

Dear Shareholders,

The Hon'ble Mumbai Bench of the National Company Law Tribunal, has by its Order dated January 25, 2022 approved the Composite Scheme of Arrangement between Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited, Eureka Forbes Limited, Forbes & Company Limited (FCL) and Forbes Enviro Solutions Limited (FESL) and their respective Shareholders.

The Board of Directors of the Company vide resolution dated January 31, 2022 had approved Tuesday, February 1, 2022 as the Appointed Date for the purpose of Scheme.

As per Para 33 of the Scheme, in consideration for the demerger of Health, Hygiene, Safety Products and Services Undertaking or Health and Safety Solutions Undertaking (Demerged Undertaking), FESL is required to issue and allot 15 (fifteen) fully paid-up equity shares of Rs. 10 each to the equity shareholders of FCL (whose names appear in the register of members as on the Record Date) against 1 (one) fully paid-up equity shares of Rs. 10 each held by them in FCL.

FCL had fixed Friday, February 11, 2022 as the Record Date for the purpose of determining the shareholders of FCL to whom the fully paid up equity shares of FESL would be issued and allotted pursuant to the Scheme.

The name of Forbes Enviro Solutions Limited has changed to 'Eureka Forbes Limited' with effect from February 11, 2022.

Accordingly, the Board of Directors of Eureka Forbes Limited have on February 14, 2022 allotted in aggregate 19,34,79,240 equity shares of Rs. 10 each to those shareholders of FCL whose names appeared in the Register of Members as on the Record Date.

Section 49 of the Income Tax Act, 1961 ("Act") deals with the cost of capital assets with reference to certain modes of acquisition, including demerger.

As per the provisions of Section 49(2C) of the Act, the cost of acquisition of the shares in the resulting company shall be the amount which bears to the cost of acquisition of shares held by the assessee in the demerged company the same proportion as the net book value of the assets transferred in a demerger bears to the net worth of the demerged company immediately before such demerger.

As per the provisions of Section 49(2D) of the Act, the cost of acquisition of the original shares held by the shareholder in the demerged company shall be deemed to have been reduced by the amount as so arrived at under Section 49(2C) of the Act.

: 2 :

The net worth of FCL (on book value basis) as on January 31, 2022 (i.e. net worth of FCL after merger of ATPL and EFFSL and Erstwhile EFL into FCL but immediately before demerger of Health and Safety Solutions Undertaking into Eureka Forbes Limited) was Rs. (9,656.08) lakhs. Further, the net book value of Health and Safety Solutions Undertaking transferred by the demerged company/FCL by way of demerger to Eureka Forbes Limited was Rs. (46,815.62) lakhs. Net assets for both the companies, i.e. Demerged Company and Resulting Company, being negative, the proportion of the net book value of the assets of FCL demerged into Eureka Forbes Limited vis-à-vis the net worth of FCL immediately before such demerger cannot be arrived.

Based on the opinion obtained by the Company, to determine post demerger cost of acquisition of equity shares of FCL & Eureka Forbes Limited in accordance with the provisions of Section 49(2C) & 49(2D) of the Act, the shareholders are advised to apportion their pre-demerger cost in the following manner:

Name of the Company	Percentage of cost of acquisition of equity shares of FCL & Eureka Forbes Limited
Eureka Forbes Limited (Formerly Forbes Enviro Solutions Limited) (as under Section 49 (2C) of the Act)	0.00%
Forbes & Company Limited (as under Section 49(2D) of the Act)	100.00%
<b>Total</b>	<b>100.00%</b>

This communication is merely for the general guidance pertaining to the cost of acquisition and should not be construed as a substitute for any independent legal and/or tax opinion that may be obtained by the shareholders at their discretion. The Company does not take any express or implied liability in relation to this guidance nor any responsibility for any errors or omissions in this guidance or tax authorities taking a different view or any change in law or interpretation thereof.

\*\*\*\*\*