



Annual Report 2013-14

Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to understand our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in making the assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Chairman's Message

Dear Shareholders,

The global economic situation in general showed a negative trend with the only exception of the US economy showing some signs of revival. While the Eurozone remained weak, GDP growth in China remained low compared to its higher rates of growth in the past.

Echoing the persistent uncertainty and the general slowdown in the global economy and compounded by domestic structural constraints and inflationary pressures, India's GDP growth too has remained below 5% for the past two years - a kind of protracted slowdown. However, India is one of the leading emerging economies and holds great promise of demonstrating healthy growth in times to come.

CEBSCO's product portfolio - focussed on India's infrastructure sector - faced a challenging market environment.

Commercial Vehicle sales in the Medium & Heavy Commercial Vehicle category witnessed a steep fall of 25% in comparison to the previous year. Consequently, CEBSCO's CV product volumes were significantly down compounded by negative or negligible growth in the construction and mining sectors - where the company's products are mainly used.

As regards the Railways, orders for new wagons were delayed and overall funds scarcity was seen leading to lower opportunities in this segment.

Heavy Fabrication, too, witnessed slower progress in power projects due to fall in the pace of investments and policy issues including coal production/availability.

Overall poor macro-economic performance and negligible infrastructure growth had a cascading effect on the Company since it depends on the all-round performance of the economy as a whole.

Future Growth Opportunities:

Given the forward looking Budget proposals and the infrastructure focus of the present government, the Company is expected to grow its business in the coming years. In the CV - FBV (Fully Built Vehicle) industry it is looking to consolidate its position of a leading player among authorized FBV manufacturers.

The Company's wagon manufacturing capability has not yet been fully exploited on account of absence of orders from the Railways. However, the Company has bagged an order for wagon refurbishment and hopes to aggressively target this business going forward. Here again, the Company expects to gain from the Budget proposals of allowing FDI and PPP in the Railways leading to increased opportunities in terms of supply of freight wagons, loco shells and other auxiliaries for which the Company has been recognized as an approved source.

The Company's Heavy Fabrication business (manufacture of steel structures for power plants) is also expected to grow in view of the expected increased spending on power generation and policy resolutions of coal linkages.

During the year, the Company recorded gross sales of Rs. 18536.94 Lacs, which is 68.60% lower compared to the previous financial year. Loss before tax stood at Rs. 6773.11 Lacs compared to profit of Rs. 3350.11 Lacs in the previous financial year. In view of the challenges faced, the Company has been rationalizing costs, optimising production across its six plants and going lean on inventory. The Company will continue its efforts to improve its cost structure and strengthen its balance sheet. We are positive about the future with the Government and the policymakers in India serious about re-vitalizing the growth process.

The Company continues to maintain its thrust on development of new variants of product offerings to suit its customers' needs. Not only have we emerged stronger despite tough conditions over the past couple of years, we have vastly widened the horizons which the Company can prospect for growth. Our strong manufacturing skills demonstrated by customer confidence will allow us to pursue a path of sustainable growth. The company's key customers include leaders in commercial vehicles like Tata Motors, VE Commercial Vehicles (VECV), Ashok Leyland and Man trucks in the FBV segment, and engineering giants like L&T Power and BHEL in heavy engineering.

Human Resource and Talent retention remains a focus area for CEBSCO. We aim to be a learning organization and nurture our people and relationships to grow our business.

In the past 12 months, we have taken definitive measures to strengthen our governance practices and internal control measures. Going forward, as a company we wish to deliver growth transparently and continue to behave responsibly towards our investors, employees and the communities around us. We believe stable and predictable growth will become the cornerstone of our Company in the coming years.

I thank all the shareholders, employees, bankers, customers and everybody for their sincere and persistent support over the past year. We will continue to focus on our ability and capacity to deliver value, ensuring that as we grow we continue to meet our customers' expectations, and strive to attain a leadership position.

Dated : 14th August, 2014

Anil Joshi
Chairman

Financial Highlights

Profit & Loss Statement

(₹ in Crore)

Particulars	Fy10	Fy11	Fy12	Fy13	Fy14
Income					
Net Sales	182.86	212.16	463.06	497.97	131.57
Other Operational Income	3.81	4.57	5.57	4.93	7.29
Other Income	0.98	2.85	2.27	1.38	2.69
Total Revenues	187.65	219.59	470.90	504.28	141.55
Expenditure					
Manufacturing Expenses	129.79	176.38	368.01	392.59	140.62
Personnel Cost	7.39	10.52	14.95	12.86	10.52
Selling & Admin. Cost	9.21	12.30	15.47	32.49	9.12
EBIDTA	40.30	17.54	70.20	64.96	(21.40)
EBIDTA Margin (%)	0.22	0.08	0.15	0.13	(0.16)
Depreciation	3.64	3.85	6.37	16.70	30.06
EBIT	37.64	16.54	66.10	49.64	(48.78)
Interest Expenses	6.83	9.27	9.32	16.14	18.95
Profit Before Tax (PBT)	30.80	7.27	56.78	33.50	(67.73)
Tax	9.92	1.01	8.59	5.42	-
Deferred Tax	0.58	0.56	7.39	9.57	2.70
Profit /Loss After Tax (PAT)	20.30	5.70	40.80	18.51	(70.43)

Financial Highlights

Balance Sheet

(₹ in Crore)

Particulars	Fy10	Fy11	Fy12	Fy13	Fy14
Sources of Funds					
Share Capital	42.89	54.94	54.94	54.94	54.94
Reserves & Surplus	28.27	162.35	203.15	219.09	151.23
Total Shareholders' Funds	71.16	217.29	258.09	274.03	206.17
Total Loan Funds	54.76	46.12	110.97	162.89	135.70
Deferred Tax Liability	0.60	1.15	8.54	18.11	20.81
Total Sources of Funds	126.52	264.56	377.61	455.03	362.69
Application of Funds					
Fixed Assets					
Gross Block	36.48	57.80	198.95	349.61	357.13
Less: Accumulated Depreciation	11.47	15.15	21.46	37.90	67.83
Net Block	25.01	42.65	177.49	311.71	289.30
Capital Work in Progress	19.95	76.46	67.50	12.15	14.65
Investments	0.63	38.37	0.69	0.60	0.00
Current Assets					
Inventories	53.43	69.16	49.70	67.01	37.62
Sundry Debtors	58.25	30.64	103.75	146.74	23.52
Cash & Bank Balance	3.44	25.96	7.09	35.74	11.47
Loans & Advances	35.12	43.75	61.16	49.47	46.51
Total Current Assets	150.24	169.51	221.70	298.96	119.12
Current Liabilities					
Sundry Creditors	63.19	61.76	84.93	160.08	55.21
Provisions	6.12	0.67	4.84	8.31	5.18
Total Current Liabilities	69.31	62.43	89.77	168.39	60.39
Net Current Assets	80.93	107.08	131.93	130.57	58.73
Total Application of Funds	126.52	264.56	377.61	455.03	362.69

Key Facts

With a broad range of product offerings in the areas of commercial vehicles, railways and heavy fabrication (for power plants), CEBBCO's business is intertwined with the infrastructure development of the country.

CEBBCO is one of the leading manufacturers in India of vehicle bodies for commercial vehicles with an extensive portfolio of product offerings. Additionally, CEBBCO has a railways approved facility for making freight wagons and is engaged in carrying out refurbishment of freight wagons and manufacturing of components for wagons and locomotives.

Commercial Vehicles (CV) / Fully Built Vehicles (FBV)

CEBBCO is one of the large players manufacturing various applications on the commercial vehicle (CV) chassis with a major share of business with major CV manufacturers - Tata Motors, VE Commercial Vehicles Limited, MAN Motors and Vehicle Factory, Jabalpur (Ministry of Defence).

Railways

The Company is engaged in the wagon refurbishment business since 2008 which includes refurbishment of wagons, supply and fitting of side-walls, end-walls, floor plates, flap floor, door-plates, etc. We are one of the few Research, Design and Standardisation Organisation registered for refurbishment of Wagons and are also an approved supplier to Railways production units like Integral Coach Factory, Diesel Locomotive Works, Diesel Modernisation Works and BHEL-Loco plant.

We had completed a trial order of 247 wagons from Braithwaite & Co. (an Indian Railways' subsidiary) and we have received the Initial Audit Certification for G-105 Specifications by RDSO which is mandatory to become a wagon manufacturer. We now await orders from the Indian Railways.

Heavy Fabrication

A relatively newer area of business with attractive growth opportunities, CEBBCO fabricates steel structures for Power Plants including Electrostatic Precipitators / Boiler structures. Major clients are L&T Power, BHEL Trichy and BGR Energy. Resources of this segment can be used for fabrication of components for Railway bridges - an area offering good growth opportunities. CEBBCO is approved in RDSO, which is mandatory for executing this product segment.

Strengths

- Economies of scale in the FBV business due to strong track record and long standing relationships with all major OEMs.
- Focus on R&D.
- Wide range of product offerings in commercial vehicles for applications across diversified industries.
- State-of-the-art technology and certifications for design, production standards and quality assurance.
- Well qualified and experienced design team of mechanical engineers engaged in developing new solutions for customers to suit their business needs.
- Ability to manufacture superior quality structures
- Manufacturing facilities located close to some of the key customers for commercial vehicle bodies, gives a competitive advantage over other manufacturers of commercial vehicle bodies.
- Heavy engineering unit based in Central India - where major power plants are coming up - provides logistics advantage to customers
- Industrial relations climate is quite conducive in Central India which results in a cost-competitive work force

Manufacturing Plants

The Company has six manufacturing facilities strategically located in Central India at Jabalpur (4 facilities), Indore and Jamshedpur. The strategic location provides an advantage to the Company in terms of:

- Proximity to customers as Jabalpur is a central location for all major OEMs
- Indore and Jamshedpur units are near their key customers namely VE Commercial Vehicles and Tata Motors, respectively
- Manufacturing units are located close to manufacturing locations of steel suppliers or their key distribution hubs.
- Jabalpur offers a cost competitive location
- Benefit under the TRIFAC scheme of state of Madhya Pradesh

Key Customers

Business	Customers
Commercial Vehicles / FBV	Tata Motors Ltd. (Domestic & Export) VE Commercial Vehicles Ltd. (VECV) Man Force Trucks Pvt. Ltd. Asia Motor Works Ltd. Ministry of Defence (Vehicle Factory Jabalpur) Reliance Petroleum Ltd. Reliance Industries Ltd.
Railways	Indian Railways Zonal workshops Integral Coach Factory, Chennai Diesel Locomotive Workshop, Varanasi Diesel Modernization Works, Patiala RCF, Kapurthala Chitranjan Locomotive Works
Heavy Fabrication	L&T Power BHELTrichy BGR Energy Lodge Cottrell Thermax

Well Diversified Product Portfolio

Mining & Road Construction

1. Tipper Bodies
2. Tanker Bodies

Goods Transportation

1. Cargo load Bodies
2. Refrigerated and insulated containers
3. Trailer Bodies - Box Trailers, Tip Trailers, Skeletal Trailers and Flat Bed Trailers
4. Explosive Vans
5. Petroleum Tankers

Solid Waste Management

1. Skip - Loaders
2. Garbage - Bin Collectors

Municipal Applications

1. Water Tanker Bodies
2. Fire Tenders
3. Light Recovery Vehicle Bodies
4. Garbage Tippers

Defence

1. Troop Carrier Vehicle Bodies
2. Prison Van Bodies
3. Water Bowser Bodies

Railway Components

1. Up gradation and Refurbishment of BOXN wagons
2. Components for Locomotives
3. Components for BOXNR wagons
4. Components for EMU Coaches
5. Railway over bridge and under bridge steel structures

Heavy Fabrication (Steel) Power - Boilers and ESP

1. Steel Structures for Power plants
2. Electrostatic precipitators
3. Structures for Power plant boilers
4. Ducts and General Fabrication components for power plants

Management Discussion and Analysis

Economic Overview

The global economic situation showed signs of modest recovery, with US economy speeding up, but the environment in the Eurozone remained weak with some early signs of improvement. GDP growth in China and India were low as compared to the high growth rates in the past. However, both these economies continue to hold a great promise for leading global growth in future.

In 2014-15, the Indian economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. The growth slowdown in the last two years was broad based, affecting in particular the industry sector. Inflation too declined during this period, but continued to be above the comfort zone, owing primarily to the elevated level of food inflation. Yet, the developments on the macro stabilization front, particularly the dramatic improvement in the external economic situation with the current account deficit (CAD) declining to manageable levels after two years of worryingly high levels was the redeeming feature of 2013-14. The fiscal deficit of the Centre as a proportion of GDP also declined for the second year in a row as per the announced medium term policy stance. Reflecting the above and the expectations of a change for the better, financial markets have surged. Moderation in inflation would help ease the monetary policy stance and revive the confidence of investors, and with the global economy expected to recover moderately, particularly on account of performance in some advanced economies, the economy can look forward to better growth prospects in 2014-15 and beyond.

The global auto industry recorded a surge in sales with impressive growth, riding on the back of strong demand in the world's top two automobile markets - China and the United States. The automotive industry in the US came back to strength from the poor period of recession, supported by low interest rates and improving consumer sentiment. Sales in China- the world's largest auto market since 2009- also crossed the 20 million cars mark. Europe did show some early signs of recovery, but with high levels of unemployment continuing to prevail in southern Europe, a clear turnaround was not visible. Consumer behaviour in that region remains cautious.

Industry Overview

Commercial Vehicle - Fully Built Vehicles (FBV)

India's GDP growth continued to be below 5% and Industrial growth remained in negative territory. Consequently, the Indian auto industry witnessed a decline in 2013-14 with a steep decline of 25% in Medium & Heavy CVs segment. For most of last year, the economy was constrained by rising inflation and high interest rates, leading to relatively low consumer interest in buying new vehicles, and, in many cases, postponement of purchase. In the later part of the year, reduction in excise duty and partial lifting of mining bans did help in recovery of sentiment, but only to a limited extent.

M&HCVs (Domestic Sales)	2013-14	2012-13	2011-12
Passenger Carriers	38,709	46,913	49,882
Y-o-Y, %	-17%	-6%	
Goods Carriers	1,61,918	2,21,776	2,99,334
Y-o-Y, %	-27%	-26%	
Total M&HCVs	2,00,627	2,68,689	3,49,216
Y-o-Y, %	-25%	-23%	

Source: Society of Indian Automobile Manufacturer (SIAM)

As a result of overall slowdown, infrastructure projects, especially roads, faced several delays. There is a recent push from the government to set the investment in road network moving. Focusing exclusively on infrastructure, the government is planning to speed up stalled road projects. The increased focus on infrastructure and road development signifies demand for tippers. Since better road infrastructure boosts traffic movement, especially for higher tonnage vehicles, the government's initiatives towards improvement in infrastructure will increase demand for Commercial Vehicles in the near term and provide a boost to the Fully Built Vehicle (FBV) industry.

In times to come the commercial vehicle industry in India is expected to remain on the growth track. Recuperating infrastructure and roadways signifies that the industry will progress to higher tonnage vehicles. Rising fuel prices and scarcity of drivers are compelling fleet owners to look for vehicles with higher operating effectiveness rather than the initial cost of vehicle acquisition.

With the M&HCV category experiencing a structural change from selling only chassis to selling fully-built vehicles (FBVs) to customers, CEBBCO is all set to benefit in the subsequent years. With this shift to FBVs, OEMs are likely to expand in terms of higher revenues and margins on the back of superior quality products. Even though higher interest rates and declining industrial output have impacted the demand for M&HCV, long-term structural demand remains intact.

There is a tremendous opportunity in the tipper category driven by expected strong demand in the mining and construction industry and higher sales of heavy tonnage vehicles. Additionally, tippers require hydraulic jacks due to which fleet owners prefer to purchase tippers as FBVs. This provides a promising opportunity for CEBBCO due to higher adoption of FBVs among the tipper category vis-à-vis the non-tipper category. The total net Sales achieved under this division is Rs. 118.77 Crores.

The Company will benefit from the Trade and Investment Facilitation Corporation Ltd. (TRIFAC) scheme under which the Company would be entitled for a subsidy of 50% / 75% of incremental sales tax payable during the year.

Railways

The Company's railway business includes manufacturing of new wagons and refurbishment of old wagons supplies for Indian Railways. Refurbishment also increases

the life of a wagon by 12 years, while reducing its weight by around one tonne because of the use of stainless steel. Currently accounting for only 1.25% of the revenue, the contribution from this division is set to increase with the Company's venture into wagon manufacturing. While during the year entire Railway Industry has suffered for very low demand due to financial crisis with the Government and the Company executed the total Net Sales under this division to the tune of Rs.1.65 Crores.

With the 12 five year plan targeting procurement of 105,659 wagons over FY13-17 (E) out of which only 15715 wagons have been procured(added), we believe demand for wagons will remain robust in the coming years. The delay in implementing a long-term procurement policy for wagons remains a problem leading to inefficient operations and capacity utilization of the Wagon Industry.

With the infrastructure focus of the new Government and policy initiative in Railways, the focus has once again shifted to the prominent Dedicated Freight Corridor (DFC) project, which will augment the freight carrying capacity of railways leading to additional gains, apart from releasing the existing lines on congestion. As per the Budget 2014, there has been an enhancement in freight loading by about 90 million tonnes, which would require additional wagons. CEBBCO is well poised to address opportunities in the sector as they arise.

Heavy Fabrication

The Company fabricates steel structures like boilers and Electrostatic Precipitators (ESPs) and has executed orders for clients like L&T and BHEL. The total net sale achieved under this category is Rs. 3.16 Crores.

Financial Overview

The Company recorded total income of Rs. 138.86 Crores and net loss of Rs. 70.43 Crores for the year ended March 31, 2014 as compared to total income of Rs. 502.90 Crores and net profit of Rs. 18.50 Crores for the year ended March 31, 2013.

The Company plans to increase sales from Heavy fabrication and Railways business in the current financial year. With the key focus on increasing FBV sales across categories, including Tippers, Tankers, Cargo Bodies and Refrigerated vehicle bodies, we expect a pick-up in sales during this fiscal year.

With infrastructure enabling initiatives and policies of the current Government, impetus to the commercial vehicle demand would be there and with opening up of mining sector tipper demand is expected to pick up in the coming years.

Technology - IT Process and Systems

With 6 manufacturing plants, IT at CEBBCO is playing a key role in redefining internal control, MIS generation and creating efficiencies in operations.

Investments in IT and development of processes and systems will be key areas of focus for us. IT will help us gain a competitive advantage vis-à-vis the competition and create robust processes and systems for internal control. Internal control, driven through technology instead of physical checks and balances, will create a productive organization with best practices.

Corporate Governance

The senior leadership at CEBBCO comprising of the Board of Directors sincerely believe that corporate accountability and corporate governance enable wealth creation. We believe that shareowners' participation adds value and often the power of ideas that investors bring outweighs the money they have invested in the Company. Best corporate governance practices, as envisaged by the law of the country and regulators, in letter and spirit are the pillars of the business practices at CEBBCO. We believe a transparent reporting method and accountability of the senior management to the BOD helps in de-risking the Company against the vagaries of individual adventurism while encouraging every entrepreneurial idea worth undertaking.

Going ahead, we see qualitative participation from the independent directors on the board to ensure strategic inputs and robust governance practices. The driving forces of corporate governance at CEBBCO are its core values - excellence and customer satisfaction, maximizing long- term value for stakeholders, good corporate conduct and environment-friendly behaviour .

Risk Management

The Company has a comprehensive risk management system with efficient and timely internal audits. The management reviews the business periodically to provide as much insulation possible from factors that can affect the business. The management has foreseen certain risks to the business and took effective de- risking steps to mitigate the risks. The following are the risks and the mitigation approach:-

- 1. Cyclicity of the commercial vehicle industry** - The demand for CEBBCO's products is closely linked to overall industrial growth and is vulnerable to cyclicity in the commercial vehicle industry. Entry into the railways and power sector is a step in reducing this risk.
- 2. Increase in raw material costs** - Steel accounts for approximately 70% of the raw material costs. The Company follows a zero-based costing model with steel being a pass through with a lag of a quarter. With increase in volumes, the Company has been constantly leveraging its negotiating power with its vendors to reduce procurement costs. Besides, it is also focusing on cost-cutting measures.
- 3. Irregular order flows from Railways** - The Company will get affected in case there are irregular order flows from Indian Railways. However, the Company's plant is fungible and can be used for the manufacture of FBVs.

Increase in input costs, currency fluctuation, delays in execution and interest cost burden can have a negative impact on profitability.

Internal Control Systems

The Company has an established and comprehensive internal control mechanism and management structure in place across all its business functions that ensure the Company's assets are duly recorded at fair value as per standard accounting practices and safeguarded against all and any loss from unauthorized use or disposal.

Internal Control systems are implemented:

1. To safeguard the Company's assets from loss or damage.
2. To keep constant check on cost structure and process loss.
3. To provide adequate financial and accounting controls and implement accounting standards.
4. To maintain proper accounting record and statutory compliances.
5. For appropriate use of Company funds.

The systematic implementation of Internal Control Systems and policies has resulted in the use of funds in the most efficient and appropriate manner. The top management and Audit Committee of the Board review the findings and the recommendations of the internal audit team as well as outside auditors and are empowered by the Board to take up and investigate any matter flagged by the internal audit team.

Cautionary Statement

Statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be "Forward-looking statements" within the meaning of applicable securities laws and regulations. However, actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes and other incidental factors.

Corporate Social Responsibility

CEBSCO, a professionally managed organization with an energetic team of experienced and dynamic young engineers, is committed to achieving excellence through continual improvement in operational activities and the use of environment-friendly technologies. Our aim is to add value to important community plans while enhancing our own understanding of the people and places we serve.

Our focus has always been on empowering the community by undertaking social welfare and community development measures in the field of healthcare, education, child development, promotion of cultural activities, etc. We will continue to practice our commitments vigorously through each of our businesses as we strive to create value, long-term sustainable development, and contribute to nation building. We endeavor to make a positive contribution to the community by focusing on development and investment program along with preserving the environment by following best business practices that are eco-friendly. The Company is conscious of its responsibilities towards the communities in whose midst the manufacturing and business operations are conducted which includes:

- Planting trees in and around plant locations towards proving a clean and green environment for the purpose it has been decided to do the plantation works in the following manners in the Factory -premises or outside the premises.
- On the visit of Guests & Govt. Officials
- On the visit of Customers
- On the Birthday & Marriage Anniversary of CEBSCO employees



- Distribution of books, school bags, shoes, clothes & awarding scholarships to deserving students



- Distribution of Ceiling fan, Mat, Carpet in Govt. School- under the program we distributed above gifts to the govt. school.



- Providing free water tanker service to nearby villagers and drinking water facilities at public places specially during the summer season



- Organized Mid-Day meal for local school children with parent/ guardian on certain occasions.



BLOOD DONATION CAMP

“रक्तदान जीवन दान”
“Donate Blood Save Life”

“मानव है; मानवता में प्राण परे। सकल्पित हों सभी, आओ रक्तदान करें।”

CEBBBO CSR

*If you donate Money,
You give Food
But if you donate Blood
You give Life.....*

*Donate your
Blood
and make a difference...*

CEBBBO
Commercial Engineers & Body Builders Co. Ltd.

IN ASSOCIATION WITH

+ Indian Red Cross Society

ORGANISES

BLOOD DONATION CAMP '13

ON

SATURDAY, DECEMBER 28th, 2013

10 AM ONWARDS

Venue: CEBBBO I, Rajhat Industrial Area, Jabalpur (M.P.)

“मानव है; मानवता में प्राण परे। सकल्पित हों सभी, आओ रक्तदान करें।”



जबलपुर नगर संस्करण, 30-12-2013 :DigitalEdition

रक्त दान महा दान

• जबलपुर इंडियन रेडक्रास सोसायटी, जिला शाखा द्वारा कमर्शियल इंजीनियर्स एंड बॉडी बिल्डर्स कम्पनी लिमिटेड में रक्तदान शिविर का आयोजन किया गया। जिसमें कर्मचारियों एवं अधिकारियों द्वारा 52 यूनिट रक्तदान किया गया। शिविर का संचालन प्रभारी रमेश नायडू द्वारा किया गया। शिविर में अजय कुमार सिंह, उमाकांत मिश्रा, डिप्टी मैनेजर एवं समस्त सदस्य का सहयोग रहा।

- Arranged Blood Donation Camp through Indian Red Cross society Jabalpur



- Organized successfully Health Check up & Eye Check up camp at factory premises



Our focus has always been on empowering the community by undertaking social welfare and community development measures in the field of healthcare, education, promotion of cultural activities, etc. We will always try to continue to practice our commitments vigorously through each of our businesses as we strive to create value, long-term sustainable development, and contribute to nation building. We endeavor to make a positive contribution to the community by focusing on development and investment program along with preserving the environment.

Safety, Health & Environment

The Company has environmental, health and workplace safety programmes in place and has established policies and procedures aimed at ensuring compliance with applicable legislative requirements. The Company believes that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of workplace hazards for the protection of all is of utmost importance. The Company's training programmes on health

and safety reach out to all the people and ensure their commitment to follow the same in their day-to-day activities. Measures for the safety of employees' training, welfare and development continue to get top priority at all levels, which are reflected in the improved quality and efficiency. This is achieved by:

- Investigating the causes of accidents and incidents and developing effective preventative and remedial action
- Training employees to carry out their jobs safely and productively, maintaining a high degree of emergency preparedness
- Requiring vendors and contractors to comply with applicable safety and health standards

We organize time to time training / awareness programs and also celebrates safety week every year between 04th March to 10th March to stop such incidents and to aware employees as follows:



Human Resource

"Human Resources aren't a thing we do. It's the thing that runs our business."

- Steve Wynn

The Company's human resources are its biggest asset. The Company continuously reviews HR policies and practices and carries out necessary improvements to attract and retain best talent and build intellectual capital.

Continuous nurturing of talent and helping employees in their career aspirations is one of the biggest challenges addressed through several structured initiatives, which has resulted in people being respected, their performance being rewarded and aiding employees in realizing their potential.



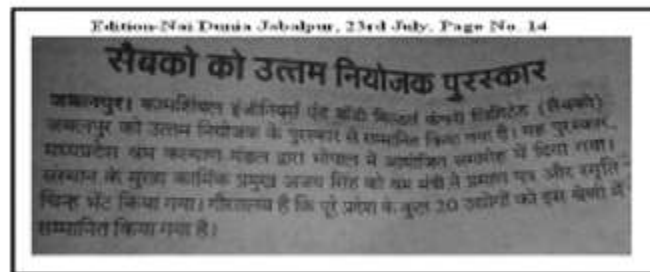
As being professionally managed organization since inception, we have an inclusive HR program that supports our employees' professional aspirations. The management also plays a key role in integrating people across the Company's various facilities and inculcating in them a culture of transparency, which has always been the hallmark of CEBSCO's HR practices and as a part of our effort at employee engagement, the Company conducted Blood Donation Camp through Indian Red Cross Society and also Health Check / Eye Check up camp inside our company premises apart of this we facilitate with a MBBS Doctor who visits on regular basis for general health check up of our employees.

We got awarded by Shram Kalyan Mandal as best employer for the year 2013-14 by Labour Minister MP.

20th July, 2014 has been a memorable day for all of us which marked the glory of our organization when we received this glorious award on behalf from Hon' Labour Minister, Govt. of M.P. in presence of Labour Welfare Commissioner, other state dignitaries and prominent personalities of their field.



It was a matter of great pride, delight and satisfaction for all the family members of CEBBO that our organization has been adjudged as the "Best Contributor" towards labour welfare activities by the Government Organization, M.P.Shram Kalyan Mandal, in recognition of our excellent and efficacious contribution in this arena, the Mandal (Board) has bestowed our organization with the coveted award of "Best Employer Award" as our contribution and allied labour welfare activities have contributed a lot to the Shram Kalyan Mandal to augment their labour welfare activities. Thus our organization was amongst the other 19 prominent organization.



Under our PMS program we evaluate our employee's performance on a qualitative as well as quantitative scale on annual basis that provides an indicator how each person's career should progress. Since investing in our employees is synonymous with investing in the Company's future, we never fail to identify and reward the extraordinary efforts of our employees; in fact, we provide opportunities for rapid advancement to our employees to match their aspirations and ambitions.

Commercial Engineers & Body Builders Co Ltd.

Regd. Office: 84/105-A, G T Road, Kanpur Mahanagar, Kanpur (U.P.) PIN 208003

Corporate Identity Number: L24231UP1979PLC004837

Telephone No: 0512-2520291 Website: www.cebbco.com

NOTICE

of the 34th Annual General Meeting of the Shareholders

Notice is hereby given that the 34th Annual General Meeting of the Members of Commercial Engineers & Body Builders Co Limited will be held on Monday, the 29th September, 2014 at 3.00 PM. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003 (U.P.), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended March 31, 2014 and the Balance Sheet of the Company as on that date together with the Report of the Directors thereon and the report of the Auditors thereon.
2. To appoint a Director in place of Dr. Kailash Gupta (DIN 00004951), Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that in accordance with applicable provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 37th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., and on such terms and conditions as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. "To consider and if thought fit, to pass, with or without modification, the following resolution **as Ordinary Resolutions:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the

Listing Agreement, **Mr. Anil Joshi (DIN:00019927)**, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 29, 2014 and that he shall not retire by rotation."

"RESOLVED FURTHER that pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, consent of the Company be and is hereby accorded for payment of such fees and profit-related commission to **Mr. Anil Joshi** as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

5. "To consider and if thought fit, to pass, with or without modification, the following resolution as an **ordinary resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, **Mr. Prabhakar Dalal (DIN 00544948)**, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 29, 2014 and that he shall not retire by rotation."

"RESOLVED FURTHER that pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, consent of the Company be and is hereby accorded for payment of such fees and profit-related commission to **Mr. Prabhakar Dalal** as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

6. "To consider and if thought fit, to pass, with or without modification, the following resolution as an **ordinary resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, **Mr. Prakash Y Gurav (DIN 02004317)**, who has submitted a

declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 29, 2014 and that he shall not retire by rotation."

"RESOLVED FURTHER that pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, consent of the Company be and is hereby accorded for payment of such fees and profit-related commission to **Mr. Prakash Y Gurav** as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

7. "To consider and if thought fit, to pass, with or without modification, the following resolutions as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, **Mr. Venkat Raja Manchi Rao (DIN 00110363)**, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 29, 2014 and that he shall not retire by rotation."

"RESOLVED FURTHER that pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, consent of the Company be and is hereby accorded for payment of such fees and profit-related commission to **Mr. Venkat Raja Manchi Rao** as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

8. "To consider and if thought fit, to pass, with or without modification, the following resolutions as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, **Mrs. Nandini Malpani (DIN 01528303)**, who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 15th July, 2014, Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, and who holds office upto the date of this Annual

General Meeting, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received, **Mrs. Nandini Malpani**, be and is hereby appointed as a Non Executive Director of the Company whose period of office shall be liable to determination by retirement by rotation."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant Section 14 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association, in keeping with the requirements of the stock exchanges and the Securities and Exchange Board of India, consent of the members be and is hereby accorded for alteration to the provisions of Article 77(1) of the Articles of Association of the Company by substituting the said Article by the following:

'77. The remuneration payable to the Directors of the Company shall be as hereinafter provided:-

- (1) The remuneration of each Director for each Meeting of the Board and of any Committee of which he is a Member that is attended by him, shall be such sum not exceeding the maximum amount stipulated under the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.'

RESOLVED FURTHER THAT Mr. Anurag Misra, Company Secretary, be and is hereby severally authorized to take all such steps to effect the alteration of its Articles and Association, including, without limitation, filings of forms, statements and other documents with the concerned Registrar of Companies."

10. **ALTERATION OF CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 13 and 61 and such other applicable provisions, if any, of the Companies Act, 2013 ("Act") consent of the Company be and is hereby accorded for alteration of the Authorized Share Capital of the Company from Rs. 75,05,00,000 (Seventy Five Crore And Five Lakhs) divided into 7,50,00,000 (Seven Crore Fifty Lakhs) Equity Shares of Rs. 10 (Rupees Ten) each, amounting to Rs. 75 crore (Rupees Seventy Five crore) and 5,000 (Five Thousand) Preference Shares of Rs. 100 (Rupees Hundred) each amounting to Rs. 5,00,000 (Rupees Five Lakhs) to Rs. 75,05,00,000 (Seventy Five Crore And Five Lakhs) divided into 5,50,50,000 (Five Crore Fifty lakh and Fifty Thousand) Equity Shares of Rs. 10 (Rupees Ten) each, amounting to Rs 55,05,00,000 (Rupees Fifty Five Crore and Five lakhs) and 20,00,000 (Twenty Lakh) Preference Shares of Rs. 100 (Rupees Hundred) each amounting to Rs 20 crore by re-classifying the existing 1,99,50,000 (One Crore Ninety-nine Lakhs And Fifty Thousand) Equity Shares of Rs. 10 (Rupees Ten) each into 19,95,000 (Nineteen Lakh and ninety Five thousand) Preference Shares of Rs. 100 (Rupees One Hundred) each amounting to Rs 19,95,00,000 (Rupees Nineteen Crore and ninety five lakhs)."

"RESOLVED FURTHER that pursuant to the provisions of Section 13 and such other applicable provisions, if any, of the Act, consent of the Company be an is hereby accorded for substitution of Clause V of the Memorandum of Association of the Company, with the following clause:

"The Authorized Share Capital of the Company is Rs. 75,05,00,000 (Seventy Five Crore And Five Lakhs) divided into 5,50,50,000 Equity Shares of Rs 10 each aggregating to Rs 55,05,00,000 (Rupees Fifty Five Crore and Five lakhs) and 20,00,000 (Twenty Lakhs) Preference Shares of Rs. 100 (Rupees Hundred) each, aggregating to Rs 20 Crore."

11. ALTERATION TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

(1) "RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, new Article (5) (2) be and is hereby inserted in the Articles of Association as under :

(a) Subject to the provisions of the Act, the Company shall have the power to issue preference shares which are either redeemable or convertible into Equity Shares or any other kind of preference shares as may be approved by the Company and as permitted by law.

(b) The resolution authorizing such issue shall prescribe the terms of the preference shares or shall authorize the Board to determine the terms.

(2) "RESOLVED FURTHER THAT pursuant to section 14 and other applicable provisions, if any, of the Companies Act, 2013, a new Article (5) (3) be and is hereby inserted in the Articles of Association as under:

'The preference shares issued in accordance with the provisions of this Article 5 shall be subject to the following conditions:

(a) Such preference shares shall not be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption.

(b) Such preference shares shall not be redeemed unless they are fully paid.

(c) The preference shares shall not be transferrable to any person, unless they are fully paid-up.

(d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.'

(3) "RESOLVED FURTHER THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, a new Article (5) (4) be and is hereby inserted in the Articles of Association as under:

'The Company may in general meeting alter the conditions of its Memorandum as follows:

(a) Reclassify the unissued equity share capital into preference share capital and vice-versa.'

(4) "RESOLVED FURTHER THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, a new Article (5) (5) be and is hereby inserted as under:

'Subject to the provisions of the Act, the terms of any preference shares shall not be amended by the Company without obtaining prior consent of the equity shareholders holding at least 95% of the issued and paid-up equity share capital of the Company. The liability of the holders of preference shareholders shall not be extinguished or reduced in any manner whatsoever (including by reduction of share capital of the Company) without the consent of the equity shareholders holding at least 95% of the issued and paid-up equity share capital of the Company.'

(5) RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the existing Articles (5)(2), (5)(3), (5)(4), (5)(5) and (5) (6) be are hereby renumbered as Article (5)(6), (5)(7), (5)(8), (5)(9) and (5)(10) respectively.

12. Issue and Offer of Redeemable Preference Shares on a Private Placement basis

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED that in accordance with the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the rules framed thereunder, as may be amended from time to time and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable the consent of the shareholders of the company be and is hereby accorded to the Company to offer or invite to subscribe, and to issue and allot, 20,00,000 unlisted, non-convertible, cumulative redeemable preference shares of the Company of the face value of Rs. 100/- each, for an aggregate value of Rs. 20 Crore, at par, on a private placement basis, jointly to Mr. Kailash Gupta and Mrs. Rekha Gupta, together called the "Subscribers" on such terms and conditions as set out in the Explanatory Statement annexed hereto".

"RESOLVED FURTHER that any Directors of the Company and Mr. Anurag Misra, Company Secretary, be and are hereby severally authorized to file such forms, documents, papers etc. with the Registrar of Companies."

"RESOLVED FURTHER that any Director of the Company or the Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or incidental for giving effect to the aforesaid Resolutions, including affixing the Common Seal of the Company on any document/agreement relating to the aforesaid matters in accordance with the provisions of the Articles of Association of the Company."

By Order of the Board of Directors

COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED

Anurag Misra

Company Secretary

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 26th September, 2014 to 29th September, 2014 (both days inclusive) for annual closing.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No (2), (4) to (12) to set out above furnish the details as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges in respect of Directors seeking appointment/re-appointment at this Annual General Meeting are annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. In case a proxy is proposed to be appointed by a member holding more than 10 % of the total share capital of the Company carrying voting rights, such proxy shall not act as a proxy for any other person or Member.

4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form an integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 are being sent in the permitted mode.

8. Electronic copy of the Notice of the 34th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 34th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.cebbco.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kanpur for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@cebbco.com.
10. Voting through electronic means
 - (a) The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In accordance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, through the e-voting platform of the Central Depository Services (India) Limited ("CDSL"). The e-voting facility is an alternate, to all the Members to enable them to cast their votes electronically instead of casting their vote at the Meeting.
 - (b) The voting through electronic means will commence on Monday, September 22, 2014 at 10.00 am and end on Wednesday, September 24, 2014 at 5.00 pm. The Members will not be able to cast their vote electronically beyond the date and time mentioned above. The e-voting module shall be disabled by CDSL for voting thereafter. During this period, the shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 12, 2014, may cast their vote electronically.
 - (c) The Company has appointed Mr. Umesh Maskeri, Practicing Company Secretary, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

The procedure and instructions for members for voting electronically are as under:-

In case of members receiving the Notice of AGM through e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Select the Electronic voting Sequence Number ("EVSN")
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. ● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant CEBBCO on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

- (C) The scrutinizer will submit his report to the Chairman after completion of the scrutiny. The results of the voting on the Resolutions at the AGM declared along with the Scrutinizer's Report, will be posted on the Company's website and the website of CDSL on or before October 1, 2014.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Registered Office:
84/105A, G T Road,
KANPUR (UP)

Date: 14th Aug, 2014

By Order of the Board of Directors
Commercial Engineers & Body Builders Co Limited

Anurag Misra
Company Secretary

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND CLAUSE 49 OF THE LISTING AGREEMENT

Re: Item No. : 4 - Details pursuant to clause 49 of the Listing Agreement:

Mr. Anil Joshi, 70, is a post graduate in Physics- Electronics from the Bombay University and also holds a diploma in Business Management from Pune University. Mr. Joshi has worked in various capacities with the Bank of Maharashtra. In May, 1997 he was appointed "Executive Director" with Indian Bank, Chennai and from May 2000 to 2003, he was the Chairman & Managing Director of Dena Bank.

Mr. Joshi is currently Director in the following Companies -

S.No.	Name of the Company(s) in which director	Nature of Position
1	Videocon Industries Limited	Independent Director
2	Unity Infra Projects Limited	Independent Director
3	Aplab Limited	Independent Director
4	Tarmat Limited (Earlier Known as Roman Tarmat Ltd.)	Independent Director
5	GDA Trusteeship Limited	Independent Director
6	Saraswat Coop. Bank Limited	Independent Director

Mr. Joshi has received several awards and recognitions for his excellence and achievements in the banking field and for his interest in and support extended to various cultural activities, especially Indian classical music.

Mr. Joshi does not hold any shares in the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

The Board recommends the ordinary resolution set out in item no. 4 of the Notice for approval by the shareholders.

Re: Item No. : 5 - Details pursuant to clause 49 of the Listing Agreement:

Mr. Prabhakar Dalal is a highly experienced banker in commercial and development banking, with extensive international exposure. After joining UCO Bank as Probationary Officer and serving in various verticals and centres of the Bank including as Branch Manager, for 6 years, Mr. Dalal joined Export-Import Bank of India, a premier all-India financial institution, wholly owned by the Government of India, at its inception and was an integral part of the institutional development and business expansion journey of Exim Bank, for over 31 years. Mr. Dalal has worked as the Executive Director of Exim Bank for over 3 years and, upon superannuation, has served as a Senior Advisor of the Bank.

Mr. Dalal has more than thirty seven years of rich and varied experience in the banking industry including extensive international exposure. Mr. Dalal has a post graduate degree in Commerce (M.Com), a degree in law (LL.B) and a certificate in banking (CAIIB). Mr. Dalal also holds a post graduate diploma in Foreign Exchange & Risk Management (PGDFERM) and is a Fellow of the Indian Institute of Banking & Finance (FIIBF).

Mr. Dalal has served/been serving as Nominee Director on the Boards of several companies in the pharmaceuticals, textiles, engineering and finance sectors. Mr. Dalal is currently Director in the following Companies -

S.No.	Name of the Company(s) in which director	Nature of Position
1	Arvind Limited	Nominee Director
2	GOL Offshore Limited	Nominee Director
3	Ajanta Pharma Limited	Independent Director
4	Zicom Electronic Security Systems	Independent Director

Mr. Dalal does not hold any shares in the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

The Board recommends the ordinary resolution set out in item no. 5 of the Notice for approval by the shareholders.

Re: Item No. : 6 - Details pursuant to clause 49 of the listing agreement:

Mr. P Y Gurav is a qualified Chartered Accountant with more than 35 years of experience. For 19+ years, he was associated with Cummins India Limited, a subsidiary of Cummins Inc., USA, one of the renowned companies in the world, engaged in design, development, manufacture and sale of IC engines for various applications, mainly for automotive and captive power equipment. He was on the Board of Cummins India Limited as an alternate Director and was also on the Board of many Cummins entities in India. He led the Finance function and was a member of senior management operations team, responsible for oversight of Cummins India operations.

Mr. Gurav has worked for over 12 years at Tata Motors Limited ("TML") and was Senior Vice President - Corporate Finance at the time of his retirement. He had set up captive "Shared Service' at TML and led the initiative of listing of TML at the New York Stock Exchange, USA. He was on the Board of many TML subsidiaries. He has an extensive experience in Financial Reporting, Taxation, Costing, IT and Business Management.

Currently, Mr. Gurav is associated with Tata Capital Limited as Senior Advisor - Private Equity Group and is on the Board of the following companies.

S.No.	Name of the Company(s) in which director	Nature of Position
1	Powerica Limited	Non-Executive Director
2	Adithya Automotive Applications Pvt Limited	Non-Executive Director
3	Kolte-Patil Developers Limited,	Non-Executive Director

He does not hold any shares in the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

The Board recommends the ordinary resolution set out in item no. 6 of the Notice for approval by the shareholders.

Re: Item No. : 7 - Details pursuant to clause 49 of the listing agreement:

Mr. M Venkat Rajarao holds a Bachelor of Engineering (Metallurgy) form Regional Engineering College, Surathkal, Karnataka State. He has also attended the short term executive programmes of TMETC, IIM Ahmedabad, Harvard Business School (programme in Pune) & Darden Business School (USA).

Mr Rajarao has an overall industry experience of more than 40 years, almost entirely with Tata Motors Limited from where he retired as President (manufacturing) looking after the Pune plant. After his Superannuation, in November 2007, he joined Tata Hispano Motors Carrocera, S.A, Zaragoza, Spain, a wholly owned subsidiary of Tata Motors Limited, manufacturing high end city buses and coaches for the European markets as its CEO.

During his tenure in TML he looked into areas of manufacturing in Foundry, Production Engineering, Capital investments, Tools Engineering, and vehicle aggregate manufacturing and vehicle assembly lines of SUVs, LCVs, and M&HCVs

Mr. Rajarao does not hold any shares in the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the Resolution at Item No. 7 of the accompanying Notice.

The Board recommends the ordinary resolution set out in item no. 7 of the Notice for approval by the shareholders.

Re: Item No. : 8 - Details pursuant to clause 49 of the listing agreement:

Mrs. Nandini Malpani, 39, is Bachelor in Architecture and has experience of about 11 years in the automobiles sector.

Mrs. Malpani is currently Director in the following Companies -

S.No.	Name of the Company(s) in which director	Nature of Position
1	Commercial Automobiles Pvt Limited	Director
2	Kailash Motors Finance Pvt Limited	Director
3	Commercial Automobiles Jabalpur Pvt Limited	Director
4	J.N. Auto Limited	Director
5	Anubha Engineering Limited	Director
6	Shri Crushtone Manufacturing Company Pvt Limited	Director

Mrs. Nandini Malpani holds 3213443 (5.85%) Equity Shares of Rs. 10/- each in the company as on 31st March 2014 as a Trustee of Jashn Beneficiary Trust (Promoter Group Trust).

None of the directors, except Mrs. Nandini Malpani and her father, Mr. Kailash Gupta, Director of the Company, is concerned or interested in the said resolution.

The Board recommends the ordinary resolution set out in item no. 8 of the Notice for approval by the shareholders.

Re: Item No. 9 - Amendment in Article No. 77 of the Articles of Association of the Company

The existing Articles of Association of the Company provide for remuneration of each Director for each meeting of the Board or Committee of the Board attended by him shall be such sum (not exceeding Rs. 250/- per meeting) as may be determined by the Board from time to time.

Keeping in mind the time and efforts of the Director; it is proposed to enhance this amount to such sum not exceeding the maximum amount stipulated under the Companies Act, 2013 and the Rules framed there under, as may be amended from time to time, for each Director for each Meeting of the Board and of any Committee of which he is a Member that is attended by him.

All of the Directors are concerned and interested in the Resolution at Item No. 9 of the accompanying Notice.

The Board recommends the special resolution set out in item no. 9 of the Notice for approval by the shareholders.

Re: Item No.10 and 11

The Authorized Share Capital of the Company as specified in the Capital Clause of the Company's Memorandum of Association is 7,50,00,000 Equity Shares of Rs. 10/- each, amounting to Rs. 75 Crore and 5,000 Preference Shares of Rs.100/- each, amounting to Rs. 5 lakhs.

The status of share capital issued and paid up as June 30, 2014, is furnished below:

Particulars	Equity Share Capital	Preference Share Capital
Authorised Capital	7,50,00,000 Equity shares of Rs. 10/- each, amounting to Rs. 75,00,00,000/-	5,000 Preference Shares of Rs. 100/- each, amounting to Rs.5,00,000/-
Issued, subscribed and paid-up Capital	5,49,42,964 Equity shares of Rs. 10/- each amounting to Rs. 54,94,29,640	Nil
Head room available for issue of additional shares	2,00,57,036 Equity shares of Rs. 10/- each, amounting to Rs.20,05,70,360	5,000 Preference Shares of Rs. 100/- each, amounting to Rs. 5,00,000/-

In order to strengthen the long term financial resources and also to enhance the net worth of the Company, it has been proposed to infuse funds into the Company through the issue of Non-convertible Cumulative Redeemable Preference Shares ("NCRPS") to be offered to such persons and on such terms as may be decided by the Board. For making this proposal effective, the approval of the Shareholders to the Ordinary Resolutions at Item Nos. 10 and 11 of the accompanying Notice is necessary.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives except Mr. Kailash Gupta is concerned or interested in the passing of the Special Resolutions at Item Nos. 10 and 11.

The Directors commend the Resolutions at Item Nos. 10 and 11 of the accompanying Notice for the approval of the Members of the Company.

Re: Item No. 12

Section 62 of the Act read with the Companies (Share Capital & Debentures) Rules, 2014, provides, inter alia, that whenever it is proposed to increase the subscribed capital of a company by issue of further shares, such shares may be offered to any persons, whether or not those persons are holders of the equity shares of the company or employees of the company, if authorized by way of a Special Resolution.

Furthermore, as per Section 42 of the Act, read with the Rules framed there under, a company offering or making an invitation to subscribe to securities, including Redeemable Preference Shares on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, for each of the offers and invitations.

The approval of the Members is accordingly being sought by way of a Special Resolution under Sections 42, 55 and 62 of the Act read with the Rules made there under, for the issue of Non-convertible Cumulative Redeemable Preference Shares ("NCRPS") aggregating an amount not exceeding Rs. 20 Crore and to offer and allot the NCRPS on a private placement basis on the terms and conditions set out hereunder.

STATEMENT OF DISCLOSURES

Given below is a statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of the NCRPS:

1. The NCRPS shall be cumulative, non participating, non-convertible and redeemable.
2. The objective of the issue is to raise funds to strengthen the long term capital base of the Company.
3. The NCRPS will be issued and offered on a private placement basis in accordance with the provisions of Section 42 of the Act and the rules made there under jointly to Mr. Kailash Gupta and Mrs. Rekha Gupta, together called the "Subscribers", who shall subscribe to such NCRPS on the terms set out herein.
4. Other terms:

Instrument	Non-Convertible Cumulative Redeemable Preference Shares ("NCRPS")
Issue Size	20,00,000 NCRPS of Rs. 100/- each aggregating to Rs 20 crore
Issue Price	NCRPS will be issued at par value of Rs. 100/- each.
Basis for Issue Price	Since the NCRPS are being at face value, the provisions relating to providing the basis for issue price are not applicable.
Private Placement	NCRPS are being issued on private placement jointly to Mr. Kailash Gupta and Mrs. Rekha Gupta
Subscribers/Investors	Jointly Mr. Kailash Gupta and Mrs. Rekha Gupta
Offer Period	Within 7 days from the date of approval from the Shareholders at the General Meeting to December 31, 2015 as per the payment dates mentioned below.
Payment Dates on the NCRPS	The NCRPS shall be issued on a partly paid basis with Rs.5/- to be paid on each NCRPS on application, Rs. 25/- per each NCRPS shall be payable on December 31, 2014; Rs. 15/- per each NCRPS shall be payable on March 31, 2015; Rs. 30/- per NCRPS shall be payable on September 30, 2015 and the balance Rs. 25/- per NCRPS shall be payable on December 31, 2015.

	<p>The Payment Dates will be deemed to be respective call date by the Company, on which payment of amounts (as agreed in the terms of NCRPS) by the Subscribers towards subscription price of the shares will be mandatory, without requiring any further action from the Company.</p>
Forfeiture in the event of non-payment	<p>In case the subscriber fails to make the payment on any payment date, grace period of 45 days may be given on case to case basis subject to approval of the Board of Directors and in case the default continues even after expiry of grace period; all such amounts paid until such date on such NCRPS shall be forfeited by the Company, without requiring any further act by any person.</p>
Rate of Dividend	<p>The dividend payable on the NCRPS will be 0.00001%, per annum. The holder of each NCRPS shall be entitled to preferential dividend at the rate of 0.00001%, per annum. In any event, no dividend will be payable unless the shares are fully paid-up.</p>
Non-participating	<p>The NCRPS will be non-participating shares. There will be no right to participate in any surplus funds or any surplus assets or profits.</p>
Non-voting	<p>The holders of the NCRPS shall not have any voting rights except to the extent required under law.</p>
Unlisted	<p>The NCRPS shall not be listed on any stock exchange.</p>
Priority / Preferential Rights	<p>The NCRPS shall have a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital.</p>
Credit Rating	<p>The NCRPS are not being rated by any rating agency</p>
Conversion	<p>The NCRPS are non-convertible and shall not be convertible into equity shares during its tenure</p>
Transferability	<p>The NCRPS cannot be transferred to any person unless they are fully paid-up.</p>

Terms of Redemption	Redemption at par in accordance with Section 55 of the act, out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of redemption, on the 10th anniversary of the date of allotment. The NCRPS shall not be redeemable prior to 10 years from the date of allotment.
Tenure of NCRPS	10 years. There shall be no put or call option on the NCRPS
Expected dilution in equity capital upon conversion of preference shares	Nil, since the NCRPS are non-convertible
Listing	The NCRPS will not be listed on any stock exchange
Creation of charge on assets of Company	The issue of NCRPS will not necessitate creation of any charge on the assets of the Company
Amendments to the terms of the NCRPS	Subject to the provisions of the Act, the terms of any NCRPS shall not be amended by the Company without obtaining prior consent of at least 95% of the equity shareholders of the Company.
Liability of NCRPS holders	<p>The terms of the preference shares cannot be amended by the Company without the consent of equity shareholders holding at least 95% of the issued and paid-up equity share capital of the Company.</p> <p>The liability of the preference shareholders shall not be extinguished or reduced in any manner (including by reduction of share capital) without the consent of equity shareholders holding at least 95% of the issued and paid-up equity share capital of the Company.</p> <p>The redemption date of the NCRPS cannot be amended by the Company without the consent of equity shareholders holding at least 95% of the issued and paid-up equity share capital of the Company.</p>

The current equity shareholding pattern of the Company is as under:

Sr. No.	Equity Shareholder	Percentage of holding (%)
1	PROMOTER INDIVIDUALS	49.91
2	OTHER RESIDENT INDIVIDUALS	21.25
3	VENTURE CAPITAL FUND	10.93
4	BODIES CORPORATES	7.71
5	PROMOTER TRUST	5.85
6	MUTUAL FUNDS	2.02
7	H U F	1.33
8	NON RESIDENT INDIANS	0.52
9	FOREIGN INSTITUTIONAL INVESTORS	0.36
10	CLEARING MEMBERS	0.04
11	PROMOTERS BODIES CORPORATE	0.05
12	OTHER TRUSTS	0.01
	TOTAL	100.00

The issue of NCRPS is in accordance with the provisions of the Articles of Association of the Company subject to the amendment thereof as proposed in the Notice convening the ensuing Annual General Meeting of the Company. There is no subsisting default in the redemption of preference shares issued by the Company or in payment of dividend due on any preference shares issued by the Company. All allotments with respect to previous offers / invitations have been completed.

None of the Directors or Key Managerial Persons of the Company except Mr. Kailash Gupta and Mrs. Nandini Malpani, Directors, may be deemed to be concerned or interested in the Resolution at Item No. 12. Mr Kailash Gupta may be deemed to be interested in the said Resolution to the extent of the NCRPS that may be subscribed by him or by his wife. Mrs. Nandini Malpani, being the daughter of Mr. Kailash Gupta, may be deemed to be interested in the Resolution.

The Directors commend the Resolution at Item No. 12 of the accompanying Notice, for the approval of the Members of the Company.

By Order of the Board of Directors

For Commercial Engineers and Body Builders Co Limited

Anurag Misra

Company Secretary

August 14th, 2014

Registered Office:

105-A, G.T. Road, Kanpur,

Mahanagar,

Kanpur-208003

Uttar Pradesh

Corporate Identification Number: L24231UP1979PLC004837

Telephone: 0512-2520291

Email: cs@cebbco.com

Website: www.cebbco.com

Director's Report 2013-14

To the Members of

Commercial Engineers & Body Builders Co Ltd

Your Directors present the 34th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2014.

Financial Highlights

Particulars	In Rs. Lacs	
	2013-14	2012-13
Gross Sales	18536.94	59,041.79
Other Income	268.71	138.41
Loss/Profit Before Tax	(6773.11)	3,350.11
Provision for Tax	269.97	1,499.55
Loss/Profit After Tax	(7043.08)	1,850.56
Balance Brought Forward From Previous Year	9052.57	7,459.14
Balance C/F to Balance Sheet	2266.61	9052.57

Performance at Glance

The Company has recorded gross sales of Rs. 18536.94 Lacs in the financial year 2013-14, which is 68.60% lower as compared to that in the previous financial year.

The Company recorded a Loss before tax of Rs. 6773.11 Lacs (Previous year: Profit before tax of Rs 3,350.11 Lacs).

The Loss after tax was Rs. 7043.08 Lacs (Previous year: Profit after tax of Rs. 1,850.56 Lacs)

Further Company has recorded a loss of Rs. 16.91 Crores against the gross sales of Rs. 42.34 Crores in the First Quarter of the Current Fiscal (2014-15).

Dividend

No dividend is recommended for distribution to the members for the year under review as the company has incurred losses.

Directors

The Board of Directors currently consists of the following persons:

Mr. Anil Gopal Joshi - Chairman and Independent Director (Appointed on 15th July, 2014)

Dr. Kailash Gupta - Non Executive Director (Promoter) (Appointed on 15th July, 2014)

Mr. Prakash Y Gurav - Independent Director (Appointed on 15th July, 2014)

Mr. Prabhakar Dalal - Independent Director (Appointed on 15th July, 2014)

Mr. Venkat Raja Manchi Rao - Independent Director (Appointed on 15th July, 2014)

Mrs. Nandini Malpani - Non Executive Director (Promoter) (Appointed on 15th July, 2014).

The following persons who were Directors of the Company have resigned as Directors on 16th July, 2014:

Mr. Sevantilal Popatlal Shah - Independent Director (Resigned w.e.f. 16th July, 2014)

Mr. Sudhir K Vadehra - Independent Director (Resigned w.e.f. 16th July, 2014)

Mr. Ravi Gupta - Independent Director (Resigned w.e.f. 16th July, 2014)

Corporate Governance

Pursuant to Clause 49 of the Listing Agreements with Stock Exchanges a separate Report on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance forms part of the Annual Report.

Auditors

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm's Registration Number-117366W/W-100018), Chartered Accountants, 32nd Floor, Tower 3, India Bulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (west), Mumbai-400 013, Statutory Auditors of the Company would retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. In accordance with the applicable provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, the Board recommends their re-appointment as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 37th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Out Go

Your Company has been continuously making efforts to conserve energy in all possible ways.

During the year under review, the Company has not absorbed any Foreign Technology.

During the year under review, the Company had Foreign Exchange Earnings of Rs. Nil and Foreign Exchange Outgo of Rs. 20.01 Lacs.

Employees

There is no employee in the Company whose particulars are required to be disclosed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and the amendments thereto.

Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

- i) That in preparation of Accounts for the financial year ended 31st March, 2014 the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit/loss of the Company for the year under review.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
- iv) That the Directors have prepared the Annual Accounts for the Financial year ended 31st March, 2014 on a going concern basis.

Acknowledgements

Your Directors take this opportunity to express their gratitude to the customers, employees, bankers / financial institutions and vendors for their continued support and guidance.

For on behalf of the Board
Commercial Engineers & Body Builders Co Ltd

Place : Jabalpur
Date : 14th August 2014

Anil Joshi
Chairman

Report on Corporate Governance

1. A brief statement on Company's philosophy on code of Corporate Governance

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, lenders and the Government. We believe that "learning is a continuous exercise" and will enshrine ideals and values, which have been guiding force of Company's philosophy on corporate governance in all activities of the Company.

2. Board of Directors

a.) The composition of the Board of Directors is as follows:

In line with the revised Clause 49 of the Listing Agreement on Composition of Board of Directors, the Board has an optimum mix of Executive, Non-Executive and Independent Directors. The Chairman cum Managing Director and Chief Executive officer manage the day to day affairs of the Company.

The Board met 7 times during the year 2013-14 i.e. on 25th April, 2013, 28th May, 2013, 18th June, 2013, 17th July, 2013, 12th August, 2013, 25th October, 2013 and 11th February, 2014.

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sr. No.	Designation	Name of Director	Position	No of Board Meetings (Attendance)	Last AGM Attendance
1.	Managing Director/ Chairman	Dr. Kailash Gupta	Promoter Executive	6	Present
2.	Director	Mr. Sevantilal Popatlal Shah	Non-Executive Independent	6	Absent
3.	Director	Mr. Sudhir Kumar Vadehra	Non-Executive Independent	2	Absent
4.	Director	Mr. Ravi Gupta	Non-Executive Independent	7	Present
5.	Director	Mr. Praveen Kumar	Non-Executive Independent	1	Absent

b.) Details of Directorships/ Board Committee memberships held by the Directors of the Company in other companies:

Sr. No.	Name of Director	Directorship held in other companies (including Private Companies)	Position held as Chairperson of Board Committee	Position held as Board Committee member
1.	Dr. Kailash Gupta	10	-	-
2.	Mr. Sevantilal Popatlal Shah	2	-	-
3.	Mr. Sudhir Kumar Vadehra	1	-	-
4.	Mr. Ravi Gupta	2	-	-
5.	Mr. Praveen Kumar	2	-	-

c.) No. of Shares held by the Directors: (position as on 31.03.2014)

Sr. No.	Designation	Name of Director	Position	No. of Shares held	%
1.	Managing Director/ Chairman	Dr. Kailash Gupta	Promoter Executive	23927050	43.55
2.	Director	Mr. Sevantilal Popatlal Shah	Non-Executive Independent	NIL	-
3.	Director	Mr. Sudhir Kumar Vadehra	Non-Executive Independent	NIL	-
4.	Director	Mr. Ravi Gupta	Non-Executive Independent	NIL	-
5.	Director	Mr. Praveen Kumar	Non-Executive Independent	NIL	-

d.) Code of Conduct for Board Members and Senior Management :

A declaration regarding compliance by the Board and Senior Management as defined in Clause 49 I (A) of the Listing Agreement of Code of Conduct is separately annexed to this report.

3. **Audit Committee**

- a.) Brief description of terms of reference of the Audit Committee include
- Regular review of accounts, accounting policies and disclosures.
 - Review the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit.
 - Review any qualifications in the draft audit report.
 - Establish and review the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
 - Upon completion of the audit, attend discussions with the independent auditors to ascertain any area of concern.
 - Establish the scope and frequency of the internal audit, review the findings of the internal auditors and ensure the adequacy of internal control systems.
 - Examine reasons for substantial defaults in payment to depositors, debenture holders, shareholders and creditors.
 - Examine matters relating to the Director's Responsibility Statement for compliance with Accounting Standards and accounting policies.
 - Oversee compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
 - Examine any related party transactions i.e. transactions of the Company that are of a material nature with promoters or management, their subsidiaries, relatives etc. that may have potential conflict with the interests of the Company.
 - Appointment and remuneration of statutory and internal auditors.
 - Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.
 - monitoring of the use of the Net Proceeds of the Fresh Issue
- b.) Composition, name of members and chairperson.

The composition of the Audit Committee is as under

- i) Mr. Ravi Gupta - Chairman
- ii) Mr. Praveen Kumar (Resigned as member of Board & Committee thereof w.e.f. 27th May, 2014)

iii) Mr. Sevantil Popatlal Shah

iv) Mr. Sudhir Kumar Vadehra (Inducted as member w.e.f. 13th May,2014)

The Company Secretary of the Company acts as the Secretary to the Audit Committee.

c.) Audit Committee Meetings were held on 28th May 2013, 12th August 2013, 25th October 2013 and 11th February 2014. The attendances of the members are as follows:-

Sr. No.	Date of Audit Committee Meeting	Attendance of Directors		
		Mr. Ravi Gupta	Mr. S. P Shah	Mr. Praveen Kumar
1	28 May, 2013	Y	Y	Y
2	12 August, 2013	Y	Y	N
3	25 October, 2013	Y	Y	N
4	11 February, 2014	Y	Y	N

Y-Attended N-NotAttended

4. Remuneration Committee

a.) **Brief description of terms of references of the Remuneration Committee includes:**

- Determine the remuneration, review performance and decide on variable pay of executive Directors.
- Establish and administer employee compensation and benefit plans.
- Determine the number of stock options to be granted under the Company's Employees Stock Option Schemes and administer any stock option plan.
- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

b.) **Remuneration Policy :**

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis and is in consonance with the existing industry practice.

c.) The committee consists of following directors:

- i) Mr. Sevantilal Popatlal Shah
- ii) Mr. Ravi Gupta
- iii) Mr. Sudhir Vadehra

During the year under review, none of the meetings of the Committee were held.

d.) Details of remuneration paid to the Managing Director for the Financial Year 2013 -2014

Name of Director	Dr. Kailash Gupta
Designation	Chairman cum Managing Director
Salary, contribution to PF, perquisites & Commission (Rs.)	Rs. 48,00,000/-

The above excludes amounts pertaining to gratuity for the year as the same is provided on the basis of the actuarial valuation for the Company as a whole.

e.) Salient features of terms of appointment

Dr. Kailash Gupta	Terms of appointment
Salary	Monthly basic salary of Rs. 800,000 per month
Contribution to Provident Fund	As per applicable laws
Gratuity	As per applicable laws

f.) No sitting fees were paid to any non-executive director for the financial year 2013-14

5. Shareholders / Investors Grievance Committee

Shareholders/Investors Grievance Committee of the Board would be responsible for addressing investors'/shareholders' grievance, for example non-receipt of share certificates after transfer, loss of share certificates, dividend related issues and matters connected therewith. The Investor Grievance Committee is constituted on the following terms of reference:

1. Supervise investor relations and redressal of investor grievance in general and relating to non-receipt of dividends, interest, and non-receipt of balance sheet in particular.

2. Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

a.) Composition:

- i) Mr. S. P. Shah - Chairman
- ii) Mr. Kailash Gupta
- iii) Mr. Ravi Gupta

b.) Name and designation of Compliance Officer:

Mr. Anurag Misra designated as a Compliance Officer as per Clause 47 of the Listing Agreement entered with The Bombay Stock Exchange Limited and National Stock Exchange Limited, Mumbai.

c.) Details of requests received and redressed during the year 2013-14:

Sr. No.	Particulars	Received	Attended	Pending
1	Postal return documents	-	-	-
2	Receipt of DD against refund order from Company/Bank	-	-	-
3	Issue of duplicate R/O	-	-	-
4	Non receipt of refund order	-	-	-
5	Clarification regarding shares	-	-	-
6	Non Receipt of Annual report	8	8	-
7	Non Receipt of Dividend Warrants	1	1	-
	Total	9	9	-

6. General Body Meetings

- a.) Details of date, location and time of the last three Annual General Meetings:

Date	Location	Time	Details of any Special Resolution
24 September, 2011	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur- 208 003. (U.P.)	03.00 P.M.	Nil
28 September, 2012	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur-208 003 (U.P.)	03.00 P.M.	Resolution under section 257 of Companies Act 1956 for appointment of Mr. Praveen Kumar on the board of the Company
28 September, 2013	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur-208 003 (U.P.)	03.00 P.M.	To obtain the approval of shareholders for the transaction with Commercial Automobiles Private Limited and Shivam Motors Private Limited in compliance of the order received from the Central Government

- b.) No Extra-Ordinary General Meeting was held in Financial Year 2013-2014.
 c.) Postal Ballots:
 No resolution was passed by postal ballot in the year 2013-14.

7. Disclosures

- a.) There are no transactions with related parties i.e. with the Promoters, Directors, Management, Subsidiaries or relatives etc. that may have potential conflict of interest of the Company at large. Transactions with related parties are disclosed in note 37 to the Accounts of the Company in the Annual Report.
- b.) The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI or other statutory authorities relating to the above.

- c.) Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others.

The Company has complied with all the mandatory requirements of clause 49 of the listing agreement.

8. Secretarial Audit

A qualified practicing Company Secretary carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audits confirm that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

9. Means of Communication

Financial results of the Company are promptly forwarded to the stock exchanges where the Company's shares are listed. The same are published within 48 hours in the newspapers namely Financial Express and Rashtriya Sahara (English & Hindi). The results are also posted on the Company's website www.cebbco.com Managements' discussion and analysis forms part of the Annual Report

10. General Shareholder Information

1. Number of Annual General Meeting : 34th Annual General Meeting
2. Date : 29th September, 2014
3. Day : Monday
4. Time : 3.00 PM
5. Venue : Stock Exchange Auditorium,
U P Stock Exchange Building,
Padam Towers, Civil Lines,
Kanpur - 208 003. (U.P.)

6. Financial Year 2014 -15

Particulars	Date
First Quarter Results	On or before August 14, 2014
Second Quarter Results	On or before November 14, 2014
Third Quarter Results	On or before February 14, 2015
Audited Annual Results	On or before May 30, 2015

7. Book Closure Date : 26th Sept., 2014 to 29th Sept, 2014
(Both dates included)

8. The shares of the Company have been listed on the Bombay Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai w.e.f. October 18, 2010. The listing fees for FY 2014-15 to both these Stock Exchanges have not been paid.

Details of share price movements on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) in Rs.

Sr. No.	Month	BSE				NSE			
		High Price Rs.	Low Price Rs.	SENSEX Highest	SENSEX Lowest	High Price Rs.	Low Price Rs.	Nifty 50 Highest	Nifty 50 Lowest
1	April, 2013	34.05	25.70	19622.68	18144.22	34.10	25.75	5962.30	5477.20
2	May, 2013	25.60	16.25	20443.62	19451.26	25.75	16.80	6229.45	5910.95
3	June, 2013	16.95	12.45	19860.19	18467.16	17.20	12.30	6011.00	5566.25
4	July, 2013	15.40	10.62	20351.06	19126.42	16.20	10.60	6093.35	5675.75
5	August, 2013	11.30	7.75	19569.20	17448.71	11.35	7.75	5118.85	5808.50
6	September, 2013	11.17	7.64	20739.69	18166.17	11.10	7.80	6142.50	5318.90
7	October, 2013	11.95	8.21	21205.44	19264.72	11.95	8.05	6309.05	5700.95
8	November, 2013	10.25	8.56	21321.53	20137.67	10.40	8.70	6342.95	5972.45
9	December, 2013	10.90	8.35	21483.74	20568.70	10.70	8.35	6415.25	6129.95
10	January, 2014	14.65	10.75	21409.66	20343.78	14.60	10.50	6358.30	6027.25
11	February, 2014	11.40	9.20	21140.51	19963.12	11.30	9.40	6282.70	5933.30
12	March, 2014	11.50	9.52	22467.21	20920.98	11.50	9.50	6730.05	6212.25

11. Registrar and Share Transfer Agents

The share transfer work of the Company is being handled by Karvy Computershare Private Limited, Plot nos.17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.

12. Share Transfer System

The entire share transfer system is handled by the Registrar and Transfer Agent (RTA) of the Company at the address given above. The RTA is equipped with all required infrastructure required for share transfer - physical and demat.

The transfer requests received are processed by the Registrar and Transfer Agents and subsequently approved by the Share Transfer Committee

13. Shareholding Pattern as on 31.03.2014

Sr.No.	Description	Cases	Shares	%Equity
1.	CLEARING MEMBERS	46	417,869	0.76
2.	FOREIGN INSTITUTIONAL INVESTOR	2	200,995	0.37
3.	H U F	338	677,847	1.23
4.	BODIES CORPORATES	372	3,786,880	6.89
5.	MUTUAL FUNDS	2	1,111,592	2.02
6.	NON RESIDENT INDIANS	144	256,139	0.47
7.	PROMOTERS BODIES CORPORATE	1	27,054	0.05
8.	PROMOTER TRUST	3	3,213,443	5.85
9.	PROMOTER INDIVIDUALS	3	27,424,670	49.91
10.	RESIDENT INDIVIDUALS	11,105	11,810,474	21.50
11.	TRUSTS	1	10,600	0.02
12.	VENTURE CAPITAL FUND	1	6,005,401	10.93
	Total:	12,018	54,942,964	100.00

14. Distribution of Shareholding as of 31.03.2014:

Distribution of Shares	No of Shareholders	Percentage to total no. of Shareholders	No. of Shares held	Percentage to total Shares
upto 1 - 5000	8,660	72.06	1,475,251	2.69
5001 - 10000	1,448	12.05	1,216,932	2.21
10001 -20000	802	6.67	1,263,499	2.30
20001 -30000	316	2.63	818,020	1.49
30001 -40000	144	1.20	523,452	0.95
40001 -50000	151	1.26	721,053	1.31
50001 - 100000	248	2.06	1,834,884	3.34
100001 & ABOVE	249	2.07	47,089,873	85.71
Total:	12,018	100.00	54,942,964	100.00

15. Dematerialization of Shares and Liquidity

54,942,851 equity shares of the Company have been dematerialized as on 31.03.2014.

Outstanding GDRs / ADRs/ Warrants or Convertible Instruments, conversion date and likely impact on Equity	The Company has not issued such instruments.
Address for Correspondence for Investor Redressal, Physical transfer and dematerialization:	Karvy Computershare Private Limited, Plot nos.17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
Person to be contacted for Shareholder queries	Mr. Anurag Misra, Company Secretary and Compliance Officer; 124, Napier Town, Jabalpur 482 001, Madhya Pradesh, India; Tel: +91 761 4085 924 E-mail: cs@cebbco.com; Website: www.cebbco.com
Factory / Plant location	Industrial Area, Richhai, Jabalpur (MP) Udaipur, Tehsil Niwas, Distt- Mandla (MP) Plot No 690-696,751-756, Sector -3, Pithampur, Distt - Dhar (MP) Plot No. 742, Phase VI, Adityapur Industrial Area, Jamshedpur - 832109 Gram Imlai, Panagar, Jabalpur (MP)
Corporate Head Office	124, Napier Town, Jabalpur 482 001, Madhya Pradesh, India; Tel: +91 761 4085 924 E-mail: cs@cebbco.com; Website: www.cebbco.com

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Jabalpur
Date: May 27, 2014

Dr. Kailash Gupta
 Chairman cum Managing Director

DECLARATION REGARDING COMPLIANCE BY BOARD, EXECUTIVE VICE PRESIDENTS AND SENIOR OFFICERS WITH THE COMPANY'S CODE OF CONDUCT

This is to affirm that the Company has adopted a Code of Conduct for its Board of Directors, Executive Vice President, Senior Officers and Company Secretary.

I Confirm that Company has in respect of the financial year ended March 31, 2014 received from the Board of Directors, Chief Executive Officer, Senior Officers and Company Secretary a declaration of compliance with the Code of Conduct as applicable to them.

The said Code is also placed on the website of the Company viz. www.cebbco.com

Sd/-

Place : Jabalpur

Date : March 31, 2014

Dr. Kailash Gupta

Chairman cum Managing Director

CEO & CFO CERTIFICATE

Board of Directors,
Commercial Engineers & Body Builders Co Limited,
84/105-A, G T Road,
Kanpur

Dear Sirs,

- a. This is to confirm that I have reviewed financial statements and the cash flow statement for the year 2013-14 and that to the best of my knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or which violate the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee the said deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps have been taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee
 - i. That there are no significant changes in internal control over financial reporting during the year;
 - ii. That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. That there are no instances of significant fraud of which I am aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date: 27th May, 2014 For **Commercial Engineers & Body Builders Co Limited**

Deepak Tiwary

Chief Executive Officer & Chief Financial Officer (Additional Charge)

Auditors Certificate on Corporate Governance

To The Members of Commercial Engineers & Body Builders Co Limited

We have examined the compliance of conditions of Corporate Governance by Commercial Engineers & Body Builders Co Limited for the year ended on 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company, based on the records maintained by the Registrar and Share Transfer Agents and as certified by the Compliance officer of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Jabalpur, dated: May 27, 2014

A.B. Jani
Partner
(Membership No: 46488)

INDEPENDENT AUDITORS' REPORT

**To The Members of
Commercial Engineers & Body Builders Co Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Commercial Engineers & Body Builders Co Limited (the Company) which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Jabalpur, dated: May 27, 2014

A.B. Jani
Partner
(Membership No: 46488)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Re: Commercial Engineers & Body Builders Co Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company for the year.
- (ii)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii)
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iv) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us:

- (a) The Company has taken interest free unsecured loans aggregating to Rs. 129,200,000/- from three parties during the year. The maximum amount involved during the year was Rs. 177,200,000/- and the year-end outstanding balance of loans taken from such parties was Rs. 104,200,000/-.
- (b) The rate of interest and other terms and conditions of such loans are, in our opinion are. prima facie, not prejudicial to the interest of the Company.
- (c) The payments of principal amounts have been regular as per stipulations.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchases of inventory, fixed assets (including capital work-in-progress) and sale of goods and services and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time where such market prices are available with the Company.
- (vii) The Company has not accepted any deposit from the public.
- (viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records.
- (x) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax,

Customs Duty, Excise Duty, Cess, Entry Tax and other material statutory dues applicable to it with the appropriate authorities except for Value Added Tax (VAT) and Central Sales Tax (CST) though the delays in deposit have not been serious.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess, Entry Tax and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) There were no dues of Income-tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes, except for following:

Nature of the dues	Name of Statute	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
Excise Duty	Central Excise Act, 1944	10.16	Apr 2003 - Mar 2005	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	41.72	Apr 2007 - Mar 2008	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	1,813.11	Apr 2008 - Mar 2009	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	746.39	April 2009 - Mar 2010	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	80.61	April 2009 - Mar 2010	Central Excise Commissioner, Jamshedpur
Excise Duty	Central Excise Act, 1944	474.82	April 2009 - Mar 2010	The Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Excise Duty	Central Excise Act, 1944	288.27	April 2010 - Mar 2011	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	318.98	April 2010 - Mar 2011	Central Excise Commissioner, Jamshedpur
Excise Duty	Central Excise Act, 1944	389.84	April 2011 - Mar 2012	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	64.36	April 2012 - Mar 2013	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	2.49	April 2011 - Mar 2013	Central Excise Commissioner, Jamshedpur
Excise Duty	Central Excise Act, 1944	14.56	Dec 2006 - Oct 2007	Central Excise Commissioner, Bhopal

Excise Duty	Central Excise Act, 1944	25.56	Dec 2006 - Oct 2007	The Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Excise Duty	Central Excise Act, 1944	27.18	Feb 2013 - July 2013	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	37.35	Feb 2013 - Oct 2013	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	5.26	Feb 2013 - Aug 2013	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	167.26	Jan 2011 - June 2011	Central Excise Commissioner, Jamshedpur
Excise Duty	Central Excise Act, 1944	11.99	Jan 2012 - July 2012	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	11.32	Jan 2013 - Oct 2013	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	9.50	Mar 2013 - Aug 2013	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	5.30	Mar 2013 - Sep 2013	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	98.42	May 2007 - Feb 2012	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	54.24	May 2007 - June 2009	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	4.84	Oct 2012 - July 2013	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	217.03	Sep 2007 - June 2012	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	62.59	Sep 2011 - June 2012	Central Excise Commissioner, Bhopal
Central Sales Tax	Central Sales Tax Act, 1956	22.68	2010-11	Additional Commissioner, Jabalpur
Sales Tax	M.P. Commercial Tax Act, 1994	46.37	2007-08	Additional Commissioner, Jabalpur
Central Sales Tax	Central Sales Tax Act, 1956	7.94	2007-08	Additional Commissioner, Jabalpur
Sales Tax	M.P. Commercial Tax Act, 1994	45.56	2008-09	Additional Commissioner, Jabalpur
MP Entry Tax	Entry Tax on goods purchased	22.24	2009-10	Additional Commissioner, Jabalpur

- (xi) The Company does not have accumulated losses at the end of the financial year and the Company has incurred cash losses during the financial year covered by our audit but has not incurred any cash loss in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to banks. Details of continuing defaults in payment of principle and interest on working capital facility and short-term loan from banks as at 31st March, 2014 are as follows:

(Rs. In Lacs)

Particulars	Due Date	Principle	Interest	Date of payment
Vendor finance facility	05-Jun -13	169.96	8.09	Not Paid
Vendor finance facility	06-Jun -13	240.00	38.36	Not Paid
Vendor finance facility	09-Jul -13	14.00	2.04	Not Paid
Vendor finance facility	11-Jul -13	104.18	15.10	Not Paid
Vendor finance facility	29-Jul -13	134.27	18.49	Not Paid

- (xiii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) According to the information and explanations given to us, the term loans availed by the Company were, prima facie, applied during the year for the purpose for which the loans were obtained.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have been used during the year for long-term investment to the extent of Rs. 1,210.86 lacs
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.
- (xix) The Company has not raised any money by way of public issues during the year.

- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Jabalpur, dated: May 27, 2014

A.B. Jani
Partner
(Membership No: 46488)

Financials (Balance Sheet, P&L Account, Schedules etc.)

Balance Sheet as at 31st March, 2014

(` in Lacs)

	Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	5,494.30	5,494.30
	(b) Reserves and surplus	4	15,122.93	21,908.89
			20,617.23	27,403.19
2	Non-current liabilities			
	(a) Long-term borrowings	5	5,497.63	5,599.37
	(b) Deferred tax liabilities (net)	6	2,081.47	1,811.50
	(c) Other long-term liabilities	7	37.49	34.23
			7,616.59	7,445.10
3	Current liabilities			
	(a) Short-term borrowings	8	6,630.49	10,053.84
	(b) Trade payables	9	4,848.70	11,452.51
	(c) Other current liabilities	10	2,114.74	5,191.60
	(d) Short-term provisions	11	517.92	830.52
			14,111.85	27,528.47
	TOTAL		42,345.67	62,376.76
II	ASSETS			
1	Non-current assets			
	(a) Fixed assets	12		
	(i) Tangible assets		28,910.14	31,150.58
	(ii) Intangible assets		19.79	20.74
	(iii) Capital work-in-progress		1,426.24	947.48
			30,356.17	32,118.80
	(b) Non-current investments	13	0.10	60.03
	(c) Long-term loans and advances	14	530.35	848.07
	(d) Other non-current assets	15	0.24	140.32
			30,886.86	33,167.22
2	Current assets			
	(a) Inventories	16	3,762.33	6,701.30
	(b) Trade receivables	17	2,352.20	14,674.22
	(c) Cash and cash equivalents	18	1,130.18	3,398.31
	(d) Short-term loans and advances	19	3,910.17	4,212.01
	(e) Other current assets	20	303.93	223.70
			11,458.81	29,209.54
	See accompanying notes forming part of the financial statements			
	TOTAL		42,345.67	62,376.76

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

A.B. Jani
 Partner

Place : Jabalpur
 Date : May 27, 2014

For and on behalf of the Board of Directors

Kailash Gupta
 Chairman & Managing Director

Deepak Tiwary
 Chief Executive Officer
 Place : Jabalpur
 Date : May 27, 2014

Ravi Gupta
 Director

Anurag Misra
 Company Secretary

Statement of Profit & Loss for the year ended 31st March 2014

(` in Lacs)

	Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I.	Revenue			
a	Revenue from operations (gross)	21	18,536.94	59,041.79
	Less: Excise duty		4,650.95	8,751.64
	Revenue from operations (net)		13,885.99	50,290.15
b	Other income	22	268.71	138.41
	Total Revenue		14,154.70	50,428.56
II.	Expenses			
	(a) Cost of materials consumed	23a	10,733.42	40,731.70
	(b) Changes in inventories of finished goods and work-in-progress	23b	2,392.91	(3,208.89)
	(c) Other Manufacturing Expenses	24	935.71	1,736.45
	(d) Employee benefits expense	25	1,051.69	1,286.39
	(e) Finance costs	26	1,895.32	1,613.53
	(f) Depreciation and amortisation expense	12	3,006.43	1,670.31
	(g) Other expenses	27	912.33	3,248.96
	Total Expenses		20,927.81	47,078.45
III.	(Loss)/Profit before Tax (I-II)		(6,773.11)	3,350.11
IV.	Tax expense:			
	(a) Current tax		-	924.25
	(b) Less: MAT credit		-	(351.70)
	(c) (Excess) Provision of Tax relating to prior years		-	(30.24)
	Net current tax expense (a-b+c)		-	542.31
	(d) Deferred tax		269.97	957.24
	Total Tax Expense		269.97	1,499.55
V.	(Loss)/Profit After Tax (III-IV)		(7,043.08)	1,850.56
VI.	Earnings per share (of ` 10/- each):			
	Basic and Diluted (in Rupees)		(12.82)	3.37
	See accompanying notes forming part of the financial statements.			

In terms of our report attached.
For Deloitte Haskins & Sells LLP
 Chartered Accountants

A.B. Jani
 Partner

Place : Jabalpur
 Date : May 27, 2014

For and on behalf of the Board of Directors

Kailash Gupta
 Chairman & Managing Director

Deepak Tiwary
 Chief Executive Officer
 Place : Jabalpur
 Date : May 27, 2014

Ravi Gupta
 Director

Anurag Misra
 Company Secretary

Cash Flow Statement for the year ended 31st March, 2014

(` in Lacs)

Particulars	Year ended "31st March, 2014 "	Year ended "31st March, 2013 "
A Cash Flow from operating activities		
Net (Loss)/ Profit before Tax	(6,773.11)	3,350.11
Depreciation	3,006.43	1,670.31
Fixed assets written off	3.52	-
Profit on Sale of Long-term (non-current) Investments	(5.11)	-
Provision for Doubtful debts/Advances	209.91	1,063.23
Bad Debts/Advances written off	11.12	39.02
Entry Tax in respect of earlier years (Refer Note 31)	-	979.12
Interest and Finance Charges	1,895.32	1,613.53
Profit on Sale of Fixed Assets (Net)	(105.26)	(4.49)
Interest Income	(95.97)	(88.98)
Dividend income	-	(2.80)
Exchange rate Difference	-	22.82
Provision for Diminution in value of Investment written back	(15.75)	-
Provision for Doubtful Debts/ Advances written back	-	(23.97)
Liabilities / provisions no longer required written back	(1.95)	(1.05)
Operating (Loss)/Profit before working capital changes	(1,870.85)	8,616.85
Changes in working capital:		
Decrease/ (Increase) in Inventories	2,938.97	(1,731.24)
Decrease/ (Increase) in Trade and Other Receivable	12,769.28	(4,814.64)
(Decrease)/ Increase in Trade Payable and Other Liabilities	(6,725.95)	4,287.47
Cash generated from operations	7,111.45	6,358.44
Taxes Paid (Net of refund)	(48.21)	(498.38)
Net Cash from operating activities	7,063.24	5,860.06
B Cash Flow from Investing Activities		
Interest Received	114.94	70.91
Dividend Received	-	2.80
Proceeds from Sale of Fixed assets	423.84	21.12
Inter Corporate Deposits Received back	-	500.00
Proceeds from Sale of Investments	80.79	8.86
Purchase of Fixed Assets	(5,382.80)	(7,266.26)
Net Cash used in Investing activities	(4,763.23)	(6,662.57)

C Cash Flow from Financing Activities		
Proceeds from Short Term Borrowings	1,899.25	2,664.80
Repayment of Short Term Borrowings	(5,322.60)	(718.34)
Proceeds from Long Term Borrowings	1,335.29	3,240.54
Repayment of Long Term Borrowings	(630.65)	(18.13)
Interest and Finance Charges Paid	(1,849.43)	(1,529.36)
Net Cash (used in)/from Financing Activities	(4,568.14)	3,639.51
Net (decrease)/increase in cash and cash equivalents	(2,268.13)	2,837.01
Cash and cash equivalents as on 31st March, 2013	3,398.31	561.30
Cash and cash equivalents as on 31st March, 2014	1,130.18	3,398.31

Notes:

- 1 Components of cash and cash equivalents include cash and bank balances as stated in Note 18.
- 2 Cash and cash equivalents as at 31st March, 2014 include following balances, use of which is restricted:
 - a) Deposit receipts aggregating to ` 1,036.53 Lacs (previous Year ` 1,046.81 Lacs) are under lien with bank against performance guarantee and credit facilities from bank (Also refer Note 15).
 - b) Deposit receipts given as Earnest Money Deposits/Security Deposits aggregate to ` 32.52 lacs (Previous Year ` 55.98 lacs)
- 3 Purchase of Fixed Assets is considered as part of the investing activities.
- 4 The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on "Cash Flow Statement" (AS 3) as notified under the Companies (Accounting Standards) Rules, 2006.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

A.B. Jani
Partner

Kailash Gupta
Chairman & Managing Director

Ravi Gupta
Director

Deepak Tiwary
Chief Executive Officer

Anurag Misra
Company Secretary

Place : Jabalpur
Date : May 27, 2014

Place : Jabalpur
Date : May 27, 2014

Notes Forming Part of the Financial Statements

Note 1: Background of the Company

The Company was incorporated in the year 1979, under the name Commercial Engineers & Body Builders Co Private Limited. The name was changed to 'Commercial Engineers & Body Builders Co Limited' in the year 2010. The Company's Equity Shares were listed in the same year. The Company caters to Commercial Vehicles, Railways and Power sectors through manufacturing of tippers, load bodies, wagons and components.

Note 2: Significant accounting policies

(a) Basis of accounting and preparation of financial statements:

The financial statements have been prepared to comply with accounting principles generally accepted in India, the Accounting Standards (AS) notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956.

(b) Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognized in the year in which the results are known/materialize.

(c) Fixed Assets:

Tangible assets:

Fixed assets are stated at cost net of Cenvat. Costs includes all cost incurred to bring the assets to their working condition and location.

Intangible assets:

The Company capitalizes software and related implementation costs, where it is reasonably estimated that the software has an enduring useful life.

(d) Depreciation and Amortization:

- i) Depreciation is provided using the written-down method based on the management's estimate of useful life of the assets acquired prior to 1st January, 2011. The depreciation rates for such assets are as under:

Notes forming part of the financial statements

Assets	Depreciation rate
Factory Building	10%
Non-Factory Building	10%
Residential Flat	5%
Plant and Machinery	15% - 100%
Office Equipment	15%
Computers	60%
Vehicles	25.89%
Electrical Installations	20%
Furniture and Fixtures	18.10%

Depreciation on assets acquired/purchased after 1st January, 2011 is provided using the straight line method based on the management's estimate of useful life of the assets, which is as under:

Assets	Estimated useful life
Factory Building	25 Years
Non-Factory Building	40 Years
Residential Flat	40 Years
Plant and Machinery	10 Years
Office Equipment	4 Years
Computers	3 years
Vehicles	5 Years
Electrical Installations	5Years
Furniture and Fixtures	5 Years

- ii) Leasehold land is amortized over the period of lease on pro rata basis.
- iii) Depreciation on assets acquired/purchased during the year is provided on pro-rata basis from the date of each addition.
- iv) Assets having value of ` 5000/- or less are charged off fully in the year of purchase.
- v) Computer Software is amortized over the period of three years.

(e) Impairment of Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on 'Impairment of Assets'. Where the recoverable amount of any fixed asset is lower

Notes forming part of the financial statements

than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

(f) Revenue recognition:

Sales are stated net of returns and sales tax/value added tax. Excise duty related to sales turnover is presented as a reduction from gross sales. Revenue from sale of built bodies and other components are recognised when products are despatched and all significant risks and rewards of ownership of the products are transferred to the customers.

Revenue from service contract is recognized when the services are completed.

Dividend from investments is recognized as and when a right to receive payment is established.

Revenue is recognized when no significant uncertainty as to its determination or realization exists.

(g) Inventories:

Inventories are valued at lower of cost and net realisable value. The cost of inventories is arrived at on the following basis:

Raw materials	:	On FIFO basis (net of Cenvat)
Work-in-progress	:	On weighted average basis including Appropriate proportion of direct factory overheads
Finished goods	:	On weighted average basis including appropriate proportion of direct factory overheads and Excise duty
Stores and spares	:	On FIFO basis

(h) Foreign currency transactions:

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transactions.
- b. Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates. In case of monetary items, which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contracts is recognized as exchange difference and premium/discount on forward exchange contract is recognized over the life of the contract
- c. Non-monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

Notes forming part of the financial statements

(i) Derivative Contracts:

Pursuant to the announcement on accounting for derivatives issued by the Institute of Chartered Accountants of India (ICAI), the Company in accordance with the principle of prudence as enunciated in Accounting Standard 1 on 'Disclosure of Accounting Policies' provides for losses in respect of all outstanding derivative contracts at the Balance Sheet date by marking them to market. Any gains arising on such mark to market are not recognized as income.

(j) Employee Benefits:

(a) Post-Employment Benefits and Other Long Term Benefit:

i) Defined contribution Plan:

Contributions under Defined Contribution Plans in the form of Provident Fund are recognized in the Statement of Profit and Loss Account in the period in which the employee has rendered the service.

ii) Defined Benefit Plan :

The Company's Liability towards Defined Benefit Plan in the form of Gratuity is funded through schemes administered by the Life Insurance Corporation of India (LIC). The liability determined on the basis of actuarial valuation being carried out at each Balance Sheet date using the Projected Unit Credit Method. The retirement benefit obligation recognized in the Balance Sheet represents the total of present value of the defined benefit obligation as reduced by unrecognized past service cost and the fair value of plan assets as at the balance sheet date. Any asset resulting from this calculation is restricted the present value of available refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss Account in the period of occurrence of such gains and losses. Past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, past service cost is recognized immediately.

(b) Short Term Employee Benefits:

Short-term employee benefits are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss Account of the period in which the related services are rendered.

Leave encashment is provided for on the basis of actual costs the Company expects to pay for the compensated absences.

Notes forming part of the financial statements

(k) Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

(l) Income tax:

- a. Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rates.
- b. Deferred income tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same
- c. Tax on distributed profits payable in accordance with the provisions of Section 115-O of the Income-tax Act, 1961, is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI).
- d. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

(m) Investments:

Investments classified as long-term (non-current) investments are stated at costs. Provision is made to recognize a diminution, other than temporary, in the value of such investments. Investments classified as current investments are stated at lower of cost and fair value.

(n) Operating Leases

Assets taken on Lease under which all significant risks and rewards of ownership are effectively retained by the lesser are classified as Operating Leases. Lease payments under Operating Leases are recognized as expenses as incurred in accordance with the respective Lease Agreements.

(o) Provisions and contingencies:

Provision is recognized in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

Notes forming part of the financial statements

Note 3: Share Capital

Particulars	As at 31st March 2014	As at 31st March 2013
Authorised:		
75,000,000 Equity Shares of ` 10/- each	7,500.00	7,500.00
5,000 Preference Shares of ` 100/- each	5.00	5.00
	7,505.00	7,505.00
Issued, Subscribed and Paid-up :		
54,942,964 Equity Shares of ` 10/- each fully paid-up	5,494.30	5,494.30
Total	5,494.30	5,494.30

Notes:

- All Equity Shares carry similar voting rights and have an equal right to dividend and in case of repayment of capital.
- Reconciliation of the number of shares outstanding as at beginning and end of the year:
(` in Lacs)

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares			
Year ended 31 March, 2014			
- Number of shares	54,942,964	-	54,942,964
- Amount (`) Lacs	5,494.30	-	5,494.30
Year ended 31 March, 2013			
- Number of shares	54,942,964	-	54,942,964
- Amount (`) Lacs	5,494.30	-	5,494.30

- Details of Equity Shares held by each shareholder holding more than 5% of shares:

Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares held	% holding	Number of shares held	% holding
Equity Shares of ` 10/- Each Fully Paid - up				
Dr. Kailash Gupta	23,927,050	43.55%	12,645,780	23.02%
Mr. Ajay Gupta	-	-	11,281,270	20.53%
Mrs. Rekha Gupta	3,439,590	6.26%	3,439,590	6.26%
Jashn Beneficiary Trust	1,124,105	2.05%	3,213,443	5.85%
Tata Capital Growth Fund (I)	6,005,401	10.93%	6,005,401	10.93%

- Issue of Bonus Shares :
36,767,760 Equity Shares of Rs 10/- each were issued as fully paid-up Bonus shares during the year ended 31st March, 2010, by capitalisation of Securities Premium Account and balance in Statement of Profit and Loss account.
- Conversion of Preference Shares:
142,789 Equity Shares have been issued in an earlier year upon conversion of 3,000 Mandatorily Convertible Preference Shares of Rs. 100/- each as per agreed terms.

Notes forming part of the financial statements

Note 4: Reserves and Surplus

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Capital Reserve As per Last Balance Sheet	8.72	8.72
(b) Securities Premium Account As per Last Balance Sheet	12,837.80	12,837.80
(c) General Reserve As per Last Balance Sheet	9.80	9.80
(d) Balance in Statement of Profit and Loss Opening Balance	9,052.57	7,459.14
Add: (Loss)/Profit for the year	(7,043.08)	1,850.56
Add : Reversal of proposed dividend to equity share holders (Refer Note 43)	219.78	-
Add : Reversal of Tax on dividend (Refer Note 43)	37.35	-
Less: Dividends proposed to be distributed to equity shareholders (₹ 0.40 per share)	-	219.78
Less: Tax on dividend	-	37.35
Closing balance	2,266.61	9,052.57
Total	15,122.93	21,908.89

Note 5: Long-term Borrowings

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Secured		
From Banks		
Corporate Loan	1,150.00	-
External Commercial Borrowing (ECB)	4,347.63	5,599.37
Total	5,497.63	5,599.37

i) Nature of Security

- a) Corporate Loan is secured by: -
Primary Security- Equitable mortgage of following properties of group concerns and director.
- Shop/Office bearing No 906, New Municipal No. 6/139, situated in 9th Floor, 'A' Wing, Mittal Tower, New No. 21 (Old No. 6/47), Mahathma Gandhi road, in Civil Station Corporation Division No. 78, Vide City Survey No. 355, PTS No. 952 and Chaltha No. 5 Bangalore, comprising of super built up area of 720 sq. ft.
 - Unit No 201, New Municipal No. 100/6, 2nd Floor, Kengal Hanumanthaiah Road, Ward Name - Sudhamanagar ward no. 48, Money Terrance, Bangalore having super built up area of 996 sq. ft.
 - Commercial property at Unit No. 202, 2nd Floor, 'Money Terrace', Khata No 100/7, Double road (Kengal Hanumanthaiah Road) Bangalore, Sudhama Nagar, Ward No. 48 with super built up area of 978 sq. ft.

Notes forming part of the financial statements

4. Khasra No. 30/375 (Part of Khasra no. 30/1, 30/23, & 30/24) Area 0.023 Hec. (2500 Sq. Ft.), Plot No. E-18, Area 50 x 50 = 2500 sq. ft. situated in - Lamti, Tehsil & Distt. Jabalpur, Babu Kamla Grih Nirman Sahakari Samiti Maryadit, Jabalpur.
5. Part of Khasra No 6/17, Plot No 92 Area 160 X 100= 16000 sq. ft., constructed Area 200 sq. ft., situated in Municipal Corporation House No. 1310/92, Shaheed Gulabsingh Ward No 56, Nayagaon Housing Co-operative Society, Village Nayagaon Settlement no. 726, P. C. No. 28/32, Tehsil & Distt. Jabalpur.

Collateral Security -

1. Subservient charge without NOC on entire fixed assets of the company, present and future.
 2. Pledge of 26.74% shareholding of the promoters in the company.
 3. Personal guarantee of two directors and partners of group concern.
- b) ECB Loan is secured by: -

Primary Security: - Exclusive First charge on the entire fixed assets of the company, both present and future, except on specific equipments which are exclusively and specifically charged to banks/ financial institutions and factory land & building situated at Plot Nos. 21,22,33,34 at Industrial Estate, Richhai, Jabalpur.

Collateral Security: - Second pari passu charge on the entire current assets of the company, both present and future.

ii) Terms of Repayment

- a) Corporate Loan: -

Corporate Loan is repayable in 9 quarterly instalments commencing from the end of 12 months from the date of first disbursement i.e. 13/12/2013 and carries fixed interest rate of 14.50% p.a.

- b) ECB Loan: -

ECB loan is repayable in quarterly 20 equal installments starting from 21st month from the date of 1st disbursement i.e 17/02/2012 and carries variable interest rate @ 6 months LIBOR + 3.50 bps margin

Note 6: Deferred Tax Liability (Net)

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	2,474.11	2,201.22
	2,474.11	2,201.22
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts and advances	392.64	361.39
Disallowances under Section 40(a)(i), 43B of the Income-tax Act, 1961	-	28.33
	392.64	389.72
Total	2,081.47	1,811.50
Net Deferred Tax Liability	2,081.47	1,811.50

Notes forming part of the financial statements

Note 7: Other Long-term Liabilities

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Security Deposits Received	37.49	34.23
Total	37.49	34.23

Note 8: Short-Term Borrowings

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Secured		
From Banks		
Cash Credit Facilities	3,203.06	3,447.37
Working Capital Loans	662.42	4,364.47
Short Term Loan	185.76	1,562.00
Bank Overdraft Facility	699.08	-
Unsecured		
From Others		
Loans and Advances from Related Parties (Refer Note 37)	1,042.00	680.00
Short Term loans from Companies	838.17	-
Total	6,630.49	10,053.84

(i) Nature of Security

Cash Credit Facilities, Working Capital Loans and Short Term Loan are secured by either one or more of the following as per terms of Arrangement with respective banks:

Primary Security:

Pari-passu First charge on the entire current assets of the company, both present and future.

Collateral Security:

- a. Pari-Passu first charge by way of extension of Equitable Mortgage of factory land and building and hypothecation of plant and machineries situated at Plot Nos. 21, 22, 33 and 34 at Industrial Estate, Richhai, Jabalpur
- b. First Pari-Passu charge on movable fixed assets of the Company
- c. Equitable Mortgage of flat no. 14,5,2,3,6,7,9,10,8 Mouza Hathital, Gorakhpur, Jabalpur.
- d. Equitable Mortgage of Property situated at Block No.36, Plot No.2/29, Pachpedi, South Civil Lines, Jabalpur standing in the name of Shri Arun Gupta
- e. First and exclusive charge on the following Fixed assets of the Company situated at lease hold / free hold land by way of Hypothecation of
 - Plot Nos. (Nos. to be allotted) at Industrial Estate, Richhai, area- 105000 sq.feet, Jabalpur (lease hold)"

Notes forming part of the financial statements

- Plot Nos.(Nos. to be allotted) at Industrial Estate, Richhai area- 105000 sq feet, Jabalpur (lease hold).
 - Plot No.133/2 (New no.169) at Udaipura, area- 15.92 acres, Dist: - Mandla.(free hold)
 - Sector -3, Plot no. 690-693, 751-756 at MPAKVN Growth Centre, Phase-III, area 8.67 acres, Pithampur, Distt-Dhar. (lease hold)
 - Land and Building measuring 50.16 acres situated at Village - Deori/Imlai, Jabalpur.
- f. Personal guarantees of two directors and their relatives.
- g. Corporate Guarantee of group concerns
- Bank Overdraft facility is secured against Term Deposit Receipts.
- (ii) The Company has defaulted in repayment of loans and interest in respect of the following:
(Refer Note 45)

(₹ in Lacs)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Period of default	Amount	Period of default	Amount
Working capital loans				
Principal	300 Days	169.96	14 Days	78.50
Interest	300 Days	8.09	14 Days	2.74
Principal	299 Days	240.00	13 Days	40.00
Interest	299 Days	38.36	13 Days	1.38
Principal	266 Days	14.00	-	-
Interest	266 Days	2.04	-	-
Principal	264 Days	104.18	-	-
Interest	264 Days	15.10	-	-
Principal	246 Days	134.27	-	-
Interest	246 Days	18.49	-	-
Short term loan				
Principal	-	-	1 Day	189.00
Interest	-	-	1 Day	14.44

Note 9: Trade Payables

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 34)	7.07	4.66
Total outstanding of other than Micro Enterprises and Small Enterprises	4,841.63	11,447.85
Total	4,848.70	11,452.51

Notes forming part of the financial statements

Note 10: Other Current Liabilities

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Current maturities of long-term debt (Refer Note (i) below)	1,442.18	635.80
(b) Interest accrued but not due on borrowings	58.05	74.63
(c) Interest accrued but not due on forward currency contract	28.22	29.26
(d) Interest accrued and due on borrowings	82.08	18.57
(e) Overdrawn bank balances as per books	-	34.55
(f) Other payables		
(i) Statutory Liabilities	223.18	79.25
(ii) Payables on purchase of fixed assets	225.46	4,274.70
(iii) Interest on Statutory Payments	24.16	24.16
(iv) Advances from customers	31.41	20.68
Total	2,114.74	5,191.60

Note (i): Current maturities of long-term debt :

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Secured		
From Banks		
Term Loan (Refer notes below)	-	13.95
Vehicle Loan (Refer notes below)	-	0.76
Corporate Loan [Refer Notes 5 (i) (a) and (ii)(a)]	200.00	-
External Commercial Borrowing [Refer Notes 5 (i)(b) and (ii)(b)]	1,242.18	621.09
Total	1,442.18	635.80

(i) Nature of Security

a) Term Loan is secured by: -

Primary Security- Equitable Mortgage of land admeasuring 8062 sq. ft. bearing plot no 2(new), 14(old) part of banglow No 37D block No: 36 situated at Civil Line Ward, Civil Station, Pachpedi, Jabalpur.

Collateral Security - Personal Guarantee of two directors of the company and their relatives.

b) Vehicle Loan is secured by: - Hypothecation of vehicles.

(ii) Terms of Repayment

Term Loan and Vehicle Loan have been fully repaid during the year.

Notes forming part of the financial statements

Note 11: Short-term Provisions

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Provision for Employee Benefits:		
(i) Provision for Compensated Absences	31.73	43.41
(ii) Provision for Gratuity (net) (Refer Note 35(b))	9.23	23.28
	40.96	66.69
(b) Other Provisions		
(i) Provision for Income-tax (Net of Advance Tax)	476.96	506.71
(ii) Provision for proposed equity dividend (Refer Note 43)	-	219.78
(iii) Provision for tax on proposed dividend (Refer Note 43)	-	37.35
Total	517.92	830.52

Notes forming part of the financial statements

Note 13: Non-current Investments

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
<u>Other Investments (at Cost unless stated otherwise)</u>		
<u>Investment in Equity Shares of Associates (Unquoted)</u>		
30,000 Equity Shares of Tirupati Services Ltd. of ₹ 10/- each fully Paid-up	-	0.76
62,920 Equity Share of Kailash Motors Finance Limited of ₹ 100/- each fully Paid-up	-	62.92
Less: Provision for diminution in value of investments	-	15.75
	-	47.17
1,000 Equity Share of Kailash Motors Pvt. Ltd. of ₹ 10/- each fully Paid-up	0.10	0.10
120,000 Equity Shares of Tirupati Equipments Pvt Ltd. of ₹ 10/- each fully Paid-up	-	12.00
Total	0.10	60.03

1. Aggregate Amount of Un-quoted investments

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Cost	0.10	75.78

2. Aggregate Amount of Diminution in Value of Investments

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Total Amount of Diminution in Investments	-	15.75

Note 14: Long-term Loans and Advances

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Unsecured, considered good		
Capital advances	39.21	268.01
Security deposits	101.27	188.98
Loan to Employees	-	1.21
MAT credit entitlement	389.87	389.87
Total	530.35	848.07

Notes forming part of the financial statements

Note 15: Other Non-current Assets

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Term Deposits maturing after 12 months (Refer Note below)	-	140.32
(b) Prepaid Expenses	0.24	-
Total	0.24	140.32

Note: Term deposits as at 31st March, 2013 are having a maturity of more than 12 months from the Balance Sheet date and are under lien with the bank against performance guarantee.

Note 16: Inventories

(At lower of cost and net realisable value)

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Raw materials	1,040.01	1,580.86
Work-in-progress	2,608.60	4,992.08
Stores and spares	102.45	107.65
Scrap	11.27	20.70
Total	3,762.33	6,701.30

Note 17: Trade Receivables

(₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	82.46	184.99
Unsecured, considered doubtful	207.69	2.78
	290.15	187.77
Other Trade receivables		
Unsecured, considered good	2,269.74	14,489.23
	2,559.89	14,677.00
Less: Provision	207.69	2.78
Total	2,352.20	14,674.22

Notes forming part of the financial statements

Note: Trade Receivables include amounts due from: (₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Firms/Companies in which any Director is a Partner/Director: -		
J.N. Auto Limited	13.35	-
Total	13.35	-

Note 18: Cash and Cash Equivalents (₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Cash on hand	1.82	9.05
(b) Balances with banks		
(i) In Current Accounts	59.31	286.47
(ii) In Term Deposit Accounts	1,069.05	3,102.79
Total	1,130.18	3,398.31

Notes: -

1. Deposit receipts aggregating to ₹ 1036.53 Lacs (previous Year ₹ 1046.81 Lacs) are under lien with bank against performance guarantee and credit facilities from bank (Also refer Note 15).

2. Deposit receipts given as Earnest Money Deposits/Security Deposits aggregate to ₹ 32.52 lacs (Previous Year ₹ 55.98 lacs)

Note 19: Short-term Loans and Advances (₹ in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
<u>Unsecured, considered good</u>		
Loan to Employees	7.04	33.48
Advances to Suppliers	104.66	143.11
Prepaid Expenses	18.85	19.83
Balances with Government Authorities	2,459.92	2,971.14
Advance Income-tax (Net of Provisions)	99.88	87.29
Excise duty refund claim (Refer Note 44)	259.17	162.50
Statutory Dues paid under Protest (Refer Note 29)	959.71	788.60
Others		
Provident Fund Receivable	-	5.00
Accrued Income	0.94	1.06
	3,910.17	4,212.01
<u>Unsecured, considered Doubtful</u>		
Inter-corporate deposits (Refer Note 42)	1,000.00	1,000.00
Provident Fund Receivable	63.00	58.00
Advance to Suppliers	-	2.45
	1,063.00	1,060.45
Less: Provision	1,063.00	1,060.45
	-	-
Total	3,910.17	4,212.01

Notes forming part of the financial statements

Note 20: Other current assets

(` in Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Unsecured, considered good		
Interest accrued but not due on bank deposits	16.33	35.30
Security deposits	287.60	188.40
Total	303.93	223.70

Note 21: Revenue from Operations

(` in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Sale of Manufactured Goods (Refer Note (i) below)	17,775.04	58,494.15
Sale of Services (Refer Note (ii) below)	32.41	54.59
Other Operating Revenues (Refer Note (iii) below)	729.49	493.05
	18,536.94	59,041.79
<u>Less:</u>		
Excise duty	4,650.95	8,751.64
Total	13,885.99	50,290.15

Note:
(i) Sale of Manufactured Goods:

(` in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Sale of Built Bodies	15,924.59	21,124.99
Other Component Sales	1,850.45	37,369.16
Total	17,775.04	58,494.15

(ii) Sale of Services:

(` in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Job Work Charges	32.41	54.59
Total	32.41	54.59

(iii) Other Operating Revenues:

(` in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Sale of Scrap	711.36	463.31
Income from transportation	18.13	29.74
Total	729.49	493.05

Notes forming part of the financial statements

Note 22: Other Income

(₹ in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Interest Income (Refer Note (i) below)	95.97	88.98
Dividend income on Current Investments	-	2.79
Other non-operating income (Refer Note (ii) below)	172.74	46.64
Total	268.71	138.41

Note:- i)
Interest Income comprises of:

(₹ in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Interest on bank deposits	91.73	78.78
Interest on trade receivables	-	1.84
Interest on Income-tax refund	-	5.41
Interest on other deposits	4.24	2.95
Total	95.97	88.98

ii) Other Non-operating Income comprises of:

(₹ in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Rental income	0.78	0.78
Profit on sale of fixed assets (net)	105.26	4.49
Provisions for Doubtful debts/ Advances written back	-	23.97
Liabilities / provisions no longer required written back	1.95	1.04
Provision for diminution of investment written back	15.75	-
Profit on sale of investments	5.11	-
Exchange rate fluctuations (net)	9.56	-
Discount received	8.08	2.83
Miscellaneous income	26.25	13.53
Total	172.74	46.64

Notes forming part of the financial statements

Note 23a: Cost of Materials Consumed

(₹ in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Opening stock	1,688.51	3,166.16
Add: Purchases	10,524.09	39,481.77
Less: Sale of Raw Material	336.72	227.72
	11,875.88	42,420.21
Less: Closing stock	1,142.46	1,688.51
Cost of Material Consumed	10,733.42	40,731.70
Material consumed comprises:		
Iron and Steel (Sheets and Components)	7,437.61	33,493.89
Hydraulic Jacks	1,954.68	2,059.35
Other items	1,341.13	5,178.46
Total	10,733.42	40,731.70

Note 23b: Changes in Inventories of Finished Goods and Work-in-Progress

(₹ in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
<u>Inventories at the end of the year</u>		
Work-in-progress	2,608.60	4,992.08
Scrap	11.27	20.70
	2,619.87	5,012.78
<u>Inventories at the beginning of the year:</u>		
Work-in-progress	4,992.08	1,772.91
Scrap	20.70	30.98
	5,012.78	1,803.89
Decrease / (increase)	2,392.91	(3,208.89)

Note 24: Other Manufacturing Expenses

(₹ in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Labour charges	531.12	1,117.47
Power and fuel	196.17	279.79
Entry Tax (Refer Note 31)	27.22	41.69
<u>Repairs and Maintenance :</u>		
Machinery	27.07	54.12
Buildings	4.24	18.51
Others	34.60	50.88
Excise duty	115.29	173.99
Total	935.71	1,736.45

Notes forming part of the financial statements

Note 25: Employee Benefits Expense

(₹ in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Salaries and wages	946.06	1,123.23
Contributions to provident and other funds	43.69	63.92
Staff welfare expenses	61.94	99.24
Total	1,051.69	1,286.39

Note 26: Finance Costs

(₹ in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
(a) Interest expense on:		
(i) On Term Loan	0.59	3.52
(ii) On Corporate Loan	51.43	-
(iii) On External Commercial Borrowing	619.99	344.52
(iv) On Cash Credit	485.38	419.80
(iv) On Bill Discounting	70.67	353.19
(v) On Vendor Finance	174.28	231.74
(vi) On other working capital loan	123.63	20.09
(vii) Others		
-On Letter of Credit	8.74	48.90
-On Statutory Payments	58.09	17.40
-On Loan taken from Companies	65.26	11.01
-To Others (Refer Note 32)	120.56	22.44
	1,778.62	1,472.61
(b) Other borrowing costs		
Expenses for loan arrangement, bill discounting and bank charges	116.70	140.92
	116.70	140.92
Total	1,895.32	1,613.53

Notes forming part of the financial statements

Note 27: Other Expenses

(₹ in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Rent including lease rentals	32.49	31.86
Insurance	30.55	26.80
Rates and taxes	18.24	91.16
Postage and Telephone Expenses	14.12	16.88
Travelling and conveyance	74.19	102.76
Vehicle Running Expenses	26.10	28.80
Printing and stationery	9.12	12.50
Freight Charges	82.32	194.59
Discount given	70.16	107.30
Sales Expenses	49.79	146.29
Security Charges	55.04	59.88
Donation	0.23	0.07
Legal and professional fees	153.10	220.00
Filing Fees	0.06	7.70
Fixed Assets written off	3.52	
Entry Tax in respect of earlier years (Refer Note 31)	-	979.12
Advances written off	3.04	
Less : Adjusted against provision	0.50	
Provision for doubtful Debts/Advances	209.91	1,063.23
Bad debts written off	8.58	39.02
Share of Profit in Joint Venture transferred (Refer Note 32)	-	16.04
Exchange Rate Fluctuations (Net)	-	22.82
Miscellaneous Expenses*	72.27	82.14
Total	912.33	3,248.96

*Miscellaneous expenses include office expenses, garden expenses, electricity, water charges and audit fees, etc.

Note (i) Payment to Auditors (Excluding Service Tax)

(₹ in Lacs)

Particulars	" For the Year ended "31st March, 2014 "	" For the Year ended "31st March, 2013 "
Audit Fees - Statutory audit	16.50	16.50
Out of Pocket Expenses	0.43	0.35
Any other matters (Certification etc.)	2.10	15.20
Total	19.03	32.05

Notes forming part of the financial statements

Note 28: Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at 31st March 2014 aggregate ₹ 1,343.58 Lacs (Previous Year - ₹ 1,650.93 Lacs).

Note 29: Contingent liabilities

(₹ In Lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
a) Disputed demands of following authorities:		
Income-tax	126.93	-
Excise duty (₹ 408.67 Lacs (Previous Year ₹ 405.67 Lacs) paid under protest) (Also Refer note below)	5392.34	5,182.77
Sales tax/ Entry Tax (₹ 55.11 Lacs (Previous Year ₹ 47.79 Lacs) paid under protest)	199.91	171.99
(The Company has contested all the above demands before various authorities and is hopeful of success in the respective matters)		
b) Claims against the Company not acknowledged as debt	-	23.32
c) Guarantees given by banks as performance guarantees	431.64	805.22
d) Letters of Credit (L/C)	95.49	421.38
Total	6246.31	6,604.68

Note:

Pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 01.03.2007, the Company has started paying differential Excise Duty on sales made to a customer (which is the subject matter of dispute in the aforesaid demands) since September'2010 under protest. The aggregate of such payment made under protest up to the year-end aggregates to ₹ 495.92 Lacs (Previous year - ₹ 337.81 Lacs).

Notes forming part of the financial statements

Note 30:

Operating lease rent expenses for the period in respect of lease agreements entered from April 1, 2008.

(` In Lacs)

Particular	31st March 2014	31st March 2013
Lease rent for Factory Land	5.06	4.19

Future Minimum Lease Payments under Non-Cancellable Operating Lease:

(` In Lacs)

Particular	31st March 2014	31st March 2013
Due not later than one year	5.06	4.19
Due later than one year and not later than five year	20.23	16.76
Due later than five year	96.10	105.51

Note 31:

The Company had challenged the constitutional validity of entry tax collected by State of Madhya Pradesh on goods purchased from other States by filing a writ petition in Honorable High Court of Madhya Pradesh on 30th August, 2007. The petition was decided against the Company during an earlier year. The Company had filed a special leave petition (SLP) before the Honorable Supreme Court, again challenging the constitutional validity of Entry Tax. As per the interim order passed by Supreme Court, the Company has been directed to deposit the unpaid Entry tax before the petition is decided.

The Company had already deposited Entry tax aggregating to ` 1015.86 Lacs including interest of ` 1.47 Lacs for the period from April 2007 to March 2013 to the authorities, under protest.

The Supreme Court has transferred the above SLP to a Higher Bench before the Chief Justice of the Supreme Court of India for decision, which is pending.

Since, the matter has been pending for hearing for a long time and further the probability of availing relief is reduced due to the passage of time, the Company during the previous year ended March 31, 2013, after obtaining expert opinion decided to charge-off the amounts of entry tax paid under protest for the period from April 2007 to March 2012, aggregating to ` 979.12 Lacs. The same were included under 'Other Expenses'. Entry tax for the period after April 2012 is charged to the Statement of Profit and Loss and included under 'Manufacturing Expenses'.

Notes forming part of the financial statements

Note 32:

The Company had an agreement with a party for the purpose of engaging into a Jointly Controlled Operations (JCO) to manufacture market and sell fabricated automobile bodies and components to Original Equipment Manufacturers and to other customers, at Jamshedpur. As per the agreement, the Company and the other venture agreed to share the distributable cash flow from the JCO after paying all taxes in the ratio of 60:40 respectively. In addition to the above, the Company was required to pay a fixed sum for grant of license to use the factory premises of the other venture for the purposes of the operations as follows:

In year 1 - ` 300,000 per month

In year 2 - ` 315,000 per month

In year 3 - ` 330,750 per month

During the previous year the Company entered into a Memorandum of Understanding (MOU) with the above party for purchase of its factory premises (including land) for a total consideration of ` 1,518 Lacs. Accordingly an advance of ` 218 Lacs were paid to the party. As per the MOU, the balance amounts had to be paid in installments by 31st March, 2013 upon which Formalities for the transfer of ownership in the name of the Company would be completed. Pursuant to this agreement, Joint venture agreement with the party came to an end on 30th September, 2012. However, due to the on-going negotiations, no further payments were made to the party till 31st March, 2013.

During the year, as per addendum executed to the above MOU, the Company agreed to pay rent for the period October 2012 to March 2013 aggregating to ` 20.84 Lacs and the above consideration of ` 1,518 Lacs was divided into two separate considerations of ` 759 Lacs each based on the segregation of area the land and value of other assets to be purchased. Accordingly, a sale deed was executed between the Company and the party for transfer of portion of the land and factory premises valued at ` 759 Lacs by paying off the balance consideration of ` 541 Lacs. Possession of these assets has been handed over to the Company, though formalities relating to registration of the land are yet to be completed. Accordingly, these assets have been capitalized in the books. Sale deed for balance consideration of ` 759 Lacs consisting of remaining portion of the land and other assets would be executed on full payment of the consideration by the Company. The Company has, however provided for the interest on these overdue amounts aggregating to ` 120.56 Lacs (Previous Year ` 22.44 Lacs) as per the terms of MOU and disclosed as Finance charges in Note 26.

Note 33:
A) Expenditure in foreign currency

(` In Lacs)

Particular	31st March 2014	31st March 2013
Foreign Traveling	-	3.85
Subscription Charges	-	0.94
Professional and Consultancy fees	0.02	2.07
Interest on ECB Loan	619.99	344.52
Total	620.01	351.38

Notes forming part of the financial statements

B) Value of material consumed including stores and spares

(` In Lacs)

Particular	31st March 2014	31st March 2013
Imported	7.16	-
Indigenous	10,726.26	40,731.70
Total	10733.42	40,731.70

Note 34:

As per the information available with the company, the following are the details of dues to the creditors who have confirmed their registration under the Micro, Small and Medium Enterprises Development Act, 2006. (MSMED Act)

- i) Dues remaining unpaid as at the year-end
 - Principal -` 7.07 Lacs (Previous Year` 4.66 Lacs)
 - Interest -` 16.39 Lacs (Previous Year` 15.18 Lacs)
- ii) Interest paid in terms of Section 16 of the MSMED Act -` Nil (Previous Year -` Nil)
- iii) Amount of interest due and payable for the year of delay in making Payments -` 1.21 Lacs (Previous Year` 0.48 Lacs)
- iv) Amount of interest accrued and remaining unpaid as at the year-end -` 16.39 Lacs (Previous Year` 15.18 Lacs)
- v) Amount of interest due and payable on previous year's outstanding amount -` 15.18 Lacs. (Previous Year` 14.70 Lacs)

Note 35:

- (a) Contributions are made to Provident Funds which covers all regular employees. Amount recognized as expense in respect of these defined contribution plans, aggregate to` 32.96 Lacs (Previous year` 53.05 Lacs).

Provision is made for gratuity based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit' method and it covers all regular employees. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss account.

- (b) The disclosure as required under AS 15 (Revised) regarding Company's gratuity plan is as follows:

Notes forming part of the financial statements

Amount recognized in Balance sheet

(₹ In Lacs)

Particulars	31st March 2014	31st March 2013
Present Value of Funded Obligations	132.12	147.64
Fair Value of Plan Assets	(131.88)	(123.86)
Net Liability	0.23	23.78
Amounts in the Balance Sheet		
Liabilities	0.23	23.78
Assets	-	-
Net Liability/(Asset) (Refer Note below)	0.23	23.78

Note: Net Liability recognized in Balance Sheet stands at ₹ 9.23 Lacs (Previous year ₹ 23.78 Lacs) as the company has made an additional provision of ₹ 9.00 Lacs in the books based on contribution demand notice received from LIC towards shortfall in the plan assets as at the year-end as per valuation carried out by them

Expense recognized in Statement of Profit and Loss Account

(₹ In Lacs)

Particulars	31st March 2014	31st March 2013
Current Service Cost	18.19	17.98
Interest on Defined Benefit Obligation	13.14	12.29
Expected Return on Plan Assets	(9.47)	(9.27)
Net Actuarial Losses / (Gains) Recognized in year	(20.98)	(5.94)
Total, included in "Employee Benefit Expense"*	0.88	15.06

* Refer Note above

Reconciliation of Benefit Obligations and Plan Assets for the period

(₹ In Lacs)

Particulars	31st March 2014	31st March 2013
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	147.64	130.12
Current Service Cost	18.19	17.98
Interest Cost	13.14	12.29
Actuarial Losses / (Gain)	(18.58)	0.28
Benefits paid	(28.28)	(13.03)

Notes forming part of the financial statements

Closing Defined Benefit Obligation	132.11	147.64
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	123.87	121.29
Expected Return on Plan Asset	9.47	9.27
Actuarial Gain / (Losses)	2.40	6.22
Contributions by Employer	24.43	0.11
Benefits paid	(28.28)	(13.03)
Closing Fair Value of Plan Assets	131.88	123.86

(c) Assumptions:

Particulars	31st March 2014	31st March 2013
Discount Rate (p.a.)	9.35%	8.05%
Expected Rate of Return on Assets (p.a.)	7.50%	7.50%
Salary Escalation Rate (p.a.)	7.00%	7.00%

(d) Experience Adjustments:

(₹ In Lacs)

Particulars	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Defined benefit/obligation	132.12	147.64	130.11	122.19	96.42
Plan Assets	131.88	123.87	121.29	110.32	89.65
Surplus/Deficit	(0.23)	(23.78)	(8.83)	(11.87)	(6.77)
Experience Adjustment on Plan Liabilities	0.78	(6.21)	(16.37)	4.29	2.84
Experience Adjustment on Plan Assets	2.40	6.22	(8.41)	5.23	1.66

Note 36:

The principal business of the Company is sheet metal fabrication and bodybuilding. All other activities of the Company revolve around its main business. Hence, there is only one reportable business segment as defined by Accounting Standard 17 on 'Segment Reporting' (AS 17).

Notes forming part of the financial statements

Note 37:

Disclosures as required by the Accounting Standard 18 (AS - 18) on 'Related Party Disclosures' are given below:

a) Names of related parties and description of relationship:

Sr. No.	Names of Related Party	Nature of Relationship
1	Dr. Kailash Gupta	Key Management Personnel
2	Mr. Ajay Gupta (Up to 26/03/2013)	
3	Mr. Deepak Tiwary (w.e.f. 01/05/2013)	
4	Commercial Auto Centre	Enterprises over which key management personnel and their relatives are able to exercise significant influence
5	Commercial Automobiles Private Limited	
6	Commercial Body Builders	
7	Commercial Motors	
8	Commercial Toyota	
9	Kailash Motors Finance Pvt. Ltd. - Associate (Till 17/07/2013)	
10	Kailash Traders	
11	Commercial Motors Sales Private Limited	
12	Shivam Motors Private Limited	
13	Kailash Vahan Udyog Limited	
14	Tirupati Equipment Pvt. Ltd. - Associate (Till 10/01/2014)	
15	Anubha Engineering Limited	
16	Kailash Infratech Private Limited	
17	Commercial Installments	
18	Shubham Multi Services Private Limited	
19	J.N. Auto Limited (Unit Rekha Engineering)	
20	Jai Narayan Charitable Trust	
21	Kailash Motors	
22	Jashn Beneficiary Trust	
23	Tirupati Services Limited - Associate (Till 14/02/2014)	
24	Hansika Mercantile Private Limited (Up to 26/03/2013)	
25	Commercial Motors (Dehradun) Private Limited	
26	Kailash Motors Private Limited	

Notes forming part of the financial statements

b) Transactions with Related parties

(₹ In Lacs)

Sr. No.	Particulars	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Key Management Personnel	Total
1	Remuneration paid	- (-)	93.83 (131.58)	93.83 (131.58)
2	Purchase of Capital goods	7.92 (8.53)	- (-)	7.92 (8.53)
3	Purchase of Raw Materials	35.45 (424.21)	- (-)	35.45 (424.21)
4	Miscellaneous Income	0.78 (1.03)	- (-)	0.78 (1.03)
5	Sale of raw material	71.20 (184.40)	- (-)	71.20 (184.40)
6	Sale of Finished Goods	900.82 (580.52)	- (-)	900.82 (580.52)
7	Sale of Investment	(-) (-)	62.92 (-)	62.92 (-)
8	Reimbursement of Expenses – paid	5.46 (0.76)	- (-)	5.46 (0.76)
9	Reimbursement of Expenses – received	0.34 (11.41)	- (-)	0.34 (11.41)
10	Advance given against purchases	278.52 (16.54)	- (-)	278.52 (16.54)
11	Advance received back	272.65 (-)	- (-)	272.65 (-)
12	Loan Taken	250.00 (1,030.00)	1,042.00 (150.00)	1,292.00 (1,180.00)
13	Advance Taken against sale of goods	1499.96 (1,521.07)	- -	1499.96 (1,521.07)
14	Repayment of Advance Taken against sale of goods	1,309.18 (1,131.00)	- -	1,309.18 (1,131.00)
15	Repayment of Loan Taken	780.00 (500.00)	- -	780.00 (500.00)
16	Sale of Capital goods	407.01 (10.60)	- -	407.01 (10.60)

Notes forming part of the financial statements

Note :

As at March 31, 2014, Mr. Kailash Gupta has pledged 23,927,050 equity shares (78.03% of promoter's share holding) against various facilities availed by the company during the year.

Previous year's figures are given in bracket.

Out of the above items, transactions with enterprises over which key management personnel and their relatives are able to exercise significant influence and Key Management Personnel in excess of 10% of total related party transactions are as under:

(` In Lacs)

	Transaction	31st March 2014	31st March 2013
1	Sale of Raw Material Kailash Vahan Udyog Ltd Commercial Automobiles Pvt. Ltd. J.N. Auto Limited Shivam Motors Pvt. Ltd.	3.91 0.33 10.17 56.79	2.83 6.90 174.67 -
2	Remuneration Paid Mr. Ajay Gupta Mr. Kailash Gupta Mr. Deepak Tiwary	- 48.00 45.83	79.72 51.86 -
3	Miscellaneous Income Kailash Vahan Udyog Ltd.	0.78	1.03
4	Purchase of Raw Material Commercial Automobiles Pvt. Ltd. J.N. Auto Limited Shivam Motors Pvt. Ltd. Kailash Vahan Udyog Ltd.	1.03 4.10 3.36 26.96	0.02 413.54 1.96 8.69
5	Reimbursement of Expenses – paid Commercial Automobiles Pvt. Ltd. Kailash Vahan Udyog Ltd. Kailash Motors Commercial Body Builders Commercial Motors Sales Pvt. Ltd. J.N. Auto Limited Shivam Motors Pvt. Ltd.	4.18 0.25 0.56 - 0.27 - 0.20	4.36 0.01 0.58 0.60 0.14 5.27 0.46
6	Reimbursement of Expenses – received Kailash Vahan Udyog Ltd. J.N. Auto Limited	0.18 0.16	0.76 -

Notes forming part of the financial statements

7	Advance given against purchases Shivam Motors Private Limited Commercial Automobiles Pvt Ltd J.N. Auto Limited	150.00 10.15 118.37	8.50 0.04 8.00
8	Advance received back Shivam Motors Private Limited Commercial Automobiles Pvt Ltd J.N. Auto Limited	150.00 9.65 113.00	- - -
9	Loan taken Jashn Beneficiary Trust Ajay Gupta Hansika Mercantiles Pvt. Ltd. Kailash Vahan Udyog Ltd. Kailash Gupta	50.00 - - 200.00 1,042.00	530.00 150.00 500.00 - -
10	Repayment of Loan taken Hansika Mercantiles Pvt. Ltd. Kailash Vahan Udyog Ltd. Jashn Beneficiary Trust	- 200.00 580.00	500.00 - -
11	Advance taken against sale of goods Commercial Automobiles Pvt. Ltd. Shivam Motors Pvt. Ltd.	1449.45 50.51	1,411.07 110.00
12	Repayment of advance taken Commercial Automobiles Pvt. Ltd. Shivam Motors Pvt. Ltd.	1,290.62 18.56	1,131.00 -
13	Purchase of capital goods Commercial Automobiles Pvt. L td. Commercial Motors Sales Pvt. Ltd. J.N. Auto Limited	- - 7.92	5.97 0.48 2.08
14	Sale of finished goods Shivam Motors Private Ltd. Commercial Automobiles Pvt. Ltd. Kailash Vahan Udyog Ltd. Commercial Motors Pvt. Ltd.	286.50 608.95 5.13 0.24	58.65 477.40 44.43 -
15	Sale of Capital Goods Commercial Motors Sales Pvt. Ltd. J.N. Auto Limited Shivam Motors Pvt. Ltd.	- 7.01 400.00	10.60 - -
16	Sale of Investment Kailash Gupta	62.92	-

Notes forming part of the financial statements

c) Closing Balances

(₹ In Lacs)

Sr. No.	Particulars	Enterprises over which key management personnel and their relatives are able to exercise significant influence and Associates	Key Management Personnel	Total
1	Receivables	16.08 (8.02)	- (-)	16.08 (8.02)
2	Payables	202.57 (750.78)	- (76.40)	1244.57 (827.18)
3	Loan taken	- -	1042.00 (-)	- -
4	Investments	0.10 (75.78)	- -	0.10 (75.78)
5	Provision for Diminution value of Investments	- (15.75)	- -	- (15.75)

Note: Previous year figures are shown in bracket. Related party relationship and transactions are as identified by the Company and disclosed accordingly.

Note 38:
Foreign Currency Balances
a) Derivatives

Outstanding derivatives:

	31 st March, 2014	31 st March, 2013	31 st March, 2014	31 st March, 2013
	₹ in Lacs		In Foreign Currency	
For ECB Loan Principal only Swap	5589.81	2,957.10	USD 10.8mn	USD 6mn

b) The mark to market gain of outstanding derivative contracts as at the year-end has not been recognised.

c) The year-end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

Notes forming part of the financial statements

Amounts payable in foreign currency on account of the following:

	31 st March, 2014	31 st March, 2013	31 st March, 2014	31 st March, 2013
	₹ in Lacs		In Foreign Currency	
For ECB Loan	-	3,263.36	-	USD 6mn
Interest on ECB Loan	37.78	28.09	USD 0.06mn	USD 0.05mn

d) Exchange Gain/ (Loss) (net) accounted during the year: (₹ In Lacs)

Particulars	31st March 2014	31st March 2013
On conversion of ECB loan liabilities from USD to INR value	9.56	(0.06)
On Restatement at year end	-	(22.76)

Note 39:

The Company during an earlier year had availed External Commercial Borrowing (ECB) of USD 6mn (in ₹ 2957.10 Lacs) for construction of new facility, for the purpose of manufacture of vehicle bodies in Jabalpur and also for the purchase of other capital assets. Construction work of the facility started during previous year and capital expenditure along with the borrowing costs were carried forward under Capital work-in-progress.

The said facility has been fully constructed and capitalized during the previous year. The borrowing costs attributable to the project aggregating ₹ 386.16 Lacs incurred till the date of capitalization has been added to the total value of the facilities capitalized in accordance with AS 16 on 'Borrowing Costs' during the year ended March 31, 2013.

Note 40:

Earnings per Share are calculated as follows: (₹ In Lacs)

Particulars	31st March 2014	31st March 2013
a. Net (loss) / profit available for distribution to equity shareholders	(7043.08)	1850.56
b. Weighted average number of Equity Shares for Basic EPS (In nos.)	54,942,964	54,942,964
c. Weighted average number of Equity Shares for Diluted EPS (In nos.)	54,942,964	54,942,964
d. Nominal value of Equity Share (₹)	10.00	10.00
e. (Loss)/ earnings per share : Basic (in ₹)	(12.82)	3.37
: Diluted (in ₹)	(12.82)	3.37

Notes forming part of the financial statements

Note 41:

Loans and Advances in the nature of Loans due from (in accordance with clause 32 of Listing Agreement) (Refer Note 14 on 'Long term Loans and Advances' and Note 19 on 'Short term Loans and Advances')

(` In Lacs)

Particulars	31st March 2014	31st March 2013
Others (Interest-free loans with no repayment schedule)		
Employees	7.04	34.69
Maximum balance outstanding at any time during the year	49.85	60.61

Note 42:

During an earlier year, the Company had advanced Inter-corporate deposits (ICD) to certain companies aggregating to ` 1,500 Lacs at an interest rate of 21%. Out of these, amounts aggregating to ` 500 Lacs, pertaining to one ICD were received back by the Company during the previous year without interest in the previous year. The other deposits aggregating to ` 1,000 Lacs are still outstanding. Further, no interest has been received from these companies. The Company is following up rigorously for recovery of principle amounts and interest.

Out of abundant caution, the Company, in the previous year had provided for the aforesaid principle amounts of the outstanding ICDs aggregating to ` 1,000 Lacs and had also not accounted for the interest income. The Company continues to pursue this matter with the aforesaid companies and is hopeful of recovering the amounts along with interest. The company will account for the interest income as and when the same is received.

Note 43:

In view of the financial position of the Company and the performance of the Company during the quarter ended June 30, 2013, the shareholders, in the Annual General Meeting of the Company held on September 28, 2013, after discussions, disapproved the proposal of distribution of dividend for the year ended March 31, 2013. Accordingly the proposed dividend of ` 219.78 Lacs (` 0.40 per share) and the dividend distribution tax of ` 37.35 Lacs provided during the year ended March 31, 2013 has been reversed in the books of account. The Company has also informed the Stock Exchanges regarding the same as per Clause 36(7) (VIII) of the Listing Agreement.

Notes forming part of the financial statements

Note 44:

The Company has filed claims for refund of excise duty on sales made to customers which are exported under ARE-1 with Department of Customs and Excise aggregating to ` 259.17 Lacs (Previous Year ` 162.5 Lacs). However, the department has issued orders rejecting the claims aggregating to ` 17.63 Lacs and issued show cause notices for other claims stating that why the claims should not be rejected based on certain technical grounds. The Company has preferred an appeal against the orders passed and is also in the process of replying to the show cause notices. The Company is confident of succeeding in the matter.

Note 45:

The Company has been availing certain fund-based credit facilities from two banks. Due to the general business conditions, the Company has defaulted in payment of dues to these banks. Consequently, the Company has received recall/closure notices from these banks in relation to these facilities. Subsequently, one of the facility has been closed during the year after the Company settled the outstanding dues. The Company is negotiating with the other banks and is hopeful of honoring the dues of the bank as per schedule. The Company has accounted for the overdue and penal interest, wherever applicable.

Note 46:

Due to overall slowdown in the commercial vehicle segment, the Company, during the year received reduced number of orders for commercial vehicles from its' customers. This affected the working capital availability and resulted in the Company reporting a loss for the year.

However, subsequent to the year-end, the market for commercial vehicle segment has revived and currently the Company has sizable orders for commercial vehicles to be executed in the financial year 2014-15. Further, the Company is negotiating with its' bankers for extension and enhancement of credit facilities. Accordingly, the Company expects improvement in its' financial results in the financial year 2014-15.

Note 47:

The figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

Signatures to Notes 1 to 47

In terms of our Report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

For and on behalf of the Board

A.B.Jani
Partner

Kailash Gupta
Managing Director

Ravi Gupta
Director

Deepak Tiwary
Chief Executive Officer

Anurag Misra
Company Secretary

Jabalpur, Dated: May 27, 2014

Jabalpur, Dated: May 27, 2014



COMMERCIAL ENGINEERS AND BODY BUILDERS CO. LTD.

ATTENDANCE SLIP

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 34th Annual General Meeting of the Company at Stock Exchange Auditorium, UP Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003, on 29th day, September 2014 at 3 p.m.

Full Name of the Member (in block letters)

Signature

Folio No. DP ID No.

Client ID No. Applicable for member holding shares in electronic form

Full name of the proxy (in block letters) Signature

COMMERCIAL ENGINEERS AND BODY BUILDERS CO. LTD.

PROXY FORM - MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN: L24231UP1979PLC004837

Name of the Company : Commercial Engineers and Body Builders Co. Ltd.
Regd. Office: 84/105A, G.T. Road, Kanpur Mananagar, Kanpur - 208 003
Uttar Pradesh, India Website: www.cebbco.com

Name of the Member(s):
Registered Address

E-mail:.....DP ID No.....Client ID No.....

I/We being the member(s) of.....Equity Shares of Commercial Engineers and Body Builders Co. Ltd. hereby appoint

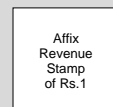
- Name.....
Address.....E-mail.....
Signature.....or failing him/her
- Name.....
Address.....E-mail.....
Signature.....or failing him/her
- Name.....
Address.....E-mail.....
Signature.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on the September 29, 2014 at 3 p.m. at Stock Exchange Auditorium, UP Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003 (U.P.) and at any adjournment thereof, in respect of the resolutions set out in the Notice convening the meeting.

Signed this.....day of.....2014

Signature of Shareholder

Signature of Proxy Holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

Thank You







COMMERCIAL ENGINEERS & BODY BUILDERS CO. LTD.

Corporate Office: 124, Napier Town, Jabalpur - 482 001 Madhya Pradesh India

Tel.: +91 761 408 5924, Fax: +91 761 4037469, www.cebbsco.com

Form A

Format of covering letter of the annual audit report on annual standalone financial statements to be filed with Stock Exchange

Sr no	Particulars	
1	Name of the Company	Commercial Engineers & Body Builders Company Limited
2	Annual Financial Statements for the year ended	March 31, 2014
3	Type of Audit Observation	Unqualified
4	Frequency of observation	Not Applicable
5	<p>To be Signed by</p> <ul style="list-style-type: none">• Shri. Kailash Gupta- Chairman• Shri. Deepak Tiwary–Chief Executive Officer• Shri. Ravi Gupta-Audit Committee Chairman <p>Place: <u>Mumbai</u> Date: <u>August 14, 2014</u></p> <ul style="list-style-type: none">• Auditor of the Company – <p>Refer our Audit Report dated May27, 2014 on the standalone Financial Statements of the Company.</p> <p>For DELOITTE HASKINS & SELLS LLP Chartered Accountants (Firm Registration no. 117365W/W-100018)</p> <p> A B Jani (Partner) (Membership No. 46488) <u>Mumbai</u> Date: <u>August 14, 2014</u></p>	<p>  </p>