

# BENGAL & ASSAM COMPANY LIMITED

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BACL:SECTL:SE: 2017  
12<sup>th</sup> June, 2017

## Through BSE Listing Centre

### **BSE Limited**

Department of Corporate Relationship  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai – 400 001

Dear Sirs,

**Re: Intimation of Scheme of Arrangement pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In compliance with Regulation 30 of the Securities and Exchange Board of India ("SEBI")(Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR Regulations"), this is to inform you that the Board of Directors of Bengal & Assam Company Limited at its meeting held today, approved a Scheme of Arrangement between Florence Investech Limited ("**Florence**"), BMF Investments Limited ("**BMF**"), J.K. Fenner (India) Limited ("**FIL**") and Bengal & Assam Company Limited ("**the Transferee Company**") and their respective shareholders pursuant to the provisions of Sections 230 of the Companies Act, 2013 for (a) amalgamation of Florence and BMF ("**Transferor Companies**") with the Transferee Company with effect from 1<sup>st</sup> April, 2017 ("**Appointed Date**") and (b) exchange of shares of FIL for shares of the Transferee Company at the option of shareholders of FIL.

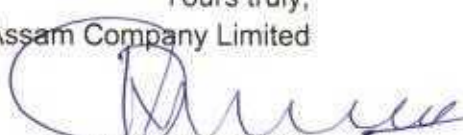
The Scheme will come into effect on receipt of necessary approvals for the same, including approvals of the Stock Exchange and sanction of the National Company Law Tribunal.

The aforesaid meeting of the Board of Directors commenced at 2.30 P.M. and concluded at 3.30 P.M.

Enclosed as Annexure A is the information pursuant to Regulation 30 of the LODR Regulations.

Thanking you,

Yours truly,  
For Bengal & Assam Company Limited

  
(Dillip Kumar Swain)  
Company Secretary



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## ANNEXURE A

Disclosure of Information Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

### 1. Nature and business of the Companies:

- a. **Florence Investech Limited ("Florence"):** Florence is a public company limited by shares, incorporated under the provisions of the Companies Act, 1956 and is a Company within the meaning of the Companies Act, 2013. Its CIN is L24211DL1993PLC254964. Florence is a Core Investment Company but is exempted from registration with the Reserve Bank of India ("RBI"). Florence is engaged in the business of investing in shares and securities. The Equity Shares of Florence are listed on BSE Limited.
- b. **BMF Investments Limited ("BMF"):** BMF is a public company limited by shares, incorporated under the provisions of the Companies Act, 1956 and is a Company within the meaning of the Companies Act, 2013. Its CIN is U67120DL2005PLC161088. BMF is registered as a Non-Banking Financial Company with the RBI. BMF is engaged in the business of investing in shares and securities. BMF is not listed on any Stock Exchange.
- c. **J.K. Fenner (India) Limited ("FIL"):** FIL is a public company limited by shares, incorporated under the provisions of the Companies Act, 1956 and is a Company within the meaning of the Companies Act, 2013. Its CIN is U24231TN1992PLC062306. FIL is an operating Company engaged in the business of manufacture of belts, oil seals & moulded rubber products, engineering and other miscellaneous products. FIL is not listed on any Stock Exchange.
- d. **Bengal & Assam Company Limited ("Transferee Company"):** The Transferee Company is a public company limited by shares, incorporated under the provisions of the Companies Act, 1913 and is a Company within the meaning of the Companies Act, 2013. Its CIN is L67120WB1947PLC221402. BACL is registered as a Core Investment Company with RBI. The Transferee Company is engaged in the business of investing in shares and securities. The Equity Shares of BACL are listed on BSE Limited.

### 2. Net worth and Turnover

(Rs. In Lacs)

	Net Worth	Total Revenue
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2017
Florence	16282.72	1481.88
BMF	10880.59	7419.07
FIL	46516.46	61664.21
Transferee Company	37578.57	4882.76

### 3. Share Capital:

The Authorised, Issued, Subscribed and Paid-up Share Capital of Florence, BMF, FIL and the Transferee Company is as under:



a.	<b><u>Florence:</u></b>	
	<u>Authorised Share Capital:</u>	<u>(Rs. In Lacs)</u>
	50,00,000 Equity Shares of Rs.10/- each	5,00.00
	50,00,000 Preference Shares of Rs.85/- each	42,50.00
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	Total	47,50.00
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	<u>Issued, Subscribed and Paid up Share Capital:</u>	
	33,28,944 Equity Shares of Rs.10/- each fully paid up	332.89

b.	<b><u>BMF</u></b>	
	<u>Authorised Share Capital:</u>	<u>(Rs. In Lacs)</u>
	3,02,000 Equity Shares of Rs.10/- each	30.20
	<u>Issued, Subscribed and Paid up Share Capital:</u>	
	3,01,995 Equity Shares of Rs.10/- each fully paid up	30.20

BMF is a wholly owned (100%) subsidiary of FIL. FIL is a subsidiary of the Transferee Company and thus BMF is a step down subsidiary of the Transferee Company as also mentioned in clause 3.1 below.

c.	<b><u>FIL</u></b>	
	<u>Authorised Share Capital:</u>	<u>(Rs. In Lacs)</u>
	8,00,00,000 Equity Shares of Rs.10/- each	8,000.00
	10,00,000 Preference Shares of Rs.100/- each	1,000.00
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		9,000.00
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	<u>Issued, Subscribed and Paid up Share Capital:</u>	
	24,83,066 Equity Shares of Rs.10/- each fully paid up	248.31

21,89,314 Equity Shares, constituting 88.17% of the total Issued, Subscribed and Paid up Share Capital of FIL, are held by the Transferee Company. FIL is thus a subsidiary of the Transferee Company.

d.	<b><u>The Transferee Company:</u></b>	
	<u>Authorised Share Capital:</u>	<u>(Rs. In Lacs)</u>
	356,730,000 Equity Shares of Rs.10/- each	35,673.00
	12,52,000 Cumulative Redeemable Preference Shares of Rs.100/- each	1,252.00
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	Total	36,925.00
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	<u>Issued, Subscribed and Paid up Share Capital:</u>	
	86,83,553 Equity Shares of Rs.10/- each fully paid up	868.36

6,46,811 Equity Shares of the Transferee Company constituting 7.45% of the total Issued, Subscribed and Paid up Share Capital of the Transferee Company are held by Florence.



4. **Amalgamation Consideration:**

- a. The Scheme provides for amalgamation of Florence and BMF ("Transferor Companies") with the Transferee Company with effect from 1st April, 2017 ("the Appointed Date"). With effect from the Appointed Date, the entire undertakings of the Transferor Companies, including all their assets and liabilities, would be transferred to the Transferee Company. Florence and BMF would be dissolved without winding up pursuant to the Scheme.
- b. In consideration of the amalgamation, the Transferee Company will issue and allot Equity Shares of Rs.10/- each in the Transferee Company credited as fully paid up to the shareholders of Florence and FIL (other than the Transferee Company itself) in the ratio as under:-
- i. 89 Equity Share(s) of Rs.10/- each in the Transferee Company for every 100 Equity Share of Rs.10/- each fully paid-up held by the said members of Florence in the capital of Florence; and
  - ii. 101 Equity Share(s) of Rs.10/- each in the Transferee Company for every 100 Equity Share(s) of Rs.10/- each fully paid-up held by the said members of FIL in the capital of FIL.
- c. It is clarified that FIL which is the holding company of BMF is not amalgamating with the Transferee Company. However FIL is itself a subsidiary of the Transferee Company. Since it cannot thus be allotted any shares in the Transferee Company in consideration of the amalgamation of BMF with the Transferee Company, the shareholders of FIL (other than the Transferee Company) will be issued and allotted shares in consideration of such amalgamation. It is further clarified that instead of receiving shares in the Transferee Company in consideration of the amalgamation, such shareholders of FIL are being given the option of exchanging all their shares in FIL for shares of the Transferee Company as mentioned below.

5. **Exchange of Shares of FIL at the option of shareholders**

- a. Instead of retaining their shares in FIL (an unlisted Company) and receiving shares in the Transferee Company only in consideration of the amalgamation, in the ratio aforesaid, the members of FIL shall have the option of exchanging their entire holding of Equity Shares in FIL for Equity Shares in the Transferee Company (a listed Company) and receiving shares in the higher ratio of 152 Equity Shares of Rs.10/- each credited as fully paid up in the Transferee Company for every 100 Equity Shares of Rs.10/- each held by them in FIL. In this option, all Equity Shares of FIL held by the members of FIL shall be transferred by them to the Transferee Company.
- b. The members of FIL will be sent option forms giving them an opportunity to exercise their option for exchanging all their shares in FIL for additional shares of the Transferee Company, as aforesaid. Members who do not exercise such option will be deemed to have opted to retain their shares in FIL and will receive shares in the Transferee Company only in consideration of the amalgamation in the ratio specified in paragraph 3(b)(ii) above.



**6. Rationale & Benefits of the Scheme:**

- a. The Transferor Companies and the Transferee Company are all engaged in the business common to them of investing in shares and securities. FIL is an operating Company engaged in the business of manufacture of belts, oil seals & moulded rubber products, engineering and other miscellaneous products. In addition, it also holds investments in shares of BMF. Investments are held by the Transferor Companies and the Transferee Company primarily in shares of group companies, including operating Companies. Such investments in the operating companies are all strategic non-current investments and constitute significant percentages of the total Equity Share Capital and controlling interests in such investee companies. Such investments are held with a long term perspective.
- b. The true value of the investments in the operating companies are not adequately reflected *inter alia*, due to the same being spread in three separate holding companies (Florence, BMF and the Transferee Company) and BMF being itself held by the said FIL, which is an operating company, as aforesaid. Florence, BMF and the Transferee Company are all engaged in the same activity. The business and interests of the Transferor Companies and the Transferee Company are alike and to better reflect the Value of the Shareholders can be combined and carried on under one entity efficiently.
- c. In the circumstances it is considered desirable and expedient to amalgamate the Transferor Companies with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Arrangement in consideration of issue and allotment of shares in the Transferee Company to members of Florence and members of FIL (other than the Transferee Company itself).
- d. The amalgamation will enable appropriate consolidation of the undertakings and investments of the Transferor Companies and the Transferee Company in a single holding company (viz the amalgamated Transferee Company) in which all the said investments in the operating companies are held. The amalgamation will lead to the formation of a larger and stronger entity with a wider capital and asset base and having greater capacity for conducting its operations more efficiently and competitively.
- e. The amalgamation will simplify and rationalise the holding structure of the said operating companies, unlock value and enhance the capacity of the Transferee Company to raise and access funds for making further strategic investments, including for further growth and development of the business of the said operating companies.
- f. The amalgamation will lead to the businesses of the amalgamated entity being carried on more efficiently and economically with better operating parameters. The same would result, *inter alia*, from, pooling and more effective utilisation of all available resources, greater economies of scale, elimination of duplication of work, and overall reduction of overheads and considerable savings in costs which will be facilitated by and follow the amalgamation.



- g. Whilst the Transferee Company is a listed Company FIL is an unlisted Company. As such the shares of FIL are not as liquid and marketable as the shares of the Transferee Company. As part of the Scheme, it is thus also considered desirable and expedient to provide suitable options to the members of FIL to exchange their entire holding in FIL for Equity Shares of the Transferee Company.
- h. The Scheme is proposed to the advantage of the said Companies and will have beneficial results for the said Companies, their shareholders, employees and all concerned.

**7. Pre-post Scheme shareholding pattern**

- a. The existing (pre-Scheme) shareholding pattern of Florence, BMF, FIL and the Transferee Company is summarised below:-

	<b>Pre-Scheme Florence</b>	<b>Pre-Scheme BMF</b>	<b>Pre-Scheme FIL</b>	<b>Pre-Scheme Transferee Company</b>
	No of Equity Shares & (%)	No of Equity Shares & (%)	No of Equity Shares & (%)	No of Equity Shares & (%)
<b>A. <u>Promoter's Holding</u></b>	24,96,366 (74.99%)	3,01,995 (100%)	21,89,314 (88.17%)	64,22,493 (73.96%)
<b>B. <u>Non-Promoters Holding</u></b>	8,32,578 (25.01%)	Nil	2,93,752 (11.83%)	22,61,060 (26.04%)
<b><u>Total</u></b>	<b>33,28,944 (100%)</b>	<b>3,01,995 (100%)</b>	<b>24,83,066 (100%)</b>	<b>86,83,553 (100%)</b>

- b. Florence and BMF will stand amalgamated with the Transferee Company and cease to exist and thus the question of change of shareholding pattern of such companies consequent to the Scheme does not arise. In so far as FIL and the Transferee Company are concerned, the post-Scheme shareholding pattern of FIL and the Transferee Company will change upon issue and allotment of Equity Shares to the shareholders of Florence and FIL in terms of the Scheme and as per options exercised by shareholders of FIL.

**8. Related Party**

Related party provisions are not applicable.

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