

September 26, 2022

BSE Limited  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai - 400 001

Scrip code: 502865  
Name of Scrip: FORBESCO

Dear Sir,

**Subject: Disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we wish to inform you that the Board of Directors of Forbes & Company Limited ("the Company") at their Board Meeting held on September 26, 2022 have, inter alia, approved the Scheme of Arrangement ("Scheme") between Forbes & Company Limited ("FCL" or the "Demerged Company") and Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and their respective shareholders ("the Scheme") under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the Rules framed thereunder ("the Act").

The Scheme provides for **Demerger** of Demerged Undertaking (*as mentioned in annexure I, Para A*) of **Forbes & Company Limited** (hereinafter referred to as the "Demerged Company") into **Forbes Precision Tools and Machine Parts Limited** (hereinafter referred to as the "Resulting Company").

The Scheme was reviewed and recommended to the Board by the Committee of Independent Directors and the Audit Committee of the Company. The Scheme as aforesaid is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, Shareholders and Creditors of the Company, as may be applicable, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required

The Scheme as approved by the Board would be available on the website of the Company at [www.forbes.co.in](http://www.forbes.co.in) post submitting the same to the Stock Exchanges. The relevant documents for obtaining approval under Regulation 37 of the SEBI Listing Regulations will be submitted to the designated Stock Exchange.

Please find enclosed **Annexure 1** containing details as per Regulation 30 of the Listing Regulations read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015.

This is for your information and record.

Thanking you,  
Yours faithfully,

For and on behalf of  
**Forbes & Company Limited**

**Rupa Khanna**  
**Company Secretary & Compliance Officer**

Encl: A/a

Annexure - I

**Disclosures regarding the proposed Scheme of Arrangement**

Sr. No.	Particulars	Details
a)	Brief details of the division to be demerged	<p>This Scheme is a Scheme of Arrangement (“Scheme”) involving demerger of Demerged Undertaking (as defined in the Scheme) of <b>Forbes &amp; Company Limited</b> (hereinafter referred to as the “<b>Demerged Company</b>”) into <b>Forbes Precision Tools and Machine Parts Limited</b> (hereinafter referred to as the “<b>FPTL</b>” or “<b>Resulting Company</b>”).</p> <p><b>Demerged Undertaking</b> (more particularly defined under the Scheme) means the Precision Tools business of the Demerged Company, carried on anywhere in India either by itself or through its subsidiaries, inter alia, including the business activity of manufacturing &amp; trading of cutting tools, HSS Taps, HPT, Rotary Burrs, HSS Drills, CST Dies, Spring Washer, Threading Tools and Carbide Tools, and such other precision tools and assets, properties, liabilities and obligations of whatsoever nature and kind and wheresoever situated, of the Demerged Company as on the Appointed Date, belonging to, or forming part of, or relating or appertaining to, or attributable to the division identified as the Precision Tools business of the Demerged Company.</p>
b)	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	<p>The turnover of the Demerged Undertaking i.e. Precision Tools Business of the Company for the financial year ended March 31, 2022 was INR 179.22 Crores.</p> <p>The turnover of the Precision Tools Business was 76.25% to the total turnover of the Company in the financial year ended March 31, 2022.</p>
c)	Rationale for the Amalgamation/ Merger	<p>1.1. Forbes &amp; Company Limited, a company listed on the BSE Limited, is engaged in the business of:</p> <ul style="list-style-type: none"> <li>(a) Precision Tools business</li> <li>(b) Industrial Automation, Coding, Medical Devices, Parts and Applications and Ventilator business</li> <li>(c) Real Estate Business, and</li> <li>(d) Investment into Subsidiaries, Joint Ventures and Associates</li> </ul>

		<p>1.2. Forbes Precision Tools and Machine Parts Limited, a wholly owned subsidiary of Forbes &amp; Company Limited is incorporated on 30<sup>th</sup> August 2022 to carry on the business of manufacturers, importers, exporters, buyers, sellers, traders, dealers, distributors, service providers of engineering and electrical products and services including taps, carbon and/or steel taps, drills, rotary burrs, tools, threading tools, grinding tools, measuring tools, hand tools, precision tools, tools of any kind, jigs, fixtures, dies, spare parts, accessories, filtering materials, designs, patterns, plants, apparatus, equipment, machinery, machine parts and to carry on such other activities as may be incidental or conducive or advantageously carried on with any of the above activities.</p> <p>1.3. The nature of risk, competition, challenges, opportunities and business methods for Precision Tools business is separate and distinct from the Remaining Business carried out by the Demerged Company.</p> <p>1.4. Each of the varied businesses carried out by the Demerged Company have significant potential for growth and profitability and can attract different set of investors, strategic partners, lenders, etc. Therefore, as these businesses approach their next phase of growth, it would be strategically apt to segregate the Precision Tools business from the Remaining Business.</p> <p>1.5. The segregation shall enable them to move forward independently, with greater focus and specialization, building on their respective capabilities and their strong brand presence. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on the business segment under separate entity.</p> <p>1.6. The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance its respective businesses by streamlining operations and its management structure ensuring better and more efficient management control.</p> <p>1.7. Bifurcation of these businesses will enable unlocking value of its verticals thereby paving way for focused growth with a view to create significant stakeholder value and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.</p>
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		<p>1.8. Thus, the demerger pursuant to this Scheme is expected, inter-alia, to result in the following benefits:</p> <ol style="list-style-type: none"> <li>i. Create a sector focused Company;</li> <li>ii. Unlock the value for the shareholders of the Demerged Company by listing of the shares of the Resulting Company;</li> <li>iii. Allowing managements of the each of the Demerged Company and the Resulting Company to pursue independent growth strategies;</li> <li>iv. Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;</li> <li>v. Independent collaboration and expansion.</li> </ol> <p>1.9. The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.</p>
d)	Brief details of change in shareholding pattern (if any) of listed entity	<p>FCL will not undergo any change in shareholding pattern as a consequence of the effectiveness of the Scheme of Arrangement.</p> <p>FPTL will issue shares to the shareholders of FCL as per share exchange ratio provided in Sr.No. (e). The equity shares held by FCL in FPTL, upon the scheme becoming effective, shall be cancelled. Hence, FPTL's shareholding pattern will mirror the shareholding pattern of FCL as a consequence of the effectiveness of the Scheme of Arrangement.</p>
e)	In case of cash consideration - amount or otherwise share exchange ratio;	<p>There is no cash consideration involved in the scheme.</p> <p><b>Demerger of Demerged Undertaking of Demerged Company into the Resulting Company:</b></p> <p>Following share exchange ratio has been determined for the allotment of the equity shares of the Resulting Company having face value of Rs. 10 each to the shareholders of the Demerged Company as on the Record Date (as per the Scheme), in consideration for the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company:</p> <p><i>“4 (Four) fully paid up equity shares of INR 10/- each of the Resulting Company shall be issued and allotted to the equity shareholders of the Demerged Company for every 1(One) fully paid up equity shares of INR 10/- each held by them in the Demerged Company as on the Record Date.”</i></p>

f)	Whether listing would be sought for the resulting entity	The new shares of FPTL to be issued and allotted to the shareholders of FCL as consideration under the scheme, would be applied for listing on BSE Limited, where the existing equity shares of FCL are currently listed.
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