



Commercial Engineers & Body Builders Co. Limited

SCHEME OF AMALGAMATION

OF

JUPITER WAGONS LIMITED

AMALGAMATING COMPANY

WITH

COMMERCIAL ENGINEERS & BODY BUILDERS CO. LIMITED

AMALGAMATED COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**UNDER SECTIONS 230 TO 232 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**



Commercial Engineers & Body Builders Co. Limited

PART I

OVERVIEW, OBJECTS, DEFINITIONS AND INTERPRERATION

1. OVERVIEW OF THE SCHEME

- 1.1 This Scheme (*as defined hereinafter*) seeks to amalgamate the Amalgamating Company (*as defined hereinafter*) into and with the Amalgamated Company (*as defined hereinafter*) pursuant to the provisions of Sections 230 - 232 of the Act (*as defined hereinafter*) and other applicable provisions of the Act, Section 2(1B) of the Income-tax Act, 1961 and the SEBI Circular (*as defined hereinafter*).
- 1.2 The Board (*as defined hereinafter*) of the Amalgamating Company and the Amalgamated Company (collectively referred to as the "**Companies**") have resolved that the amalgamation of Amalgamating Company into and with the Amalgamated Company would be in the best interests of the Companies and their respective shareholders, creditors, employees and other stakeholders.
- 1.3 The equity shares of the Amalgamated Company are listed on the BSE and the NSE. The Amalgamating Company is part of the promoter and promoter group of the Amalgamated Company (*as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended*). The shares of the Amalgamating Company are not listed on any stock exchange.
- 1.4 Upon the amalgamation of the Amalgamating Company into and with the Amalgamated Company pursuant to this Scheme becoming effective on the Effective Date (*as defined hereinafter*), the Amalgamated Company will issue New Equity Shares (*as defined hereinafter*) to the shareholders of the Amalgamating Company on the Record Date (*as defined hereinafter*), in accordance with the Fair Equity Share Exchange Ratio (*as defined hereinafter*) approved by the Board (*as defined hereinafter*) of each of the Companies and pursuant to Sections 230 - 232 and other relevant provisions of the Act, and in the manner provided for in this Scheme.
- 1.5 The amalgamation of the Amalgamating Company into and with the Amalgamated Company will be effective from the Appointed Date (*as defined hereinafter*) but shall be operative from the Effective Date.
- 1.6 The Scheme has been drawn up in compliance with the conditions relating to 'Amalgamation' as specified under Section 2(1B) of the Income-tax Act, 1961.
- 1.7 This Scheme presented under Sections 230-232 of the Act for the amalgamation of the Amalgamating Company into and with the Amalgamated Company is divided into the following parts:
- Part I: Deals with the overview of this Scheme, brief overview of the Companies, objects of this Scheme and definitions and interpretation.
- Part II: Deals with capital structure of the Companies.
- Part III: Deals with amalgamation of the Amalgamating Company into and with the Amalgamated Company and sets forth certain additional arrangements that form a part of this Scheme.
- Part IV: Deals with the general terms and conditions applicable to this Scheme and various other matters consequential or otherwise integrally connected herewith.

2. BRIEF OVERVIEW OF THE COMPANIES

2.1 Jupiter Wagons Limited

- (i) The Amalgamating Company is a public limited company incorporated under the provisions of the Companies Act, 1956 on 27 July, 2006. The Corporate Identification Number of the Amalgamating Company is U35202WB2006PLC110822 and its registered office is located at 4/2, Middleton Street, Kolkata - 700071. The shares of the Amalgamating Company are not listed on any stock exchange.
- (ii) The Amalgamating Company is engaged *inter alia* in the business of manufacturing, casting, forging, rolling, repair and/or maintenance of railway wagons (including passenger cars and freight cars), other vehicles, goods carriages, coaches, rolling stock, railway switches, railway crossings, and other railway accessories/components and other ancillary metal products related to the foregoing products, sales and supply of railway wagons (including passenger cars and freight cars), goods carriages, coaches, rolling stock, railway switches, railways crossings and other railway accessories/components related to the foregoing products.

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2.2 Commercial Engineers & Body Builders Co Limited

- (i) The Amalgamated Company is a public limited company incorporated under the provisions of the Companies Act, 1956 on 28 September, 1979. The Corporate Identification Number of the Amalgamated Company is L24231MP1979PLC049375 and its registered office is currently located at 48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur – 482001, Madhya Pradesh.¹ The equity shares of the Amalgamated Company are listed on the BSE and the NSE.
- (ii) The Amalgamated Company is engaged *inter alia* in the business of metal fabrication comprising of load bodies for commercial vehicles and rail freight wagons and manufacturing, maintenance and repair of commercial vehicles and railway wagons.

3. **RATIONALE FOR THIS SCHEME**

The proposed amalgamation would be in the best interests of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed amalgamation is expected to result *inter alia* in:

- (i) consolidation of the businesses presently being carried on by the Companies, which shall create greater synergies between the business operations of the Companies such as enhancement of net worth of the combined business and backward integration of the operations of the Amalgamated Company's business which will lead to superior ability to leverage the business including reduction in cost of capital, cost savings due to focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, improved procurement efficiencies, procurement and distribution logistics;
- (ii) enhancement of competitive strength, cost reduction and efficiencies, productivity gains and logistic advantages and operational efficiencies through optimal utilization of resources, as a consequence of pooling of financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Companies;
- (iii) better alignment, coordination and streamlining of day to day operations, leading to improvement in overall working culture and environment;
- (iv) utilising the financial strength of the Amalgamating Company to turnaround the Amalgamated Company and embark on a growth phase by modernizing the plants to meet the current industry demand and enter into newer product development and consolidation of market segments;
- (v) greater efficiency in cash management and unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund growth opportunities to improve stakeholders' value;
- (vi) beneficial results for both the Companies and in the long run, is expected to enhance value for the shareholders;
- (vii) formation of a stronger company with a larger capital and asset base to enable the combined business to be pursued in a manner that is more convenient and advantageous to all the stakeholders and regularization of the cash flow of the Amalgamated Company on account of the regular revenue stream of the Amalgamating Company which would help in stabilizing the cash flow issues of the Amalgamated Company; and
- (viii) creation of value for various stakeholders and shareholders of the Companies, as a result of the above.

4. **DEFINITIONS**

4.1 In this Scheme, unless inconsistent with the subject or context, the following expressions have the meanings as set out herein below:

"Act" means the Companies Act, 2013, as notified, clarified, amended, supplemented, modified and/or replaced from time to time and shall include any statutory replacement or re-enactment thereof, including any rules made thereunder or notifications, circulars or orders made/issued thereunder from time to time;

"Amalgamated Company" means Commercial Engineers & Body Builders Co Limited, a company incorporated with Corporate Identification Number L24231MP1979PLC049375;

"Amalgamated Company Shares" means the fully paid up equity shares of the Amalgamated Company, each having a face value of INR 10 (Rupees ten);

¹**Note:** The Amalgamated Company proposes to change its registered office from Jabalpur, Madhya Pradesh to Kolkata, West Bengal. The shareholders of the Amalgamated Company have passed a resolution approving the change of the registered office from the state of Madhya Pradesh to the state of West Bengal. The Amalgamated Company shall make an application to the relevant Government Authority seeking approval for alteration of its memorandum of association with regard to the change of place of the registered office from the state of Madhya Pradesh to the state of West Bengal, in accordance with Section 13(4) of the Act.

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"Amalgamating Company" means Jupiter Wagons Limited, a company incorporated with Corporate Identification Number U35202WB2006PLC110822 and includes:

- (a) any and all of its assets, whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present, future, or contingent, including but not limited to registrations and memberships, electrical fittings, installations, tools, accessories, power lines, stocks, computers, communication facilities, vehicles, furniture, fixtures and office equipment, all rights, title, interests, covenants, undertakings, and society memberships and rights appurtenant to the immovable property, including continuing rights, covenants, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold or leave and licensed or right of way and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto, plant, machinery, trading platform, appliances, equipment, whether licensed, leased or otherwise;
- (b) any and all of its investments (including shares whether in dematerialised or physical form, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities but other than the investment in the Amalgamated Company), actionable claims, application monies, advance monies, earnest monies, margin money and/or security deposits, payment against warrants or other entitlements, as may be lying with it, including but not limited to the deposits from members, investor's service fund and investor protection fund, loans and advances, recoverable in cash or in kind or for value to be received, provisions, all cash and bank balances and deposits, money at call and short notice, contingent rights or benefits, receivables, including dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, all deposits and balances with Governmental Authorities and other persons;
- (c) any and all of its licenses (including the licenses granted by any Governmental Authority for the purpose of carrying on its business or in connection therewith), permissions, allotments, approvals, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, trade names, trademarks, service marks, copyrights, logos, corporate names, brand names, domain names, sales tax credits, income-tax credits, goods and service tax credits, privileges and benefits of/ arising out of all licenses, contracts, agreements, applications and arrangements and all other related rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and services tax, income tax, minimum alternate tax, value added tax, etc., tax refunds) and all other rights, claims and powers, of whatsoever nature;
- (d) any and all of its debts, borrowings and liabilities (whether denominated in Indian rupees or foreign currency), present or future, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability);
- (e) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders, operation and maintenance compliance, equipment purchase agreements or other instruments of whatsoever nature to which the Amalgamating Company is a party, and other assurances in favour of the Amalgamating Company or powers or authorisations granted by or to it, and all privileges and benefits of/ arising out of all contracts, agreements and arrangements and all other related rights of every kind and description whatsoever;
- (f) all insurance policies and all privileges and benefits of/ arising out of all such policies, contracts, agreements and arrangements, including any premium paid, claims pending and all other related rights of every kind and description whatsoever;
- (g) all employees, permanent employees, temporary employees, probationers, trainees, interns employed or engaged by the Amalgamating Company;

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- (h) rights of any claim not made by the Amalgamating Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Amalgamating Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, rebate, incentives, benefits etc., under the Income-tax Act, 1961, sales tax, value added tax, custom duties and good and service tax or any other or like benefits under Applicable Law;
- (i) all books, records, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of suppliers including service providers, customer/supplier pricing information, and all other books and records, whether in physical or electronic form;
- (j) amounts claimed by the Amalgamating Company whether or not so recorded in the books of account of the Amalgamating Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess, or of any excess payment;
- (i) all intellectual property rights, including trademarks, trade names, computer programmes, websites, manuals, data, service marks, copyrights, patents, designs, technical know-how, domain names, including applications for such intellectual property rights, used by or held for use by the Amalgamating Company, if any, whether or not recorded in the books of accounts of the Amalgamating Company, whether used or held for use by it; and
- (k) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Amalgamating Company and all other rights and interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company;

"Applicable Law" means all applicable (i) statutes, enactments, acts of legislature or parliament, laws, ordinances, code, directives, rules, regulations, bye-laws, listing agreements, notifications, guidelines or policies of any applicable jurisdiction; and (ii) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals required from Governmental Authorities of, or agreements with, any Governmental Authority or a recognized stock exchange;

"Appointed Date" means the 1 October, 2019, or such other date as may be mutually agreed between the Companies and is the date with effect from which this Scheme shall be effective;

"Board" in relation to the Companies means their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;

"BSE" means the BSE Limited;

"Companies" has the meaning ascribed to such term in Clause 1.2 of Part I of this Scheme;

"Competent Authority(ies)" means the relevant National Company Law Tribunal(s) having jurisdiction over the Amalgamating Company and the Amalgamated Company;

"Effective Date" has the meaning assigned to it in Clause 11.1 of Part IV of this Scheme;

"Encumbrance" means (a) any encumbrance including, without limitation, any claim, mortgage, negative lien, pledge, equitable interest, charge (whether fixed or floating), hypothecation, lien, deposit by way of security, security interest, trust, guarantee, commitment, assignment by way of security, or other encumbrances or security interest of any kind securing or conferring any priority of payment in respect of any obligation of any person and includes without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security in each case under any law, contract or otherwise, including any option or right of pre-emption, public right, common right, easement rights, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off and/ or any other interest held by a third party; (b) any voting agreement, conditional sale contracts, interest, option, right of first offer or transfer



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restriction; (c) any adverse claim as to title, possession or use; and/ or (d) any agreement, conditional or otherwise, to create any of the foregoing, and the term 'encumber' shall be construed accordingly;

"**Fair Equity Share Exchange Ratio**" has the meaning assigned to it in Clause 4.1 of Part III of this Scheme;

"**Governmental Authority**" means any governmental or statutory or regulatory or administrative authority, government department, agency, commission, board, tribunal or court or other entity authorised to make laws, rules or regulations or pass directions, having or purporting to have jurisdiction over any state or other sub-division thereof or any municipality, district or other sub-division thereof pursuant to Applicable Law;

"**LODR Regulations**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and includes all amendments or statutory modifications thereto or re-enactments thereof;

"**New Equity Shares**" has the meaning assigned to it in Clause 4.1 of Part III;

"**NSE**" means the National Stock Exchange of India Limited;

"**RBI**" means the Reserve Bank of India;

"**Record Date**" means the date to be fixed by the Board of the Amalgamating Company in consultation with the Board of the Amalgamated Company, for the purpose of determining the shareholders of the Amalgamating Company to whom the New Equity Shares will be allotted pursuant to this Scheme;

"**RoC**" means the relevant Registrar of Companies having jurisdiction over the Amalgamating Company and the Amalgamated Company;

"**Scheme**" means this scheme of amalgamation pursuant to Sections 230 - 232 and other relevant provisions of the Act, with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the Competent Authority(ies);

"**SEBI**" means the Securities and Exchange Board of India;

"**SEBI Circular**" means circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, as amended from time to time; and

"**Tax**" or "**Taxes**" means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including income tax, tax on windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise duties, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, and taxes withheld or paid in a foreign country (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto).

5. INTERPRETATION

5.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Competent Authority(ies) in this Scheme, the reference would include, if appropriate, reference to the Competent Authority(ies) or such other forum or authority, as may be vested with any of the powers of the Competent Authority(ies) under the Act and/or rules made thereunder.

5.2 In this Scheme, unless the context otherwise requires:

- (i) references to "persons" includes individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;
- (iii) references to one gender includes all genders;
- (iv) words in the singular includes the plural and *vice versa*;
- (v) any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon this Scheme coming into effect" or "effectiveness of this Scheme" or likewise shall be construed to be a reference to the Effective Date;

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- (vi) words "includes" and "including" are to be construed without limitation;
- (vii) terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be;
- (viii) a reference to "writing" or "written" includes printing, typing, lithography and other means of reproducing words in a visible form including e-mail;
- (ix) reference to any agreement, contract, document or arrangement or to any provision thereof includes references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated;
- (x) reference to the Recital or Clause shall be a reference to the Recital or Clause of this Scheme; and
- (xi) references to any provision of law or legislation or regulation includes: (a) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme, (b) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment.

PART II

CAPITAL STRUCTURE

1. SHARE CAPITAL OF THE AMALGAMATING COMPANY

1.1 The share capital of the Amalgamating Company as at 25 September, 2020 is as under :

Particulars	Amount in Rupees
Authorised Capital	
68,00,000 equity shares of INR10 each	6,80,00,000
Total	6,80,00,000
Issued, Subscribed and Paid-up	
61,45,764 equity shares of INR 10 each	6,14,57,640
Total	6,14,57,640

1.2 The shares of the Amalgamating Company are not listed on any stock exchange.

2. SHARE CAPITAL OF THE AMALGAMATED COMPANY

2.1 The share capital of the Amalgamated Company as at 25 September, 2020 is as under:

Particulars	Amount in Rupees
Authorized Capital²	
9,20,50,000 equity shares of INR 10 each	92,05,00,000
88,00,000 preference shares of INR 100 each	88,00,00,000
Total	180,05,00,000
Issued, Subscribed and Paid-up	
8,94,82,657 equity shares of INR 10 each	89,48,26,570
67,48,229 0.001% non-convertible cumulative redeemable preference shares of INR 100 each	67,48,22,900
Total	156,96,49,470

2.2 The equity shares of the Amalgamated Company are listed on the BSE and the NSE. The non-convertible cumulative redeemable preference shares issued by the Amalgamated Company are not listed on any stock exchange.

²Note: The Board of Directors of the Amalgamated Company have passed a resolution dated 28 September, 2020 to increase the authorized share capital of the Amalgamated Company, subject to the approval of the shareholders of the Amalgamated Company. Upon receipt of the approval of the shareholders of the Amalgamated Company, the authorized share capital of the Amalgamated Company shall be increased to INR 470,05,00,000/- (Rupees Four Hundred and Seventy Crore and Five lakhs only) divided into (a) 38,20,50,000 (Thirty Eight Crore Twenty Lakhs and Fifty Thousand) equity shares of INR 10 each aggregating to INR 382,05,00,000/- (Three Hundred and Eighty Two Crore and Five Lakhs only); and (b) 88,00,000 (Eighty Eight Lakhs) preference shares of INR 100 each aggregating to INR 88,00,00,000 (Rupees Eighty Eight Crores). The Amalgamated Company shall file the Scheme with the Competent Authority(ies) only after the increase in the authorized share capital of the Amalgamated Company has been made effective.



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PART III

AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND WITH THE AMALGAMATED COMPANY

1. TRANSFER AND VESTING

- 1.1 With effect from the Appointed Date and upon this Scheme becoming effective, the Amalgamating Company together with all its assets, liabilities, rights, benefits, obligations, title, claims, investments, interests, contracts, employees, licenses, records, approvals, etc., shall stand transferred to, and vest in, or shall be deemed to have been transferred to, and vested in, the Amalgamated Company, as a going concern, without any further act, instrument or deed, in accordance with the provisions of this Scheme. This Scheme is drawn up to comply with the provisions/requirements of Sections 230 - 232 of the Act for the purpose of the amalgamation of the Amalgamating Company with the Amalgamated Company.
- 1.2 Without prejudice to the generality of the above, upon this Scheme becoming effective and with effect from the Appointed Date:
- (a) all assets of the Amalgamating Company, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery and equipment shall, pursuant to this Scheme, stand transferred to, and vested in, and/or be deemed to be transferred to, and vested in, the Amalgamated Company, wherever located, and shall become the property and an integral part of the Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;
 - (b) all other movable properties of the Amalgamating Company, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Amalgamated Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by Amalgamating Company and all the rights, title and interest of the Amalgamating Company in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company;
 - (c) all immovable properties of the Amalgamating Company, including land together with the buildings and structures standing thereon, rights and interests in immovable properties of the Amalgamating Company, whether freehold or leasehold or otherwise, and all documents of title, rights and easements in relation thereto, shall be vested in, and/or be deemed to have been vested in, the Amalgamated Company, without any further act or deed done or being required to be done by the Amalgamating Company and/or the Amalgamated Company. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The relevant Governmental Authorities shall grant all clearances/permissions, if any, required for enabling the Amalgamated Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by Governmental Authorities pursuant to the sanction of this Scheme by the Competent Authority(ies) and upon this Scheme becoming effective in accordance with the terms hereof;
 - (d) all Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date, in each case, in accordance with their respective terms, and as transferred to the Amalgamated Company in terms of this Scheme. The assets of the Amalgamating Company which are not Encumbered on the Effective Date shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to, and shall not operate over, such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Amalgamated Company. The secured creditors of the Amalgamated Company and/or other holders of security over the assets of the Amalgamated Company shall not be entitled to any additional security over the assets, rights, title, claims, benefits, interest and investments of the Amalgamating Company and therefore,

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- such assets, rights, title, claims, benefits, interest and investments shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Amalgamated Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;
- (e) all assets, rights, title, claims, benefits, interest and investments of the Amalgamating Company as on the Appointed Date, whether or not included in the books of the Amalgamating Company, and all assets, rights, title, claims, benefits, interest and investments, of whatsoever nature and wherever situate, which are acquired by the Amalgamating Company on or after the Appointed Date shall be deemed to be and shall become the assets, rights, title, claims, benefits, interest and investments of the Amalgamated Company;
 - (f) all contracts, agreements, licences, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, deeds, bonds, schemes, arrangements and other instruments, whether written or otherwise, to which the Amalgamating Company is a party, or to the benefit of which the Amalgamating Company may be eligible/entitled, and which are subsisting or having effect on the Effective Date shall, without any further act, instrument or deed, continue in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company is a party, beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company (and not by any of its successors), shall be fulfilled by the Amalgamated Company as if it is the duly constituted attorney of the Amalgamating Company;
 - (g) all legal, taxation or other proceedings, including before any Governmental Authority, relating to the Amalgamating Company, whether by or against the Amalgamating Company, whether instituted prior to, on, or after, the Appointed Date but pending on the Effective Date, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or of anything contained in this Scheme, but the proceedings shall continue in the same manner, and to the same extent, as would or might have been continued and/or enforced by or against the Amalgamating Company, as if this Scheme had not been implemented;
 - (h) all the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Amalgamating Company or any other person acting on behalf of, or for the benefit of, the Amalgamating Company for securing the obligations of the persons to whom the Amalgamating Company has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall, without any further act, instrument or deed stand vested in, and be deemed to be vested in, favour of the Amalgamated Company and the benefit of such security shall be available to the Amalgamated Company as if such security was ab initio created in favour of the Amalgamated Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Amalgamating Company shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the relevant Governmental Authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority(ies) and upon this Scheme becoming effective in accordance with the terms hereof;
 - (i) all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured (including rupee, foreign currency loans, time and demand liabilities, undertakings and obligations of the Amalgamating Company), of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Amalgamating Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of the Amalgamated Company, and the Amalgamated Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Amalgamating Company after the Appointed Date and up to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for, and on behalf of, the Amalgamated Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company and shall become the debt, duties, undertakings, liabilities and obligations of the Amalgamated Company which shall meet, discharge and satisfy the same. Where any of the debts, liabilities, duties and obligations have been discharged by the Amalgamating

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Company after the Appointed Date but on or prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company;

- (j) all debentures, bonds, notes or other securities of the Amalgamating Company, whether convertible into equity or otherwise, shall, without any further act, instrument or deed, become the securities of the Amalgamated Company and all rights, powers, duties and obligations in relation thereto, shall be and shall stand transferred to, and vested in, or deemed to be transferred to, and vested in, and shall be exercised by or against the Amalgamated Company as if it were the Amalgamating Company. If the securities issued by the Amalgamating Company, including but not limited to debentures and bonds, are listed on any stock exchange, the same shall upon issuance/endorsement by the Amalgamated Company in terms of this Scheme, subject to applicable regulations and prior approval requirements, if any, be listed and/or admitted to trading on the relevant stock exchange(s) whether in India or abroad, where the securities were listed and/or admitted to trading on the same terms and conditions unless otherwise modified in accordance with the provisions hereof. In addition, the Board of the Amalgamated Company, shall be authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to list the various debentures, bonds and infrastructure bonds on the relevant exchanges. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause and the consent of the shareholders and creditors of the Companies to this Scheme shall be deemed to be the consent for the purpose stated above;
- (k) all bank accounts operated, or entitled to be operated by, the Amalgamating Company shall be deemed to have transferred, and shall stand transferred to the, Amalgamated Company and names of the Amalgamating Company shall be substituted by the name of the Amalgamated Company in the bank's records. The Amalgamated Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Amalgamating Company to the extent necessary until the transfer of the rights and obligations of the Amalgamating Company to the Amalgamated Company under this Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment, which are in the name of the Amalgamating Company shall be accepted by the bankers of the Amalgamated Company and credited to the accounts of the Amalgamated Company, if presented by the Amalgamated Company after the Effective Date. Similarly, the bankers of the Amalgamated Company shall honour all cheques issued by the Amalgamating Company for payment after the Effective Date;
- (l) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the Amalgamating Company is a party to or to the benefit of which the Amalgamating Company may be eligible, shall remain in full force and effect against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company is a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the Amalgamated Company shall be entitled to, at its sole discretion, utilize the past track record of the Amalgamating Company for all commercial and regulatory purposes;
- (m) all employees, permanent employees, temporary employees, probationers, trainees and interns, if any, of the Amalgamating Company, whether hired prior to, on, or after, the Appointed Date but who are in employment/ engagement of the Amalgamating Company on the Effective Date, shall become, and be deemed to have become, the employees, permanent employees, temporary employees, probationers, trainees and interns, in the same capacity, as the case may be, of the Amalgamated Company, without any break or interruption in their services and on the terms and conditions which are no less favourable than those on which they are engaged by the Amalgamating Company. As regards the employees of the Amalgamating Company, if any, who qualify as "workmen" under the Industrial Disputes Act, 1947, and who are being transferred to the Amalgamated Company in terms of this Scheme, the Amalgamated Company confirms that it shall comply with the provisions of Section 25FF of the Industrial Disputes Act, 1947, to the extent applicable.
- (n) The Amalgamated Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with the Amalgamating Company shall also be taken into account. With regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of the Amalgamating Company, the Amalgamated Company shall, if the Board of the Amalgamated Company deems fit, stand substituted for the Amalgamating Company for all purposes in the respective trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by the Amalgamating Company for its

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- employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Amalgamated Company. Without prejudice to the aforesaid, the Board of the Amalgamated Company, if it deems fit, shall be entitled to: (i) retain separate trusts or funds within the Amalgamated Company for the erstwhile fund(s) of the Amalgamating Company; or (ii) merge the pre-existing fund of the Amalgamating Company with other similar funds of the Amalgamated Company;
- (o) the Amalgamated Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of the employees with the Amalgamating Company, if any, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable;
 - (p) all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Amalgamated Company;
 - (q) all registrations, goodwill and licenses, appertaining to the Amalgamating Company, if any, shall be transferred to, and vested in, the Amalgamated Company;
 - (r) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, withholding tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, payable by or refundable to the Amalgamating Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Amalgamated Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Amalgamating Company, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company;
 - (s) all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions (including but not limited to permissions granted in relation to launch futures and options contracts) and certificates of every kind and description whatsoever in relation to the Amalgamating Company, or to the benefit of which the Amalgamating Company may be eligible/entitled, whether procured prior to, on, or after, the Appointed Date and which are subsisting or having effect on the Effective Date, shall be in full force and effect in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Competent Authority(ies), and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company may file appropriate applications/documents with relevant authorities concerned for information and record purposes;
 - (t) benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62(1)(a), 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Amalgamated Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Amalgamated Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Amalgamated Company, shall be added to the limits, if any, under the like resolutions passed by the Amalgamated Company;
 - (u) all the benefits under the various incentive schemes and policies that the Amalgamating Company is entitled to, including tax credits, tax deferral, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Amalgamating Company and all rights or benefits that have accrued or which may accrue to the Amalgamating Company, whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest

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in the Amalgamated Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Amalgamated Company and these shall relate back to the Appointed Date as if the Amalgamated Company was originally entitled to all benefits under such incentive schemes and or policies;

- (v) without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which the Amalgamating Company is a party, whether executed prior to, on, or after, the Appointed Date and having effect on the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Amalgamated Company and may be enforced fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company is a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Amalgamating Company in any properties including leasehold/ licensed properties of the Amalgamating Company, including but not limited to, security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to, and vested in, or be deemed to have been transferred to, and vested in, the Amalgamated Company automatically, without requirement of any further act or deed. The Amalgamated Company shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Amalgamating Company until the transfer of the rights and obligations of the Amalgamating Company to the Amalgamated Company under this Scheme is formally accepted by the parties concerned and shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder;
- (w) all authorities and powers of attorney given by, issued to or executed in favour of the Amalgamating Company, shall stand transferred to the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company;
- (x) all electricity connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to the Amalgamating Company, together with security deposits and all other advances paid, shall stand automatically transferred to, and vested in, favour of the Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity companies, boards, agencies and authorities shall issue invoices in the name of the Amalgamated Company with effect from the billing cycle commencing from the month immediately succeeding the month in which an intimation of the approval of this Scheme by the Court is filed by the Amalgamated Company with them. The Amalgamated Company and the relevant electricity companies, boards, agencies and authorities shall continue to comply with the terms, conditions and covenants associated with the grant of such connection. Without limiting the generality of the foregoing, the Amalgamated Company shall also be entitled to refund of security deposits paid to or placed with such electricity companies, boards, agencies, the municipal corporation, statutory and other authorities by the Amalgamating Company.

1.2 Any *inter-se* transaction between the Amalgamating Company and the Amalgamated Company, including loans, advances, obligations and liabilities (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, shall, ipso facto, stand cancelled and appropriate effect shall be given in the books of accounts and records of the Amalgamated Company.

1.3 The Amalgamated Company may at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Amalgamating Company. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Competent Authority(ies), and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Amalgamated Company may file appropriate applications/documents with relevant Governmental Authority concerned for information and record purposes.

1.4 The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

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- 1.5 Without prejudice to the other provisions of this Scheme and notwithstanding the vesting of the Amalgamating Company into the Amalgamated Company by virtue of Part III of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, and as a matter of process, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company has been a party, including any filings with the relevant Governmental Authority in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company (and not by any of its successors), shall be fulfilled by the Amalgamated Company as if it is the duly constituted attorney of the Amalgamating Company.
- 2. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**
- 2.1 During the period between the approval of this Scheme by the respective Boards of the Amalgamating Company and the Amalgamated Company and up to the Effective Date, the business of the Amalgamating Company and the Amalgamated Company shall be carried out in the ordinary course consistent with past practice and in accordance with Applicable Law.
- 2.2 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Amalgamating Company shall carry on, and shall be deemed to have carried on, its business activities and stand possessed, and shall be deemed to have held and stood possessed of, the assets pertaining to the Amalgamating Company, for and on account of and in trust for the Amalgamated Company, and all assets which are acquired by the Amalgamating Company, on or after the Appointed Date, shall be deemed to be the assets of the Amalgamated Company;
 - (b) all profits and income accruing to the Amalgamating Company, and losses and expenditure incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date shall, subject to this Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company;
 - (c) all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date, which arise or accrue to the Amalgamating Company on or after the Appointed Date, shall be deemed to be of the Amalgamated Company;
 - (d) any of the rights, powers, authorities, privileges exercised by the Amalgamating Company shall be deemed to have been exercised by such Amalgamating Company for, on behalf of, and in trust for the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Amalgamating Company shall be deemed to have been undertaken for, and on behalf of, the Amalgamated Company.
 - (e) all taxes (including without limitation, income tax, wealth tax, sales tax, purchase tax, excise duty, customs duty, service tax, VAT, goods and services tax etc.) paid or payable by the Amalgamating Company in respect of the operations and / or the profits of the Amalgamating Company before the Appointed Date, shall be on account of the Amalgamating Company and, insofar as it relates to the tax payment (including, without limitation, income tax, wealth tax, sales tax, purchase tax, excise duty, customs duty, service tax, VAT, goods and service tax etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Amalgamating Company in respect of the profits or activities or operation of the Amalgamating Company with effect from the Appointed Date, the same shall be deemed to be the corresponding tax / duty paid by the Amalgamated Company, and, shall, in all proceedings, be dealt with accordingly.
- 2.3 With effect from the Effective Date, the Amalgamated Company shall carry on and shall be authorised to carry on the businesses of Amalgamating Company.
- 2.4 For the purpose of giving effect to the order passed under Sections 230 - 232 and other applicable provisions of the Act in respect of this Scheme by the Competent Authority(ies), the Amalgamated Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Amalgamating Company, in accordance with the provisions of Sections 230 - 232 of the Act. The Amalgamated Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority(ies).
- 2.5 The Amalgamated Company shall be entitled, pending the sanction of this Scheme, to apply to the Governmental Authorities and all



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other agencies, departments and authorities concerned as are necessary under Applicable Law for such consents, approvals and sanctions which the Amalgamated Company may require to carry on the business of the Amalgamating Company upon this Scheme becoming effective.

- 2.6 The transfer and vesting of the assets, liabilities and obligations of the Amalgamating Company and the continuance of the proceedings by or against the Amalgamated Company shall not affect any transaction or proceedings already completed by the Amalgamating Company on or before till the Effective Date.

3. CHANGE IN AUTHORISED SHARE CAPITAL

- 3.1 As an integral part of this Scheme and upon this Scheme becoming effective, the authorized share capital of the Amalgamating Company shall stand transferred to, and be amalgamated/combined with, the authorized share capital of the Amalgamated Company. The fees or stamp duty, if any, paid by the Amalgamating Company on its authorized share capital shall be deemed to have been so paid by the Amalgamated Company on the combined authorized share capital, and the Amalgamated Company shall not be required to pay any fee/stamp duty for the increase of the authorized share capital. The Amalgamated Company may, as a matter of process, file the requisite e-form, if any, with the relevant RoCin accordance with Applicable Law, and no other separate procedure, or execution of instrument or deed, shall be required to give effect to the above.

- 3.2 Clause V of the memorandum of association of the Amalgamated Company shall, upon this Scheme becoming effective, and without any further act, instrument or deed, be replaced by the following clause:³

"V. The authorised share capital of the Company is Rs. 476,85,00,000 (Rupees Four Hundred and Seventy Six Crores and Eighty Five lakhs only) divided into –

(a) 38,88,50,000 (Thirty Eight Crore Eighty Eight Lakhs and Fifty Thousand) equity shares of the Company having a face value of Rupees 10 (Rupees Ten) each aggregating to Rupees 388,85,00,000/- (Three Hundred and Eighty Eight Crores and Eighty Five Lakhs only); and

(b) 88,00,000 (Eighty Eight Lakh) preference shares of the Company having a face value of Rupees 100 (Rupees One Hundred) each aggregating to Rupees 88,00,00,000/- (Rupees Eighty Eight Crore)."

- 3.3 The approval of this Scheme by shareholders of the Amalgamated Company under sections 230 to 232 of the Act, whether at a meeting or otherwise, or any dispensation of the same by the Competent Authority(ies), shall be deemed to have been an approval under Sections 13, 61 and 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.

4. PAYMENT OF CONSIDERATION

- 4.1 Upon coming into effect of this Scheme and in consideration of the amalgamation of the Amalgamating Company into and with the Amalgamated Company, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the shareholders of the Amalgamating Company on the Record Date, 5,510 (Five Thousand Five Hundred and Ten) Amalgamated Company Shares, credited as fully paid-up, for every 100 (One Hundred) equity shares of the face value of INR10(Rupees Ten) each fully paid-up held by such shareholder in the Amalgamating Company ("**Fair Equity Share Exchange Ratio**"). The Amalgamated Company Shares to be issued and allotted by the Amalgamated Company to the shareholders of the Amalgamating Company in accordance with this Clause 4.1 of Part III of this Scheme shall be referred to as "**New Equity Shares**".

- 4.2 The Amalgamating Company and the Amalgamated Company have jointly engaged TR Chaddha & Co LLP, independent chartered accountants, ICAI Firm Registration Number: 006711N/N500028(the "**Chartered Accountant**") and Dhwanit Kashyap Vaidya, registered valuer, IBBI Registration Number: IBBI/RV/06/2019/11411 (the "**Registered Valuer**"), to provide valuation reports for the purposes of this Scheme. In connection with such engagement, the Chartered Accountant has issued a valuation report dated 28 September, 2020 and the Registered Valuer has issued a valuation report dated 28 September, 2020, in each case, addressed to the Boards of the Amalgamating Company and the Amalgamated Company. The Amalgamated Company has also engaged Systematix Corporate Services Limited as the merchant bankers to provide a fairness opinion on the Fair Equity Share Exchange Ratio. In

³**Note:** The board of directors of the Amalgamated Company vide resolution dated 28 September, 2020 has increased the authorized share capital of the Amalgamated Company to INR 470,05,00,000/- (Rupees Four Hundred and Seventy Six Crores and Five lakhs only) divided into (a) 38,20,50,000 (Thirty Eight Crore Twenty Lakhs and Fifty Thousand) equity shares of INR 10 each aggregating to INR 382,05,00,000/- (Three Hundred and Eighty Two Crores and Five Lakhs only); and (b) 88,00,000 (Eighty Eight Lakhs) preference shares of INR 100 each aggregating to INR 88,00,00,000 (Rupees Eighty Eight Crores), subject to the approval of the shareholders of the Amalgamated Company. The authorized share capital of the Amalgamated Company that has been provided in this paragraph assumes that the shareholders have approved the increase in the authorized share capital of the Amalgamated Company, and reflects the subsequent increase in the authorized share capital of the Amalgamated Company on the Effective Date upon the transfer of the Amalgamating Company's authorized share capital to the Amalgamated Company, as an integral part of the Scheme.



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connection with such engagement, Systematix Corporate Services Limited has issued a fairness opinion dated 28 September, 2020, confirming that the Fair Equity Share Exchange Ratio is fair.

5. ISSUANCE MECHANICS

- 5.1 Where New Equity Shares of the Amalgamated Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of the Amalgamating Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company. The New Equity Shares issued to the shareholders of the Amalgamating Company by the Amalgamated Company shall be issued in dematerialised form by the Amalgamated Company, provided that the details of the depository accounts of the shareholders of the Amalgamating Company are made available to the Amalgamated Company by the Amalgamating Company at least two (2) working days prior to the Effective Date. The shareholders of the Amalgamating Company shall provide such confirmation, information and details as may be required by the Amalgamated Company to enable it to issue the aforementioned equity shares in dematerialized form.
- 5.2 The New Equity Shares of the Amalgamated Company allotted and issued in terms of Clause 4.1 of Part III above, shall be listed and/or admitted to trading on the BSE and the NSE. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the BSE and the NSE.
- 5.3 The New Equity Shares of the Amalgamated Company to be allotted and issued to the shareholders of the Amalgamating Company as provided in Clause 4.1 of Part III above shall rank *pari passu* in all respects with the then existing equity shares of the Amalgamated Company.
- 5.4 The Amalgamated Company shall complete all formalities, as may be required, for allotment of the New Equity Shares to the shareholders of the Amalgamating Company as provided in this Scheme within the time period prescribed under Applicable Law. It is clarified that the issue and allotment of New Equity Shares by the Amalgamated Company to the shareholders of the Amalgamating Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders and as if the procedure laid down under Section 62 or any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.
- 5.5 If any shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Equity Shares by the Amalgamated Company in accordance with Clause 4.1 of Part III, then such fractions shall be rounded-off to the nearest whole number and appropriate numbers of equity shares of the Amalgamated Company shall be issued to such a shareholder.
- 5.6 In the event that the Companies restructure their equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of this Scheme, the Fair Equity Share Exchange Ratio and the stock options, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 5.7 The Amalgamated Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including the NSE and the BSE, for the issue and allotment by the Amalgamated Company of the New Equity Shares to the shareholders of the Amalgamating Company pursuant to this Scheme.
- 5.8 The New Equity Shares shall remain frozen in the depositories system until listing/trading permission is given by the BSE and NSE, as the case maybe.
- 5.9 There shall be no change in the shareholding pattern or control of the Amalgamated Company between the Record Date and the date of listing of equity shares of the Amalgamated Company which may affect the status of the BSE's approval or NSE's approval.
- 5.10 The New Equity Shares to be issued by the Amalgamated Company to the shareholders of the Amalgamating Company pursuant to Clause 4.1 of Part III above in respect of such equity shares of the Amalgamated Company held by the Amalgamating Company as are subject to lock-in pursuant to Applicable Law as of the Effective Date, may continue to be locked-in for the residual lock-in period as and to the extent required by the SEBI.
- 5.11 Upon this Scheme becoming effective and upon the New Equity Shares of the Amalgamated Company being allotted and issued by it to the shareholders of Amalgamating Company, the equity shares of the Amalgamating Company, both in electronic form and in the physical form, and all letter of allotments, share certificates and other relevant documents in relation to the shares held by the said shareholders in the Amalgamating Company, shall be deemed to have been automatically cancelled and be of no effect on and from the Effective Date.



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5.12 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 4.1 of Part III above in respect of such equity shares of the Amalgamating Company, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.

6. CANCELLATION OF SHARES AND OTHER ARRANGEMENTS

6.1 As an integral part of this Scheme and upon this Scheme becoming effective, (A) the equity shares; and (B) the non-cumulative redeemable preference shares of the Amalgamated Company, held by the Amalgamating Company, on the Effective Date, shall be cancelled without any further act or deed by operation of law.

6.2 The consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be the consent of the shareholders for the purpose of effecting the above reduction, if any, under the provisions of Section 66 of the Act read with the relevant rules and no further resolution under Section 66 of the Act and any other applicable provisions of the Act, would be required to be passed separately.

7. DISSOLUTION OF AMALGAMATING COMPANY

Upon this Scheme becoming effective, the Amalgamating Company shall stand dissolved without being wound up, without any further act, instrument or deed. On and from the Effective Date, the records relating to the Amalgamating Company with Governmental Authorities shall be treated as, and merged with, the relevant records of the Amalgamated Company.

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE AMALGAMATED COMPANY

8.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the Amalgamated Company shall account for amalgamation of the Amalgamating Company into and with the Amalgamated Company as per Indian Accounting Standard 103 on Business Combinations (the "**Standard**") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 wherein the Amalgamated Company shall account for such amalgamation under the acquisition method of accounting in accordance with the Standard and consider the Amalgamating Company as the accounting acquirer.

8.2 Amongst the other requirements of the Standard applicable for such amalgamation, the Amalgamated Company shall account for goodwill calculated in the following manner:

The goodwill shall be recognized on the Appointed Date as the excess of (i) over (ii) below:

- (i) the aggregate of:
 - (a) the consideration transferred measured at Appointed Date fair value in accordance with acquisition method enunciated in the Standard; and
 - (b) the Appointed Date fair value of the Amalgamating Company's interest previously held in the Amalgamated Company.
- (ii) the net of the identifiable assets acquired, and the liabilities assumed of the Amalgamated Company at fair values on the Appointed Date.

8.3 The existing shareholding of the Amalgamating Company, comprising equity shares and non-cumulative redeemable preference shares, in the Amalgamated Company shall stand cancelled.

8.4 Any other inter-company balances, if any, appearing in the books of accounts of the Amalgamating Company and the Amalgamated Company shall stand cancelled.



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PART IV

GENERAL TERMS AND CONDITIONS

1. CHANGE OF NAME OF THE AMALGAMATED COMPANY

- 1.1 As an integral part of this Scheme, upon the effectiveness of this Scheme, the name of the Amalgamated Company shall stand amended to 'Jupiter Wagons Limited' or such other name approved by the Board of the Amalgamated Company and which is available and approved by the RoC. The Amalgamated Company may, as a matter of process, file the requisite e-form with the relevant RoC in accordance with Applicable Law, and no other separate procedure, or execution of instrument or deed, shall be required to give effect to the above.
- 1.2 The approval of this Scheme by shareholders of the Amalgamated Company under sections 230 to 232 of the Act, whether at a meeting or otherwise, or any dispensation of the same by the Competent Authority(ies), shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution under Sections 13 and 14 and any other applicable provisions of the Act, shall be required to be separately passed nor shall any additional fees (including fees and charges to the RoC) or stamp duty be payable by the Amalgamated Company.

2. SEQUENCING OF EVENTS

- 2.1 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:
- (a) amalgamation of the Amalgamating Company into the Amalgamated Company in accordance with Part III of this Scheme;
 - (b) transfer of the authorised share capital of the Amalgamating Company to the Amalgamated Company as provided in Part III of this Scheme, and consequential increase in the authorised share capital of the Amalgamated Company, as provided in Part III of this Scheme;
 - (c) the equity shares and the non-cumulative redeemable preference shares of the Amalgamated Company held by the Amalgamating Company shall be cancelled without any further act or deed and the equity share capital and preference share capital of the Amalgamated Company shall stand reduced to the extent of face value of the equity shares and non-cumulative redeemable preference shares, respectively, of the Amalgamated Company held by the Amalgamating Company, as provided in Part III of this Scheme;
 - (d) issuance and allotment of New Equity Shares to the shareholders of the Amalgamating Company as on the Record Date, without any further act, instrument or deed, in accordance with Part III of this Scheme;
 - (e) dissolution of the Amalgamating Company without winding up; and
 - (f) change of name of the Amalgamated Company in accordance with Clause 1 of Part IV of this Scheme.

3. CONSEQUENTIAL MATTERS RELATING TO TAX

- 3.1 This Scheme, has been drawn up to comply with: (i) the conditions relating to 'Amalgamation' as specified under the tax laws, specifically Section 2(1B) of the Income-tax Act, 1961, and (ii) all relevant sections of the Income-tax Act, 1961, such that:
- (a) all the properties of the Amalgamating Company, immediately before the amalgamation, shall become the property of the Amalgamated Company, by virtue of this amalgamation;
 - (b) all the liabilities of the Amalgamating Company, immediately before the amalgamation, shall become the liabilities of the Amalgamated Company, by virtue of this amalgamation; and
 - (c) shareholders holding not less than three-fourths in value of the shares in the Amalgamating Company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Amalgamated Company or its subsidiary) will become shareholders of the Amalgamated Company by virtue of the amalgamation.
- 3.2 Upon this Scheme becoming effective
- (a) any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Amalgamating Company, including any taxes paid and taxes deducted at source and deposited by the Amalgamated Company on inter se transactions during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by the Amalgamated Company and shall be available to Amalgamated Company for set-off against its liability under the Income-tax Act, 1961 and any excess tax so paid shall be eligible for refund together with interest.



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- (b) the Amalgamated Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Amalgamated Company under Applicable Law, including but not limited to income tax, sales tax, value added tax, entry tax, sales tax, purchase tax, service tax, goods and service tax, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilised by the Amalgamating Company and the Amalgamated Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- (c) the Amalgamating Company and the Amalgamated Company are expressly permitted to file or revise their financial statements, corporate income tax returns, TDS / TCS, wealth tax, service tax, excise duty, sales tax, purchase tax, VAT, goods and service tax, entry tax, professional tax or any other returns, statements or documents, if required to give effect to the Scheme, even if the prescribed time limits for filing or revising such returns have lapsed. The Amalgamated Company is expressly permitted to amend, if required, its TDS / TCS or other statutory certificates and shall have the right to claim refunds, tax credits, set-offs and / or adjustments relating to its income or transactions entered into by it with effect from the Appointed Date. The taxes or duties paid by, for, or on behalf of, the Amalgamating Company relating to the period on or after the Appointed Date shall be deemed to be the taxes or duties paid by the Amalgamated Company and the Amalgamated Company shall be entitled to claim credit or refund for such taxes or duties paid.
- (d) any refund under the Income-tax Act, 1961 or any other tax Laws related to or due to the Amalgamating Company, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by the Amalgamated Company.
- (e) the Amalgamated Company shall be entitled to: (i) claim deduction with respect to items such as provisions, expenses etc. disallowed in earlier years in the hands of the Amalgamating Company, which may be allowable in accordance with the provisions of the Income-tax Act, 1961, on or after the Appointed Date; and (ii) exclude, while computing taxable income, items such as provisions, reversals, etc. for which no deduction or tax benefit has been claimed by the Amalgamating Company under the Income-tax Act, 1961 prior to the Appointed Date.
- (f) the Amalgamated Company shall be entitled to carry forward, avail of, or set-off any unabsorbed tax losses, tax depreciation, credits for minimum alternate tax (MAT credit) and input tax credits and / or such other tax credits of the Amalgamating Company that remain unutilised as on the Appointed Date.
- (g) all the expenses incurred by the Amalgamating Company and the Amalgamated Company in relation to the amalgamation of the Amalgamating Company with the Amalgamated Company as per this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Amalgamated Company in accordance with Section 35DD of the Income-tax Act over a period of five (5) years beginning with the previous year in which this Scheme becomes effective.

4. DIVIDENDS

- 4.1 The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date, but only in the ordinary course of business.
- 4.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Amalgamating Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Amalgamating Companies, and if applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of the respective Amalgamating Companies.

5. APPLICATION TO THE COMPETENT AUTHORITY(IES)

- 5.1 The Companies shall make applications and/or petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the Competent Authority(ies) for approval of this Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of this Scheme.
- 5.2 Upon this Scheme becoming effective, the shareholders of the Amalgamated Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

6. MODIFICATION; WAIVER; AND WITHDRAWAL

- 6.1 On or prior to the Effective Date, the Companies, acting through their respective Boards, may, jointly and as mutually agreed in writing, (i) assent to/make and/or consent to any modifications/amendments to this Scheme which they consider necessary, desirable or



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appropriate; (ii) waive any of the requirements of this Scheme; or (ii) withdraw this Scheme for any reason as they deem fit; in each case, including as a result of any conditions or limitations that the Competent Authority(ies) or any other Governmental Authority may deem fit to direct or impose.

- 6.2 If any of the terms or provisions of the Scheme is / are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, including resulting from an amendment of Law or for any other reason whatsoever, the Board of the Amalgamated Company is authorised to approve appropriate modifications to the Scheme such that the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) of the Income-tax Act, 1961. Such modification shall not affect the other parts of the Scheme.

7. REMOVAL OF DIFFICULTIES

- 7.1 The Companies, acting through their respective Boards, are authorized to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying this Scheme into effect, whether by reason of any orders of the Competent Authority(ies) or of any directive or orders of any other Governmental Authorities or otherwise howsoever arising out of, in connection with, or by virtue of, this Scheme and/or any matters concerning or connected therewith.

- 7.2 In case, post approval of this Scheme by the Competent Authority(ies), there is any confusion in interpreting any Clause of this Scheme, or otherwise, the Board of the Companies shall have complete power to take the most sensible interpretation so as to render this Scheme operational.

8. SEVERABILITY

If any part of this Scheme is invalid, ruled illegal or rejected by the Competent Authority(ies) or any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either the Amalgamating Company or Amalgamated Company, in which case the Companies, acting through their respective Boards, shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the Competent Authority(ies) or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

9. APPROVAL OF THE SCHEME THROUGH E-VOTING

The approval of the shareholders of the Amalgamated Company shall be obtained through a resolution passed through e-Voting (after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution). The Scheme shall be acted upon only if the votes cast by the public shareholders of the Amalgamated Company in favour of the Scheme are more than the number of votes cast by the public shareholders of the Amalgamated Company against it, in accordance with the SEBI Circular. For the purposes of this Clause 9, the term 'public' shall have the meaning ascribed to such term under Applicable Law.

10. CONDITIONALITY TO EFFECTIVENESS OF THE SCHEME

- 10.1 This Scheme is conditional and subject to:

- (a) The Amalgamated Company having received no-objection letter from the BSE and the NSE in respect of the Scheme (prior to filing of the Scheme with the Competent Authority(ies));
- (b) Scheme being approved by the requisite majority of each classes of shareholders and creditors (where applicable) of the Companies in accordance with the directions of the Competent Authority(ies) and the SEBI Circular; and
- (c) the Competent Authority(ies) having accorded its sanction to this Scheme.

11. EFFECTIVE DATE

- 11.1 After the last of the approvals or events specified under Clause 10 of Part IV of this Scheme are satisfied or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with this Scheme, the Amalgamating Company and Amalgamated Company shall file the certified copies of the relevant order(s) of the Competent Authority(ies) approving this Scheme with the RoC and the date of such filing shall be the date of effectiveness of this Scheme ("**Effective Date**"). For the avoidance of doubt, it is clarified that in case the Amalgamating Company and Amalgamated Company make such filings on different dates, then the last date on which such filings are made with the RoC shall be deemed to be the Effective Date.

- 11.2 The Scheme shall be operative from the Effective Date and be effective from the Appointed Date. Unless this Scheme becomes effective



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in accordance with the provisions of this Clause 11, no rights and liabilities whatsoever shall accrue to, or be incurred *inter-se*, the Companies or their respective shareholders or creditors or any other person.

12. COSTS, CHARGES & EXPENSES

- 12.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Amalgamating Company and the Amalgamated Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto prior to the Effective Date shall be borne by the respective Companies.
- 12.2 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto after the Effective Date shall be borne by the Amalgamated Company.

13. RESIDUAL PROVISIONS

- 13.1 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 13.2 Without prejudice to the generality of other provisions of this Scheme and notwithstanding anything to the contrary contained in this Scheme, the Board of the Amalgamated Company shall have the option and shall be entitled to make suitable accounting entries at the time of closing of the books of accounts for the first financial year post the effectiveness of this Scheme as they may deem fit to give effect to the intent herein.