



## Commercial Engineers & Body Builders Co. Limited

**REPORT UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF COMMERCIAL ENGINEERS & BODY BUILDERS CO. LIMITED AT ITS MEETING HELD ON MONDAY, 28<sup>th</sup> SEPTEMBER 2020 THROUGH VIDEO CONFERENCING / AUDIO VISUAL MEANS EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION OF JUPITER WAGONS LIMITED INTO AND WITH COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED ON THE SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS OF COMMERCIAL ENGINEERS & BODY BUILDERS CO. LIMITED.**

### 1. Background

- 1.1. The board of directors (the "**Board**") of Commercial Engineers & Body Builders Co Limited ("**Amalgamated Company**") at its meeting held on 28 September 2020 approved the amalgamation of Jupiter Wagons Limited (the "**Amalgamating Company**") into and with the Amalgamated Company, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "**Act**"), Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder (the "**Scheme**"), with effect from 1 October, 2019 or such other date as may be mutually agreed between the Amalgamating Company and the Amalgamated Company ("**Appointed Date**"). The Amalgamating Company and the Amalgamated Company are collectively referred to as the "**Amalgamating Companies**".
- 1.2. As per the provisions of section 232(2)(c) of the Act, the directors of the Amalgamating Company are required to adopt a report explaining the effect of the Scheme on the Amalgamated Company's equity shareholders, key managerial personnel ("**KMP**"), promoters and non-promoter shareholders, laying out, in particular, the equity share exchange ratio, and specifying any difficulties with respect to valuation, and the same is required to be circulated to the equity shareholders and creditors along with the notice convening their meetings. This report has, accordingly been made for adoption by the Board, in pursuance of the requirements under section 232(2)(c) of the Act. In the opinion of the Board of the Amalgamated Company, the Scheme will be advantageous and beneficial to the Amalgamated Company, its shareholders and other stakeholders for the reasons set out in the rationale of the Scheme and the terms thereof are fair and reasonable.
- 1.3. The following documents *inter alia* were placed before the Board for its consideration:
  - a) The draft Scheme;
  - b) The report dated 28 September 2020 prepared by TR Chaddha & Co LLP, independent chartered accountants, ICAI Firm Registration Number: 006711N/N500028 ("**Independent Chartered Accountant**") recommending the fair equity share exchange ratio in respect of the Proposed Amalgamation ("**TRCEquity Share Exchange Report**");
  - c) The report dated 28 September 2020 prepared by Dhwanit Kashyap Vaidya, registered valuer, IBBI Registration Number: IBBI/RV/06/2019/11411 ("**Registered Valuer**") recommending the fair equity share exchange ratio in respect of the Proposed Amalgamation ("**Valuer Equity Share Exchange Report**");
  - d) Fairness opinion dated 28 September 2020 issued by Systematix Corporate Services Limited, a SEBI registered category-I merchant banker ("**Fairness Opinion**");
  - e) the draft of the certification to be issued by Walker Chandiook & Co LLP (ICAI Firm Registration Number: 001076N/N500013), the statutory auditor of the Company pursuant to paragraph I.A.5 of Annexure I of the SEBI Circular dated March 10, 2017 bearing reference number CFD/DIL3/CIR/2017/21 and all amendments thereto (the "**SEBI Circular**"), certifying that the accounting treatment specified in the Scheme is in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Circular and the applicable accounting standards and other generally accepted accounting principles in India, read with the General Circular No. 09/2019 dated 21 August 2019 issued by the Ministry of Corporate Affairs; and
  - f) Report of the audit committee of the Board dated 28 September 2020.

After considering the documents referred above, the Board of the Company approved the draft Scheme.

### 2. Valuation

- 2.1. The Board reviewed the TRC Equity Share Exchange Report issued by the Independent Chartered Accountant and the Valuer Equity Share Exchange Report issued by the Registered Valuer and recommended the fair equity share exchange ratio for the Proposed Amalgamation ("**Fair Equity Share Exchange Ratio**") as under:

*5510 : 100, i.e., for every 100 (hundred) fully paid up equity shares of face value of INR 10/- each held in the Amalgamating Company as on the Record Date (as defined in the Scheme), the equity shareholders of the Amalgamating Company shall be issued 5510 equity shares of face value of INR 10/- each credited as fully paid up in the Amalgamated Company.]*



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2.2. The Board also noted that Systematix Corporate Services Limited, the SEBI registered category-I merchant banker, has issued the Fairness Opinion, which confirms that the Share Exchange Ratio is fair.

2.3. There is no mention in the TRC Equity Share Exchange Report or the Valuer Equity Share Exchange Report of any difficulties faced during valuation by the Independent Chartered Accountant and the Registered Valuer, respectively.

### 3. Effect of the Scheme on shareholders (promoter and non-promoter shareholders)

3.1. As an integral part of the Scheme, upon the 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 (*as defined in the Scheme*), shall be cancelled without any further act or deed by operation of law. Upon the Scheme becoming effective 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 as on the Record Date (*as defined in the Scheme*), 5,510 (Five Thousand Five Hundred and Ten) Amalgamated Company Shares (*as defined in the Scheme*), credited as fully paid-up, for every 100 (One Hundred) equity shares of the face value of INR 10/- (Rupees ten only) each fully paid-up held by such shareholder in the Amalgamating Company, based on the Share Exchange Ratio.

3.2. Upon the Scheme becoming effective, the equity shares of the Amalgamated Company, including the New Equity Shares (*as defined in the Scheme*) that are to be issued and allotted by the Amalgamated Company in accordance with Clause 4.1 of Part III of the Scheme, shall be listed and shall be admitted for trading on the BSE Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE") (the BSE and the NSE shall collectively be referred to as the "Stock Exchanges"), in accordance with the provisions of applicable laws (including, specifically, the SEBI circular dated March 10, 2017 and bearing reference number CFD/DIL3/CIR/2017/21, as amended from time to time), listing being subject to the Amalgamated Company complying with the conditions and other requirements of the Stock Exchanges and the Securities and Exchange Board of India.

3.3. The promoters and the promoter group of the Amalgamated Company currently hold 60.65% of the total equity share capital of the Amalgamated Company. The Amalgamating Company, which is a promoter of the Amalgamated Company, holds 45.45% of the total equity share capital in the Amalgamated Company, as on the date of this Report. Upon the Scheme becoming effective, the promoter and promoter group of the Amalgamated Company shall hold 74.62% of the total equity share capital of the Amalgamated Company and the public shareholders shall hold the remaining 25.38% of the total equity share capital of the Amalgamated Company. The pre-amalgamation and post-amalgamation shareholding pattern of the Amalgamated Company (based on the shareholding pattern of the Amalgamated Company as on 25 September, 2020) based on the Fair Equity Share Exchange Ratio shall be as provided at **Annexure 1** hereto.

### 4. Effect of the Scheme on the directors and KMPs

4.1. The directors or KMPs of the Amalgamated Company or their relatives do not have any interest in the Scheme, financially or otherwise, except as shareholders of the Amalgamated Company, where applicable. Upon the Scheme becoming effective, the designation and/or roles of the existing KMPs of the Amalgamated Company may change in accordance with business and commercial requirements of the Amalgamated Company, the applicable law and /or the constitutional documents of the Amalgamated Company. The Scheme itself does not affect the office of the KMPs of the Amalgamated Company.

4.2. Upon the Scheme becoming effective, the composition of the Board of the Amalgamated Company may, if required, under applicable law, the memorandum and articles of association of the Amalgamated Company and/or business or commercial requirements of the Amalgamated Company, be reconstituted to include appropriate number of independent directors, women directors, etc.

### 5. Effect of the Scheme on the creditors

5.1. Under the Scheme, there is no arrangement with the secured or unsecured creditors of the Amalgamated Company. No compromise is offered under the Scheme to any secured or unsecured creditors of the Amalgamated Company. The liabilities of the secured or unsecured creditors of the Amalgamated Company is neither being reduced nor being extinguished.

5.2. The Amalgamated Company has not issued any debentures. The Amalgamated Company has not accepted any deposits from any person.

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### 6. Effect of the Scheme on employees

The Scheme is not expected to have any impact on the employees of the Amalgamated Company. The employees of the Amalgamated Company will continue to be employees of the Amalgamated Company on the same terms and conditions as before.

The Scheme is expected to be beneficial to the Company, the Amalgamated Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

For Commercial Engineers & Body Builders Co. Limited



**Abhishek Jaiswal**

**Whole Time Director & C.E.O**

**DIN: 07936627**

**Place: Jabalpur**

**Date: 28/09/2020**

### ANNEXURE 1

#### PRE AND POST AMALGAMATION SHAREHOLDING PATTERN

Particulars	Pre-Amalgamation		Post-Amalgamation	
	Total No. of shares held	% of Shareholding	Total No. of shares held	% of Shareholding
Promoter & Promoter Group (A)	5,42,67,871	60.65%	28,91,14,538	74.62%
Institutions	83,49,158	9.33%	83,49,158	2.15%
Non - Institutions	2,68,65,628	30.02%	2,68,65,628	6.93%
Total Public (B)	3,52,14,786	39.35%	6,31,18,097	16.30%
Total (A+B)	8,94,82,657	100.00%	38,74,47,421	100.00%



## Commercial Engineers & Body Builders Co. Limited



## JUPITER WAGONS LIMITED

CIN : U35202WB2006PLC110822

**CERTIFIED TRUE COPY OF THE REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JUPITER WAGONS LIMITED AT ITS MEETING HELD AT THE REGISTERED OFFICE OF THE COMPANY AT 4/2, MIDDLETON STREET, KOLKATA-700071 ON MONDAY, 28<sup>th</sup> DAY OF SEPTEMBER, 2020 EXPLAINING THE EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS OF JUPITER WAGONS LIMITED**

### 1. BACKGROUND

- 1.1. The board of directors (the "Board") of Jupiter Wagons Limited ("Amalgamating Company") at its meeting held on 28 September, 2020 approved the draft scheme of amalgamation between the Amalgamating Company and Commercial Engineers & Body Builders Co Limited ("Amalgamated Company") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Act"), Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder ("Scheme") for the amalgamation of the Amalgamating Company into and with the Amalgamated Company, with effect from 1 October, 2019 or such other date as may be mutually agreed between the Amalgamating Company and the Amalgamated Company ("Appointed Date"). The Amalgamating Company and the Amalgamated Company are together referred to as the "Amalgamating Companies".
- 1.2. As per the provisions of section 232(2)(c) of the Companies Act, the directors of the Amalgamating Company are required to adopt a report explaining the effect of the Scheme on the Amalgamating Company's equity shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out, in particular, the fair equity share exchange ratio, and specifying any difficulties with respect to valuation, and the same is required to be circulated to the equity shareholders and creditors along with the notice convening their meetings. This report has, accordingly been made for adoption by the Board, in pursuance of the requirements under section 232(2)(c) of the Act.
- 1.3. The following documents were placed before the Board for its perusal:
- The draft Scheme;
  - The report dated 28 September, 2020 prepared by TR Chaddha & Co LLP, independent chartered accountants, ICAI Firm Registration Number: 006711N/N500028 ("Independent Chartered Accountant") recommending the fair equity share exchange ratio in respect of the Proposed Amalgamation ("TRC Equity Share Exchange Report");
  - The report dated 28 September, 2020 prepared by Dhwanit Kashyap Vaidya, registered valuer, IBBI Registration Number: IBBI/RV/06/2019/11411 ("Registered Valuer") recommending the fair equity share exchange ratio in respect of the Proposed Amalgamation ("Valuer Equity Share Exchange Report");
  - Fairness opinion dated 28 September, 2020 issued by Systematix Corporate Services Limited, the SEBI registered category – I merchant banker (the "Fairness Opinion");

REGD. OFFICE : 4/2, MIDDLETON STREET, KOLKATA - 700 071 • PHONE : 033-4011 1777 • FAX : 033 4011 1787  
 website : www.jupiterwagons.com • Factory : Shahgunj Chinsurah, Hooghly, Pin - 712104 • Phone : 033 2631 0010 • Fax : 033 2631 0035





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- e) The certificate dated 28 September, 2020 issued by M/s. Lohariwal & Associates (ICAI Firm Registration Number: 322705E), the statutory auditor of the Amalgamating Company on the proposed accounting treatment in the Scheme in terms of the provisions of sections 230 and 232 of the Companies Act, 2013 (the "Act") read together with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, with reference to the Scheme's compliance with the applicable accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles;
- f) Report of the audit committee of the Board dated 28 September, 2020.

After considering the documents referred above, the Board of the Company approved the draft Scheme.

#### 2. EFFECT OF THE SCHEME

- 2.1. The Scheme contemplates amalgamation of the Amalgamating Company into and with the Amalgamated Company pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, and the dissolution without winding up of the Amalgamating Company pursuant thereto. It does not contemplate any compromise or arrangement with any other class of persons, apart from the shareholders of the respective companies.
- 2.2. Upon the Scheme becoming effective 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 as on the Record Date (*as defined in the Scheme*), 5510 (Five Thousand Five Hundred and Ten) Amalgamated Company Shares (*as defined in the Scheme*), credited as fully paid-up, for every 100 (One Hundred) equity shares of the face value of INR 10 (Rupees Ten) each fully paid-up held by such shareholder in the Amalgamating Company. The equity share exchange ratio for issue and allotment of equity shares of the Amalgamated Company to the shareholders of the Amalgamating Company has been fixed on a fair and reasonable basis and on the basis of the TRC Equity Share Exchange Report and the Valuer Equity Share Exchange Report issued by the Independent Chartered Accountant and the Registered Valuer, respectively. Further, the Fairness Opinion has confirmed that the equity share exchange ratio in the TRC Equity Share Exchange Report and the Valuer Equity Share Exchange Report is fair.
- 2.3. As an integral part of the Scheme, upon the 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 (*as defined in the Scheme*), shall be cancelled without any further act or deed by operation of law. Further, upon the Scheme becoming effective and upon the New Equity Shares (*as defined in the Scheme*) of the Amalgamated Company being issued and allotted 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



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2.4. deemed to have been automatically cancelled and be of no effect on and from the Effective Date (as defined in the Scheme).

2.5. Upon the Scheme becoming effective, the equity shares of the Amalgamated Company, including the New Equity Shares (as defined in the Scheme) that are to be issued and allotted by the Amalgamated Company in accordance with Clause 4.1 of Part III of the Scheme, shall be listed and shall be admitted for trading on the BSE Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE") (the BSE and the NSE shall collectively be referred to as the "Stock Exchanges"), in accordance with the provisions of applicable laws (including, specifically, the SEBI circular dated March 10, 2017 and bearing reference number CFD/DIL3/CIR/2017/21, as amended from time to time), listing being subject to the Amalgamated Company complying with the conditions and other requirements of the Stock Exchanges and the Securities and Exchange Board of India.

2.6. The effect of the proposed Scheme on the stakeholders of the Amalgamating Company is as follows:

**(a) Shareholders (promoter and non-promoter)**

Under the Scheme, an arrangement is sought to be entered into between the Amalgamating Company, its equity shareholders and the Amalgamated Company. Upon the Scheme becoming effective, the equity shareholders of the Amalgamating Company shall be issued and allotted fully paid up equity shares of the Amalgamated Company in the manner stipulated in Clause 4.1 of Part III of the Scheme. Further, 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 in the manner stipulated in Clause 3.2 of Part III of the Scheme.

The promoters of the Amalgamating Company shall be a part of the promoter and promoter group of the Amalgamated Company upon the Scheme being effective, and shall be issued such number of equity shares in the Amalgamated Company as they may be entitled to pursuant to Clause 4.1 of Part III of the Scheme.

**(b) Directors, key managerial personnel and employees**

As stated in Clause 1.2(m) of Part III of the Scheme, with effect from the Effective Date (as defined in the Scheme), 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 (as defined in the Scheme), 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



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Company. Therefore, the rights of the employees of the Amalgamating Company are not affected in any manner by the Scheme.

Upon the Scheme becoming effective, the Amalgamating Company shall stand dissolved without being wound up. Under such circumstances, the directors and key managerial personnel of the Amalgamating Company shall cease to be directors and key managerial personnel of the Amalgamating Company.

The directors, key managerial personnel of the Amalgamating Company and their relatives may be deemed to have an interest in the Scheme to the extent of the equity shares held by them in the Amalgamating Companies and / or to the extent that the said director(s), key managerial personnel and their respective relatives are the director(s), members of the companies that hold shares in the Amalgamating Companies. Save as aforesaid, none of the director(s) or key managerial personnel have any interest in the Scheme. None of the directors of the Amalgamating Company or key managerial personnel of the Amalgamating Company currently hold shares exceeding two per cent of the paid-up share capital of the Amalgamated Company.

**(c) Creditors**

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured, of the Amalgamating Company. No compromise is offered under the Scheme to any creditors of the Amalgamating Company. The liabilities of the creditors of the Amalgamating Company, under the Scheme is neither being reduced nor being extinguished. The creditors of the Amalgamating Company are in no way affected by the Scheme.

The Amalgamating Company has not issued any debentures. The Amalgamating Company has not accepted any deposits from any person.

**(d) Valuation**

No special valuation difficulties were reported by the Independent Chartered Accountant or the Registered Valuer.

**CERTIFIED TO BE TRUE COPY**

**For Jupiter Wagons Limited**



**Rajiv Kumar Tulsyan**

**Sr. Manager Finance & Company Secretary**