



GACL/CS/SC/ASE/246/Gen/15-16

31st March, 2016.

National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra Kurla Complex
Bandra (East)
MUMBAI – 400 051.

The Secretary,
The Calcutta Stock Exchange Ltd.,
7, Lyons Range,
KOLKATA – 700 001.

Bombay Stock Exchange Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai – 400 001.

Dear Sir / Madam,

Sub: Scheme of Arrangement | Acquisition.

We wish to inform you that the Board of Directors of Gillanders Arbuthnot And Company Limited ("GACL") at their meeting held today has approved a Scheme of Arrangement between GACL and Barfani Builder Limited ("BBL") and their respective shareholders for Reconstruction by transfer of Chemical (Waldies) Division of GACL to BBL from 1st April, 2015 ("the Appointed Date"). The remaining business of GACL will continue to belong to and be managed by GACL.

In consideration of the demerger, BBL will issue and allot to GACL 1,46,80,000 Equity Shares of Rs.10/- each credited as fully paid up in BBL.

The Scheme is subject to and conditional upon the requisite approvals being received therefor, including approval of shareholders and sanction of the Hon'ble High Court at Calcutta pursuant to Sections 391 to 394 of the Companies Act, 1956. Accordingly, the Scheme although operative from the Appointed Date shall come into effect on the Effective Date, being the date or last of the dates on which certified copies of the orders sanctioning the Scheme are filed by GACL and BBL with the Registrar of Companies.

Copy of the Scheme will be submitted to you for approval in terms of SEBI Circular dated 30th November 2015.

Following the approval to the Scheme, the Board also approved the acquisition of all the existing 50,000 Equity Shares of Rs.10/- each of BBL.

Further details of the Scheme and acquisition approved by the Board are set out in Annexure "A" hereto.

Thanking you,
Yours faithfully,
For **Gillanders Arbuthnot and Company Limited**


Dhananjoy Karmakar
Company Secretary
Encl: a/a



Annexure "A"

I. Scheme of Arrangement for Reconstruction by transfer of Chemical (Waldies) Division of Gillanders Arbuthnot And Company Limited ("GACL") to Barfani Builder Limited ("BBL")

a)	Brief Details of the Chemical Division	The Chemical (Waldies) Division of GACL is engaged in the business of manufacture of Lead Oxides and Polyvinyl Chloride (PVC) Stabilisers and has its factory located at Konnagar, West Bengal.
b)	Turnover of the Chemical 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	Turnover of Chemical (Waldies) Division for the financial year 2014-2015 was Rs.6,442.37 lakhs. Whereas, the total turnover of GACL for the said financial year was Rs.87,600.03 lakhs. Turnover of the Chemical (Waldies) Division as percentage to total turnover of GACL is 7.35%.
c)	Rationale	<p>GACL has been looking at suitable proposals for restructuring its business and activities and pursuing the same more advantageously. As compared to the other manufacturing divisions, the Chemical Division of GACL represents its smallest manufacturing division. There has not been much development in the said business over the years. Induction of an appropriate focused financial and/or strategic stakeholder in such business is desirable for fostering growth and development in said business and deriving optimum returns therefrom. However any potential investor interested in taking a stake in such chemical business of GACL would not be interested in the other business segments of GACL by reason of the difference and divergence in the nature and financials of such chemical business from the remaining businesses.</p> <p>As part of an overall strategy for restructuring, growth and development, it is considered desirable and expedient to reorganise and reconstruct GACL by transferring the Chemical Division of GACL to BBL in the manner and on the terms and conditions stated in this Scheme of Arrangement.</p> <p>The Reconstruction will enable suitable separation of the business of the Chemical Division from the remaining businesses of GACL and result in the</p>





		<p>creation of a pure play chemical business company viz BBL, capable of independent evaluation and participation therein by any suitable investor interested in such business. The same will enable GACL to give such stake in the said business in BBL to such interested investor as may be considered to be in the best interest of GACL and in consonance with its outlook and plans in its various businesses.</p> <p>As such, the Scheme will enable the said chemical business and remaining businesses of GACL to be carried on more conveniently and advantageously by two separate companies, i.e. BBL and GACL, with independent management set up and greater focus, attention and specialisation. The same will also enable the business considerations and factors peculiar to the respective businesses to be addressed more effectively and adequately by the said companies.</p> <p>The Scheme will enable independent and optimum running, growth and development of the said chemical business and the remaining businesses and better realisation of the potential thereof. 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.</p>
d)	Brief details of change in shareholding pattern (if any), of all entities	There would be no change in shareholding pattern of GACL or BBL in terms of the Scheme.
e)	Consideration	In consideration of the reconstruction by transfer of the Chemical (Waldies) Division of GACL to BBL, BBL shall issue 1,46,80,000 Equity Shares of Rs.10/- each in BBL credited as fully paid up to GACL.
f)	Whether listing would be sought for the resulting entity.	No.





II. ACQUISITION

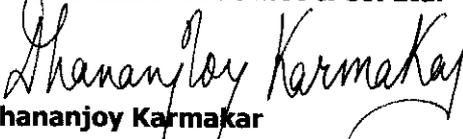
a)	Name of the target entity, details in brief such as size, turnover etc.	Barfani Builder Limited having CIN U24100WB2013PLC196945 ("BBL") is a Public Limited Company having its Registered Office located at Kolkata. The main object of BBL is to trade or do business of manufacturers, importers and exporters of and dealers in all classes of lead oxides or red oxide, chemical, industrial and other preparation, articles and compounds, oils, paints, pigments, varnishes, waterproofing and other compositions, paints, and colour girders and makers of and dealers in proprietary article of all kinds. BBL is a relatively new company and has not undertaken any significant business as yet. Apart from its Paid up Share Capital of Rs.5,00,000/- it has obtained no other funds. Thus it has no significant assets or liabilities and no turnover at present. .
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length".	It is not a related party transaction as Promoter/Promoter Group Companies do not have any interest in Barfani Builder Limited.
c)	Industry to which the entity being acquired belongs	None at present. It will belong to Chemical Industry consequent to transfer of Chemical Division of GACL to BBL.
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The object of acquisition is to facilitate Reconstruction by transfer of the Chemical (Waldies) Division of GACL to BBL so that it results in creation of a pure play chemical business company. BBL would be capable of independent evaluation and participation therein by any suitable investor interested in such business. It will also help in independent management set up and greater focus, attention and specialisation.
e)	Brief details of any governmental or regulatory approvals required for the acquisition	None.
f)	Indicative time period for completion of the acquisition	1 day





g)	Nature of consideration - whether cash consideration or share swap and details of the same	Cash Consideration. 50,000 fully paid up Equity Shares of Rs.10/- each will be acquired by GACL and its nominees at par and the consideration will be paid to the existing shareholders of BBL.
h)	Cost of acquisition or the price at which the shares are acquired	Rs.5 lakhs.
i)	Percentage of shareholding / control acquired and / or number of shares acquired;	100% (50,000 fully paid up Ordinary Shares of Rs.10/- each)
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	Barfani Builder Limited (CIN U24100WB2013PLC196945) (BBL) is a public limited Company having its Registered Office located at Kolkata. The main object of BBL is to trade or do business of manufacturers, importers and exporters of and dealers in all classes of lead oxides or red oxide, chemical, industrial and other preparation, articles and compounds, oils, paints, pigments, varnishes, waterproofing and other compositions, paints, and colour girnders and makers of and dealers in proprietary article of all kinds. BBL is a relatively new company and has not undertaken any significant business as yet. Apart from its Paid up Share Capital of Rs.5,00,000/- it has obtained no other funds. Thus it has no significant assets or liabilities and no turnover at present.

For **Gillanders Arbuthnot & Co. Ltd.**


Dhananjoy Karmakar
Company Secretary