

BENGAL & ASSAM COMPANY LIMITED

Secretarial Deptt. : 'Gulab Bhawan', 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi - 110 002
Telephone: 011 - 30179888, 30179899, Fax: 011-23739475

Reply to BSE Query dt. 16.10.2017

Query No. 1) Rationale behind providing option of additional shares to the shareholders of FIL.

Reply: BMF is a wholly owned (100%) subsidiary of FIL. FIL is a 88.17% subsidiary of the Transferee Company and BMF is thus a step down subsidiary of the Transferee Company, FIL is an operating company. No shares in the Transferee Company are to be issued to the shareholders of BMF since all shares of BMF are held by FIL which is a subsidiary of the Transferee Company and no company can issue shares to its subsidiary.

However, to protect the value of the investment of the Equity Shareholders of FIL, Scheme provides that shares of the Transferee Company in consideration of the amalgamation would be issued and allotted to the Equity Shareholders of FIL (other than the Transferee Company itself) instead of shareholders of BMF. The Transferee Company is a listed Company and FIL is an unlisted Company. As such the shares of FIL are not as liquid and marketable as the shares of the Transferee Company. It is thus considered desirable and expedient to provide an option to the Equity Shareholders of FIL to exchange their Equity Shares in FIL for Equity Shares of the Transferee Company. (refer Pt. 3(ii) & 3(vi) of the Scheme).

Query No. 2) Step wise calculation of the equity shares proposed to be issued by BACL to Florence and FIL.

Reply:

1. Pre Scheme Shares of BACL:	8,68,35,53
Less: Shares held by Florence (Cancellation of cross holding)	<u>6,46,811</u>
Shares of BACL (after cancellation of cross holding)	<u>8,03,67,42</u>
Subtotal (1)	<u>8,03,67,42</u>
2. No. Of Shares to be issued to Florence	
Pre Scheme Shares of Florence	3,32,89,44
Total No. of Share to be issued to Shareholders of Florence @89/100 {3328944*89/100}	
Subtotal (2)	2,96,27,60
Subtotal (1+2)	<u>1,09,99,502</u>



CIN : L67120WB1947PLC221402, Website : www.bengalassam.com, E-mail : dswain@jkmil.com

Regd. Office : 7, Council House Street, Kolkata, West Bengal - 700 001

Telephone : 033 - 22486181 / 22487084, Fax : 033 - 22481641

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3. No of Shares to be issued to shareholders of FIL

Pre Scheme Shares of FIL	2,48,30,66
Less: Shares held by BACL	<u>2,18,93,14</u>
Shares held by Shareholders of FIL other than BACL	<u>2,93,752</u>

3.1) No. Of Shares to be issued without exchange of shares of FIL @101/100 {293752*101/100}

2,96,689

Subtotal (1+2+3.1)

1,12,96,191

3.2) No. Of Shares to be issued with exchange of Shares of FIL @152/100 {293752*152/100}

4,46,503

Subtotal (1+2+3.2)

1,14,46,005

4. Post Scheme Shares of BACL

Without Exchange of Shares of FIL (as in pt. 3.1)

1,12,96,191

With Exchange of Shares of FIL (Assuming that all the

shareholders of FIL opts for exchange of shares of FIL as in pt. 3.2)

1,14,46,005

Query No.3) Clarification regarding facility E-voting & Postal Ballot.

Reply: Please note that Clause 22.1 of the Scheme duly provides that "in terms of paragraphs I(A)9(a) and I(A)9(b) of Annexure I of Securities and Exchange Board of India ("SEBI") Circular dated 10th March, 2017, the Scheme shall be acted upon only if the votes cast by the respective public shareholders of Florence and the Transferee Company in favor of the Scheme are more than the number of votes cast by them against the Scheme." We confirm that the provision for e-voting by shareholders has thus been duly incorporated in the Scheme by reference to the said paragraphs of the SEBI Circular and e-voting option will be duly offered to the shareholders in terms of such SEBI Circular. Trust this clarifies.

For Bengal & Assam Company Limited



(Dillip Kumar Swain)
Company Secretary



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