| **31.** | **REVENUE FROM OPERATIONS** | | |
| (a) | Sale of Products | | |
| | Black Tea | **16,219.92** | 14,109.52 |
| | Black Pepper | **13.52** | 23.04 |
| | Avionics, Aviation and Electronic Equipment | **18,628.69** | 14,708.58 |
| | | **34,862.13** | 28,841.14 |
| (b) | Sale of Services | | |
| | Receipts for Technical and Support Services | **5.42** | 432.77 |
| (c) | Other Operating Revenues | | |
| | Subsidy - | | |
| | - Replanting, Irrigation and Machinery Subsidy | **5.59** | 30.37 |
| | - Transport Subsidy | **9.87** | - |
| | - Orthodox Subsidy | **365.81** | 157.18 |
| | Sundry Receipts | **86.81** | 120.65 |
| | Changes in Fair Value of Biological Assets | **-** | 37.81 |
| | Incentive under MEIS entitlement and other Benefits relating to exports / premium on sale thereof | **24.21** | 285.52 |
| | | **492.29** | **631.53** |
| | | **35,359.84** | **29,905.44** |

| | | | |
|---|---|---|---|
| **32.** | **OTHER INCOME** | | |
| | Interest Income from Financial Assets at amortised cost | | |
| | On Deposits-at amortised cost | **19.07** | 13.86 |
| | On Loans- at effective interest basis | **1.81** | 2.29 |
| | Interest Income from Tax Refunds | **0.24** | - |
| | Interest Subvention under Assam Tea Industries Special Incentive Scheme, 2020 | **75.88** | 113.56 |
| | Profit on Sale of Investment designated at FVTPL | **-** | 15.40 |
| | Net Gain on restatement of Investments designated at FVTPL | **25.61** | - |
| | Liabilities no Longer Required Written Back (Net) | **0.14** | 8.19 |
| | Net Gain on Foreign Currency Transaction and Translation | **268.76** | 246.18 |
| | Profit (net) on Disposal of Property, Plant and Equipment | **3.85** | 26.31 |
| | Miscellaneous Income | **1.92** | - |
| | | **397.28** | 425.79 |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| **33.** | **COST OF MATERIALS CONSUMED** | | |
| | Purchased Green Leaf Consumed* | **619.66** | 382.02 |
| | Consumption of Raw Materials | **8,722.02** | 6,406.97 |
| | | **9,341.68** | 6,788.99 |
| | * Includes change in Fair Value of Stock of Own Green Leaf on reporting dates | | |

| | | | |
|---|---|---|---|
| **34.** | **CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS** | | |
| | Stock of Work in Progress at the beginning of the year | **541.96** | 817.42 |
| | Less: Stock of Work in Progress at the end of the year | **864.64** | 541.96 |
| | (Increase) / Decrease | **(322.68)** | 275.46 |
| | Stock of Finished Goods at the beginning of the year | **1,421.64** | 1,720.54 |
| | Less: Stock of Finished Goods at the end of the year | **914.76** | 1,421.64 |
| | (Increase) / Decrease | **506.88** | 298.90 |
| | | **184.20** | 574.36 |

| | | | |
|---|---|---|---|
| **35.** | **EMPLOYEE BENEFITS EXPENSE** | | |
| | Salaries, Wages and Bonus | **11,434.50** | 10,486.21 |
| | Contribution to Provident and other Funds | **1,406.46** | 925.38 |
| | Workmen and Staff Welfare | **1,050.65** | 1,030.54 |
| | | **13,891.61** | 12,442.13 |

| | | | |
|---|---|---|---|
| **36.** | **FINANCE COST** | | |
| | Interest Cost on Financial Liabilities carried at amortised cost | | |
| | On Term Loans | **275.57** | 339.91 |
| | On Working Capital Loans | **669.49** | 596.75 |
| | On Intercorpoarte Deposits (Related Party) | **-** | 26.72 |
| | On Others | **9.52** | 0.95 |
| | Other Borrowings Cost | **36.35** | 34.61 |
| | Net Loss on Foreign Currency Transactions (Net) | **186.62** | - |
| | | **1,177.55** | 998.94 |

| | | | |
|---|---|---|---|
| | Disclosure pursuant to Pararaph 26 of Ind AS 23 Borrowings Cost | | |
| | a) The amount of interest capitalised during the year on self constructed assets (Bearer Plants - Capital work in Progress) | **5.27** | 5.07 |
| | b) Capitalisation rate used to determine the amount of interest eligible for Capitalisation as per Paragraph 14 | **7.13%** | 6.64% |

## Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| | c) The amount of interest capitalised during the year on self constructed assets (Plant and Machinery - Capital work in Progress) | - | 1.90 |
| | d) Capitalisation rate used to determine the amount of interest eligible for Capitalisation as per Paragraph 14 | - | 4.70% |
| | e) The amount of interest capitalised during the year on self constructed assets (Intangible Assets under Development) | - | 14.87 |
| | f) Capitalisation rate used to determine the amount of interest eligible for Capitalisation as per Paragraph 14 | - | 4.70% |

| | | | |
|---|---|---|---|
| **37.** | **DEPRECIATION AND AMORTIZATION EXPENSE** | | |
| | Depreciation on Property, Plant and Equipment | **1,184.34** | 1,108.11 |
| | Amortization of Other Intangible Assets | **188.90** | 137.01 |
| | | **1,373.24** | 1,245.12 |

| | | | |
|---|---|---|---|
| **38.** | **OTHER EXPENSES** | | |
| | Consumption of Stores and Spare Parts | **944.26** | 904.20 |
| | Power and Fuel | **1,557.74** | 1,033.09 |
| | Rent | **108.62** | 86.58 |
| | Rates and Taxes | **60.94** | 40.57 |
| | Repairs to Building | **187.83** | 279.80 |
| | Repairs to Machinery | **236.11** | 216.34 |
| | Other Repairs | **412.25** | 362.52 |
| | Vehicles Maintenance | **266.96** | 241.44 |
| | Transportation Expenses | **273.52** | 243.99 |
| | Freight and Shipment Charges | **112.98** | 75.90 |
| | Warehousing Expenses | **138.51** | 143.74 |
| | Other Selling Expenses | **203.50** | 223.43 |
| | Brokerage | **140.21** | 116.84 |
| | Commission on Sales | - | 1.38 |
| | Legal and Professional Fees | **442.67** | 453.43 |
| | Insurance | **156.47** | 154.35 |
| | Directors' Fee and Commission | **36.05** | 43.35 |
| | Auditors' Remuneration (Note below) | **7.28** | 5.71 |
| | Traveling and Conveyance | **501.70** | 305.38 |
| | Research & Development Expenses | **213.31** | 95.30 |
| | Miscellaneous Expenses | **553.34** | 517.27 |
| | Changes in Fair Value of Biological Assets | 43.39 | - |
| | | **6,597.64** | 5,544.61 |

## Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| | Note: Break up of Auditors' Remuneration | | |
| | As Auditor | **5.10** | 4.50 |
| | For Other Services | | |
| | Certification Job | **1.83** | 0.93 |
| | Reimbursement of Expenses | **0.35** | 0.28 |
| | | **7.28** | 5.71 |
| **39.** | **INCOME TAX EXPENSES** | | |
| | **Current Tax** | | |
| | Assam Agricultural Income Tax for the year | **-** | - |
| | Income Tax for the year | **300.00** | 300.00 |
| | Total Current Tax | **300.00** | 300.00 |
| | **Deferred Tax** | | |
| | Deferred Tax | **59.34** | 46.66 |
| **40.** | **EARNINGS PER SHARE** | | |
| | Profit for the Year | **2,764.85** | 3,001.17 |
| | Weighted average number of Equity Shares outstanding for the purpose of : | | |
| | - Basic Earnings per Equity Share | **369.87** | 366.96 |
| | - Diluted Earnings per Equity Share | **374.58** | 366.96 |
| | Basic Earnings per Equity Share of ₹ 2 each | **7.48** | 8.18 |
| | Diluted Earnings per Equity Share of ₹ 2 each | **7.38** | 8.18 |
| **41.** | **CONTINGENT LIABILITIES AND COMMITMENTS'** | | |
| (i) | **Estimated amount of Contingent Liabilities not provided for** | | |
| a. | Claims against the Company not acknowledged as Debts | **51.62** | 51.62 |
| b. | Income Tax Demands disputed before Appellate Authorities | **1,067.20** | - |
| c. | Bank Guarantees outstanding | **1.66** | 65.61 |
| (ii) | **Commitments** | | |
| | Estimated amount of contracts to be executed on Capital Account and not provided for (net of Advances) | **160.71** | 205.99 |

| | | |
|---|---|---|
| **42.** | **SEGMENT INFORMATION** | |
| | In terms of Ind AS 108, the Group has the following reportable Operating Segments as Primary Segments: | |
| | **Business Activity** | **Operating Segment** |
| | A. Cultivation, Manufacture and Sale of Tea | Cultivation, Manufacture and Sell of Bulk Tea |
| | B. Aviation Products and Services | Engineering and Manufacturing in Aerospace and Defense |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| | 2022-2023 | 2021-2022 |
|---|---|---|
| **SEGMENT INFORMATION** *(contd)* | | |
| **Segments' Revenue** | | |
| A. Cultivation, Manufacture and Sale of Tea | **16,721.75** | 14,442.24 |
| B. Aviation Products and Services | **18,638.09** | 15,463.20 |
| Total Revenue from Operations | **35,359.84** | 29,905.44 |
| **Segments' Results** | | |
| A. Cultivation, Manufacture and Sale of Tea | **2,568.99** | 2,221.73 |
| B. Aviation Products and Services | **2,294.48** | 1,923.05 |
| | **4,863.47** | 4,144.78 |
| Less: Interest | **1,177.55** | 998.94 |
| Unallocated Expenses net of unallocated Income | **561.73** | 456.79 |
| Profit before Tax | **3,124.19** | 2,689.05 |
| **Segments' Assets** | | |
| A. Cultivation, Manufacture and Sale of Tea | **15,760.78** | 15,615.62 |
| B. Aviation Products and Services | **30,721.18** | 26,564.77 |
| | **46,481.96** | 42,180.39 |
| Add: Unallocated | **4,890.34** | 2,614.67 |
| Total Assets | **51,372.30** | 44,795.06 |
| Segment Assets include the following Capital Expenditure for the year | | |
| A. Cultivation, Manufacture and Sale of Tea | **687.70** | 914.66 |
| B. Aviation Products and Services | **1,129.67** | 598.51 |
| | **1,817.37** | 1,513.17 |
| Add: Unallocated | **1,197.13** | 187.59 |
| Total Additions to Property, Plant and Equipment during the year | **3,014.50** | 1,700.76 |
| **Segments' Liabilities** | | |
| A. Cultivation, Manufacture and Sale of Tea | **3,662.16** | 5,083.76 |
| B. Aviation Products and Services | **18,709.64** | 14,685.24 |
| | **22,371.80** | 19,769.00 |
| Add: Unallocated | **294.22** | 389.69 |
| | **22,666.02** | 20,158.69 |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| 43. | Related Party Disclosure as per Ind AS 24 for the Financial Year Ended 31st March 2023 | |
|---|---|---|
| (i) | **Holding Company** | |
| | BMG Enterprises Ltd.<br>Extend of holding of Equity Share - 65.61% | |
| (ii) | **Enterprises over which the Key Management Personnel or their relatives have signficant influence** | |
| | BMG Investments Private Ltd.<br>Harvin Estates Private Ltd.<br>BMG Foundation | |
| (iii) | **Key Management Personnel** | |
| | Mr. H.M.Gupta | - Executive Chairman |
| | Mr. R M Gupta | - Whole Time Director |
| | Mr. N K Khurana | - Director (Finance) and Company Secretary |
| | Ms. Nayantara Palchoudhuri | - Non-Executive Director |
| | Mr. K Katyal | - Non-Executive Director |
| | Mr. R Bhatnagar | - Non-Executive Director |
| (iv) | **Relatives of Key Management Personnel with whom transcations took place during the year** | |
| | Mrs. Vinita Gupta | - Wife of Mr. H M Gupta |
| | Ms. Samara Gupta | - Daughter of Mr. H M Gupta |

| | | Financial Year | |
|---|---|---|---|
| | | **2022-2023** | **2021-2022** |
| **(v)** | **Transactions / balances with Holding Company** | | |
| | a) Loan from BMG Enterprises Ltd, Holding Company | | |
| | At the beginning of the year | | |
| | Principal | - | 840.00 |
| | Interest | - | - |
| | Received during the year | - | 198.00 |
| | Repayment during the year | - | 1,038.00 |
| | Interest paid | - | 11.68 |
| | At the end of the year | | |
| | Principal | - | - |
| | Interest | - | - |
| | b) Rent paid for Office Space | | |
| | - BMG Enterprises Ltd | - | 12.00 |
| **(vi)** | **Transactions/ balances with Enterprises where significant influence is exercisable** | | |
| | a) Loan from BMG Investment Pvt Ltd | | |
| | At the beginning of the year | | |
| | Principal | - | 768.00 |
| | Interest | - | - |
| | Received during the year | - | 756.00 |
| | Repayment during the year | - | 1,524.00 |
| | Interest paid | - | 15.04 |
| | At the end of the year | | |
| | Principal | - | - |
| | Interest | - | - |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| | | Financial Year | |
|---|---|---|---|
| | | 2022-2023 | 2021-2022 |
| | b) Rent paid for Office Space | | |
| | - Harvin Estate Pvt. Ltd. | **6.00** | 6.00 |
| | c) Rent for Residential Accommodation | | |
| | - Harvin Estate Pvt. Ltd. | **6.00** | 6.00 |
| | d) Contribution made for charitable purpose (Included in CSR Activities) | | |
| | - BMG Foundation | **21.68** | 13.54 |
| **(vii)** | **Transactions with Key Management Personnel:** | | |
| | a) Short Term Employment Benefits | | |
| | - Mr. H. M. Gupta | **164.63** | 151.85 |
| | - Mr. N. K. Khurana | **63.09** | 60.66 |
| | - Mr. R M Gupta | **115.98** | 109.69 |
| | b) Post-Employment Benefit | | |
| | - Mr. H. M. Gupta | **11.52** | 11.99 |
| | - Mr. N. K. Khurana | **16.87** | 17.61 |
| | - Mr. R M Gupta | **10.08** | 13.75 |
| **(viii)** | **Transactions with relatives of Key Management Personnel** | | |
| | a) Short Term Employment Benefits | | |
| | - Mrs. Vinita Gupta | **48.28** | 45.76 |
| | - Ms. Samara Gupta | **41.92** | 39.70 |
| | b) Post-Employment Benefits | | |
| | - Mrs. Vinita Gupta | **4.32** | 5.82 |
| | - Ms. Samara Gupta | **3.69** | 4.97 |
| **(ix)** | **Transactions with Post Employment Benefit Plan - Contributions** | | |
| | a) Contribution to Rossell India Employees' Gratuity Fund as per Acturial Valuation | **443.53** | - |
| | b) Contribution to Rossell Tea Superannuation Fund | **48.01** | 41.06 |
| | c) Balance payable to Rossell India Employees' Gratuity Fund | **123.54** | 210.91 |
| **(x)** | **Transactions with Non-Executive Directors** | | |
| | Sitting Fees | | |
| | Ms. Nayantara Palchoudhuri | **7.25** | 6.45 |
| | Mr. K Katyal | **7.15** | 6.65 |
| | Mr. A Shukla | **-** | 4.50 |
| | Mr. R Bhatnagar | **6.65** | 5.75 |
| | Director's Commission | | |
| | Ms. Nayantara Palchoudhuri | **5.00** | 5.00 |
| | Mr. K Katyal | **5.00** | 5.00 |
| | Mr. A Shukla | **-** | 5.00 |
| | Mr. R Bhatnagar | **5.00** | 5.00 |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

## 44. Financial risk management objectives

The Parent's business activities expose it to certain financial risks - market risk, liquidity risk and credit risk. In order to minimize those risks, the Parent has risk management policies and procedures in place as approved by the Audit Committee of the Board of Directors of the Parent after due evaluation of key risks facing the business of the Company:

### a) Market Risk

The Parent's business of Cultivation, Manufacture and Sale of Tea is primarily agricultural in nature. Moreover, the sale price of Tea is largely determined by the market forces of demand and supply. Thus, adverse weather conditions and uncertain tea market expose it to the risk that the fair value or future cash flows may adversely fluctuate. The Group closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to various market risks. Other Market risks are as under:

#### i. Foreign Currency Risk

The Parent undertakes significant transactions denominated in foreign currency with its customers in relation to Exports by Rossell Tea Division and 100% EOU of Rossell Techsys Division. This results in wide exposure to exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognized assets and liabilities, which are not in the Company's functional currency (Indian Rupees). A significant portion of these transactions are in US Dollar, Euro and British Pound Sterling etc.

The Parent, as Risk Management Policy, hedges its exposure in foreign exchange whenever considered appropriate based on their perception about such market and reviews periodically its exposure therein to ensure that results from fluctuating currency exchange rate are appropriately managed.

The exposure to foreign currency as on 31st March, 2023 and 31st March, 2022 is given as under:

₹ in Lakhs

| Particulars | As at 31st March, 2023 | | | | As at 31st March, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | USD | EURO | GBP | CHF | USD | EURO | GBP | CHF |
| **Financial Assets** | | | | | | | | |
| Investments in Equity/ Preference Instruments | **33.64** | **-** | **-** | **-** | 33.64 | - | - | - |
| Trade Receivables | **55.93** | **0.04** | **-** | **-** | 40.43 | 1.12 | - | - |
| **Total Financial Assets (A)** | **89.57** | **0.04** | **-** | **-** | **74.07** | **1.12** | - | - |
| **Financial Liabilities** | | | | | | | | |
| Borrowings | **-** | **-** | **-** | **-** | 38.06 | - | - | - |
| Trade Payables | 21.93 | 0.22 | 0.17 | - | 23.94 | 0.16 | 0.02 | 0.09 |
| **Total Financial Liabilities (B)** | **21.93** | **0.22** | **0.17** | **-** | **62.00** | **0.16** | **0.02** | **0.09** |
| **Net Exposure in Foreign Currency (A-B)** | **67.64** | **(0.18)** | **(0.17)** | **-** | **12.07** | **0.96** | **(0.02)** | **(0.09)** |

The impact of sensitivity analysis (10% appreciation / depreciation of the foreign currency with respect to functional currency) arising on account of above outstanding foreign currency denominated assets and liabilities would be ₹ 461.00 Lakhs (31st March, 2022 – ₹ 28.37 Lakhs).

#### ii. Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objectives of the Parent's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimize counter party risks.

The Parent is exposed to interest rate volatilities primarily with respect to its borrowings from banks. Such volatilities primarily arise due to changes in the Lending rates of Banks, which in turn are linked with Repo Rates as announced by RBI from time to time as well as other economic parameters of the Country. The Parent manages such risk by operating with Banks having strong fundaments with comparatively lower Lending Rates in the Market.

**Interest rate sensitivity**
Since the significant amount of borrowings of the Parent are short term in nature, the possible volatility in the interest rate is minimal.

# Notes to the Consolidated Financial Statements

**b) Liquidity Risk**

Liquidity risk is the risk that the Group may encounter difficulty, including seasonality, in meeting its obligations due to shortage of liquid assets.

The Group mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle, ensuring optimal movements of its inventories and avoid blockage of working capital in non-productive current assets.

The remaining contractual maturities of significant financial liabilities payable within one year (other than borrowings from the Banks) as at 31st March, 2023 and 31st March, 2022 are as under:

**₹ in Lakhs**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Trade Payables | **2,773.25** | 2,349.09 |
| Other Financial Liabilities | **212.50** | 173.27 |
| Other Current Liabilities | **3,138.32** | 1,971.30 |
| Total | **6,124.07** | **4,493.66** |

**c) Credit Risk**

Credit risk is the risk that counter party will not meet its obligations leading to a financial loss to the Group.

The Subsidiary exposure is limited to its parent. The Parent has its policies to limit its exposure to credit risk arising from outstanding receivables. Management regularly assess the credit quality of its customer's based on which, the terms of payment are decided. Credit limits are set for each customer which are reviewed at periodic intervals. The credit risk of the Group is low as the Group sells a significant volume of its Teas through the auction system which is on cash and carry basis. The exports are made mostly to worldwide reputed Corporates like Boeing, Lockheed Martin, Taylors of Harrogate etc., and otherwise backed by letter or credit or on advance basis.

There is no expected credit risk on Trade Receivables as on 31st March, 2023 (Note 15).

## 45. Financial Instruments by category

**₹ in Lakhs**

| Particulars | As at 31st March, 2023 | | | | |
|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized Cost | Total Carrying Value | Total Fair value |
| **Financial Assets** | | | | | |
| (i) Investments | **1,525.54** | **1,847.99** | **-** | **3,373.53** | **3,373.53** |
| (ii) Trade Receivables | **-** | **-** | **4,778.01** | **4,778.01** | **4,778.01** |
| (iii) Cash and Cash Equivalents | **-** | **-** | **113.11** | **113.11** | **113.11** |
| (iv) Other Bank Balances | **-** | **-** | **5.57** | **5.57** | **5.57** |
| (v) Loans | **-** | **-** | **12.36** | **12.36** | **12.36** |
| (vi) Other Financial Assets | **-** | **-** | **382.09** | **382.09** | **382.09** |
| **Total financial assets** | **1,525.54** | **1,847.99** | **5,291.14** | **8,664.67** | **8,664.67** |
| **Financial liabilities** | | | | | |
| (i) Borrowings | **-** | **-** | **16,161.35** | **16,161.35** | **16,161.35** |
| (ii) Trade payables | **-** | **-** | **2,773.25** | **2,773.25** | **2,773.25** |
| (iii) Other financial liabilities | **-** | **-** | **212.50** | **212.50** | **212.50** |
| **Total financial liabilities** | **-** | **-** | **19,147.10** | **19,147.10** | **19,147.10** |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| Particulars | As at 31st March, 2022 | | | | |
|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized Cost | Total Carrying Value | Total Fair value |
| **Financial Assets** | | | | | |
| (i) Investments | - | 1,847.99 | - | 1,847.99 | 1,847.99 |
| (ii) Trade Receivables | - | - | 3,314.39 | 3,314.39 | 3,314.39 |
| (iii) Cash and Cash Equivalents | - | - | 191.70 | 191.70 | 191.70 |
| (iv) Other Bank Balances | - | - | 7.15 | 7.15 | 7.15 |
| (v) Loans | - | - | 12.41 | 12.41 | 12.41 |
| (vi) Other Financial Assets | - | - | 560.96 | 560.96 | 560.96 |
| **Total financial assets** | **-** | **1,847.99** | **4,086.61** | **5,934.60** | **5,934.60** |
| **Financial liabilities** | | | | | |
| (i) Borrowings | - | - | 15,345.34 | 15,345.34 | 15,345.34 |
| (ii) Trade payables | - | - | 2,349.09 | 2,349.09 | 2,349.09 |
| (iii) Other financial liabilities | - | - | 173.27 | 173.27 | 173.27 |
| **Total financial liabilities** | **-** | **-** | **17,867.70** | **17,867.70** | **17,867.70** |

**45. Fair Value measurements**

**Fair value hierarchy**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The management consider that the carrying amounts of financial assets (other than those measured at fair values) and liabilities recognized in the financial statements approximate their fair value as on the reporting date.

There were no transfers between Level 1, Level 2 and Level 3 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.

₹ in Lakhs

| 1. Financial assets and liabilities measured at fair value on a recurring basis | Fair Value Hierarchy (Level) | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **Financial Assets (A)** | | | |
| Investment in Units of Mutual Funds measured at FVTPL | Level 2 | 1,525.54 | - |
| Investment in Equity Instruments measured at FVTOCI | Level 2 | 1,847.99 | 1,847.99 |
| **Total** | - | **3,373.53** | **1,847.99** |
| **Financial Liabilities (B)** | - | - | - |
| **Net ( A) – ( B)** | - | **3,373.53** | **1,847.99** |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| 2. Biological Assets other than Bearer Plants measured at Fair Value | | | |
|---|---|---|---|
| Unharvested Green Tea leaves | Level 3 | 67.06 | 110.45 |
| Agricultural Produce | | | |
| - Green Leaf | Level 2 | 21.71 | 37.49 |
| - Black Pepper | Level 2 | 32.49 | 1.27 |
| **Total** | | **121.26** | **149.21** |
| **Grand Total (1 + 2)** | | **3,494.79** | **1,997.20** |

**47. Statement of Net Assets and Profit or Loss attributable to Owners and Non-Controlling Interest**

| Name of the entity | 2022-23 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets | | Share in Net Profit / (Loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | Amount | As a % of Consolidated Net Assets | Amount | As a % of consolidated Net Profit / (Loss) | Amount | As a % of consolidated Other Comprehensive Income | Amount | As a % of consolidated Total Comprehensive Income |
| **Holding Company** | | | | | | | | |
| Rossell India Limited | **28,667.10** | **99.86** | **2,737.04** | **98.99** | **(132.81)** | **91.69** | **2,604.23** | **99.40** |
| **Subsidiary** | | | | | | | | |
| **Foreign** | | | | | | | | |
| Rossell Techsys Inc. | **56.98** | **0.20** | **45.61** | **1.65** | **-** | **-** | **45.61** | **1.74** |
| Exchange differences on translation of financial statements of foreign operations | **-** | **-** | **-** | **-** | **(12.04)** | **8.31** | **(12.04)** | **(0.46)** |
| **Indian** | | | | | | | | |
| **Rossell Techsys Limited** | **(17.80)** | **(0.06)** | **(17.80)** | **(0.64)** | **-** | **-** | **(17.80)** | **(0.68)** |
| **Total** | **28,706.28** | **100.00** | **2,764.85** | **100.00** | **(144.85)** | **100.00** | **2,620.00** | **100.00** |

# Notes to the Consolidated Financial Statements

₹ in Lakhs

| Name of the entity | 2021-22 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets | | Share in Net Profit / (Loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | Amount | As a % of Consolidated Net Assets | Amount | As a % of consolidated Net Profit / (Loss) | Amount | As a % of consolidated Other Comprehensive Income | Amount | As a % of consolidated Total Comprehensive Income |
| **Holding Company** | | | | | | | | |
| Rossell India Limited | **24,612.96** | **99.90** | **2,976.27** | **99.17** | **151.99** | **100.99** | **3,128.26** | **99.26** |
| **Subsidiary** | | | | | | | | |
| **Foreign** | | | | | | | | |
| Rossell Techsys Inc. | **23.41** | **0.10** | **24.90** | **0.83** | **-** | **-** | **24.90** | **0.79** |
| Exchange differences on translation of financial statements of foreign operations | - | - | - | - | (1.49) | (0.99) | (1.49) | (0.05) |
| **Total** | **24,636.37** | **100.00** | **3,001.17** | **100.00** | **150.50** | **100.00** | **3,151.67** | **100.00** |

**48. Business Restructuring**

The Board of Directors of the Company at their Meeting held on 12th July, 2022 approved the 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 ('the Scheme'). The Appointed Date set out in the Scheme is 1st July, 2022 or such other date as the Hon'ble National Company Law Tribunal ("NCLT") or any other competent authority may approve. The Stock Exchanges have recently issued their No Objection/ Observation Letters for this Scheme and the required application to NCLT is in the process of being filed. The Scheme shall be effective post receipt of necessary approvals by shareholders and creditors of the Companies, NCLT and such other statutory and regulatory approvals as may be required.

The Board of Directors of the Company at their Meeting held on 16th December, 2022 approved the Scheme of Arrangement between Rossell India Limited ("the Demerged Company") and Rossell Techsys Limited ("the Resulting 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 involving demerger of Rossell Techsys Division from the Demerged Company into the Resulting Company and cancellation and reduction of existing share capital of Resulting Company. The Appointed Date set out in the Scheme is 1st April, 2023 or such other date as the Hon'ble National Company Law Tribunal ("NCLT") or any other competent authority may approve. The Stock Exchanges have recently issued their No Objection/ Observation Letters for this Scheme and the required application to NCLT is in the process of being filed. The Scheme shall be effective post receipt of necessary approvals by shareholders and creditors of the Companies, NCLT and such other statutory and regulatory approvals as may be required.

**49. Preferential Allotment of Shares**

49.1 The Board of Directors of the Parent by adopting a Resolution by Circulation on 27th June, 2022 allotted 10,00,000 0.01% Compulsorily Convertible Preference Shares (CCPS) (Instruments entirely Equity in nature) of ₹ 10 each at an issue price of ₹ 156 per CCPS including Securities Premium of ₹ 146 per CCPS aggregating to ₹ 1,560 Lakhs on preferential basis (for cash consideration) after obtaining the required regulatory approvals to BMG Enterprises Ltd., the Holding Company. (Allottee)

49.2 Subsequently, the Board of Directors of the Parent at its Meeting held on 16th December, 2022 approved the conversion of aforesaid

# Notes to the Consolidated Financial Statements

CCPS of Rs.10 each into 10,00,000 Equity Shares of ₹ 2 each pursuant to the option exercised by the Allottee as per the Terms of the Preferential Issue. The difference in face value of ₹ 8 per Share aggregating to ₹ 80 Lakhs was treated as further Securities Premium received on such issue and allotment of Equity Shares.

49.3 The funds raised from the issue and allotment of the said CCPS have been fully utilised for meeting long term fund requirements and other general corporate purposes of the Company.

**50.** In terms of Guidelines Note on Audit of Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, General Circular No. 39/2014 dated 14th October, 2014 issued by the Ministry of Corporate Affairs and provisions of Indian Accounting Standard Ind AS 110, only those disclosures are given as are relevant to these Consolidated Financial Statement to give a true and fair view thereof.

In terms of our Report of even date

For **Khandelwal Ray & Co.,**
*Chartered Accountants*
Registration No. 302035E

**Pinaki Sarkar**
*Partner*
Membership No.051449

Place: Kolkata
Date: 27th May, 2023

**H. M. Gupta**
*Executive Chairman*
DIN: 00065973
Place: Delhi

**N. K. Khurana**
*Director (Finance) and*
*Company Secretary*
M. No.: FCS 2173
Place: Kolkata
Date: 27th May, 2023

**Rahul Bhatnagar**
*Director*
DIN: 07268064
Place: Noida, UP

KHANDELWAL RAY & CO.
CHARTERED ACCOUNTANTS

64/55B, BELGACHIA ROAD,
BELGACHIA,
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# Independent Auditors' Report

## To the Members of Rossell Techsys Limited

### Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Rossell Techsys Limited ("the Company"), which comprise of the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence and ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Khandelwal Ray & Co. Kolkata Chartered Accountants

KHANDELWAL RAY & CO.
CHARTERED ACCOUNTANTS

64/55B, BELGACHIA ROAD,
BELGACHIA,
KOLKATA - 700 037
Phone : 2243-8018
E-mail : khand.ray@hotmail.com

**Management's Responsibility for the Financial Statements**

The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are also responsible for overseeing the Company's reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company had adequate internal financial controls system with reference to financial statement and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

Khandelwal Ray & Co. ★ Chartered Accountants ★ Kolkata

KHANDELWAL RAY & CO.
CHARTERED ACCOUNTANTS

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BELGACHIA,
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- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting in respect of financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. A. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

Khandelwal Ray & Co. * Chartered Accountants * Kolkata

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d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) There is no pending litigation as on 31st March 2023 on the Company.

b) The Company does not have any contracts including derivative contracts during the year ended 31st March 2023.

c) This is the year of incorporation of the Company. This clause is not applicable.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

• directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

• provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

• directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or

• provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d)(i) and (d)(ii) contain any material mis-statement.

e) The Company is yet to start its operations. Thus, no dividend has been declared.

Khandelwal Ray & Co. Kolkata Chartered Accountants

KHANDELWAL RAY & CO.
CHARTERED ACCOUNTANTS

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C. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Khandelwal Ray & Co.,**
**Chartered Accountants**
**(Registration No.302035E)**

Khandelwal Ray & Co. * Chartered Accountants * Kolkata

**Pinaki Sarkar**
**Partner**
**Membership No. 051449**
**UDIN: 23051449BGRVTP4740**

Place : Kolkata
Date : 26th May, 2023

KHANDELWAL RAY & CO.
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**Annexure - A to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Rossell Techsys Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

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accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Khandelwal Ray & Co.,**
**Chartered Accountants**
**(Registration No. 302035E)**

Khandelwal Ray & Co. Kolkata Chartered Accountants

**Pinaki Sarkar**
**Partner**
**Membership No. 051449**
**UDIN: 23051449BGRVTP4740**

Place : Kolkata
Date : 26th May, 2023

KHANDELWAL RAY & CO.
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**Annexure - B to the Auditors' Report**

Referred to in paragraph I under Report on "Other Legal and Regulatory Requirements", section of our Report of even date:

i. (a)(A) The Company has no Property, Plant and Equipment. Accordingly, the clause 3(i)(a)(A),(B),(b),(c),(d) are not applicable.

(e) According to the information and explanation given to us and on the basis of our examination of the records of the Company there are no proceeding initiated or pending against the Company for holding any benami properties under the prohibition of Benami Properties Transaction Act,1988 and rules made there under.

ii. (a) Since there is no inventory, clause 3(ii)(a) is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits, from Banks on the basis of security of current assets.

iii. (a) According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or any other Parties. Accordingly, clause 3(b) to (f) are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has no loans and investments.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to Section 76 of the Companies Act 2013 and the Rules framed thereunder. Accordingly clause 3(v) of the order is not applicable.

vi. The Company has not commence its operations or production, hence this clause is not applicable.

vii. (a) According to the information and explanation given to us and on the basis of records of the Company examined by us, we are of the opinion that the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and services tax, duty of custom and cess and other material statutory dues applicable to it.

There is no arrears outstanding statutory dues as at the last day of the financial year for a period of more than 6 months from the date they became payable.

(b) According to the information and explanation given and records examined by us, there are no statutory dues, which have not been deposited on account of any dispute.

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viii. The Company has been incorporated in this financial year only. Accordingly, this clause is not applicable.

ix. The Company has not taken any loan. Hence this clause 3(ix)(a) to (f) of the Order are not applicable.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument during the year). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of share or convertible debentures during the year. However, the Equity Shares of the Company were allotted to the Subscribers to the Memorandum of Association.

xi. (a) Best on examination of books and records of the Company, carried out by us and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, no complaint has been received from the whistle blower during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly clause 3(xii) of the order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. The Company has not commenced its operations. Accordingly, the Company does not have Internal Audit System. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted any nonbanking financial and housing financial activities.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Group has only one CIC, the Ultimate Parent Company, as part of the Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

Khandelwal Ray & Co. Kolkata Chartered Accountants

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xvii. The Company has incurred cash losses in the financial year, this being the first year of financial statement and the Company is yet to start its operations.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly clause 3(xviii) of the order is not applicable.

xix. The Company has not commenced its operations and hence this clause is not applicable.

xx. The section 135(5) of the Companies Act 2013 is not applicable to the Company. Accordingly, clause 3(xx)(a) and (b) of the Order are not applicable

**For Khandelwal Ray & Co.,**
**Chartered Accountants**
**(Registration No. 302035E)**

Khandelwal Ray & Co. Kolkata Chartered Accountants

**Pinaki Sarkar**
**Partner**
**Membership No. 051449**
**UDIN: 23051449BGRVTP4740**

Place : Kolkata
Date : 26th May,2023

**Rossell Techsys Limited**
**Balance Sheet as at 31st March, 2023**

Rs. in Lakhs

| Particulars | Note No. | 31st March, 2023 |
|---|---|---|
| **I.ASSETS** | | |
| **(1) Non-current assets** | | |
| (a) Financial Assets | | |
| (i) Other Financial Assets | 5 | 0.10 |
| **Total Non-Current Assets** | | **0.10** |
| **(2) Current Assets** | | |
| (a) Financial Assets | | |
| (i) Cash and Cash Equivalents | 6 | 1.00 |
| **Total Current Assets** | | **1.00** |
| **TOTAL ASSETS** | | **1.10** |
| **II. EQUITY AND LIABILITIES** | | |
| **(1) Equity** | | |
| (a) Equity Share Capital | 7 | 1.00 |
| (b) Other Equity | | (17.80) |
| **Total Equity** | | **(16.80)** |
| **(2) Liabilities** | | |
| **(a) Current Liabilities** | | |
| (i) Other Current Liabilities | 8 | 17.90 |
| **Total Current Liabilities** | | **17.90** |
| **Total Liabilities** | | **17.90** |
| **TOTAL EQUITY AND LIABILITIES** | | **1.10** |

In terms of our Report of even date

**For Khandelwal Ray & Co.,**
Chartered Accountants
Registration No. 302035E

**Pinaki Sarkar**
Partner
Membership No.051449

Place: Kolkata
Date: 26th May, 2023

Khandelwal Ray & Co. * Kolkata * Chartered Accountants

H. M. Gupta
Director
DIN:00065973
Place: Delhi

Vinita Gupta
Director
DIN:00065994
Place: Delhi
Date: 26th May, 2023

**Rossell Techsys Limited**

**Profit and Loss Statement for the period 6th December, 2022 to 31st March, 2023**

Rs. in Lakhs

| Particulars | Note No. | For the period 6th December, 2022 to 31st March, 2023 |
|---|---|---|
| **Income** | | |
| Revenue from operations | | - |
| Other Income | | - |
| **Total Income** | | - |
| **Expenses** | | |
| Cost of materials consumed | | - |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | | - |
| Employee benefits expense | | - |
| Finance cost | | - |
| Depreciation and amortization expense | | - |
| Other expenses | 9 | 17.80 |
| **Total Expenses** | | 17.80 |
| **Profit / (Loss) before tax** | | (17.80) |
| Income Tax Expense | | |
| (i) Current Tax | | - |
| (ii) Deferred Tax | | - |
| **Total Tax Expense** | | - |
| **Net Profit / (Loss) for the Year** | | (17.80) |
| **Other Comprehensive Income** | | |
| Items that will not be reclassified to profit or loss | | - |
| Items that will be reclassified to profit or loss | | - |
| **Other Comprehensive Income for the period, net of tax** | | - |
| **Total Comprehensive Income for the period** | | (17.80) |
| Earning per Equity Share [Nominal Value per share : Rs.2] | | |
| (1) Basic | 10 | (35.60) |
| (2) Diluted | | (35.60) |

In terms of our Report of even date

**For Khandelwal Ray & Co.,**
Chartered Accountants
Registration No. 302035E

Khandelwal Ray & Co. * Kolkata * Chartered Accountants

**Pinaki Sarkar**
Partner
Membership No.051449

Place: Kolkata
Date: 26th May, 2023

H. M. Gupta
Director
DIN:00065973
Place: Delhi

Vinita Gupta
Director
DIN:00065994
Place: Delhi
Date: 26th May, 2023

**ROSSELL TECHSYS LIMITED**
**Cash Flow Statement for the year ended 31st March, 2023**

| | | Rs. in Lakhs<br>For the period<br>6th December, 2022<br>to<br>31st March, 2023 |
|---|---|---|
| **A. Cash Flow from Operating Activities** | | |
| Profit before Tax | | (17.80) |
| Operating Profit before Working Capital Changes | | (17.80) |
| - Adjustment for : | | |
| Trade Receivables, Loans, Advances and Other Assets | (0.10) | |
| Trade Payable, Other Liabilities and Provisions | 17.90 | |
| | | 17.80 |
| Cash Generated from Operations | | - |
| Direct Taxes (Net of refund) | - | |
| | | - |
| **Net Cash Flow from Operating Activities** | | - |
| **B. Cash Flow from Investing Activities :** | | |
| **Net Cash Flow from Investing Activities** | | - |
| **C. Cash Flow from Financing Activities** | | |
| Proceeds from Issue of Equity Shares | | 1.00 |
| **Net Cash Flow from Financing Activities** | | 1.00 |
| **Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)** | | 1.00 |
| **Cash and Cash Equivalents at the beginning of the Period** | | - |
| **Cash and Cash Equivalents at the end of the Period** (Note 6) | | 1.00 |

Notes:
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 - "Statement of Cash Flow".

In terms of our Report of even date

**For Khandelwal Ray & Co.,**
Chartered Accountants
Registration No. 302035E

**Pinaki Sarkar**
Partner
Membership No.051449

Place: Kolkata
Date: 26th May, 2023

Khandelwal Ray & Co. ★ Kolkata ★ Chartered Accountants

H. M. Gupta
Director
DIN:00065973
Place: Delhi

Vinita Gupta
Director
DIN:00065994
Place: Delhi
Date: 26th May, 2023

**Rossell Techsys Limited**
**Statement of Changes in Equity for the period 6th December, 2022 to 31st March, 2023**

Rs. in lakhs

**A. Equity Share Capital**

| | |
|---|---|
| Balance at the beginning on 6th December, 2022 | - |
| Changes during the period | 1.00 |
| **Balance at the end on 31st March, 2023** | **1.00** |

**B. Changes in Equity**

| | Reserves and Surplus | |
|---|---|---|
| | Retained Earnings | Total |
| **As at 6th December, 2022** | - | - |
| Profit/(Loss) for the period | (17.80) | (17.80) |
| **As at 31st March, 2023** | (17.80) | (17.80) |

**Nature and purpose of each Reserve**

a) **Retained Earnings**
Retained earnings represent accumulated profits/(Loss) earned by the Company and remaining unadjusted as on date.

In terms of our Report of even date

**For Khandelwal Ray & Co.,**
Chartered Accountants
Registration No. 302035E

**Pinaki Sarkar**
Partner
Membership No.051449

Place: Kolkata
Date: 26th May, 2023

Khandelwal Ray & Co. Kolkata Chartered Accountants

H. M. Gupta
Director
DIN:00065973
Place: Delhi

Vinita Gupta
Director
DIN:00065994
Place: Delhi
Date: 26th May, 2023

**Rossell Techsys Limited**

**Significant Accounting Policies and Other Notes to the Financial Statement for the Period ended 31st March, 2023**

**1. Company Overview**

Rossell Techsys Limited (the Company) is a Public Limited Company incorporated and domiciled in India. The Company was incorporated on 6th December, 2022 under the Companies Act, 2013 with its registered office at Kolkata, West Bengal. As per main object of the Company, the Company shall engage in Engineering and Manufacturing in Aerospace and Defense Services. This Company was incorporated for taking over the existing undertaking of Rossell Techsys Division as per the Scheme of Arrangement (Note 13) already approved by the Board earlier and received NOC from Stock Exchanges/ SEBI. Accordingly, the Company has not taken up any Business Activity as yet.

**2. Basis of Preparation**

These financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 (the Act) and the other relevant provisions of the Act and Rules made thereunder.

**3. Basis of Measurement**

The financial statement has been prepared on the historical cost basis so far.

4. Since the Company has not taken up any Business Activity as yet, the Accounting Policies are still being worked out in accordance with Indian Accounting Standard (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 (the Act) and the other relevant provisions of the Act and Rules made thereunder. However, expenses on formation, demerger and company related expenses has been accounted for on accrual and prudent basis.

Khandelwal Ray & Co. * Chartered Accountants * Kolkata

| | | Rs. in Lakhs |
|---|---|---|
| | | **31st March, 2023** |
| 5. | **OTHER FINANCIAL ASSETS** | |
| | Security Deposits | **0.10** |
| | | **0.10** |
| 6. | **CASH AND CASH EQUIVALENTS** | |
| | Balance with Banks - Current Accounts | **1.00** |
| | | **1.00** |
| 7. | **EQUITY SHARE CAPITAL** | |
| | **Authorized** | |
| | 60,000,000 Equity Shares of Rs. 2 each | **1,200.00** |
| | **Issued, Subscribed and Paid Up** | |
| | 50,000 Equity Shares of Rs. 2 each | **1.00** |

A) **Rights, Preferences and Restrictions attached to the Ordinary Share**
The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share and is entitled to participate in Dividend, which may be proposed by the Board of Directors. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

B) **Equity Shares held by Holding Company**

| | |
|---|---|
| Rossell India Limited and its nominees | **50,000** |

C) **Shareholders holding more than 5% of the aggregate Equity Share capital in the Company**

| Name of the Shareholder | **No. of Equity Shares and % of Holding** |
|---|---|
| Rossell India Limited and its nominees | **50,000**<br>**100%** |

D) **Reconciliation of Number of Shares**

| | |
|---|---|
| Equity Shares outstanding at the beginning of the year | - |
| Add: Equity Shares issued during the year | **50,000** |
| Equity Shares outstanding at the end of the year | **50,000** |

E) **The Company has issued and alloted 50,000 Equity Shares of Rs. 2 each on 16th December, 2022 to the Subscribers of the Memorandum and Articles of Association of the Company.**

Khandelwal Ray & Co. Chartered Accountants Kolkata

## Rossell Techsys Limited
**Notes to the Financial Statements**

Rs. in Lakhs

| | | 31st March, 2023 |
|---|---|---|
| F) | **Shareholding of Promotors** | |
| Sl. No | Promotor Name | No. of Equity Shares and % of Total Shares |
| 1 | Rossell India Limited and its nominees | 50,000 |
| | | 100.00% |
| | Total | 50,000 |
| | | 100.00% |
| | **% Change during the Year** | |
| | Rossell India Limited and its nominees | 100.00% |
| 8. | **OTHER CURRENT LIABILITIES** | |
| | Due to Rossell India Ltd | 17.74 |
| | Liabilities for Expenses | 0.12 |
| | Statutory Dues | 0.04 |
| | | 17.90 |

In terms of our Report of even date

**For Khandelwal Ray & Co.,**
Chartered Accountants
Registration No. 302035E

**Pinaki Sarkar**
Partner
Membership No.051449

Place: Kolkata
Date: 26th May, 2023

Khandelwal Ray & Co. * Chartered Accountants * Kolkata

H. M. Gupta
Director
DIN:00065973
Place: Delhi

Vinita Gupta
Director
DIN:00065994
Place: Delhi
Date: 26th May, 2023

| | | Rs. in Lakhs<br>For the period<br>6th December, 2022<br>to<br>31st March, 2023 |
|---|---|---|
| 9. | **OTHER EXPENSES** | |
| | Legal and Professional Fees | 0.34 |
| | Auditors' Remuneration (Note below) | 0.40 |
| | Preliminary Expenses Written Off | 11.01 |
| | Demerger Expenses | 6.03 |
| | Miscellaneous Expenses | 0.02 |
| | | 17.80 |
| | Note: Break up of Auditors' Remuneration | |
| | As Auditor | 0.10 |
| | For Other Services | |
| | Certification Job | 0.30 |
| | | 0.40 |
| 10. | **EARNINGS PER SHARE** | |
| | Profit / (Loss) for the Period | (17.80) |
| | Weighted average number of Equity Shares outstanding for the purpose of Basic/ Diluted Earnings per Equity Share | 0.50 |
| | Earnings per Equity Share of Rs. 2 each | (35.60) |
| 11. | **RELATED PARTY DISCLOSURE AS PER IND AS 24 FOR THE PERIOD 6TH DECEMBER, 2022 TO 31ST MARCH, 2023** | |
| i) | Holding Company<br>Rossell India Limited<br>Extend of holding of Equity Share - 100% | |
| ii) | Transactions/ balance with Holding Company | |
| | Rossell India Limited | |
| | Investment in Equity Shares by Holding Company | 1.00 |
| | Payable to Holding Company at the end of the year | 17.74 |

Khandelwal Ray & Co. Kolkata Chartered Accountants

## 12. Financial Instruments by category

| Particulars | As at 31st March, 2023 | | | | |
|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized Cost | Total Carrying Value | Total Fair value |
| **Financial Assets** | | | | | |
| (i) Cash and Cash Equivalents | - | - | 1.00 | 1.00 | 1.00 |
| (ii) Other Financial Assets | - | - | 0.10 | 0.10 | 0.10 |
| **Total financial assets** | - | - | 1.10 | 1.10 | 1.10 |
| **Financial liabilities** | | | | | |
| **Total financial liabilities** | - | - | - | - | - |

## 13. Business Restructuring

The Board of Directors of the Company at their Meeting held on 16th December, 2022 approved the Scheme of Arrangement between Rossell India Limited ("the Demerged Company") and Rossell Techsys Limited ("the Resulting 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 involving demerger of Rossell Techsys Division from the Demerged Company into the Resulting Company and cancellation and reduction of existing share capital of Resulting Company. The Appointed Date set out in the Scheme is 1st April, 2023 or such other date as the Hon'ble National Company Law Tribunal ("NCLT") or any other competent authority may approve. The Stock Exchanges have recently issued their No Objection/ Observation Letters for this Scheme and the required application to NCLT is in the process of being filed. The scheme shall be effective post receipt of necessary approvals by shareholders and creditors of the Companies, NCLT and such other statutory and regulatory approvals as may be required.

In terms of our Report of even date

**For Khandelwal Ray & Co.,**
Chartered Accountants
Registration No. 302035E

**Pinaki Sarkar**
Partner
Membership No.051449

Place: Kolkata
Date: 26th May, 2023

Khandelwal Ray & Co. Kolkata Chartered Accountants

H. M. Gupta
Director
DIN: 00065973
Place: Delhi

Vinita Gupta
Director
DIN: 00065994
Place: Delhi
Date: 26th May, 2023

**REPORT ADOPTED BY THE BOARD OF DIRECTORS ON 16th DECEMBER, 2022, EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS**

## 1. BACKGROUND

1.1. The Board of Directors ('Board') of the Company at its Meeting held on 16th December, 2022 have approved the draft Scheme of Arrangement between Rossell India Limited (the 'Demerged Company' or 'RIL') and Rossell Techsys Limited (the 'Resultant Company' or 'RTL') and their respective shareholders ('the Scheme') under the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme").

1.2. As per Section 232(2)(c) of the Companies Act, 2013 ('the Act'), a Report adopted by the Board explaining effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders, is required to be circulated to the shareholders and/or creditors along with the notice convening the meeting.

1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2) (c) of the Companies Act, 2013.

1.4. The Scheme inter-alia provides for

- Demerger of Rossell Techsys Division of Rossell India Limited, the Demerged Company into Rossell Techsys Limited, the Resultant Company. ; and
- Cancellation and reduction of existing Share Capital of Rossell Techsys Limited, the Resultant Company

1.5. The Appointed Date for the Scheme is 1st April, 2023.

1.6. As on the date of approval of Scheme by the Board, that Rossell India Limited is the Holding Company of Rossell Techsys Limited i.e. Rossell India Limited holds 100% of the issued, subscribed and paid-up share capital of Rossell Techsys Limited. Pursuant to the Scheme, Rossell Techsys Limited shall issue Equity Shares to the Members of Rossell India Limited in the proportion of their holding in Rossell India Limited.

1.7. The following documents were, inter alia, placed before the Board:

a) Draft Scheme of Arrangement;

b) Valuation Report dated 16th December, 2022 of Mr. Harsh Ruparelia, Registered Valuer;

ROSSELL INDIA LTD. JINDAL TOWERS KOL-17 21/1A/3, DARGA ROAD

c) the Fairness Opinion Report on the Share Entitlement Ratio dated 16th December, 2022 of M/s. Fedex Securities Private Limited, Category-I, Merchant Banker;

d) A certificate, dated 16th December, 2022 issued by the Statutory Auditors of the Company i.e., M/s. Khandelwal Ray & Co., Chartered Accountants, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013, as placed before the Board be and is hereby accepted and taken on record;

e) An undertaking, dated 16th December, 2022 certified and issued by the Statutory Auditors of the Company i.e., M/s. Khandelwal Ray & Co., Chartered Accountants, clearly stating the reasons for non-applicability of Para (A)(10)(a) of Part I of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021;

f) Independent Director's Committee report;

g) Last 3 years audited financials of the Demerged Company and latest audited financials of Resulting Company from the date of incorporation; and

h) Audit Committee Report for the Scheme

## 2. VALUATION REPORT – SHARE ENTITLEMENT RATIO

In consideration of the demerger of Rossell Techsys Division, a business Undertaking of Rossell India Limited into the Resulting Company, based on the valuation report of Harsh Ruparelia, Chartered Accountants dated 16th December, 2022, being Registered Valuer appointed for the purpose of the Scheme, the following share entitlement ratio is approved:

*"[1] fully paid up Equity Share of Rs 2 (Indian Rupees Two) each of the Resulting Company) for every [1] fully paid up Equity Share of Rs 2 (Indian Rupees Two) each held in the Demerged Company"*

In the event that the Equity Shares to be issued result in fractional entitlement, the Resulting Company shall not issue fractional shares to such shareholder but shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Shares to a trustee (nominated by the Resulting Company in that behalf), who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of Resulting Company Shares, as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the

ROSSELL INDIA LTD. JINDAL TOWERS KOL-17 21/A/3, DARGA ROAD respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee.

Further, M/s. Fedex Securities Private Limited, Category-I, Merchant Banker, has issued the Fairness Opinion Report on the share entitlement ratio dated 16th December, 2022.

## 3. EFFECT OF SCHEME ON THE SHAREHOLDERS (PROMOTER AND NON-PROMOTER) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

3.1 The Scheme provides for issue and allotment of Equity Shares on a proportionate basis to each Member of the Demerged Company or to their heir, executors, administrators, other legal representatives or the successor entitled, as the case may be, whose name appear in the Register of Members as on the Record Date as per the Share Entitlement Ratio.

3.2 Upon the Scheme becoming effective and upon allotment of shares by the Resulting Company to the shareholders of the Demerged Company, the existing paid up Equity Share Capital of the Resulting Company held by the Demerged Company as on Effective Date shall stand cancelled without any further act or deed immediately and without any consideration and accordingly, the paid up share capital of the Resulting Company shall stand reduced to the extent of face value of such Equity shares cancelled.

3.3 The post-Scheme promoter group shareholding in the Company will not change pursuant to the Scheme. Further, the public shareholding of the Company will continue to remain the same, post arrangement.

3.4 All cost, charges and expense relating to the Scheme would be borne by the Demerged Company and Resulting Company equally.

3.5 The New Equity Shares of the Company to be issued to the Equity Shareholders of the Demerged Company will be listed for trading on the Stock Exchanges where the shares of the Company are listed viz. Bombay Stock Exchange and National Stock Exchange. Accordingly, after the Scheme becoming effective, the existing shareholders of the Demerged Company would hold the shares of two (2) listed entities.

3.6 The Company is not expecting any change in the key managerial personnel of the Company in pursuance of the Scheme becoming effective.

ROSSELL INDIA LTD. JINDAL TOWERS KOL-17 21/A/3, DARGA ROAD

3.7 There will be no adverse effect of the said Scheme on the shareholders, key managerial personnel, promoter and non-promoter shareholders of the Company.

**For ROSSELL INDIA LIMITED**

ROSSELL INDIA LTD. JINDAL TOWERS KOL-17 21/A/3, DARGA ROAD

**H M Gupta**
**Executive Chairman**
**DIN: 00065973**

**DATE: 16th December, 2022**
**PLACE: Delhi**

# ROSSELL TECHSYS LIMITED

Regd. Off.: Jindal Towers, Block 'B', 4th Floor, 21/1A/3 Darga Road, Kolkata – 700017
Phone No.: 033-2283-4318; E-mail ID: rosselltechsyslimited@gmail.com

## REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ROSSELL TECHSYS LIMITED AT ITS MEETING HELD ON 16th DECEMBER 2022, EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

### 1. BACKGROUND

1.1. The Board of Directors ('Board') of the Company at its meeting held on 16th December, 2022 have approved the draft Scheme of Arrangement between Rossell India Limited (the 'Demerged Company' or 'RIL') and Rossell Techsys Limited (the 'Resulting Company' or 'RTL') and their respective shareholders ('the Scheme') under the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme").

1.2. As per Section 232(2)(c) of the Companies Act, 2013 ('the Act'), a report adopted by the Board explaining effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders, is required to be circulated to the shareholders and/or creditors along with the notice convening the meeting.

1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.

1.4. The Scheme inter-alia provides for

- Demerger of Rossell Techsys Division of Rossell India Limited, the Demerged Company into Rossell Techsys Limited, the Resultant Company; and
- Cancellation and reduction of existing share capital of Rossell Techsys Limited, Resulting Company;

1.5. The Appointed Date for the Scheme is 1st April, 2023.

1.6. As on the date of approval of Scheme by the Board, that Rossell India Limited is the Holding Company of Rossell Techsys Limited i.e. Rossell India Limited holds 100% of the issued, subscribed and paid-up share capital of Rossell Techsys Limited. Pursuant to the Scheme, Rossell Techsys Limited shall issue Equity Shares to the Members of Rossell India Limited in the proportion of their holding in Rossell India Limited.

1.7. The following documents were, inter alia, placed before the Board:

a) Draft Scheme of Arrangement;

b) The report explaining effect of the Scheme on each class of Shareholders, Key Managerial Personnel, promoters and Non-promoter Shareholders

c) Valuation Report dated 16th December, 2022 of Harsh Ruparelia, Registered Valuers;

d) Last 3 years audited financials of the Demerged Company and latest audited financials of Resulting Company from the date of incorporation;

e) the Fairness Opinion Report on the share entitlement ratio dated 16th December, 2022 of M/s. Fedex Securities Private Limited, Category-I, Merchant Banker; and

f) A certificate, dated 16th December, 2022 issued by the Statutory Auditors of the Company i.e., M/s. Khandelwal Ray & Co., Chartered Accountants, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013, as placed before the Board be and is hereby accepted and taken on record;



ROSSELL TECHSYS LTD. JINDAL TOWERS KOL-17 21/1A/3, DARGA ROAD

## 2. VALUATION REPORT – SHARE ENTITLEMENT RATIO

In consideration of the demerger of Rossell Techsys Division, a business Undertaking of Rossell India Limited into the Resulting Company, based on the valuation report of Harsh Ruparelia, Chartered Accountants dated 16th December, 2022, being Registered Valuer appointed for the purpose of the Scheme, the following share entitlement ratio is approved:

*"[1] fully paid up equity share of Rs 2 (Indian Rupees Two) each of the Resulting Company for every [1] fully paid up equity share of Rs 2 (Indian Rupees Two) each held in the Demerged Company"*

In the event that the equity shares to be issued result in fractional entitlement, the Resulting Company shall not issue fractional shares to such shareholder but shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Resulting Company in that behalf), who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of Resulting Company Shares, as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee.

Further, M/s. Fedex Securities Private Limited, Category-I, Merchant Banker, has issued the Fairness Opinion Report on the share entitlement ratio dated 16th December, 2022.

## 3. EFFECT OF SCHEME ON THE SHAREHOLDERS (PROMOTER AND NON-PROMOTER) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

3.1 The Scheme provides for issue and allotment of Equity Shares on a proportionate basis to each member of the Demerged Company or to their else, executors, administrators, other legal representatives or the successor entitled, as the case may be, whose name appear in the Register of Members as on the Record Date as per the share entitlement ratio.

3.2 Upon the Scheme becoming effective and upon allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, the existing paid up equity share capital of the Resulting Company held by the Demerged Company as on Effective Date shall stand cancelled without any further act or deed immediately and without any consideration and accordingly, the paid up share capital of the Resulting Company shall stand reduced to the extent of face value of such equity shares cancelled.

3.3 Pursuant to the Scheme, the promoter and public shareholding pattern of the Resulting Company would be identical and a mirror image of the shareholding pattern of the Demerged Company as at the Record Date.

3.4 All cost, charges and expense relating to the Scheme would be borne by the Demerged Company and Resulting Company equally.

3.5 The New Equity Shares of the Company to be issued to the Equity Shareholders of the Demerged Company will be listed for trading on the Stock Exchanges where the shares of the Company are listed viz. BSE Limited and National Stock Exchange of India Limited.



ROSSELL TECHSYS LTD. JINDAL TOWERS KOL-17 21/1A/3, DARGA ROAD

3.6 The Company is not expecting any change in the key managerial personnel of the Company in pursuance of the Scheme becoming effective.

3.7 There will be no adverse effect of the said Scheme on the shareholders, key managerial personnel, promoter and non-promoter shareholders of the Company.

**For ROSSELL TECHSYS LIMITED**

ROSSELL TECHSYS LTD. JINDAL TOWERS KOL-17 21/A/3, DARGA ROAD

**H M Gupta**
**Director**
**DIN: 00065973**

**Date: 16th December, 2022**

# 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)


16th December 2022

To,

| **The Audit Committee and The Board of Directors** | **The Board of Directors** |
|---|---|
| **Rossell India Limited** | **Rossell Techsys Limited** |
| Jindal Towers, Block – "B", 4th Floor, | Jindal Towers, Block – "B", 4th Floor, |
| 21/1A/3, Darga Road, | 21/1A/3, Darga Road, |
| Kolkata – 700 017, | Kolkata – 700 017, |
| West Bengal, India | West Bengal, India |

Dear Sirs,

**Sub: Report on recommendation of the Share Entitlement Ratio for the Proposed Demerger of Rossell Techsys Division *(as defined in the Scheme)* of Rossell India Limited into Rossell Techsys Limited**

I refer to my engagement letter dated 7th December 2022, whereby CA Harsh Chandrakant Ruparelia, Registered Valuer - Securities or Financial Assets (hereinafter referred to as "the Valuer" or "I") has been appointed by the management of Rossell India Limited [CIN:L01132WB1994PLC063513] (hereinafter referred to as "RIL" or "the Demerged Company") and Rossell Techsys Limited [CIN:U29299WB2022PLC258641] (hereinafter referred to as "RTL" or "the Resulting Company") to issue a report containing recommendation of the Share Entitlement Ratio for the proposed demerger ("Proposed Demerger") of Rossell Techsys Division ("Demerged Undertaking") (as defined in the Scheme) of RIL into RTL, pursuant to a draft Scheme of Arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder ("Scheme").




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

*RIL and RTL are hereinafter individually referred to as "Company" and collectively referred to as "Companies", as the context may require.*

I am a Registered Valuer as notified under section 247 of the Companies Act, 2013. I hereby further state that I have carried out the valuation exercise in my capacity as an Independent Valuer. I further state that I am not related to the Companies or their promoters or their directors or their relatives. I have no interest or conflict of interest with respect to the valuation under consideration.

In the following paragraphs, I have summarized my understanding of the key facts; key information relied upon, basis of recommendation and limitations to my scope of work.

The report is structured as under:

1. Purpose of this report
2. Background
3. Sources of Information
4. Basis of Recommendation
5. Share Entitlement Ratio
6. Exclusions and Scope Limitations

## 1. PURPOSE OF THIS REPORT

1.1 I understand that the management of the Companies ("Management") is contemplating a Scheme of Arrangement ("Scheme") under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder for the demerger of Rossell Techsys Division (as defined in the Scheme) of RIL into RTL in accordance with Section 2(19AA) of the Income-tax Act, 1961. The demerger is proposed to take effect from the Appointed Date as defined in the Scheme.

1.2 In this regard, CA Harsh Chandrakant Ruparelia, Registered Valuer - Securities or Financial Assets, has been appointed by the Companies for recommendation of the Share Entitlement Ratio for the Proposed Demerger under the Scheme.

## 2. BACKGROUND

### 2.1 ROSSELL INDIA LIMITED ("RIL")

2.1.1 RIL was incorporated on 10th June 1994 under the erstwhile provisions of the Companies Act, 1956. The registered office of RIL is currently situated at Jindal

Towers, Block - "B", 4th Floor, 21/1A/3, Darga Road, Kolkata - 700 017, West Bengal, India.

2.1.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of RIL as on 30th September 2022 is as under:

| **Particulars** | **Amount in Rs.** |
|---|---|
| Authorised Share Capital | |
| 3,80,00,000 Equity Shares of Rs. 2/- each | 7,60,00,000 |
| 14,00,000 Preference Shares of Rs. 10/- each | 1,40,00,000 |
| **Total** | **9,00,00,000** |
| Issued, Subscribed and Paid-up Share Capital | |
| 3,66,96,475 Equity Shares of Rs. 2/- each, fully paid-up | 7,33,92,950 |
| 10,00,000, 0.1% Compulsorily Convertible Preference Shares of Rs. 10/- each | 1,00,00,000 |
| **Total** | **8,33,92,950** |

2.1.3 The summary of equity and preference shareholding pattern of RIL as on 30th November 2022 is as under:

| **Sr. No.** | **Category of the Shareholder** | **No. of equity shares held** | **No. of preference shares held** | **Shareholding on diluted basis (%)** |
|---|---|---|---|---|
| 1 | Promoter | 2,71,98,233 | 10,00,000 | 74.80 |
| 2 | Public | 94,98,242 | 0 | 25.20 |
| **Total** | | **3,66,96,475** | **10,00,000** | **100.00** |

2.1.4 We understand that it is proposed to convert 0.1% Compulsorily Convertible Preference Shares ("CCPS") held in RIL into equity shares, prior to approval of the Scheme of Arrangement by the Board of Directors of the Companies. As per the terms of the CCPS, each CCPS would be converted into 1 equity share in RIL.

2.1.5 RIL is primarily engaged in the following business activities:

- Cultivation, Manufacture and Sell of Bulk Tea – The Company owns Tea Estates in the Assam region; and
- Engineering and Manufacturing in Aerospace and Defense Services.

The equity shares of RIL are listed on the BSE Limited ("BSE"), the National Stock Exchange of India Limited ("NSE").

2.2 **ROSSELL TECHSYS LIMITED**

2.2.1 RTL was incorporated on 6th December 2022 under the provisions of the Companies Act, 2013. The registered office of RTL is currently situated at Jindal Towers, Block - "B", 4th Floor, 21/1A/3, Darga Road, Kolkata – 700 017, West Bengal, India.

2.2.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of RTL as on date is as under:

| **Particulars** | **Amount in INR** |
|---|---|
| Authorised Share Capital<br>6,00,00,000 Equity Shares of Rs. 2/- each | 12,00,00,000 |
| **Total** | **12,00,00,000** |
| Issued, Subscribed and Paid-up Share Capital<br>50,000 Equity Shares of Rs. 2/- each, fully paid-up | 1,00,000 |
| **Total** | **1,00,000** |

2.2.3 The entire issued, subscribed and paid-up share capital of RTL is held by Rossell India Limited and its nominees as on date.

2.2.4 The Resulting Company is incorporated to be engaged in the Aerospace and Defense business of RIL, as specified in its Memorandum of Association. The Resulting Company is a newly incorporated unlisted public limited company.

2.3 The proposed Scheme of Arrangement provides for transfer of "Rossell Techsys Division" from RIL and its vesting in RTL, reduction and cancellation of initial share capital of RTL and matters incidental thereto.

2.4 **The rationale and benefits for the Scheme as provided in the Draft Scheme of Arrangement is reproduced as under:**

The Demerged Company is engaged in the business of cultivation, manufacture and selling of Tea viz. Rossell Tea Division and in Aerospace and Defense business which has its engineering and manufacturing center in Bengaluru viz. Rossell Techsys Division. The Resulting Company has been incorporated with the objective of engaging in the business of Rossell Techsys Division. Hence, it is proposed to segregate the same by way of demerger into the Resulting

Company which will result in focused approach to exploit the growth potential of the Demerged Undertaking.

2.5 The segregation of the Demerged Undertaking shall have the following benefits:

- Creating a dedicated Tech vertical with focused attention on the Aerospace and Defense business under RTL and a dedicated Tea vertical which shall continue under RIL;
- Demerger will enable both Demerged Company and the Resulting Company to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies;
- Each undertaking will be able to target and attract new investors with specific knowledge, expertise and risk appetite corresponding to their own businesses. Thus, each undertaking will have its own set of like minded investors, thereby providing the necessary funding impetus to the long-term growth strategies of each business;
- Demerger will enhance efficiencies and will have different business interest into separate corporate entity, resulting in operational synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration;
- Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of the Demerged Undertaking for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two (2) listed entities after the Scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.
- The proposed Demerger shall also benefit all the shareholders, creditors, employees and all other stakeholders and shall enable the group to achieve and fulfil its objectives more efficiently and economically.

## 3. SOURCES OF INFORMATION

3.1. For the purpose of the recommendation of Share Entitlement Ratio, I have relied upon the following sources of information provided by the management of the Companies:

(a) Audited Financial Statements of RIL for the year ended 31st March 2022;

(b) Limited Review Financial Statements of RIL for the period ended 30th September 2022;

(c) Audited Financial Statements of RTL as on 15th December 2022;

(d) Latest shareholding pattern of the Companies, as duly certified;

(e) Draft Scheme of the Arrangement (as duly certified by the Management);

(f) Memorandum and Articles of Association of the Companies;

(g) Other relevant details of the Companies such as its history, past and present activities, future plans and prospects, and other relevant information; and

(h) Such other information and explanations as required and which have been provided by the Management of the Companies.

*Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by me in any detail, if not considered relevant for the defined scope. The Companies have been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.*

I have been informed that Fedex Securities Private Limited have been appointed by RIL, to provide fairness opinion on the Share Entitlement Ratio for the purpose of the aforementioned Scheme. Further, I have had discussions with fairness opinion providers appointed by RIL on the valuation approach.

**4. BASIS OF RECOMMENDATION**

4.1. For the purpose of my opinion, I have relied upon the current shareholding of the Companies, the draft Scheme of Arrangement and other information as provided by the Management of the Companies and their respective advisors and authorized representatives.

4.2. As per the proposed Scheme of Arrangement, in consideration of transfer and vesting of Rossell Techsys Division of RIL into RTL *(a wholly owned subsidiary of RIL)*, RIL shall issue and allot equity shares to the equity shareholders of RTL based on the ratio of entitlement of shares.

4.3. Upon the issue of shares by RTL, the entire existing share capital of RTL held by RIL as on the Effective Date shall stand cancelled without any pay out. Accordingly, the issued share capital of RTL shall stand reduced by the face value of shares held by RIL, prior to the issue of shares by RTL.

4.4. I understand that, as part of the Scheme, Rossell Techsys Division of RIL is proposed to be demerged into RTL. Once the Scheme is implemented, all the shareholders of RIL would also become shareholders in RTL, and their shareholding in RTL would be identical to their shareholding in RIL.

4.5. I further understand that as an effect of Demerger, each shareholder of RIL would become owner of shares in two companies instead of one. Post Demerger, the percentage shareholding and no. of shares of a shareholder in RTL would remain unchanged from the proportion of capital held by such shareholder in RIL.

4.6. The management of RIL has further indicated that the shareholding of RTL pursuant to the Proposed Demerger of Rossell Techsys Division of RIL into RTL would be, effectively, same as the shareholding of RIL (pre-Demerger) as the new shares of RTL would be issued to the shareholders of RIL in proportion to their shareholding in RIL (pre-Demerger). Thus, I understand that the interest of the shareholders in RIL will effectively remain unchanged and therefore, from that perspective shareholders interest would not be prejudicially affected. The Scheme does not envisage dilution of the holding of any one or more shareholders as a result of the Scheme.

4.7. The Management of RIL has further represented that CCPS held by B M G Enterprises Limited are proposed to be converted in Equity Shares of RIL, prior to approval of the Scheme of Arrangement by Board of Directors of the Companies. In view of the aforesaid representation of the Management of RIL, I have not provided Share Entitlement Ratio with respect to CCPS holders of RIL, pursuant to the Scheme and they shall be entitled to receive equity shares, as per the recommendation provided hereinafter for the Equity Shareholders of RIL.

## 5. SHARE ENTITLEMENT RATIO

5.1. In the ultimate analysis, recommendation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

*'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a*

*contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'*

5.2. On the basis of the foregoing, any Share Entitlement Ratio can be considered for the Proposed Demerger, as the proportionate shareholding of any shareholder would remain intact.

5.3. The fair basis of Share Entitlement Ratio under the Scheme would have to be determined after taking into consideration all the factors and approach mentioned hereinabove. It is however important to note that in doing so, I am not attempting to arrive at the absolute value per share of the RIL attributable to Rossell Techsys Division or that of RTL as all the shareholders of RIL would also become shareholders of RTL, and their shareholding in RTL would mirror their shareholding in RIL. Hence, no relative valuation is required to be undertaken to facilitate the determination of the Share Entitlement Ratio. Accordingly, no relative valuation of Rossell Techsys Division of RIL and that of RTL is required to be undertaken for Part B of the Scheme. Therefore, valuation approaches, as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE, have not been considered as they would not relevant in the instant case.

5.4. For the purpose of the current valuation exercise, I have provided following weights to the valuation methodologies based on my understanding of the financial position and other various factors relevant to the valuation exercise (in accordance with prescribed format by the Stock Exchanges):

| **Valuation Approach** | **Rossell India Limited / (Rossell Techsys Division of Rossell India Limited)** | | **Rossell Techsys Limited** | |
|---|---|---|---|---|
| | *Value per Share* | *Weight* | *Value per Share* | *Weight* |
| Asset Approach | NA | NA | NA | NA |
| Income Approach | NA | NA | NA | NA |

| | | | | |
|---|---|---|---|---|
| Market Approach | NA | NA | NA | NA |
| **Relative Value Per Share** | NA | | | |
| **Share Entitlement Ratio (rounded-off)** | NA | | | |

NA : Not Adopted / Not Applicable

5.5. Further, considering the desired capital structure of RTL, the management has proposed a Share Entitlement Ratio of 1 (One) fully paid-up equity share of Rossell Techsys Limited of face value of Rs. 2/- each, for every 1 (One) fully paid equity share of Rossell India Limited of face value of Rs. 2/- each as a consideration for the Proposed Demerger of Rossell Techsys Division of RIL into RTL.

5.6. In the present facts and circumstances and based on the information and explanation provided to me, I believe that the following Share Entitlement Ratio, after giving due consideration to the Management representations and the fact that upon Scheme becoming effective, as all the shareholders of RIL would also become shareholders of RTL, and their shareholding in RTL would mirror their shareholding in RIL and therefore upon the Scheme becoming effective, RTL would continue to be owned by the shareholders of RIL in the same proportion as their shareholdings in RIL 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 following Share Entitlement Ratio as suggested by the Management of the Companies, would be fair and reasonable –

| | |
|---|---|
| ***For equity shareholders of RIL with respect to the Proposed Demerger of Rossell Techsys Division of RIL into RTL*** | ***[1] fully paid-up equity share of Rs 2 (Indian Rupees Two) each of the Resulting Company for every [1] fully paid-up equity share of Rs 2 (Indian Rupees Two) each held in the Demerged Company.*** |

## 6. EXCLUSIONS AND SCOPE LIMITATIONS

6.1. The report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

6.2. No investigation of the title of assets of the Companies has been made for the purpose of my recommendation and their claim to such rights has been assumed to be valid as represented by the management of the Companies. Therefore, no responsibility is assumed for matters of a legal nature.

6.3. The work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.

6.4. This report is issued on the understanding that the Companies have drawn my attention to all material information, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on my opinion, on the recommendation of the Share Entitlement Ratio of the Companies, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

6.5. This report does not look into the business / commercial reasons behind the proposed transaction or address any potential synergies to the Companies and other parties connected thereto.

6.6. In the course of issuing this report, I was provided with both written and verbal information. I have evaluated the information provided to me by the management of the Companies through broad inquiry, analysis and review. I assume no responsibility for any errors in the above information furnished by the management of the Companies and consequential impact on the recommendation of the Share Entitlement Ratio. I do not express any opinion or offer any assurance regarding accuracy or completeness of any information made available to me.

6.7. The report is not, nor should it be construed as me opining or certifying any compliance with the provisions of any law, whether in India or any other country including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this report.

6.8. The information contained herein and the report is confidential. Any person/party intending to provide finance/invest in the shares/businesses of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only with prior permission in writing.

6.9. This document has been prepared solely for the purpose of assisting the Companies, under consideration, for the purpose of recommending the Share Entitlement Ratio under the Scheme in accordance to my engagement letter. Further, the fees for this engagement is not contingent upon the recommendation considering the facts and purpose of recommendation.

6.10. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management / Board of Directors of the Companies and the work and my finding shall not constitute recommendation as to whether or not the Management / the Board of Directors of the respective Companies should carry out the transaction.

6.11. By its very nature, my work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions / approach, opinions may differ due to application of the facts and assumptions / approach, formulas used and numerous other factors. There is, therefore, no indisputable single or standard methodology / approach for arriving at my recommendation. Although the conclusions are in my opinion reasonable, it is quite possible that others may not agree.

6.12. CA Harsh Chandrakant Ruparelia, nor its employees or its agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the report is issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the report. I am not liable to any third party in relation to issue of this report. In no event, I shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

If you require any clarifications on the above, I would be happy to clarify the same. I am thankful to your team for kind co-operation and support during this assignment.

Thanking you,

Yours faithfully,

HARSH C RUPARELIA Digitally signed by HARSH C RUPARELIA Date: 2022.12.16 01:36:58 +05'30'

**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: 16th December 2022

Place: Mumbai

UDIN: 22160171BFNPYU6707

ANNEXURE-C

50

**FEDEX SECURITIES PVT LTD**
(Formerly Known as Fedex Securities Limited)
MERCHANT BANKING DIVISION

B7 Wing, Jay Chambers,
Dayaldas Road, Vile Parle (East),
Mumbai 400 057
T : +91 22 2613 6460 / 61
M : +91 81049 85249
E-mail: mb@fedsec.in • www.fedsec.in
CIN : U67120MH1996PTC102140

SEBI REGN. NO. INM 000010163

**Strictly Private & Confidential**

Dated: December 16, 2022

To,

**The Board of Directors**

**Rossell India Limited**

Jindal Towers, Block – "B", 4th Floor, 21/1A/3,
Darga Road,
Kolkata – 700 017,

West Bengal, India

**Dear Members of the Board:**

**Sub: Fairness opinion towards the proposed Scheme of Arrangement between Rossell India Limited and Rossell Techsys Limited and their respective Shareholders**

We refer to our letter of engagement dated December 7, 2022 ("LoE") whereby Fedex Securities Private Limited ("Fedex") is inter alia engaged to provide a fairness opinion (*defined herein* ) on the Share Entitlement Ratio (*defined herein*) recommended by the Valuer (*defined herein*) through report dated December 16, 2022 issued by C.A. Harsh Chandrakant Ruparelia, Registered Valuer bearing registration number IBBI/RV/05/2019/11106 ("**Valuer**") for the proposed demerger of Rossell Techsys Division of Rossell India Limited into Rossell Techsys Limited ("**Proposed Arrangement**") as a part of a Scheme of Arrangement (*as defined herein*) 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 ("**Scheme**").

**Company Background and Purpose**

Rossell India Limited ("**Demerged Company**" or "**RIL**"), bearing CIN – L01132WB1994PLC063513, is a listed public limited company having its registered office at Jindal Towers, Block - "B", 4th Floor, 21/1A/3, Darga Road, Kolkata – 700017, West Bengal, India. The equity shares of Demerged Company are listed on BSE and NSE (*as defined herein*). Demerged Company has 2 (two) Divisions viz. (i) Tea and (ii) Aerospace and Defense.

The Demerged Company is engaged inter-alia in the business of cultivation, manufacture and selling of Bulk Tea known as Rossell Tea Division. RIL owns Tea Estates in Assam. The Aerospace and Defense Division known as Rossell Techsys Division of RIL is engaged in the business of providing interconnect solutions and electrical panel assemblies, Test Solutions and after-market services in Aerospace and Defense sector.

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The Demerged Company along with its nominees holds 100% of the paid-up equity share capital of the Resulting Company.

Rossell Techsys Limited ("**Resulting Company**" or "**RTL**"), bearing CIN – U29299WB2022PLC258641, is an unlisted public limited company (being a wholly-owned subsidiary of a public company) having its registered office situated at Jindal Towers, Block - "B", 4th Floor, 21/1A/3, Darga Road, Kolkata – 700017, West Bengal, India. The Resulting Company is incorporated to conduct the Aerospace and Defense business of RIL as specified in its Memorandum of Association.

For the purpose of the proposed scheme, the Demerged Company has appointed C.A. Harsh Chandrakant Ruparelia ("**Valuer**") (IBBI Registration No. IBBI/RV/05/2019/11106) as an independent valuer, for the purposes of recommending the Share Entitlement Ratio for the Demerger.

You have asked for our opinion as to whether the Share Entitlement Ratio as recommended by C.A. Harsh Chadrakant Ruparelia under the Share Entitlement Ratio report is fair from a financial point of view. This opinion does not address any other aspects or implications related to the proposed Demerger or the Scheme or any other transactions. This opinion also does not address the relative merits of the Demerger as compared to alternative transactions or strategies that might be available to the Demerged Company, nor does it address the underlying business decision or economic rationale of the Demerged Company to proceed with the Demerger. This opinion should not be construed as an offer or invitation or a solicitation of any offer or invitation for the sale or purchase of any securities, assets, business or undertaking of any entity or company specified herein.

**As per the Share Entitlement Ratio report dated 16th December, 2022, the Valuers have recommended the following Share Entitlement Ratio for equity shareholders of Rossell India Limited as under:**

*1 fully paid up equity share of Rs 2 (Indian Rupees Two each of the Resulting Company) for every 1 fully paid up equity share of Rs 2 (Indian Rupees Two) each held in the Demerged Company.*

The Scheme provides for issue and allotment of Equity Shares on a proportionate basis to each member of the Demerged Company or to their else, executors, administrators, other legal representatives or the successor entitled, as the case may be, whose name appear in the Register of Members as on the Record Date as per the share entitlement ratio.

Upon the Scheme becoming effective and upon allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, the existing paid up equity share capital of the Resulting Company held by the Demerged Company as on Effective Date shall stand cancelled without any further act or deed immediately and without any consideration and accordingly, the paid up share capital of the Resulting Company shall stand reduced to the extent of face value of such equity shares cancelled.

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 Demerged Company and/or the Resulting Company to any person.

**Brief Background of the Proposed Scheme**

Rossell India Limited is the Holding Company of Rossell Techsys Limited i.e. Rossell India Limited holds 100% of the issued, subscribed and paid-up share capital of Rossell Techsys Limited.

The management of the Demerged Company is desirous of creating a dedicated Tech vertical with focused attention on the Aerospace and Defense business under RTL and a dedicated Tea vertical which shall continue under RIL. As a step towards such rationalization, it is proposed to demerge Rossell Techsys Division of RIL into RTL. The promoters would continue to hold the same percentage

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of shares in the Demerged Company, pre and post the demerger. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with and implementing this Scheme and matters incidental shall be borne by the Demerged Company and Resulting Company equally.

Accordingly, the Board of Directors of the Demerged Company and the Resulting Company have formulated this Proposed Scheme for the transfer and vesting of all the assets of Rossell Techsys Division of the Demerged Company into the Resulting Company pursuant to 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).

**Source of Information**

For purposes of the opinion set forth herein, we have:

1. Share Entitlement Ratio report dated December 16, 2022;
2. Draft of the proposed Scheme;
3. Historical financial information for the year ended September 30, 2022 of the Demerged Company and the Resulting Company as on December 15, 2022;
4. Management Representation Letter;
5. Necessary clarifications, explanations and information from the Valuers; and
6. Necessary explanations and information from the representatives of the Demerged Company;
7. Other information as available in public domain.

**Limitation of Scope and Review**

We have assumed and relied upon, without independent verification, the accuracy, correctness and completeness of the information that was publicly available or supplied or otherwise made available to us by the Demerged Company and formed a substantial basis for this opinion. With respect to information relating to any strategic and operational benefits anticipated from the Demerger, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Demerged Company. We have been given to understand that all information required by us and that was relevant for the purposes of our exercise has been disclosed to us. The management of the Demerged Company have been provided an opportunity to review factual information in our draft opinion to make sure that factual errors are avoided in our final opinion.

In addition, we have assumed that the final version of the Scheme will not be materially different from the draft of the Scheme shared with us and the Demerger will be consummated in accordance with the terms set forth in the Scheme without any waiver, amendment or delay of any terms or conditions. Fedex Securities has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Demerger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Demerger. We are not legal, tax, regulatory or actuarial advisors and have relied upon, without independent verification or due diligence, the assessment of the Demerged Company and its legal, tax, regulatory and actuarial advisors with respect to legal, tax, regulatory and actuarial matters. We have not undertaken an independent analysis of any potential or actual litigation, possible unasserted claims or regulatory action to which the Demerged Company or the Resulting Company may be subject or by which they may be affected. We express no opinion with respect to the fairness of the amount or nature of the compensation to any of the Demerged Company's officers, directors or employees or as to the economic rationale of the Demerger. We are expressing no opinion herein as to the price at which any securities of either the Demerged Company or the Resulting Company will trade at anytime. We have not undertaken any independent evaluation or appraisal of the assets or liabilities of the

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Demerged Company or the Resulting Company, nor have we been furnished with any such evaluations/ valuations or appraisals other than the Share Entitlement Ratio report, upon which we have relied without independent verification. We have not assumed any obligation to conduct any physical inspection of the assets, properties or facilities of the Demerged Company or the Resulting Company. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date of this opinion. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion. Our opinion does not factor overall economic environment risk and other risks, and we have not assumed the risk of any material adverse change having an impact on the businesses of the Demerged Company or the Resulting Company in arriving at this opinion.

We have acted as merchant banker to the Board of Directors of the Demerged Company and provided fairness opinion to the Board of Directors of the Demerged Company in connection with this transaction and will receive a fee for our services. No portion of such fee is contingent on the conclusion contained in this opinion. The Demerged Company has agreed to indemnify us in connection with our engagement for this transaction. In the two years prior to the date hereof, we have provided fairness opinion to the Demerged Company and its affiliates and have received fees in connection with such services. Fedex Securities may also seek to provide such or other services to the Demerged Company and the Resulting Company and their affiliates in the future and expects to receive fees for the rendering of these services.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this Scheme for our own account or for the account of our customers and, accordingly, may at any time hold long or short position, finance positions, and may trade or otherwise structure and effect transactions, or any related derivative instrument and may vote at any general meeting as they deem fit. In addition, we and our affiliates maintain relationships with the Demerged Company, the Resulting Company and their respective affiliates.

**Distribution of this Fairness Opinion**

This opinion is for the information of the Board of Directors of the Demerged Company only and may not be used for any other purpose without our prior written consent, except that a copy of this opinion may be in its entirety, (i) included in any filing the Demerged Company or the Resulting Company is required to make with the Securities and Exchange Board of India, the National Company Law Tribunal(s), BSE Limited, National Stock Exchange of India Limited and other regulatory or statutory authorities in connection with the Demerger, if such inclusion is required by applicable law; (ii) disclosed on the website of Demerged Company in accordance with SEBI circular number SEBI/HO/CFD/DILI/CIR/P/202 1/0000000665 dated 23 November 2021; and (iii) made part of the explanatory statement to be circulated to the shareholders and creditors of the Demerged Company and the Resulting Company. We owe responsibility only to the Board of Directors of the Demerged Company that has appointed us and to no other person. We do not take any responsibility for the unauthorized use of this opinion. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person including any fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents. In addition, this opinion does not in any manner address the prices at which the Demerged Company Common Stock or Resulting Company Common Stock will trade following consummation of the Demerger or at any time and Fedex Securities expresses no opinion or recommendation as to how the shareholders or creditors of the Demerged Company or the Resulting Company should vote at the meetings to be held in connection with the Demerger. The final responsibility for the determination and approval of the Share Entitlement Ratio will be with the Board of Directors of the Demerged Company who should take into account all relevant factors including their own assessment of the Scheme and inputs of other advisors.

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**Conclusion**

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

Yours truly,

For **Fedex Securities Private Limited**

Uday Nair

Director

DIN: 03431884

Place: Mumbai

**THIS IS AN ABRIDGED PROSPECTUS PERTAINING TO ROSSELL TECHSYS LIMITED WHICH IS BEING ISSUED IN COMPLIANCE WITH THE PROVISIONS OF SEBI CIRCULAR NO. SEBI/HO/CFD/SSEP/CIR/P/2022/14 DATED FEBRUARY 4, 2022 READ WITH MASTER CIRCULAR BEARING NUMBER SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023 AND SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 DATED NOVEMBER 23, 2021 ("SEBI CIRCULARS") ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI).**

THIS HAS BEEN ISSUED IN RELATION TO THE SCHEME OF ARRANGEMENT BETWEEN ROSSELL INDIA LIMITED (**"RIL" or "DEMERGED COMPANY"**) AND ROSSELL TECHSYS LIMITED (**"RTL" or "RESULTING COMPANY" or "THE COMPANY" or "OUR COMPANY")** AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 T0 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPAINES ACT, 2013 ("**ACT**") AND RULES FRAMED THEREUNDER (HEREINAFTER REFERRED TO AS **"SCHEME"**).

THIS DISCLOSURE DOCUMENT CONTAINS 8 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

This Disclosure Document has been prepared in the format specified for the Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable.

Nothing in this Disclosure Document constitutes an offer or an invitation by or on behalf of Rossell India Limited and Rossell Techsys Limited to subscribe for or purchase any of the securities.

Capitalised terms not defined herein shall have the same meaning as defined in the Notice.

# ROSSELL TECHSYS LIMITED


**Corporate Identity Number (CIN):** U29299WB2022PLC258641

**Registered Office**: Jindal Towers, Block B, 4th Floor 21/1A/3, Darga Road Kolkata -700017, West Bengal, India.

**Tel:** 033 22874794

**Contact Person:** Nirmal Kumar Khurana

**E-mail:** rosselltechsyslimited@gmail.com , **Website:** www.rosselltechsys.com


## PROMOTER OF THE COMPANY

Rossell India Limited

## SCHEME DETAILS AND PROCEDURE

The proposed Scheme of Arrangement is presented under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, in the manner provided for in the Scheme thereof.

The Scheme inter-alia provides for the following: -

(a) Demerger of the "Demerged Undertaking" (*as defined in the Scheme*) from Rossell India Limited (**"RIL" or "Demerged Company"**) into Rossell Techsys Limited (**"RTL" or "Resulting Company" or "The Company" or "Our Company")** and the consequent issuance of equity shares by the Resulting Company to all the shareholders of the Demerged Company pursuant to sections 230-232 read with section 66 and other relevant provisions of the Act in the manner provided for in the Scheme and in compliance with Section 2(19AA) read with Section 2(41A) and other relevant provisions of the IT Act ("**Demerger**").

(b) Reduction and cancellation of the existing paid-up share capital of the Resulting Company; and

(c) Listing of the equity shares of the Resulting Company on the Stock Exchanges (*as defined hereinafter*) along with various other matters consequential or otherwise integrally connected therewith.

The proposed Scheme was approved by the Board of Directors of the Demerged Company on December 16, 2022 and by the Board of Directors of the Resulting Company on December 16, 2022.

Upon the Scheme becoming effective, with effect from the Appointed Date, the Demerged Undertaking of the Demerged Company shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 (IT Act) and Sections 230 to 232 read with section 66 of the Act and all other Applicable Laws, without any further act or Instrument, deed, matter or thing be transferred to and vested in the Resulting Company on a going concern basis.

Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators legal representatives or the successors in title, as the case may be as may be recognized by the Board of Directors of the Resulting Company in the following proportion.

***"1 (one) fully paid-up equity share of Rs. 2 (Indian Rupees Two each of the Resulting Company) for every 1 (one) fully paid-up equity share of Rs. 2 (Indian Rupees Two) each held in the Demerged Company"***

Upon the Scheme becoming effective and upon the allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, the existing paid-up equity share capital of the Resulting Company held by the Demerged Company as on Effective Date shall stand cancelled without any further act or deed immediately and without any consideration and accordingly, the paid-up share capital of the Resulting Company shall stand reduced to the extent of face value of such equity shares cancelled.

**Details about the basis for the Share Entitlement Ratio, the valuation report and fairness opinion are available on the websites of the Rossell India Limited i.e.** www.rossellindia.com, **BSE Limited i.e.,** www.bseindia.com **and The National Stock Exchange of India Limited i.e.,** www.nseindia.com **("*Stock Exchanges*").**

The equity shares issued and allotted by the Resulting Company pursuant to the Scheme, will be listed and/ or admitted to trading on the Stock Exchanges, subject to entering into such arrangements and giving such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Resulting Company, for complying with the formalities / requirements of the Stock Exchange(s).

**PROCEDURE**:

Pursuant to the provisions of the Scheme, post receipt of approval of the National Company Law Tribunal ("NCLT") and upon certified copies of the sanction order(s) of the NCLT approving the Scheme being filed with the Registrar of Companies, the Resulting Company shall issue and allot equity shares to Shareholders of the Demerged Company, as on the Record Date, as per the Share Entitlement Ratio set out in the Scheme. The equity shares so allotted is to be listed subject to obtaining requisite approvals on the Stock Exchanges pursuant to an exemption application under rule 19(7) of the Securities Contracts (Regulation) Rules, 1957 ("SCRR") for relaxation of strict application of rule 19(2)(b) of the SCRR, with the Stock Exchanges.

Further, the procedure with respect to public issue/ offer would not be applicable as the Scheme does not involve issue of any equity shares to public at large, except to the shareholders of the Company. Hence, the procedure with respect to General Information Document (GID) is not applicable and this Disclosure Document must be read accordingly.

## ELIGIBILITY FOR THE ISSUE

This Disclosure Document is prepared in compliance with SEBI Circulars and in accordance with the Abridged Prospectus as provided in Part E of Schedule VI of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;

The Equity Shares sought to be listed are proposed to be allotted by the Resulting Company to the Shareholders of the Demerged Company pursuant to the Scheme to be sanctioned by NCLT under Sections 230-232 of the Companies Act, 2013 read with Section 66 and other applicable provisions of the Companies Act, 2013, the SEBI Circulars and subject to and in accordance with the terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, the regulations 26(1) or 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable.

## INDICATIVE TIMETABLE

This Disclosure Document is filed pursuant to the Scheme and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the National Company Law Tribunal, the time frame cannot be established with certainty.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors mentioned in this Disclosure Document carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Resulting Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities Exchange Board of India (***"SEBI"***), nor does SEBI guarantee the accuracy or adequacy of the contents of the Scheme or the Document. Specific attention of the investors is invited to the section titled "***Scheme Details and Procedure***" beginning of page 1 and section titled "***Internal Risk Factors***" beginning on page 7 of this Disclosure Document.

## REGISTERED MERCHANT BANKER

Price Information of Book Running Lead Manager – Not Applicable

The details of the Registered Merchant Banker appointed under the SEBI Circulars is as follows:

| | |
|---|---|
| **Name of Registered Merchant Banker and contact details (telephone and email id)** | **FEDEX SECURITIES PRIVATE LIMITED**<br>**Address:** B7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai 400057, Maharashtra, India.<br>**Tel No:** +91 81049 85249; **Fax No**: 022 2618 6966;<br>**Email:** mb@fedsec.in;<br>**Website:** www.fedsec.in; **Contact Person:** Saipan Sanghvi |

## STATUTORY AUDITOR AND OTHER DETAILS

| | |
|---|---|
| **Name of Statutory Auditor & contact details** | **Khandelwal Ray & Co.**<br>**Address:** 64/55B, Belgachia Road,<br>Kolkata West Bengal 700037 India<br>**Tel No.:** 2243-8018<br>**Firm Reg. No.**: 302035E<br>**Email Id**: khand.ray@hotmail.com<br>**Contact Person:** Pinaki Sarkar |
| **Name of Syndicate Members** | Not Applicable |
| **Name of the Registrar to the Issue and contact details (telephone and email id)** | Not Applicable |
| **Name of the Credit Rating Agency and the rating or grading obtained** | Not Applicable |

| | |
|---|---|
| **Name of Debenture Trustee** | Not Applicable |
| **Self-Certified Syndicate Banks** | Not Applicable |
| **Non-Syndicate Registered Brokers** | Not Applicable |

## PROMOTER OF THE RESULTING COMPANY

Rossell India Limited, a listed public limited company incorporated on June 10, 1994 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Kolkata bearing corporate identity number L01132WB1994PLC063513. The Registered Office of the Demerged Company is situated at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata – 700 017, West Bengal, India.

The Demerged Company has two divisions viz, (a) Tea; and (b) Defence and Aerospace. The Equity Shares of the Demerged Company are listed and traded on the Stock Exchanges.

## BUSINESS OVERVIEW AND STRATEGY

**Company Overview**: Rossell Techsys Limited bearing corporate identity number U29299WB2022PLC258641, is an unlisted public limited company (being a wholly-owned subsidiary of Rossell India Limited, the Demerged Company) having its registered office situated at Jindal Towers, Block B, 4th Floor 21/1A/3, Darga Road Kolkata West Bengal 700 017 India. The Company is incorporated to undertake the business in the aerospace and defence sector, as specified in its Memorandum of Association. The Equity Shares of the Company are currently not listed on any Stock Exchange(s).

**Product/Service Offering:** Upon the Scheme becoming effective, the Resulting Company will engage in supply of interconnect solutions and electrical panel assemblies, test solutions, and after-market services, deployed in military aerospace and defence platforms.

**Revenue segmentation by product/service offering:** Not Applicable, the Resulting Company has not started commercial operations

**Geographies Served:** Not Applicable

**Revenue segmentation by geographies:** Not Applicable

**Key Performance Indicators:** Not Applicable

**Client Profile or Industries Served:** Not Applicable

**Revenue segmentation in terms of top 5/10 clients or Industries:** Not Applicable

**Intellectual Property, if any:** Not Applicable

**Market Share:** Not Applicable

**Manufacturing plant, if any:** Not Applicable

**Employee Strength:** Nil as on June 30, 2023

## BOARD OF DIRECTORS

| Sr. No. | Name | Designation (Independent / Whole time/ Executive/ Nominee) | Experience and Educational qualifications | Other Directorship |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| **1.** | Harsh Mohan Gupta | Director | Harsh Mohan Gupta (DIN:00065973) is B.A. (Hons.). He has been a Director of the Demerged and the Resulting Company since inception. | **Indian Companies:**<br>(a) Rossell India Limited<br>(b) Luxury Agro-Development Private Limited<br>(c) B M G Enterprises Ltd<br>(d) Nyati Retreat Private Limited<br>(e) BMG Investments Private Limited<br>(f) Harvin Estates Private Limited<br><br>**Foreign Companies: Nil** |
| **2.** | Vinita Gupta | Director | Vinita Gupta (DIN: 00065994) has completed her graduation from Richmond University, United Kingdom. She is Executive Vice-President of the Demerged Company. | **Indian Companies:**<br>(a) B M G Enterprises Ltd<br>(b) BMG Investments Private Limited<br>(c) Harvin Estates Private Limited<br><br>**Foreign Companies: Nil** |
| **3.** | Rishab Mohan Gupta | Director | Rishab Gupta (DIN: 05259454) is a graduate from Suffolk University, Boston, USA. He has been associated with Demerged Company for the past 15 years and actively involved in the business of Engineering and Manufacturing in Aerospace and Defense as well as international business development of Rossell Techsys Division of the Demerged Company. | **Indian Companies:**<br>(a) Rossell India Limited<br>(b) BMG Investments Private Limited<br>(c) Harvin Estates Private Limited<br><br>**Foreign Companies: Nil** |
| **4.** | Samara Gupta | Director | Samara Gupta (DIN: 09801530 ) has completed B.Sc. in Maths and Economics from Warwick University, United Kingdom and M.Ed. in Special Education from Lesley University, United Stated of America. She has been a Vice-President of Demerged Company. Samara handles the CSR activities of the Demerged Company. | **Indian Companies:** Nil<br><br>**Foreign Companies: Nil** |

A

**OBJECTS OF THE ISSUE/ RATIONALE OF THE SCHEME**

The rationale for the Scheme is, *inter alia*, as follows:
The Demerged Company is engaged in the business of cultivation, manufacture and selling of Tea viz. Rossell Tea Division and in Aerospace and Defense business which has its engineering and manufacturing centre in Bengaluru viz Rossell Techsys Division. The Resulting Company has been incorporated with the objective of engaging in the business of Rossell Techsys Division. Hence, it is proposed to segregate the same by way of demerger into the Resulting Company which will result in focused approach to exploit the growth potential of the Demerged Undertaking. The segregation of the Demerged Undertaking shall have the following benefits :-

- Creating a dedicated Tech vertical with focused attention on the Aerospace and Defense business under RTL and a dedicated Tea vertical which shall continue under RIL.

- Demerger will enable both Demerged Company and the Resulting Company to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies

- Each undertaking will be able to target and attract new investors with specific knowledge, expertise and risk appetite corresponding to their own businesses Thus, each undertaking will have its own set of likeminded investors, thereby providing the necessary funding impetus to the long-term growth strategies of each business.

- Demerger will enhance efficiencies and will have different business Interests into separate corporate entity, resulting in operational synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration,

- Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of the Demerged Undertaking for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two (2) listed entities after the Scheme becoming effective, giving them flexibility in managing their investments in the two businesses having differential dynamics

- The proposed Demerger shall also benefit all the shareholders, creditors, employees and all other stakeholders and shall enable the group to achieve and fulfill its objectives more efficiently and economically.

**Details of means of finance:** Not Applicable

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issue, if any, of the Company in the preceding 10 years:** Not Applicable

**Terms of Issuance of convertible Security, if any:** Not Applicable

**Name of monitoring agency, if any:** Since there is no issue of equity shares to the public at large except to the existing shareholders of Demerged Company, pursuant to the Scheme, the appointment of a monitoring agency is not required.

**Pre-scheme Shareholding Pattern of the Resulting Company:**

**Equity Shares**

| Sr. No. | Particulars | Pre-Scheme number of shares | Pre-Scheme % Holding |
|---|---|---|---|
| 1. | Promoter & Promoter Group | 50,000 | 100.00 |
| 2. | Public | NIL | NIL |
| | **Total (A+B)** | **50,000** | **100.00** |

Number/ amount of equity shares proposed to be sold by selling shareholders, if any: **Not Applicable**

## RESTATED AUDITED FINANCIALS

*(Rs. in Lakhs)*

| Particulars | March 31, 2023 | March 31, 2022* | March 31, 2021* | March 31, 2020* | March 31, 2019* |
|---|---|---|---|---|---|
| Total income from operations (net) | NIL | N.A. | N.A. | N.A. | N.A. |
| Net Profit / (Loss) before tax and extraordinary items | (17.80) | N.A. | N.A. | N.A. | N.A. |
| Net Profit / (Loss) after tax and extraordinary items | (17.80) | N.A. | N.A. | N.A. | N.A. |
| Equity Share Capital | 1.00 | N.A. | N.A. | N.A. | N.A. |
| Reserves and Surplus | (17.80) | N.A. | N.A. | N.A. | N.A. |

| | | | | | |
|---|---|---|---|---|---|
| Net worth | (16.80) | N.A. | N.A. | N.A. | N.A. |
| Basic & diluted earnings per share (Rs.) | (35.60) | N.A. | N.A. | N.A. | N.A. |
| Return on net worth (%) | - | N.A. | N.A. | N.A. | N.A. |
| Net Asset Value Per Share (Rs) | (33.60) | N.A. | N.A. | N.A. | N.A. |

**Rossell Techsys Limited has been incorporated on December 06, 2022, hence the Audited Financial Statements for the financial year ended March 31, 2022, 2021, 2020 and 2019 are not available.*

## INTERNAL RISK FACTORS

- The proposed Scheme is subject to the approval of the NCLT, Kolkata and Shareholders and Creditors of Rossell India Limited. If the proposed Scheme does not receive the requisite approvals, the objects and benefits mentioned in the Scheme will not be achieved.

- Rossell Techsys Limited will be entering into a new business after the Demerger. Pursuant to the Scheme, as part of the Demerged Undertaking, requisite personnel operating the demerged business, will also be a part of the Resulting Company. The Resulting Company cannot assure that it will be able to successfully foray in or continue to be profitable in the business. The inability to effectively develop and operate its business may have an adverse impact on the Resulting Company's financial conditions and result of operations. Further, the business is subject to government policies

- There may be certain risks and uncertainty in the integration of business of Demerged Undertaking, which may impact the result of operations and profitability.

- An inability to manage the growth in scale of our operations could affect the business of the Resulting Company.

- Equity Shares to be issued pursuant to the Scheme shall be listed on Stock Exchanges, which would be subject to approvals from the said Stock Exchange(s) and other necessary compliance. In the event that these approvals are delayed, the listing of the equity shares may get impacted. Listing of the equity shares does not guarantee that a trading market for the equity shares will develop.

- The Resulting Company may have competition from existing players which may impact the growth of the Resulting Company.

- Changes in the regulatory environment in which the Resulting Company operates could have a material adverse effect on its business, financial conditions, results of operations and prospects. The regulatory and policy environment in which the Resulting Company operates is also evolving and subject to change which may adversely affect its business, results of operations and prospects, to the extent that the Resulting Company is unable to suitably respond to and comply with any such change in applicable law and policy.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

**A. Total number of outstanding litigations against the company and amount involved**

| Name of Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoter | Material Civil Litigations | Aggregate amount involved (Rs. in Crores) |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| By the Company | Nil | Nil | Nil | Nil | Nil | Nil |

| | | | | | | |
|---|---|---|---|---|---|---|
| Against the Company | Nil | Nil | Nil | Nil | Nil | Nil |
| **Directors** | | | | | | |
| By our Directors | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Directors | Nil | 6 | Nil | Nil | Nil | 0.07* |
| **Promoter** | | | | | | |
| By Promoter | Nil | Nil | Nil | Nil | Nil | Nil |
| Against Promoter | Nil | 3 | Nil | Nil | 1 | 1160.08 |
| **Subsidiaries** | | | | | | |
| By Subsidiaries | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Against Subsidiaries | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

**To the extent quantifiable*

**B. Brief details of top 5 material outstanding litigations against the company and amount involved-**

| Sr. No. | Particulars | Litigation filed by | Current status | Amount involved |
|---|---|---|---|---|
| NIL | | | | |

**C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the Promoter in last 5 financial years including outstanding action, if any**

Nil

**D. Brief details of outstanding criminal proceedings against Promoter**

Nil

## DECLARATION BY THE RESULTING COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Disclosure Document is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Disclosure Document are true and correct.

**For Rossell Techsys Limited**

HARSH MOHAN GUPTA

Digitally signed by HARSH MOHAN GUPTA
Date: 2023.07.24 21:51:19 +05'30'

**Harsh Mohan Gupta**
**Director**
**DIN: 00065973**

**FEDEX SECURITIES PVT LTD**

*(Formerly Known as Fedex Securities Limited)*

MERCHANT BANKING DIVISION

B7 Wing, Jay Chambers,
Dayaldas Road, Vile Parle (East),
Mumbai 400 057
T : +91 22 2613 6460 / 61
M : +91 81049 85249
E-mail: mb@fedsec.in • www.fedsec.in
CIN : U67120MH1996PTC102140

**Date: July 24, 2023**

To,
**Board of Directors,**
**Rossell Techsys Limited,**
Jindal Towers, Block B, 4th Floor 21/1A/3,
Darga Road Kolkata -700017,
West Bengal, India.

**Subject: - Certificate on adequacy and accuracy of Disclosure in the format of "Abridged Prospectus" ("Disclosure Document") pursuant to Sebi Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022 read with Master Circular bearing number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Circulars") issued by the Securities and Exchange Board of India (SEBI) dated November 23, 2021 with respect to the Scheme of Arrangement proposed to be entered between Rossell India Limited ("RIL" or "Demerged Company") and Rossell Techsys Limited ("RTL" or "Resulting company" or "the Company") and their respective Shareholders and Creditors under sections 230 to 232 read with section 66 (to the extent applicable) and other applicable provision of the Companies act, 2013 ("Act") and rules framed thereunder (hereinafter referred to as "Scheme").**

Dear Sir/Madam,

We, Fedex Securities Private Limited ***("We" or "Fedex")***, SEBI Registered Category – I, Merchant Banker have been appointed by Resulting company for the purpose of preparing and certifying the adequacy and accuracy of the disclosures made in the Abridged Prospectus / Disclosure Document dated July 24, 2023 of Resulting company in compliance Annexure I, Paragraph 3(a) of SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022 read with Master Circular bearing number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ***("SEBI Circulars")***_ issued by Securities and Exchange Board of India (SEBI) in relation to the captioned Scheme, state and confirm as follows:

We have relied on the information, undertakings, certifications, documents and explanations provided to us by Resulting company, its Directors and its Promoter while finalizing the Abridged Prospectus (Disclosure Document) of the subject captioned;

On the basis of the above, we hereby confirm that:

The information contained in the Disclosure Document is prepared in the format prescribed for Abridged Prospectus provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018, as amended, which will be circulated to the Members of Demerged Company at the time of seeking their consent in the explanatory statement in the Notice in accordance with the SEBI circular is accurate and adequate.

FEDEX SECURITIES PVT. LTD. ★ MUMBAI

***Report Limitations:***

1. This Certificate is a specific purpose certificate issued in terms of and compliance with SEBI Circulars and hence it should not be used for any other purpose or transaction.
2. We express no opinion and accordingly accepts no responsibility for or as to the price at which the equity shares of the Company will trade following the Scheme.
3. This Certificate contains the certification on adequacy and accuracy of disclosure of information in the Abridged Prospectus (Disclosure Document) pertaining to the unlisted entity, Resulting company, and is not an opinion on the proposed Scheme or its success. Further, this certificate does not guarantee the implication/approval of the proposed Scheme.
4. To the extent of our scope of work, we have relied on the information furnished and explanations provided to us and have not carried out our independent audit of the financial and legal information. Hence, we are unable to express our opinion on the fairness of the financial and legal information.
5. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.

**For Fedex Securities Private Limited**

SnSanghvi

FEDEX SECURITIES PVT. LTD. MUMBAI

**Saipan Sanghvi**
**AVP**
**Place: Mumbai**

EXPERIENCE THE NEW

**DCS/AMAL/PB/IP/2765/2023-24** **May 22,2023**

The Company Secretary,
**ROSSELL INDIA LTD**
21/1A/3, Jindal Towers, Block B, 4th Floor, Darga Road,
Kolkata, West Bengal, 700017

Dear Sir,

**Sub: Observation Letter regarding the Scheme of Arrangement between Rossell India Ltd and Rossell Techsys Ltd and their respective shareholders**

We are in receipt of the Scheme of Arrangement between Rossell India Ltd and Rossell Techsys Ltd and their respective shareholders as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated May 22, 2023, has inter alia given the following comment(s) on the draft scheme of Arrangement:

a) **"Company shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and Shareholders, while seeking approval of the scheme."**

b) **"Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the websites of the Listed Company and the Stock Exchanges."**

c) **"Company shall ensure compliance with the SEBI Circulars issued from time to time."**

d) **"The entities involved in the scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."**

e) **"Company is advised that the information pertaining to all the Unlisted Companies involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."**

f) **"Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."**

g) **"Company is advised that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."**

h) **"Both the Companies are advised to disclose following as a part of the explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013."**

**Details of Assets & Liabilities of Demerged Company and Resulting Company Pre and Post Demerger**

**Impact of Scheme on revenue generating capacity of RIL**

**Details of contingent & Legal Liabilities that are being transferred to Resulting Company**

**Conditions put forth by Banks in their NOC's**

**Need for the demerger, Rationale of the Scheme ,Synergies of the business of the entities involved in the scheme ,impact of the scheme on the shareholders and cost benefit analysis of the scheme**

i) **"Company is advised that the proposed Equity Shares to be issued in terms of the 'Scheme' shall mandatorily be in demat form only."**

j) **"Company shall ensure that the 'Scheme' shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."**

k) **"Company to ensure that no changes to the draft Scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."**

l) **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company obliged to bring the observations to the notice of Hon'ble NCLT."**

m) **"Company is advised to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."**

n) **"It is to be noted that the petitions are filed by the Company before Hon'ble NCLT after processing and communication of comments/observations on draft Scheme by SEBI/Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Rossell Techsys Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Rossell Techsys Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Rossell Techsys Limited is at the discretion of the Exchange. In addition to the above, the listing of Rossell Techsys Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Rossell Techsys Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all details of Rossell Techsys Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Rossell Techsys Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:

   - "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   - "There shall be no change in the shareholding pattern of Rossell Techsys Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted**. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Prasad Bhide

**Prasad Bhide**
**Senior Manager**

**Marian Dsouza**
**Senior Manager**

National Stock Exchange Of India Limited

Ref: NSE/LIST/33864 May 23, 2023

The Company Secretary
Rossell India Limited
21/1A/3, Jindal Towers, Block B, 4th Floor,
Darga Road, Kolkata, West Bengal, 700017.

**Kind Attn.: Mr. Nirmal Kumar Khurana**

Dear Sir,

**Sub: Draft scheme of arrangement between Rossell India Limited ("Demerged Company" or "RIL") and Rossell Techsys Limited ("Resulting Company" or "RTL") and their respective shareholders.**

We are in receipt of draft scheme of arrangement between Rossell India Limited ("Demerged Company" or "RIL") and Rossell Techsys Limited ("Resulting Company" or "RTL") and their respective shareholders under sections 230-232 read with section 66 and other applicable provisions of the Companies Act, 2013 vide application dated December 26, 2022.

Based on our letter reference no. NSE/LIST/33864 dated March 06, 2023, submitted to SEBI Master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 and Regulation 94(2) of SEBI (LODR) Regulations 2015, SEBI vide its letter dated May 22, 2023, has inter alia given the following comment(s) on the draft scheme of arrangement:

a. *Company shall ensure to disclose all the details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

b. *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed Company and the stock exchanges.*

c. *The entities involved in the scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Demerged Undertaking are transferred to the Resultant Company.*

d. *Company shall ensure that information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*

e. *Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

f. *Company shall ensure that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.*

This Document is Digitally Signed

Signer: DIPTI VIPIL CHINCHKHEDE
Date: Tue, May 23, 2023 18:14:49 IST
Location: NSE

g. *Company shall ensure that both the companies to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to the Shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013.*
   - *Details of assets and liabilities of Demerged Company and Resulting Company Pre and Post Demerger.*
   - *Impact of scheme on revenue generating capacity of RIL.*
   - *Details of contingent and legal liabilities that are being transferred to Resulting company.*
   - *Conditions put forth by Banks in their NOC's.*
   - *Need for the demerger, Rationale of the scheme, Synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.*

h. *Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*

i. *Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the Scheme document.*

j. *Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI.*

k. *Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*

l. *Company to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed Scheme.*

m. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

This Document is Digitally Signed

Signer: DIPTI VIPIL CHINCHKHEDE
Date: Tue, May 23, 2023 18:14:49 IST
Location: NSE

NSE

The Company should also fulfil the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Rossell Techsys Limited is at the discretion of the Exchange.

The listing of Rossell Techsys Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Rossell Techsys Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited ("NSE") for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

   ***"The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Resulting Company, its promoters, its management etc."***

2. To publish an advertisement in the newspapers containing all the information about Rossell Techsys Limited in line with the details required as per SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Rossell Techsys Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

   (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

   (b) "There shall be no change in the shareholding pattern or control in Rossell Techsys Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this letter shall be six months from May 23, 2023, within which the Scheme shall be submitted to NCLT.

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Signer: DIPTI VIPIL CHINCHKHEDE
Date: Tue, May 23, 2023 18:14:49 IST
Location: NSE

NSE

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

**The Company shall ensure filing of compliance status report stating the compliance with each point of letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,
For National Stock Exchange of India Limited

Dipti Chinchkhede
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL: https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

This Document is Digitally Signed

Signer: DIPTI VIPIL CHINCHKHEDE
Date: Tue, May 23, 2023 18:14:49 IST
Location: NSE

# ROSSELL INDIA LIMITED

21st January, 2023

To
BSE Limited
Ground floor, P. J. Towers
Dalal Street, Fort
Mumbai – 400 001, India,
Scrip Code: 533168

Dear Sir,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Rossell India Limited (the Demerged Company or RIL) and Rossell Techsys Limited (the Resulting Company or RTL) and their respective shareholders under sections 230-232 read with section 66 and other applicable provisions of the Companies Act, 2013- Complaints Report**

Period of Complaints Report from 29th December, 2022 to 20th January, 2023.

**Part A**

| Sr. No. | Particulars | Number |
|---|---|---|
| 1. | Number of complaints received directly | NIL |
| 2. | Number of complaints forwarded by Stock Exchanges | NIL |
| 3. | Total Number of complaints/comments received (1+2) | NIL |
| 4. | Number of complaints resolved | NIL |
| 5. | Number of complaints pending | NIL |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| NA | NA | NA | NA |

For **Rossell India Limited**

ROSSELL INDIA LTD. ★ JINDAL TOWERS KOL-17 21/A/3, DARGA ROAD ★

**Nirmal Kumar Khurana**
**Company Secretary**

# ROSSELL INDIA LIMITED

27th January, 2023

To
Manager - Listing Compliance
National Stock Exchange of India Limited
Listing Department, 'Exchange Plaza' Plot No. C-1,
Block G, Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
Symbol: ROSSELLIND

Dear Sir,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Rossell India Limited (the Demerged Company or RIL) and Rossell Techsys Limited (the Resulting Company or RTL) and their respective shareholders under sections 230-232 read with section 66 and other applicable provisions of the Companies Act, 2013- Complaints Report**

**Ref: Application Number 33864**

Period of Complaints Report from 4th January, 2023 to 26th January, 2023.

**Part A**

| Sr. No. | Particulars | Number |
|---|---|---|
| 1. | Number of complaints received directly | NIL |
| 2. | Number of complaints forwarded by Stock Exchanges | NIL |
| 3. | Total Number of complaints/comments received (1+2) | NIL |
| 4. | Number of complaints resolved | NIL |
| 5. | Number of complaints pending | NIL |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| NA | NA | NA | NA |

For **Rossell India Limited**

ROSSELL INDIA LTD. JINDAL TOWERS KOL-17 21/1A/3, DARGA ROAD

**Nirmal Kumar Khurana**
**Company Secretary**

**Annexure XIII**

**Details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against Rossell India Limited ("Company"), its promoters and directors (Status as on 21st July, 2023)**

| Sr. No. | Court / Tribunal / Authority | Parties | Brief summary of case | Current status | Against (Company / Promoter / Director) | Remarks |
|---|---|---|---|---|---|---|
| 1 | Delhi Arbitration Authority | Ernst and Young LLP (E&Y) | E&Y has filed an Arbitration case to recover Rs 51.62 lakhs with interest thereon from the Company, which has been by the Company for deficiency in their level of services. The Company has lodged the Counter claim to recover Rs 175 lakhs as refund of fees paid along with interest and repayment of expenses reimbursed. | Arbitration order awaited | Company | Final arguments concluded. Order is awaited |
| 2 | Goods and Service Tax Authorities | GST Authorities – OKHLA Circle | Notice for carry forward of inadmissible Cenvat Credit of Rs 41.26 lakhs Trans -1 Form. | Submissions made with necessary supporting documents. | Company | Order Awaited |
| 3. | Commissioner of Income Tax (Appeals) | Appeals filed by the Company for AY 2021-2022 and AY 2020-2021 | The Company has preferred appeals before the Commissioner of Income Tax (Appeals) against various arbitrary and wrong disallowances of certain claims in the Income Tax Assessments for Financial Year 2019-2020 and 2020-2021 by the Assessing officer thereby raising demands of Rs. 612.26 lakhs and Rs. 454.94 lakhs respectively. | Hearing of the Appeals yet to take place. | Company | Date of hearing Awaited |