



6th November, 2024

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

Sub: **Apportionment of Cost of Acquisition of Equity Shares of RosSELL India Limited and RosSELL Techsys Limited**

Ref.: **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 ("Scheme of Arrangement" or "Scheme")**

Further to our letter dated 25th September, 2024, we enclosed the circular being dispatched electronically today for general guidance of the Shareholders of RosSELL India Limited, who have been issued Equity Shares by RosSELL Techsys Limited pursuant to the above Scheme.

This guidance is only for information of the shareholders to enable them to compute the proportionate cost of acquisition of the Equity Shares of Resulting Company and the cost of acquisition of the Original Equity Shares of Demerged Company under the Income Tax Act, 1961.

You are requested to take the above on records.

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



NIRMAL KUMAR KHURANA
DIRECTOR (FINANCE) AND
COMPANY SECRETARY



Rossell India Limited

(CIN: L01132WB1994PLC063513)

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FOR THE KIND ATTENTION OF SHAREHOLDERS OF ROSSELL INDIA LIMITED

Dear Shareholder(s)

As you are aware that the Hon'ble National Company Law Tribunal, Kolkata Bench ('NCLT') through its Order dated 25th April, 2024 ('the Order') sanctioned the Scheme of Arrangement (**the Scheme**) between Rossell India Limited ("**the Demerged Company**" or "**the Company**") and Rossell Techsys Limited ("**the Resulting Company**") and their respective shareholders providing for the demerger of Rossell Techsys Division (**Demerged Undertaking**) of the Demerged Company.

The Scheme became effective on and from 30th August, 2024, upon filing the certified copy of the aforesaid Order of NCLT with the Registrar of Companies, West Bengal.

Pursuant to the aforesaid Order and upon Scheme became effective, the entire Rossell Techsys Division (Demerged Undertaking) stands demerged from the Company and vested with the Resulting Company as a 'Going Concern' on and from 1st April, 2023, being the Appointed Date under the Scheme.

Accordingly, in terms of clause 11.1 of the Scheme, the Resulting Company has on 25th September, 2024, without any further application or deed, issued and allotted 3,76,96,475 Equity Shares of Rs.2 each to the Equity Shareholders of the Demerged Company whose name appears in the Register of Members of the Demerged Company as on the Record Date fixed for the purpose viz. 20th September, 2024 in the following proportion:

[1] fully paid up Equity Share of Rs 2 each of the Resulting Company for every [1] fully paid up Equity Share of Rs 2 each held in the Demerged Company.

We take this opportunity to confirm that Demerger as envisaged under the Scheme satisfies all the conditions relating to "Demerger" as defined under Section 2(19AA) and other applicable provisions (if any) of the Income Tax Act, 1961 (the Act"). Thus, aforesaid issue and allotment of Equity Shares by the Resulting Company to the Equity Shareholders of the Demerged Company in consideration of Demerger of the Demerged undertaking, shall not be regarded as transfer, in view of the provisions of Section 47(vii) of the Act and therefore, not taxable in the hands of Shareholders at this stage.

Accordingly, the Date of Acquisition, in respect to the above allotment of Equity Shares

by Rossell Techsys Limited to the Equity Shareholders of Demerged Company, shall be deemed to be the date when the Equity Shares of Demerged Company were originally acquired by such Shareholders, as per Clause (g) of Explanation 1 to Section 2(42A) of the Act.

This circular is being issued only as the general guidance of the shareholders of Rossell India Limited, who have been issued Equity Shares by Rossell Techsys Limited for computing the proportionate cost of acquisition of the Equity Shares of Rossell Techsys Limited and the cost of acquisition of the original Equity Shares of Rossell India Limited, as per the provisions of Sections 49(2C) and 49(2D) of the Act, as and when the Equity Shares would be sold or otherwise transferred and Long/Short Term Capital Gain/(Loss) would be ascertained.

The Net Book Value of assets which relate to the Demerged Undertaking as on the Appointed Date i.e. 1st April 2023 was Rs.11,901.92 Lakhs (as per the statement of Net Assets forming part of the Order) and the Net Worth of Rossell India Limited pre-demerger was Rs. 28,667.10 Lakhs i.e. 41.52 % for the purpose of Section 49(2C) of the Act for determining the Post Demerger Cost of Acquisition of Equity Shares of the Resulting Company.

In effect, the pre-demerger cost of acquisition of the Equity Shares of the Demerged Company remains 58.48%.

To summarise, the cost of acquisition may be apportioned in the following manner:

Name of the Company	Percentage of cost of acquisition of Equity Shares
Rossell India Limited (Demerged Company)	58.48%
Rossell Techsys Limited (Resulting Company)	41.52%
TOTAL	100.00%

Please be advised that this communication is for general guidance to the shareholders and should not be construed as a substitute for any independent opinion that shareholders may obtain. Shareholders are advised to consult their own consultants to understand specific tax implications, in their respective cases. The concerned regulatory, statutory or judicial authority including the Assessing Officer/appropriate appellate authority could take a different view.

Rossell India Limited / Rossell Techsys Limited take no express or implied liability in relation to this guidance and do not take the responsibility of updating this communication at any time in future.

For Rossell India Limited
N K Khurana
Director (Finance) and
Company Secretary