

Action Construction Equipment Ltd.

Corporate & Regd. Office

Dudhola Link Road, Dudhola, Distt. Palwal - 121102, Haryana, India



November 22, 2017

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

The Dy. General Manager
Corporate Relationship Department
BSE Ltd.
1st Floor, New Trading Ring,
Rotunda Building
P.J. Towers, Dalal Street, Fort
Mumbai-400 001

Stock Code : ACE

Stock Code : 532762

Dear Sir,

Ref: Clause 37(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

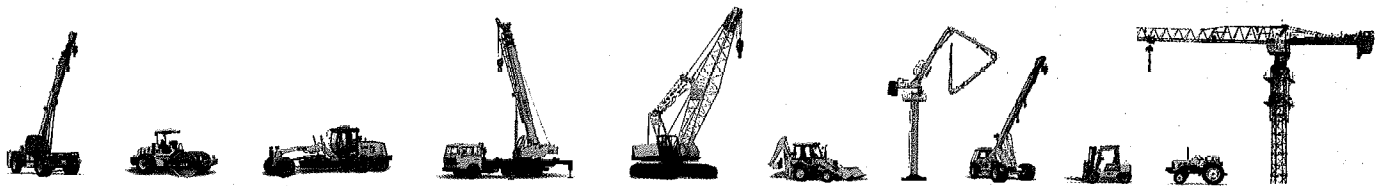
Sub: Scheme of Amalgamation between Frested Limited, Action Construction Equipment Limited and their respective shareholders and creditors

The Board of Directors of Action Construction Equipment Limited at their meeting held on November 11, 2017 have approved the Scheme of Amalgamation ('the Scheme') between Frested Limited ('Frested Ltd'), Action Construction Equipment Limited ('ACE') and their respective shareholders and creditors under Section 230 to 232 and 234 and other applicable provisions of the Companies Act, 2013 and Sections 261 to 264 and other applicable provisions, if any, of the Mauritius Act, 2001.

In accordance with Clause 7 of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 the provisions of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 shall not be applicable to schemes which solely provides for merger of a wholly owned subsidiary with the parent company. Therefore, since Frested Limited is a wholly owned subsidiary of ACE, which is merging with ACE, the provisions of the abovementioned circular shall not be applicable to the merger.

In accordance with the provisions of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, the following documents are being filed:

1. Certified true copy of the Resolution passed by the Board of Directors of ACE dated November 11, 2017.

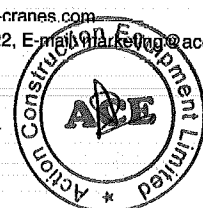


Corporate Office : Phone : +91-1275-280111 (50 Lines), Fax : +91-1275-280133, E-mail : works2@ace-crane.com

Mktg. H.Q.: 4th Floor, Pinnacle, Surajkund, Faridabad, NCR-121009, Phone: +91-129-4550000 (100 Lines), Fax : +91-129-4550022, E-mail : marketing@ace-crane.com

Customer Care No.: 1800 1800 004 (Toll Free), CIN : L74899HR1995PLC053860

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2. Certified copy of the Scheme of Amalgamation between Frested Limited, Action Construction Equipment Limited and their respective shareholders and creditors proposed to be filed before the National Company Law Tribunal, Chandigarh Bench.

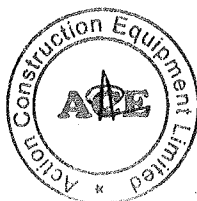
In view of the above, we shall feel obliged if you could take the above on record.

If you require any further information/clarifications, we would be glad to furnish the same.

Thanking you.
Yours faithfully

For Action Construction Equipment Limited

Anurag Purohit
Company Secretary



Enclosure: as above

Action Construction Equipment Ltd.

Corporate & Regd. Office

Dudhola Link Road, Dudhola, Distt. Palwal - 121102, Haryana, India



CERTIFIED TRUE COPY OF THE RESOLUTION NO.2.1 PASSED AT MEETING OF BOARD OF DIRECTORS (MEETING NO. 2017/B-12) OF ACTION CONSTRUCTION EQUIPMENT LIMITED HELD ON SATURDAY, 11TH NOVEMBER, 2017 AT 1:15 P.M. AT THE SURYAA HOTEL, NEW FRIENDS COLONY, NEW DELHI-110025.

TO CONSIDER AND APPROVE THE SCHEME OF AMALGAMATION BETWEEN FRESTED LIMITED, CYPRUS (A WHOLLY OWNED SUBSIDIARY) AND ACTION CONSTRUCTION EQUIPMENT LIMITED, INDIA AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

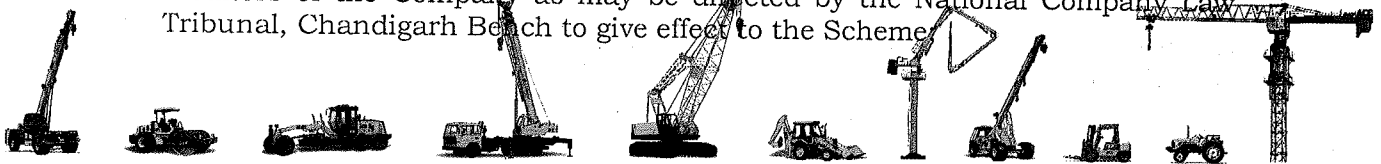
"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and 234 and other applicable provisions, if any, of the Companies Act, 2013, including any amendments thereto or re-enactments thereof and Companies (Compromises, Arrangement and Amalgamations) Rules, 2016 and other applicable rules, if any, framed thereunder, and subject to the relevant provisions of the Memorandum and Articles of Association of Action Construction Equipment Limited ('the Company' or 'ACE') and subject to requisite approval of the shareholders and creditors of the Company and sanction of the National Company Law Tribunal, Chandigarh Bench, Stock Exchanges, Reserve Bank of India and other regulatory authorities, as may be necessary and required, and further based on the recommendation of the Audit Committee, the consent of the Board be and is hereby accorded to the Scheme of Amalgamation between Frested Limited ('Frested') and Action Construction Equipment Limited ('ACE') and their respective Shareholders and Creditors (hereinafter referred to as 'the Scheme'), placed before the Board and initialed by the Chairman of the meeting for the purposes of identification."

"RESOLVED FURTHER THAT a committee comprising of Directors and officials of the Company be made by the name of **"Restructuring Committee"** to take all necessary steps as may be considered necessary in connection with the Scheme of Amalgamation. The Committee shall consist of the following Directors and officials:

1. Mr. Vijay Agarwal
2. Mr. Rajan Luthra
3. Mr. Anil Kumar

"RESOLVED FURTHER THAT the aforesaid Restructuring Committee and its members and/or Mr. Rajan Luthra, Chief Financial Officer and/or Mr. Anil Kumar, Company Secretary, be and they are hereby severally authorised to take all the necessary steps for:

- (a) Filing of the Scheme with the regulatory or statutory authority(ies), wherever required in terms of the applicable laws and regulations for obtaining approval to the Scheme;
- (b) Filing of application(s)/ affidavit(s) with the National Company Law Tribunal, Chandigarh Bench or such other competent authority, seeking directions for holding or dispensation from holding of the meeting of the shareholders and/or creditors of the Company as may be directed by the National Company Law Tribunal, Chandigarh Bench to give effect to the Scheme.



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- (c) Filing of petition(s) for confirmation of the Scheme by the National Company Law Tribunal, Chandigarh Bench or such other competent authority;
- (d) Filing amalgamation proposal with the Supreme Court of Mauritius or such other competent authority seeking directions as to convening / dispensing with the meeting of the shareholders / creditors of Frested and where necessary to take steps to convene and hold such meetings as per the directions of the Supreme Court of Mauritius;
- (e) For the above purposes, to engage advocates and if considered necessary, also engage services of counsel(s), declare and file all pleadings, reports, and sign and issue public advertisements, notices and to do all acts incidental and necessary thereto;
- (f) Obtaining approval/ consent from such other authorities and parties including the shareholders, term loan lenders, financial institutions, as may be considered necessary, to the said Scheme;
- (g) To settle any question/ issue or difficulty that may arise with regard to implementation of the Scheme, and to give effect to this resolution;
- (h) To make any alterations/changes to the Scheme as may be expedient or necessary for satisfying the requirements or conditions imposed by the National Company Law Tribunal, Chandigarh Bench, Stock Exchanges or other competent authority or as may be considered necessary by the management, which does not materially change the substance of the Scheme;
- (i) To swear and depose affidavits;
- (j) To sign all applications, petitions, vakalatnama and/or other documents relating to the Scheme; and
- (k) To do all acts and things as may be considered necessary and expedient in relation thereto."

"RESOLVED FURTHER THAT any member of the Restructuring Committee be and is hereby severally authorized to sign, verify, execute and file any documents including but not limited to affidavits, petitions, pleadings, applications, certificates, declarations, undertakings, vakalatnamas, proceedings, or any other documents incidental or necessary for making effective the aforesaid Scheme of Amalgamation."

"RESOLVED FURTHER THAT a certified true copy of this resolution be forwarded wherever required, under the signature of any Director or Company Secretary or Authorised Signatory of the Company."

Certified true copy
For Action Construction Equipment Limited

Anil Kumar

Anil Kumar
Company Secretary
M.No. ACS:37791
H.No. 342, Sector-10, H.B.C
Faridabad-121006, Haryana



SCHEME OF AMALGAMATION
BETWEEN
FRESTED LIMITED
AND
ACTION CONSTRUCTION EQUIPMENT LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

for Action Construction Equipment Limited

Rajan Kumar
Authorised Signatory

for FRESTED LTD.

Rajan Kumar
Authorised Signatory

PREAMBLE

(A) Background and Description of Companies

1. **FRESTED LIMITED**, (hereinafter called '**Frested Ltd** or '**Amalgamating Company**' or '**Transferor Company**') is a company incorporated under the provisions of the Mauritius Companies Act, 2001 having its registered office at Suite 204, Grand Baie Business Quarter, Chemin Vingt Pieds, Grand Bay 30529, Mauritius.
2. **Action Construction Equipment Limited**, (hereinafter called '**ACE**' or '**Amalgamated Company**' or '**Transferee Company**') is a public listed company incorporated under the provisions of Indian Companies Act, 1956 having its registered office at Dudhola Link Road, District – Palwal , Haryana – 121102.
3. ACE is the holding company of Frested Ltd.
4. ACE is engaged in the business of manufacturing of three types of heavy equipments – (i) mobile cranes / tower cranes ; (ii) material handling / construction equipment and (iii) agri equipment

(B) Purpose and Rationale of the Scheme of Amalgamation

This Scheme of Amalgamation (hereinafter called 'the Scheme') is presented under Sections 230 – 232 and 234 and other applicable provisions, if any, of the Indian Act (as defined in clause 1.1 hereinafter) and Sections 261 to 264 and other applicable provisions, if any, of the Mauritius Act (as defined in clause 1.7 hereinafter), for amalgamation of Frested Ltd. into and with ACE. The Indian Act enables a foreign transferor company to merge into an Indian transferee company.

The Board of Directors of Frested Ltd and ACE consider that the Scheme of Amalgamation would benefit the respective companies and the various stakeholders on account of the following reasons:

1. Rationalizing and optimizing the group legal entity structure to ensure greater alignment with the business by reducing the number of legal entities;
2. Reduction in the legal and regulatory compliances required at present to be carried out by Frested Ltd and by ACE in relation to Frested Ltd ;
3. Overall reduction in administrative, managerial and other expenditure and operational rationalization, organizational efficiency and optimal utilization of various resources.

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In consideration of the above rationale and benefits, this Scheme is now presented for amalgamation of Frested Ltd into and with ACE in accordance with the terms set out hereunder.

(C) Parts of the Scheme of Amalgamation

This Scheme of Amalgamation is divided into the following parts:

1. **PART I** - Definitions and Share Capital;
2. **PART II** - Amalgamation of Frested Ltd with ACE;
3. **PART III** - General Clauses, Terms and Conditions.

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PART – I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act” or “the Act” or “Indian Act” or “The Indian Act”** means the Companies Act, 2013 of India, and shall include the rules and regulations made thereunder and any statutory modifications, re-enactments and / or amendments thereof.
- 1.2 **“Amalgamated Company” or “Transferee Company” or “ACE”** means Action Construction Equipment Limited, a public listed company incorporated under the provisions of Indian Companies Act, 1956 having its registered office at Dudhola Link Road, District – Palwal, Haryana – 121102.
- 1.3 **“Amalgamating Company” or “Transferor Company” or “Frested Ltd”** means Frested Limited, a private company incorporated under the provisions of the Mauritius Companies Act, 2001 having its registered office at Suite 204, Grand Baie Business Quarter, Chemin Vingt Pieds, Grand Bay 30529, Mauritius.
- 1.4 **“Appointed Date”** means January 1, 2018 being the date with effect from which Frested Ltd shall stand amalgamated into and with ACE in terms of this Scheme, upon sanction of the Scheme by the NCLT and Supreme Court of Mauritius and the Scheme coming into effect.
- 1.5 **“Appropriate Authority”** means any government, statutory, regulatory, departmental or public body or authority of the Relevant Jurisdiction, including Registrar of Companies and the NCLT and Supreme Court of Mauritius. .
- 1.6 **“Effective Date”** means the last of the dates on which the conditions specified in Clause 17 are complied with. Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” shall mean and refer to the Effective Date.
- 1.7 **“Mauritius Act”** means The Companies Act, 2001 of Mauritius or any statutory modification or re-enactment thereof for the time being in force.

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- 1.8 **"NCLT"** means National Company Law Tribunal at Chandigarh;
- 1.9 **"Registrar of Companies"** means Registrar of Companies, New Delhi and the Registrar of Companies, Mauritius, individually or collectively, as the context may require.
- 1.10 **"Relevant Jurisdiction"** means the territories of the Republic of India and Mauritius.
- 1.11 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation, in its present form or with any modification(s) made under Clause 16 of this Scheme as approved or directed by NCLT and Supreme Court of Mauritius or any other appropriate authority in the relevant jurisdictions.
- 1.12 **"Supreme Court of Mauritius"** means the Bankruptcy Division of the Supreme Court of Mauritius.
- 1.13 **"Transferred Undertaking"** means the whole of the undertaking(s) of Frested Ltd., on the Appointed Date. For the avoidance of doubt Frested Ltd. will have no immovable property, debts (except inter-group debts) or other liabilities as on the Appointed Date.
- 1.14 In this Scheme, unless the context otherwise requires:
- a) references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
 - b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
 - c) words in the singular shall include the plural and vice versa;
 - d) any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date; and
 - e) all terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Indian Act 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.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme set out herein in its present form or with any modification(s) approved or directed by the NCLT and Supreme Court of Mauritius or any other appropriate authority

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in the Relevant Jurisdictions shall have legal effect and force from the Appointed Date but shall be operative from the Effective Date.

- 2.2 Any reference in this Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “upon the coming into effect of the Scheme” shall mean the Effective Date.

3. SHARE CAPITAL

- 3.1 The Share Capital of Frested Ltd as per the audited balance sheet as on January 31, 2017 is as under:

Particulars	As at January 31, 2017 (USD)
Issued, Subscribed and Paid-up	
1,000 Ordinary Share of USD 1.3/-each	1,300
TOTAL	1,300

Subsequent to the Balance Sheet date, there has been no change in the issued, subscribed and paid-up capital of Frested Ltd.

- 3.2 The Share Capital of ACE as per the audited balance sheet as on March 31, 2017 is as under:

Particulars	As at March 31, 2017 (Rs.)
Authorized Capital	
125,000,000 Equity Shares of Rs. 2/- each	250,000,000
30,250,000 8% Cumulative Non – Participating Redeemable Preference Shares of Rs. 10/- each	302,500,000
TOTAL	552,500,000
Issued, Subscribed and Paid-up	
117,323,000 Equity Shares of Rs. 2/- each fully paid up	234,646,000

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30,219,380 8% Cumulative Non – Participating Redeemable Preference Shares of Rs. 10/- each	302,194,000
TOTAL	536,840,000

Subsequent to the Balance Sheet date, there has been no change in the issued, subscribed and paid-up capital of ACE.

PART – II

AMALGAMATION OF FRESTED LTD. WITH ACE

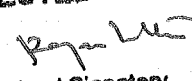
4. PROVISIONS UNDER THE MAURITIUS LAWS PERTAINING TO AMALGAMATION

- 4.1 Amalgamating Company is incorporated under the Mauritius Act.
- 4.2 In terms of Section 4(2)(b) of Part II of the Fourteenth Schedule of the Mauritius Act, the Amalgamated Company, being incorporated under the laws of the jurisdiction other than Mauritius, must submit to the Registrar of Companies, Mauritius the following:
 - 4.2.1 An agreement that a service of process may be effected on and against it as the surviving company (being “Amalgamated Company” or the consolidated company) in Mauritius in respect of proceedings for the enforcement of any claim, debt, liability or obligation of the constituent company (being the “Amalgamating Company”) incorporated under the Mauritius Act or in respect of proceedings for the enforcement of the rights of a dissenting member of a constituent company incorporated under the Mauritius Act;
 - 4.2.2 An irrevocable appointment of the Registered Agent as its agent to accept service of process in proceedings referred to in sub paragraph 4.2.1 above.
 - 4.2.3 An agreement that the Amalgamated Company shall promptly pay to the dissenting members, if any, of the constituent company incorporated under the Mauritius Act, the amount, if any, to which they are entitled under the Mauritius Act, with respect to the rights of dissenting members; and

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4.2.4 A certificate of merger or consolidation issued by the appropriate authority of the foreign jurisdiction (being the Order of the NCLT sanctioning the Scheme) where it is incorporated.

- 4.3 In terms of Paragraph 4(3) of Part II of the Fourteenth Schedule to the Mauritius Act, where the surviving company (being the 'Amalgamated Company') is incorporated under the laws of a jurisdiction other than that of Mauritius, the effect of the merger shall be the same as in the case of a merger under Part XVI of the Mauritius Act except in so far as the laws of other jurisdiction, i.e. the laws of India otherwise provide.
- 4.4 In terms of Paragraph 4(4) of Part II of the Fourteenth Schedule to the Mauritius Act, since the surviving company (being the 'Amalgamated Company') is incorporated under the laws of a jurisdiction other than that of Mauritius, the merger will be effective as provided for by the laws of that jurisdiction i.e. the laws of India.
- 4.5 The Amalgamating Company shall be required to file certain documents including those set out in Paragraph (4)(2)(b) of Part II of the Fourteenth Schedule to the Mauritius Act with the Registrar of Companies, Mauritius along with this Scheme and the corporate resolution of the Amalgamated Company or relevant extract thereof and the Amalgamating Company will be struck off the register maintained by the Registrar of Companies, Mauritius from the effective date of merger under the laws of India without the need for winding up.
- 4.6 Amalgamating Company shall with all reasonable dispatch make application under Section 261 to 264 and other applicable provisions of the Mauritius Act for seeking sanction of the Supreme Court of Mauritius to the Scheme subject to such other terms and conditions as the Supreme Court of Mauritius may deem fit.

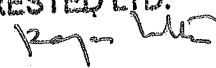
5. TRANSFER AND VESTING

- 5.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferred Undertaking shall, pursuant to the applicable provisions of the Indian Act, and applicable provisions of the Mauritius Act and pursuant to the order of the NCLT and Supreme Court of Mauritius or other appropriate authority in the Relevant Jurisdictions, if any, sanctioning the Scheme, shall without any further act, deed, matter or thing, stand transferred to and vested in and/ or deemed to be transferred to and vested in the Amalgamated Company, as a going concern, so as to become the properties of the Amalgamated Company within the meaning of Section 2(1B) of the Indian Income Tax Act, 1961.

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6. DISCHARGE OF CONSIDERATION

- 6.1 The entire paid-up equity share capital of the Frested Limited is held by ACE. Therefore, upon this Scheme being effective, the entire Issued, Subscribed and paid up share capital of Frested Limited shall, *ipso facto*, without any further application, act or deed stand cancelled on the Effective Date and since ACE is not permitted to issue shares to itself under the provisions of the Indian Act, no shares of ACE will be issued or allotted with respect to the Equity Shares held by ACE in Frested Limited in consideration for amalgamation.

7. ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the Amalgamated Company shall account for the amalgamation of the Amalgamating Company in its books of accounts with effect from the Appointed Date in accordance with the provisions of the Indian Accounting Standard (Ind AS) – 103 “Business Combinations” issued by the Ministry of Corporate Affairs, such that:

- 7.1 All assets, liabilities and debts of the Amalgamating Company are transferred to and vested in the Amalgamated Company pursuant to the Scheme and shall be recorded by the Amalgamated Company at their respective book values as on the Appointed Date.
- 7.2 With effect from the Appointed Date and upon the Scheme becoming effective, the investment of the Amalgamated Company in the Amalgamating Company shall stand cancelled.
- 7.3 Loans, advances, amount receivable or payable inter-se between the Amalgamating Company and the Amalgamated Company, appearing in the books of accounts of the Amalgamated Company and/or the Amalgamating Company, if any, shall stand cancelled.
- 7.4 The difference in the net value of assets and liabilities of the Amalgamating Company to be vested in the Amalgamated Company as per clause 7.1, after adjustment of the cancellation of investments of the Amalgamated Company as per clause 7.2 above and loans, advances, amount receivable or payable as per clause 7.3 above, shall be recorded as Capital Reserve.
- 7.5 In case of any difference in the accounting policies between the Amalgamating Company and the Amalgamated Company, the impact of the same till the Appointed Date will be adjusted in accordance with Ind AS- 8 “Accounting Policies, Changes in Accounting

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Estimates and Errors" to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policy.

8. LEGAL PROCEEDINGS

8.1 All legal proceedings of whatsoever nature by or against the Amalgamating Company pending and / or arising on or after of the Appointed Date and relating to the Amalgamating Company shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Amalgamated Company as the case may be, in the manner and to the same extent as would or might have been continued and enforced by or against the Amalgamating Company.

8.2 The Amalgamated Company undertakes to have all legal or other proceedings initiated by or against the Amalgamating Company referred to in clause 8.1 above transferred in its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company, to the exclusion of the Amalgamating Company. The Amalgamating Company confirms that there are no suits/proceedings pending against it as of the date of filing of the Scheme.

9. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC

9.1 Upon the Scheme becoming effective but with effect from the Appointed Date, all contracts, deeds, agreements, schemes, arrangements, and other instruments of whatsoever nature in relation to the Amalgamating Company, or to the benefit of which the Amalgamating Company may be eligible, and which are subsisting or having effect on or immediately before the Effective Date, shall be in full force and effect on or 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 had been a party or beneficiary or obligee thereto.

9.2 The Amalgamated Company shall be entitled to the benefit of all insurance policies (if any) which have been issued in respect of the Amalgamating Company and the name of the Amalgamated Company shall be substituted as "Insured" in the policies as if the Amalgamated Company was initially a party.

9.3 The Amalgamated Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings with any party to any contract in relation to

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the Amalgamating Company or to which the Amalgamating Company is a party in order to give formal effect to the above provisions. 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 formalities or compliances, referred to above, on behalf of the Amalgamating Company.

10. OTHER ENTITLEMENTS

- 10.1 On the Scheme becoming effective, all employees, if any, of the Amalgamating Company in service on the Effective Date shall be deemed to have become employees of the Amalgamated Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Amalgamated Company shall not be less favorable than those applicable to them with reference to the Amalgamating Company on the Effective Date.

11. CONDUCT OF AFFAIRS UNTIL THE EFFECTIVE DATE

- 11.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) All profits or income arising or accruing in favour of the Amalgamating Company or losses arising or incurred by the Amalgamating Company shall, for all purposes, be treated as and deemed to be the profits or income, or losses, as the case may be, of the Amalgamated Company;
- (b) Amalgamating Company shall carry on its activities with reasonable diligence and prudence and in the same manner as it had been doing hitherto.
- (c) Amalgamating Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which may be required pursuant to this Scheme; and
- (d) Amalgamating Company and /or Amalgamated Company may, during the pendency of the Scheme, make any alterations to their respective share capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner.

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12. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Transferred Undertaking, pursuant to this Scheme, and the continuance of the legal proceedings by or against the Amalgamated Company, under clause 8 hereof shall not affect any transactions or proceedings already completed by the Amalgamating Company, on the Effective Date to the end and intent that the Amalgamated Company accepts all acts, deeds and things done and executed by and / or on behalf of the Amalgamating Company, as acts, deeds and things done and executed by and on behalf of the Amalgamated Company.

13. APPLICABILITY OF THE PROVISIONS OF THE INDIAN INCOME TAX ACT, 1961

- 13.1 The provisions of this Scheme have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Indian Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Indian Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Indian Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Indian Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

14. DISSOLUTION OF AMALGAMATING COMPANY

Upon the Scheme becoming effective and upon the Supreme Court of Mauritius giving an Order under appropriate provisions of the Mauritius Act, Amalgamating Company shall be dissolved, without any further act or deed, without being wound up.

for Action Construction Equipment Limited


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PART – III

GENERAL TERMS AND CONDITIONS

15. APPLICATION AND PETITION TO THE NCLT AND SUPREME COURT OF MAURITIUS

The Amalgamating Company and the Amalgamated Company shall, with all reasonable dispatch, make applications to the respective NCLT and Supreme Court of Mauritius, under the relevant provisions of applicable law, if any, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and/or creditors and for sanctioning the Scheme with such modifications, as may be approved by the NCLT and Supreme Court of Mauritius..

Upon the Scheme being approved by the requisite majority of the shareholders and creditors of the Amalgamating Company and the Amalgamated Company (wherever required), the said companies shall, with all reasonable dispatch, file petitions before the respective NCLT and Supreme Court of Mauritius for sanction of the Scheme, and for such other order or orders, as the NCLT and Supreme Court of Mauritius may deem fit for carrying the Scheme into effect. Upon the Scheme becoming effective, the shareholders of the Amalgamating Company and the Amalgamated Company, shall be deemed to have also accorded their approval under all relevant provisions of the Indian Act, and the relevant provisions of the applicable Mauritius Act, if any, for giving effect to the provisions contained in the Scheme.

16. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

The Amalgamating Company and the Amalgamated Company, by their respective board of directors may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and Supreme Court of Mauritius and/ or any other appropriate authority in the Relevant Jurisdiction may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the board of directors). The Amalgamating Company and the Amalgamated Company, by their respective board of directors, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or

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otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

The Amalgamating Company and the Amalgamated Company (acting through their respective boards of directors) shall be at liberty to withdraw the Scheme in entirety, or to decide not to give effect to any one or more of the parts contained herein, whether for the reason of any condition or alteration imposed by the NCLT and Supreme Court of Mauritius or any other governmental/regulatory authority not being acceptable to them, or any other reason whatsoever.

If any part of the Scheme is held to be invalid or illegal by NCLT or Supreme Court of Mauritius or unenforceable under present or future laws, then the parties may decide that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any party, in which case the Amalgamating Company and the Amalgamated Company, shall attempt to bring about a modification in the Scheme, as will best preserve for the Amalgamating Company and the Amalgamated Company, the benefits and obligations of this Scheme, including but not limited to such part.

17. CONDITIONALITY OF THE SCHEME

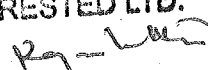
This Scheme is and shall be conditional upon and subject to:

- 17.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/ or creditors of the Amalgamating Company and the Amalgamated Company as prescribed under the Indian Act and relevant provisions of the Mauritius Act and as may be directed by the NCLT and Supreme Court of Mauritius or any other appropriate authority in the Relevant Jurisdiction as may be applicable.
- 17.2 The sanction of this Scheme by the NCLT and Supreme Court of Mauritius.
- 17.3 Certified or authenticated copy of the Order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Amalgamated Company.
- 17.4 Compliance by the Amalgamating Company of all necessary and applicable provisions of its applicable law including without limitation, all necessary filings to be made under applicable law of Mauritius.

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- 17.5 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority including the Reserve Bank of India, which by law may be necessary for the implementation of this Scheme.

18. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in clause 17 not being obtained and/ or the Scheme not being sanctioned by the NCLT and Supreme Court of Mauritius or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

19. COSTS, CHARGES AND EXPENSES

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 carrying out and implementing this Scheme and matters incidental thereto shall be borne by the respective companies.

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