

Commercial Engineers & Body Builders Co Limited



CIN-L24231MP1979PLC049375

Regd. Office: 48, Vandana Vihaar, Narmada Road, Gorakhpur, Jabalpur (M.P.) INDIA
Email Id – cs@cebbco.com, Website – www.cebbco.com, Tel – 0761-2661336

CEBBCO/AML/JWL/001

28 September 2020

To,
**Listing Department,
BSE Limited,**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Fax No. 022-2272 3121/2272/2037

BSE Security Code: 533272

To,
**Listing Department,
National Stock Exchange of India
Limited,**
'Exchange Plaza', 5th Floor,
Plot No. C/1, G. Block,
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051

NSE Symbol: CEBBCO

Dear Madam/Sir,

Sub: Outcome of board meeting held on 28 September 2020.

Ref: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") read along with the Securities and Exchange Board of India ("SEBI") circular dated 9 September 2015, bearing reference no. CIR/CFD/CMD/4/2015 ("Disclosure Circular").

1. The board of directors of Commercial Engineers & Body Builders Co Limited ("**Board of Directors**"), at their meeting held today (i.e., 28 September 2020) after considering the report of the Audit Committee of Commercial Engineers & Body Builders Co Limited ("**Amalgamated Company**"), have considered and approved the scheme of amalgamation of Jupiter Wagons Limited ("**Amalgamating Company**") (Amalgamating Company being one of the promoters of the Amalgamated Company) into and with the Amalgamated Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder ("**Scheme of Amalgamation**"). The Scheme of Amalgamation contemplates the amalgamation of the Amalgamating Company into and with the Amalgamated Company and the dissolution without winding-up of the Amalgamating Company pursuant thereto (Amalgamating Company and Amalgamated Company collectively referred to as the "**Companies**").

The Scheme of Amalgamation is subject to statutory and regulatory approvals, including approval from the relevant National Company Law Tribunal, Securities and Exchange Board of India, BSE Limited, the National Stock Exchange of India Limited and such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary.

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The Appointed Date in terms of the Scheme of Amalgamation is 1 October 2019 or such other date as may be mutually agreed between the Amalgamating Company and the Amalgamated Company and is the date with effect from which the Scheme of Amalgamation shall be effective.

The Scheme of Amalgamation will be filed with the stock exchanges as per the applicable provisions of Regulation 37 of the Listing Regulations read with the SEBI circular dated 10 March 2017, bearing reference no. CFD/D1L3/CIR/2017/2I, as amended by any other circulars issued from time to time.

The information required to be furnished pursuant to Regulation 30 of the Listing Regulations read with the Disclosure Circular is set out herein below:

(a)	Name of the entities forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.	<p>(1) The Amalgamating Company has total assets of INR 500.35 crore, turnover of 812.59 crore and net worth of INR 237.22 crore as on 31 March 2020. It is not listed on any stock exchange.</p> <p>(2) The Amalgamated Company has total assets of INR 199.89 crores, turnover of INR 125.74 crore and net worth[#] of INR 86.64 crore as on 31 March 2020. It is listed on BSE and NSE.</p> <p>[#] Net worth of the Amalgamated Company excludes capital reserves not being in the nature of free reserve.</p>
(b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length"	<p>Yes.</p> <p>The transactions contemplated in the Scheme of Amalgamation are being undertaken at arms' length in accordance with the share exchange ratio which has been arrived at on the basis of the: (i) report dated 28 September 2020 issued by TR Chaddha & Co LLP, independent chartered accountants (ICAI Firm Registration Number: 006711N/N500028) recommending the fair equity share exchange ratio; and (ii) report dated 28 September 2020 issued by Dhwanit Kashyap Vaidya, registered valuer (IBBI Registration Number: IBBI/RV/06/2019/11411) recommending the fair equity share exchange ratio, supported by a fairness opinion dated 28 September 2020 submitted by Systematix Corporate Services Limited, an independent SEBI registered category-I merchant banker. Further, the Scheme of Amalgamation is required to be approved by the requisite majority of each classes of shareholders and creditors (where applicable) of the Companies in accordance with the directions of the relevant National Company Law Tribunal and the SEBI circular dated 10 March 2017 bearing reference number CFD/DIL3/CIR/2017/21, as amended from time to time and the Scheme of Amalgamation has to be sanctioned by the relevant National Company Law Tribunal having jurisdiction over the Amalgamating Company and the Amalgamated Company.</p>
(c)	Area of business of the entities	<p>(1) The Amalgamating Company is engaged <i>inter alia</i> 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</p>

- Factory (Unit I) : 21,22,33,34, Industrial Area Richhai, Jabalpur - 482010 M.P.,
 Factory (Unit II) : NH12-A, Village Udaipura, Teh. Niwas, Distt. Mandla - 481661 M.P.,
 Factory (Unit III) : Plot No. 690 to 693 & 751 to 756, Sector III, Industrial Area, Pithampur, Distt. Dhar,
 Factory (Unit IV) : Industrial Area Richhai, Jabalpur - 482010 M.P.
 Factory (Unit V) : Plot No. 742, Asangi Phase Area, Saraikela, Jharkhand – 932109,
 Factory (Unit VI) : 118, Village Imlai, Near Deori Railway Station, P.O. Panagar, Jabalpur - 483220

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		<p>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.</p> <p>(2) The Amalgamated Company is engaged <i>inter alia</i> 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.</p>
(d)	Rationale for amalgamation/ merger	<p>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 <i>inter alia</i> in:</p> <ol style="list-style-type: none"> (1) 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; (2) 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; (3) better alignment, coordination and streamlining of day to day operations, leading to improvement in overall working culture and environment; (4) 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; (5) 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; (6) beneficial results for both the Companies and in the long run, is expected to enhance value for the shareholders; (7) 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

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		<p>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</p> <p>(8) creation of value for various stakeholders and shareholders of the Companies, as a result of the above.</p>
(e)	In case of cash consideration - amount or otherwise share exchange ratio	<p>The share exchange ratio for the amalgamation of the Amalgamating Company into and with the Amalgamated Company is 5510:100, i.e., 5,510 (Five Thousand Five Hundred and Ten) fully paid up equity shares of the Amalgamated Company for every 100 (One Hundred) fully paid up equity shares of Amalgamating Company.</p> <p>The share exchange ratio has been arrived at based on the (i) report dated 28 September 2020 issued by TR Chaddha & Co LLP, independent chartered accountants (ICAI Firm Registration Number: 006711N/N500028) recommending the fair equity share exchange ratio; and (ii) report dated 28 September 2020 issued by Dhwanit Kashyap Vaidya, registered valuer (IBBI Registration Number: IBBI/RV/06/2019/11411) recommending the fair equity share exchange ratio, supported by a fairness opinion dated 28 September 2020 submitted by Systematix Corporate Services Limited, a SEBI Registered Merchant Banker.</p>
(f)	Brief details of change in shareholding pattern (if any) of the listed entity	<p>Upon the Scheme of Amalgamation becoming effective, the Amalgamated Company will issue equity shares as mentioned in paragraph (e) above to the equity shareholders of the Amalgamating Company as on the record date and all equity shares and the non-cumulative redeemable preference shares of the Amalgamated Company held by the Amalgamating Company shall stand cancelled on the Effective Date (<i>as defined in the Scheme of Amalgamation</i>), as an integral part of the Scheme of Amalgamation.</p>

2. Further, the Board of Directors at their meeting held today (i.e., 28 September 2020) also considered and approved the increase in authorised share capital of the Amalgamated Company as well as amendment of Clause V of the memorandum of association of the Amalgamated Company to reflect such increase in the authorised share capital of the Amalgamated Company subject to the approval of its shareholders.

The table below sets out the “old authorised share capital” and the “new authorised share capital” of the Amalgamated Company:

Old Authorised Share Capital	New Authorised Share Capital
<ul style="list-style-type: none"> <u>Equity Shares</u>: 9,20,50,000 equity shares of Rs. 10/- each - Rs. 92,05,00,000 <u>Preference shares</u>: 88,00,000 preference shares of Rs. 100/- each – Rs. 88,00,00,000 	<ul style="list-style-type: none"> <u>Equity Shares</u>: 38,20,50,000 Equity Shares of Rs.10/- each – Rs. 3,82,05,00,000 <u>Preference shares</u>: 88,00,000 preference shares of Rs. 100/- each – Rs. 88,00,00,000

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3. Also, the Board of Directors at their meeting held today (i.e., 28 September 2020) considered and approved the amendment to the main objects of the Amalgamated Company by addition of the following paragraphs as paragraphs 7 and 8 respectively in Clause 3(A) of the memorandum of association of the Amalgamated Company, subject to the approval of its shareholders:

“To carry on the business of casting, forging, rolling, refining, smelting, altering, improving, buying, selling, importing, exporting, manufacturing, repair, maintenance and otherwise dealing in iron and steel in all forms, shapes and sizes and alloys thereof and in aluminium, copper, zinc and other metals and alloys for all forms of vehicles and conveyances including railway wagons, railway switches, railway crossings, goods carriage, components, coaches, rolling stock and other railway accessories/components related to the foregoing products; and

To establish, own, acquire, manage and operate steel fabricating shops, ferrous and non-ferrous melting furnaces and to carry on business as traders and manufacturers of ferrous, non-ferrous metals ingots, balloons, billets, slabs, sheets, strips, round bars and other hardware items.”

4. The Board of Directors also approved the postal ballot notice that will be sent to the shareholders of the Amalgamated Company while seeking their approval in connection with the: (i) increase in authorised share capital of the Amalgamated Company by amending Clause V of the memorandum of association of the Amalgamated Company; and (ii) alteration of the main objects clause by amending Clause 3(A) of the memorandum of association of the Amalgamated Company, in accordance with applicable law and authorised Mr. Abhishek Jaiswal, Executive Director (DIN: 07936627) (Chief Executive Officer), Mr. Sanjiv Keshri, (Chief Financial Officer) and Mr. Amit Kumar Jain, (Company Secretary), and all directors of the Company do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper in connection with the said resolutions (brief outcome for which has been set out at paragraphs 2 and 3 above.

The above is for your information and record.

Yours faithfully,

For COMMERCIAL ENGINEERS AND BODY BUILDERS CO LIMITED


Amit K Jain
Company Secretary



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